



CFMEE 芯碁微装

GLOBAL OFFERING

CIRCUIT FABOLOGY MICROELECTRONICS EQUIPMENT CO., LTD.

合肥芯碁微電子裝備股份有限公司

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

Stock Code : 09630.HK

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

 **CICC 中金公司**

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

 **招銀國際**  **國元國際**

Joint Bookrunner and Joint Lead Manager

 **中銀國際 BOCI**

Joint Lead Manager

 **富途證券**

IMPORTANT

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



CIRCUIT FABOLOGY MICROELECTRONICS EQUIPMENT CO., LTD. 合肥芯基微電子裝備股份有限公司

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

Global Offering

Number of Offer Shares under the Global Offering	: 12,838,650 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 1,283,900 H Shares (subject to reallocation)
Number of International Offer Shares	: 11,554,750 H Shares (including 313,600 Employee Reserved Shares under the Employee Preferential Offering) (subject to reallocation and the Over-allotment Option)
Maximum Offer Price	: HK\$252.73 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: RMB1.00 per H Share
Stock code	: 9630

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



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



Joint Bookrunner and Joint Lead Manager



Joint Lead Manager



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

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

The Offer Price is expected to be determined by agreement between the Overall Coordinator (on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Wednesday, June 24, 2026 (Hong Kong time) and, in any event, not later than 12:00 noon on Wednesday, June 24, 2026 (Hong Kong time). The Offer Price will not be more than HK\$252.73 per Offer Share and is currently expected to be not less than HK\$240.09 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed by 12:00 noon on Wednesday, June 24, 2026 (Hong Kong time) between the Overall Coordinator (on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Overall Coordinator, on behalf of the Underwriters, may, where considered appropriate and with the consent of our Company, reduce the number of Hong Kong Offer Shares and/or the indicative Offer Price range below that is stated in this prospectus (being HK\$240.09 per Offer Share to HK\$252.73 per Offer Share) at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, notices of the reduction in the number of Hong Kong Offer Shares and/or the indicative Offer Price range will be published on the website of our Company at www.cfmee.cn and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. For further details, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

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

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

ATTENTION

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

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.cfmee.cn. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

June 17, 2026

IMPORTANT

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

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

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at www.cfmeecn.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Wednesday, June 17, 2026 to 11:30 a.m. on Tuesday, June 23, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, June 23, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit a HKSCC EIPO application on your behalf through HKSCC’s FINI system in accordance with your instruction.	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant’s stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian .

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

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

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

IMPORTANT

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be for a minimum of 50 Hong Kong Offer Shares and in one of the numbers set out in the table below. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the **HKSCC EIPO** channel, you are required to prefund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
50	12,763.94	900	229,750.90	9,000	2,297,509.03	400,000	102,111,512.82
100	25,527.88	1,000	255,278.78	10,000	2,552,787.82	500,000	127,639,391.03
150	38,291.82	1,500	382,918.18	20,000	5,105,575.63	641,950 ⁽¹⁾	163,876,214.14
200	51,055.76	2,000	510,557.57	30,000	7,658,363.46		
250	63,819.70	2,500	638,196.96	40,000	10,211,151.28		
300	76,583.63	3,000	765,836.35	50,000	12,763,939.10		
350	89,347.58	3,500	893,475.74	60,000	15,316,726.92		
400	102,111.51	4,000	1,021,115.13	70,000	17,869,514.75		
450	114,875.46	4,500	1,148,754.53	80,000	20,422,302.57		
500	127,639.39	5,000	1,276,393.92	90,000	22,975,090.38		
600	153,167.27	6,000	1,531,672.69	100,000	25,527,878.20		
700	178,695.16	7,000	1,786,951.47	200,000	51,055,756.41		
800	204,223.02	8,000	2,042,230.25	300,000	76,583,634.61		

Notes:

- (1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

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

EXPECTED TIMETABLE

If there is any change in the following expected timetable⁽¹⁾ of the Global Offering, we will issue an announcement on the website of our Company at www.cfmeecn and the website of the Stock Exchange at www.hkexnews.hk.

Date⁽¹⁾

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

Latest time for completing electronic applications via
the **HK eIPO White Form** service through
the designated website at www.hkeipo.hk 11:30 a.m. on
Tuesday, June 23, 2026

Application lists of the Hong Kong Public Offering open⁽³⁾ 11:45 a.m. on
Tuesday, June 23, 2026

Latest time for (a) completing payment for **HK eIPO White Form**
applications by effecting internet banking transfer(s) or
PPS payment transfer(s); or (b) giving **electronic application**
instructions to HKSCC⁽⁴⁾ 12:00 noon on
Tuesday, June 23, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to submit **HKSCC EIPO** applications on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists of the Hong Kong Public Offering close⁽³⁾ 12:00 noon on
Tuesday, June 23, 2026

Expected Price Determination Date⁽⁵⁾ at or before 12:00 noon
Wednesday, June 24, 2026

Announcement of:

- the final Offer Price;
- the level of indications of interest in the International Offering;
- the level of applications in the Hong Kong Public Offering; and
- the basis of allocations of the Hong Kong Offer Shares

to be published on the website of our Company
at www.cfmeecn⁽⁶⁾ and the website of
the Stock Exchange at www.hkexnews.hk no later than 11:00 p.m. on
Thursday, June 25, 2026

EXPECTED TIMETABLE

Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through the **HK eIPO White Form** service or **HKSCC EIPO** channel:

- from the "Allotment Results" page at
the designated results of allocations website
at www.tricor.com.hk/ipo/result or
www.hkeipo.hk/IPOResult with
a "search by ID" function from⁽⁷⁾ 11:00 p.m. on
Thursday, June 25, 2026
to 12:00 midnight on
Wednesday, July 1, 2026
- The Stock Exchange's website at www.hkexnews.hk and
our website at www.cfmeecn.com⁽⁶⁾ which will provide links
to the above mentioned websites of
the H Share Registrar. no later than 11:00 p.m. on
Thursday, June 25, 2026
- from the allocation results telephone enquiry line
by calling +852 3691 8488
between 9:00 a.m. and 6:00 p.m. from. Friday, June 26, 2026 to
Thursday, July 2, 2026
on a business day
- For those applying through **HKSCC EIPO** channel, you
may also check with your broker or custodian from. 6:00 p.m. on
Wednesday, June 24, 2026

For applications through the **HK eIPO White Form** service:

H Share certificates to be collected in person at the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for application of 500,000 Hong Kong Offer Shares or more from⁽⁸⁾⁽⁹⁾ 9:00 a.m. to 1:00 p.m. on
Friday, June 26, 2026

- H Share certificates to be sent for application of
less than 500,000 Hong Kong Offer Shares⁽⁸⁾⁽⁹⁾ Thursday, June 25, 2026

For applications through **HKSCC EIPO** channel, H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account.⁽⁸⁾⁽⁹⁾

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before⁽⁸⁾⁽¹⁰⁾ Thursday, June 25, 2026

EXPECTED TIMETABLE

HK eIPO White Form e-Auto Refund payment

instructions/refund check(s) in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application (if applicable) or wholly or partially unsuccessful applications to be despatched⁽¹⁰⁾ Friday, June 26, 2026

Dealings in the H Shares on the Stock Exchange

expected to commence at⁽⁹⁾ 9:00 a.m. on Friday, June 26, 2026

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- (1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.
- (2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions (collectively, “**Severe Weather Signal**”) in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, June 23, 2026, the application lists will not open or close on that day. For further details, please refer to the section headed “How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements” in this prospectus.
- (4) Applicants who apply via **HKSCC EIPO** channel shall contact their broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.
- (5) The Price Determination Date is expected to be on or about Wednesday, June 24, 2026. If, for any reason, the Offer Price is not agreed between the Overall Coordinator (for itself and on behalf of the other Underwriters) and us by 12:00 noon on Wednesday, June 24, 2026, the Global Offering will not proceed and will lapse.
- (6) Neither of the websites nor any of the information contained on the websites forms part of this prospectus.
- (7) The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipor/result.
- (8) H Share certificates will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting — Underwriting Arrangements and Expenses — The Hong Kong Public Offering — Grounds for Termination” in this prospectus has not been exercised. Investors who trade the Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.
- (9) If a Severe Weather Signal in force is hoisted on Thursday, June 25, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the HKSCC Depository’s service counter so that they would be available for trading on Friday, June 26, 2026.
- (10) Refund mechanism for surplus application monies paid by application via **HKSCC EIPO** channel is subject to the arrangement between applicants and their broker or custodian.

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

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

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

EXPECTED TIMETABLE

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

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

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

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

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SUMMARY

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

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

OVERVIEW

We are the largest provider of PCB direct imaging equipment globally, delivering PCB direct imaging equipment and semiconductor direct-writing lithography equipment in the age of AI. We are dedicated to the manufacturing, sales and maintenance of direct imaging and direct-writing lithography equipment to customers worldwide, building on our established capabilities in the R&D of core high-precision micro-nano lithography technologies and in adapting our proprietary technologies to a diverse range of innovative applications. We ranked fourth among global direct-writing lithography equipment suppliers, with a market share of 9.4% by revenue in 2025, according to CIC. As one of the most important subsectors of global direct-writing equipment industry, the global PCB direct imaging equipment industry exhibits a relatively concentrated competitive landscape, with the top five PCB direct imaging equipment suppliers accounted for an aggregate market share of approximately 59.1% in 2025. We are the largest provider of PCB direct imaging equipment globally, with a market share of 18.8% by revenue in 2025, according to CIC. Our closest competitor had a market share of 15.7% by revenue in the same year, and other major competitors also had similar market shares. As of December 31, 2025, we were the only company worldwide with commercialized products covering all of PCB, IC substrate, advanced packaging and mask-making applications, one of only two domestic companies with commercialized products covering advanced packaging application, and one of only three covering mask making application, according to CIC.

OUR PRODUCTS AND SERVICES

We primarily engage in the R&D, production and sales of direct imaging and direct-writing lithography equipment leveraging our micro-nano direct-writing lithography technology. Our main products include (i) PCB direct imaging equipment and automation system; (ii) semiconductor direct-writing lithography equipment and automation system; and (iii) comprehensive after-sales maintenance and support services of the above products. The following table sets forth the details of the sales volume and average selling price (net of tax) of our products by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	Unit	RMB'000/Unit	Unit	RMB'000/Unit	Unit	RMB'000/Unit
PCB direct imaging equipment and Automation System	280	2,106.5	378	2,044.7	475	2,273.5
Semiconductor direct-writing lithography equipment and Automation System	54	3,486.1	27	4,068.3	61	3,826.5
Total/Overall	334	2,329.5	405	2,179.6	536	2,450.3

SUMMARY

OUR STRENGTHS AND STRATEGIES

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future: (i) prominent player in the massive and constantly evolving micro-nano direct-writing lithography market; (ii) competitive micro-nano direct-writing lithography technologies, with key performance indicators at the forefront of international benchmarks; (iii) all-scenario and expanding equipment product portfolio; (iv) leading modular capabilities featuring both standardized and customized production systems; (v) stable and lasting partnership with top customers as a core equipment manufacturer; and (vi) visionary and professional management team with rich industry experience and strong execution capabilities, as well as a creative core science team that drives continuous innovations.

We will continue to pursue the following strategies which will drive further growth: (i) continue to invest in key technologies to maintain technology leadership and drive commercialization of cutting-edge innovations; (ii) deepen collaboration with top-tier customers; (iii) strategically expand our presence overseas, reallocate our resources and build our brand overseas; (iv) achieve sustainable growth through vertical integration and strategic mergers and acquisitions; and (v) attract and retain talent and improve team cohesiveness and creativity.

RESEARCH AND DEVELOPMENT

We are dedicated to technological innovation, which is fundamental to enhancing our core competitiveness, driving sustainable growth, and delivering value to our customers. We have built a talent structure that combines experienced industry experts with young technical specialists, fostering an innovative and collaborative environment. As of December 31, 2025, our R&D team comprised 281 employees, accounting for over one-third of our total workforce.

OUR PRODUCTION

As of the Latest Practicable Date, we had one production base in Hefei, China, comprising Phase I and Phase II. Our Hefei Production Base (Phase I) spanned a GFA of approximately 34,879.8 sq.m. as of December 31, 2025. The Hefei Production Base (Phase I) commenced operations in 2021 and specializes in production of high-end PCB direct imaging equipment, wafer-level packaging direct imaging lithography equipment and FPD equipment. During the Track Record Period, the effective capacity utilization rates of our Hefei Production Base (Phase I) amounted to 89.1%, 96.9% and 100.2% in 2023, 2024 and 2025, respectively. Our Hefei Production Base (Phase II) spanned a GFA of approximately 40,397.9 sq.m. as of December 31, 2025. The Hefei Production Base (Phase II) commenced initial trial operation in September 2025 and specializes in the production of automation system, high-end PCB direct imaging equipment, laser drilling equipment, wafer-level packaging direct imaging lithography equipment and FPD equipment. During the initial trial operation phase, the Hefei Production Base (Phase II) produced 48 automated production lines to support 96 LDI units as of December 31, 2025.

CUSTOMERS, SALES AND MARKETING

During the Track Record Period, our customers were mainly PCB and semiconductor manufacturers, while a small proportion of our customers were distributors. In 2023, 2024 and 2025, the revenue generated from our five largest customers in aggregate accounted for approximately 23.5%, 30.2% and 41.6%, respectively, of our total revenue, with revenue generated from the largest customer contributing to 7.4%, 7.8% and 13.7% of our total revenue in the same years, respectively. See “Business — Customers, Sales And Marketing — Major Customers.” During the Track Record Period, our distributor partnerships were instrumental in accelerating overseas market penetration, with a strategic focus on deepening our international footprint in Southeast Asia while concurrently extending our commercial reach into Japan and South Korea.

SUMMARY

SUPPLY CHAIN MANAGEMENT

The key raw materials we procure include motion stages and assemblies, pattern generators, optical path assemblies, exposure light sources and automated control systems, among others. During the Track Record Period, our major suppliers primarily include manufacturers of motion stages and assemblies, pattern generators, optical path assemblies, exposure light sources and automated control systems. In 2023, 2024 and 2025, purchases from our five largest suppliers in aggregate accounted for approximately 42.6%, 38.9% and 42.2%, respectively, of our total purchases, with the purchases from the largest supplier contributing to 20.4%, 12.7% and 21.2% of our total purchases in the same years, respectively. See “Business — Our Suppliers — Major Suppliers.”

COMPETITION

As one of the most important subsectors of global direct-writing equipment industry, the global PCB direct imaging equipment industry exhibits a relatively concentrated competitive landscape, with the top five PCB direct imaging equipment suppliers accounted for an aggregate market share of approximately 59.1%, according to CIC. We were the world’s largest PCB direct imaging equipment supplier in terms of revenue in 2025, with a market share of 18.8%, according to CIC. See “Industry Overview.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our results of operations for the years indicated:
Year ended December 31,

	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>					
Revenue	828,855	100.0	953,943	100.0	1,408,121	100.0
Cost of sales	(490,046)	(59.1)	(615,211)	(64.5)	(857,163)	(60.9)
Gross profit	338,809	40.9	338,732	35.5	550,958	39.1
Other income and gains, net	56,860	6.9	53,035	5.6	43,987	3.1
Selling and marketing expenses	(44,513)	(5.4)	(49,183)	(5.2)	(63,427)	(4.5)
Administrative expenses	(36,607)	(4.4)	(52,357)	(5.5)	(51,594)	(3.7)
Research and development expenses	(94,541)	(11.4)	(97,697)	(10.2)	(131,234)	(9.3)
Impairment losses on financial assets and contract assets, net	(24,216)	(2.9)	(17,974)	(1.9)	(12,645)	(0.9)
Other expenses	(63)	(0.0)	(3,014)	(0.3)	(6,002)	(0.4)
Finance costs	(698)	(0.1)	(474)	(0.0)	(326)	(0.0)
Profit before tax	195,031	23.5	171,068	17.9	329,717	23.4
Income tax expense	(15,726)	(1.9)	(10,373)	(1.1)	(39,785)	(2.8)
Profit for the year	179,305	21.6	160,695	16.8	289,932	20.6

SUMMARY

The following table sets forth a breakdown of our revenue by business segment both in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except percentages)</i>						
PCB direct imaging equipment and automation systems	589,811	71.2	772,887	81.0	1,079,928	76.7
Semiconductor direct-writing lithography equipment and automation systems	188,247	22.7	109,843	11.5	233,419	16.6
Others						
Equipment maintenance services . .	44,388	5.4	64,010	6.7	84,437	6.0
Rental income	6,142	0.7	6,408	0.7	7,685	0.5
Ancillary material sales	267	0.0	795	0.1	2,652	0.2
Total	828,855	100.0	953,943	100.0	1,408,121	100.0

Chinese Mainland remained our largest geographic market by revenue during the Track Record Period, accounting for 92.7%, 80.3% and 80.5% of our total revenue in 2023, 2024 and 2025, respectively. During the Track Record Period, our overseas revenue was primarily derived from customers in Thailand, Japan, Taiwan China and other overseas markets. During the Track Record Period, direct customer relationships remained our primary revenue channel, accounting for over 95% of our total revenue in each year, while distributorship continued to serve as a supplementary channel with an increased contribution in 2025.

Gross Profit and Gross Profit Margin

We recorded gross profit of RMB338.8 million, RMB338.7 million and RMB551.0 million in 2023, 2024 and 2025, respectively, representing gross profit margin of 40.9%, 35.5% and 39.1%, respectively, during the same years. The decrease in our gross profit margin in 2024 was primarily due to (i) a decrease in the margin of our PCB direct imaging equipment as we offered longer warranty periods for newly launched models to provide customers with greater assurance, which resulted in higher warranty costs; and (ii) inventory write-downs arising from a reduction in the net realizable value of raw materials following technology and product upgrades.

Net Profit

Our net profit decreased from 2023 to 2024 primarily due to inventory write-downs related to product upgrades. Our net profit then increased in 2025, driven by (i) higher sales volume of PCB direct imaging equipment and automation systems, as well as semiconductor direct-writing lithography equipment and automation systems; (ii) improved gross profit margin due to increased sales contribution by overseas sales and semiconductor equipment sales; and (iii) increase in revenue especially in Chinese Mainland driven by stronger demand from domestic customers, supported by increased capital expenditure in AI server-related applications and advanced packaging, continued demand for domestic alternatives, improved delivery capabilities, and repeat purchases from major customers.

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Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Total current assets	2,193,483	2,424,202	2,664,147
Total non-current assets	286,989	364,641	452,509
Total assets	2,480,472	2,788,843	3,116,656
Total current liabilities	379,712	711,218	798,948
Total non-current liabilities	69,070	15,023	9,336
Total liabilities	448,782	726,241	808,284
Net current assets	1,813,771	1,712,984	1,865,199
Total equity	2,031,690	2,062,602	2,308,372

Our net assets increased during the Track Record Period, primarily due to profits generated from our operations, partially offset by dividends declared. Our net current assets decreased in 2024 primarily due to a decrease in financial investments at fair value through profit or loss and an increase in trade and bills payables, partially offset by increases in inventories, trade and bills receivables and cash and cash equivalents. Our net current assets increased in 2025 primarily due to increases in cash and cash equivalents and inventories, partially offset by a decrease in financial investments at fair value through profit or loss and an increase in other payables and accruals.

Summary of Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net cash flows from/(used in) operating activities	(129,426)	(71,550)	91,864
Net cash flows from/(used in) investing activities	(834,163)	267,345	123,233
Net cash flows from/(used in) financing activities	799,219	(140,856)	(16,474)
Net increase/(decrease) in cash and cash equivalents	(164,370)	54,939	198,623
Cash and cash equivalents at the beginning of the year	354,490	189,718	244,883
Effect of foreign exchange rate changes, net	(402)	226	(792)
Cash and cash equivalents at the end of the year	189,718	244,883	442,714

We recorded net cash flows used in operating activities in 2023 and 2024 and net cash flows from operating activities in 2025. Such fluctuations were primarily due to the timing mismatch between our business expansion and cash conversion, reflecting our contractual payment arrangements, including installment payments for certain customers. In 2023 and 2024, business growth and order fulfillment resulted in substantial working capital being tied up in inventories and trade and bills receivables, contributing to net cash flows used in operating activities. In 2025, net cash flows from operating activities were primarily attributable to stronger operating performance and improved working capital management, including tighter credit approval, limits on installment arrangements and enhanced collection efforts, partially offset by higher inventories for strategic stocking, new product launches and shipments pending customer acceptance.

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Liquidity Management

During the Track Record Period, we experienced a cashflow mismatch arising from a prolonged cash conversion cycle, as our inventory turnover days and trade receivables turnover days were generally higher than our trade and bills payables turnover days. Our cash conversion cycle was 346.6 days, 404.4 days and 351.2 days in 2023, 2024 and 2025, respectively, primarily due to our relatively long production, delivery and customer acceptance cycles and customer credit terms generally ranging from six to 12 months, with credit terms of over 20 months granted to certain key customers. To manage our liquidity and improve working capital efficiency, we have implemented measures including optimizing production and inventory management, strengthening customer credit control and receivables collection, enhancing procurement and payables management, and maintaining prudent treasury and cash management. For further details, see “Financial Information — Liquidity Management.”

OFFERING STATISTICS

The statistics in the following table are based on the assumption that (i) the Global Offering has been completed and 12,838,650 H Shares are issued pursuant to the Global Offering; (ii) the Over-allotment Option is not exercised; and (iii) 144,579,366 Shares are issued and outstanding immediately following the completion of the Global Offering.

	Based on Offer Price of HK\$240.09 per H Share	Based on Offer Price of HK\$246.41 per H Share	Based on Offer Price of HK\$252.73 per H Share
Market capitalization of our H Shares ⁽¹⁾	HK\$3,082.43 million	HK\$3,163.57 million	HK\$3,244.71 million
Market capitalization of our Shares ⁽²⁾	HK\$60,510.90 million	HK\$60,592.04 million	HK\$60,673.18 million
Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as of December 31, 2025 ⁽³⁾	HK\$39.01	HK\$39.56	HK\$40.11

Notes:

- (1) The calculation of market capitalization of our H shares is based on 12,838,650 H Shares expected to be issued immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).
- (2) The calculation of market capitalization of our Shares is based on 12,838,650 H shares and 131,740,716 A Shares expected to be in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). The market capitalization of A Shares is calculated based on the average closing price of the A Shares of RMB379.46 per A Share for the five business days immediately preceding the Latest Practicable Date and 131,740,716 A Shares in issue as of the Latest Practicable Date.
- (3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is arrived at after the adjustments referred to in “Appendix II Unaudited Pro Forma Financial Information” and on the basis that 144,579,366 Shares were in issue assuming the Global Offering had been completed on December 31, 2025 and do not take into account (i) any Shares which may be sold and offered upon exercise of the Over-allotment Option or (ii) any Shares which may be issued or repurchased by the Company pursuant to the Company’s general mandates.

FUTURE PLANS AND USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$246.41 per Share (being the mid-point of the indicative Offer Price range of HK\$240.09 and HK\$252.73), we estimate that we will receive net proceeds of approximately HK\$3,073.3 million from the Global Offering. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below: (i) approximately 25% of the net proceeds, or HK\$768.3 million, will be used to strengthen our research and development capabilities,

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which are central to our long-term innovation strategy; (ii) approximately 18% of the net proceeds, or HK\$553.2 million, will be used to expand our overall production capacity; (iii) approximately 27% of the net proceeds, or HK\$829.8 million, will be used for strategic investments and/or acquisitions aimed at strengthening our position across the industry value chain. As of the Latest Practicable Date, we had not identified any acquisition targets; (iv) approximately 20% of the net proceeds, or HK\$614.7 million, will be used to expand our international sales presence and develop our overseas sales and service network; and (v) approximately 10% of the net proceeds, or HK\$307.3 million, will be used for working capital and other general corporate purposes.

RISK FACTORS

Our business and the Global Offering involve certain risks as set out in “Risk Factors.” You should read that section in its entirety carefully before you decide to invest in our H Shares. Some of the major risks we face include: inability to respond to technological advancements, maintain or improve our competitive position, changes in downstream demand, loss of key personnel, damages to our brand image, failure to maintain high quality, shortage of key supplies, and failure to provide quality customer support. See “Risk Factors” for detailed descriptions.

BUSINESS ACTIVITIES WITH CUSTOMERS AND SUPPLIERS SUBJECT TO INTERNATIONAL SANCTIONS

During the Track Record Period, we engaged in limited sales with two PRC customers (the “**Anhui Customer**” and the “**Shenzhen Customer**”) that were “blocked entities” with the same SDN shareholder subject to U.S. sanctions at the time of the relevant transactions. Our sales to the Anhui Customer were approximately RMB2.5 million in 2024 and RMB3.7 million in 2025, representing 0.27% and 0.26% of our revenue respectively. Our sales to the Shenzhen Customer were approximately RMB2.2 million in 2024 and RMB2.1 million in 2025, representing 0.23% and 0.15% of our revenue respectively. We have ceased all transactions with both customers as of March 13, 2026. Our International Trade Legal Adviser has advised that the risk of OFAC imposing secondary sanctions on our Group or any Relevant Person is low, and our exposure to retrospective legal and regulatory liabilities arising from such historical transactions is remote.

We also purchased laser diode coupling components from a PRC supplier designated as an SDN (the “**PRC Supplier**”), paying approximately RMB18.7 million in 2024 and RMB30.1 million in 2025, representing 3.05% and 3.51% of our cost of sales respectively. We placed our last order on August 31, 2025, made our last payment on January 13, 2026 in connection with prior orders, and have satisfied all remaining payables pursuant to existing contractual terms under the relevant PRC legislation. As advised by our International Trade Legal Adviser, our Directors consider our conduct with the PRC Supplier to be “non-egregious,” and the risk of International Sanctions-related retrospective effects arising from such historical transactions low, when assessed against the General Factors in OFAC’s Economic Sanctions Enforcement Guidelines. The maximum possible civil monetary penalty for such transactions is expected to be under US\$1.0 million but in no case exceeding US\$2.4 million, which our Directors believe would not materially and adversely affect our operations or financial condition.

Notwithstanding the foregoing, OFAC conducts enforcement actions on a discretionary basis and may take a different view from our International Trade Legal Adviser’s professional interpretation.

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For details of our business activities with customers and suppliers subject to International Sanctions and our internal control measures to minimize sanctions risk, please refer to “Risk Factors Risks Relating to Our Business and Industry We are subject to risks associated with international trade policies, geopolitics, export control, economic or trade sanctions, and investment restrictions.” and “Business — Trade Restrictions and International Sanctions Exposure — Sanctions”.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Recent Developments

We have maintained stable business operation and development since December 31, 2025. In January and February, 2026, we delivered 65 and 68 units of equipment, respectively. We have continued to maintain stable and in-depth strategic cooperation with our major customers, jointly capturing the growing demand in high-growth sectors such as AI servers. Our WLP2000 wafer-level packaging direct writing lithography equipment has continued to receive repeat orders and shipments from our major customers.

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

We are a public company listed on the Shanghai Stock Exchange and we published our quarterly report on April 30, 2026, containing our unaudited consolidated financial statements as of and for the three months ended March 31, 2026, prepared under PRC GAAP. As a result, we have included our unaudited interim consolidated financial statements in Appendix IA to this prospectus. Our unaudited interim consolidated financial statements have been prepared in accordance with the applicable International Accounting Standard issued by the International Accounting Standard Board and reviewed by our Reporting Accountants in accordance with Hong Kong Standard on Review Engagements 2410. See “Appendix IA — Unaudited Interim Consolidated Financial Information.”

Our revenue increased significantly from RMB242.2 million in the three months ended March 31, 2025 to RMB514.7 million in the three months ended March 31, 2026, primarily attributable to (i) an increase in revenue from our PCB direct imaging equipment and automation systems, driven by higher sales volume and average selling prices and supported by demand from downstream PCB manufacturers serving AI servers and data centers; and (ii) an increase in revenue from our semiconductor direct-writing lithography equipment and automation systems, driven by higher sales volume, reflecting increased customer demand and our ability to fulfill more customer orders following the ramp-up of production capacity. Our cost of sales increased significantly from RMB142.1 million in the three months ended March 31, 2025 to RMB307.5 million in the three months ended March 31, 2026, primarily due to an increase in direct material costs, which was generally in line with the growth in our revenue. As a result of the foregoing, our gross profit increased significantly from RMB100.2 million in the three months ended March 31, 2025 to RMB207.2 million in the three months ended March 31, 2026. Our gross profit margin remained relatively stable at 41.4% in the three months ended March 31, 2025 and 40.3% in the three months ended March 31, 2026. For our discussion of fluctuations of selected line items, see “Financial Information — Recent Development and No Material Adverse Change — Unaudited Financial Information for the Three Months Ended March 31, 2026.”

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No Material Adverse Change

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

DIVIDENDS AND DIVIDEND POLICY

Pursuant to our dividend policy under our Articles of Association, the amount of the dividends distributed in every three years should be at least 30% of our profits for these three years that are available for distribution, subject to certain specified conditions. Save for the general dividend provisions set out in our Articles of Association, we have not adopted any separate formal dividend policy or pre-determined dividend payout ratio. In 2023, 2024 and 2025, we declared dividends of nil, RMB104.8 million and RMB48.6 million in respect of the years ended December 31, 2022, 2023 and 2024, respectively. As of the Latest Practicable Date, we had paid these dividends in full. In April 2025, the Board proposed a dividend of RMB48.6 million with respect to the year ended December 31, 2024, which was approved by the Shareholders in May 2025. As of June 18, 2025, the dividends for the year ended December 31, 2024 have been fully paid to our Shareholders. See “Financial Information — Dividends and Dividend Policy” for more details.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We expect to incur listing expenses of approximately HK\$90.3 million (based on the mid-point of the indicative Offer Price range and assuming the Over-allotment Option is not exercised), which accounts for approximately 2.9% of the gross proceeds from the Global Offering. We estimate the listing expenses to consist of approximately HK\$53.8 million in underwriting fees and approximately HK\$36.5 million in non-underwriting fees (which consist of fees and expenses of legal advisors and our Reporting Accountant of approximately HK\$21.9 million and other fees and expenses of approximately HK\$14.6 million). Among the total listing expenses, approximately HK\$84.3 million will be directly attributable to the issue of our Shares, which will be deducted from equity upon the completion of the Global Offering, and the remaining approximately HK\$5.9 million will be expensed in our consolidated statements of comprehensive income. We did not incur any listing expenses in 2023 and 2024. In 2025, we incurred listing expenses of RMB16.2 million, of which RMB0.6 million was expensed in our consolidated statements of profit or loss.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE

Our Company has been listed on the STAR Market of Shanghai Stock Exchange since April 2021. Our Directors confirmed that, since our listing on the STAR Market of the Shanghai Stock Exchange and up to the Latest Practicable Date, we had no instance of material non-compliance with the rules of the Shanghai Stock Exchange or other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Adviser is of the view that, based on the public searches on the websites of the Shanghai Stock Exchange and CSRC and its Anhui Office, there were no records of material non-compliance of our Company and our subsidiaries with the rules of the Shanghai Stock Exchange or other applicable securities laws and regulations since our listing on the Shanghai Stock Exchange and

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up to the Latest Practicable Date. Based on the independent due diligence conducted by the Sole Sponsor and the view of the PRC Legal Adviser, nothing has come to the Sole Sponsor's attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the STAR Market of Shanghai Stock Exchange.

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, our Controlling Shareholders Group, comprising Ms. Cheng, Yage Venture Capital, He Photolithography and Na Photolithography, collectively controlled approximately 34.13% of our total share capital. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), the Controlling Shareholders Group will control in aggregate approximately 31.10% of our total share capital and will become our Controlling Shareholders Group.

See "Relationship with our Controlling Shareholders Group."

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

“A Share(s)”	ordinary shares issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
“Accountants’ Report”	the accountants’ report of our Company prepared by Ernst & Young, the text of which is set out in Appendix I to this Prospectus
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles” or “Articles of Association”	the articles of association of our Company adopted on August 29, 2025 with effect upon Listing (as amended from time to time), a summary of which is set out in Appendix V to this prospectus
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“BIS”	the Bureau of Industry and Security of the U.S. Department of Commerce
“Board” or “Board of Directors”	the board of Directors of the Company
“Bookrunner”	the bookrunner as named in “Directors and Parties Involved in the Global Offering”
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAC”	the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)
“Capital Market Intermediary(ies)”, “capital market intermediary(ies)” or “CMI(s)”	the capital market intermediaries as named in the section headed “Directors and Parties Involved in the Global Offering”
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

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“China”, “mainland China” or the “PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this prospectus only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“CIC”	China Insights Industry Consultancy Limited, an independent market research and consulting company
“CIC Report”	the industry report prepared by CIC, which we commissioned CIC to prepare on the global direct-writing lithography equipment technology market
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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”	Circuit Fabology Microelectronics Equipment Co., Ltd. (合肥芯碁微電子裝備股份有限公司), a joint stock company with limited liability established in the PRC on June 30, 2015, the A Shares of which have been listed on the Shanghai Stock Exchange (688630.SH)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders Group”	refers to collectively Ms. Cheng, Yage Venture Capital, He Photolithography and Na Photolithography
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“COVID-19”	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“EAR”	United States Export Administration Regulations, 15 C.F.R. Parts. 730-774.
“EIT”	enterprise income tax

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“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“Eligible Employee(s)”	11 employees of the Group selected by the Company, who are also willing to participate in the Employee Preferential Offering and satisfy the following criteria: (a) remain to be an employee of the Group as of the date of this Prospectus; (b) are not a core connected person of the Company; (c) are not any person whose acquisition of securities will be financed directly or indirectly by the Company or a core connected person (other than by himself/herself where he/she is a director, supervisor or chief executive of a subsidiary of the Company); (d) are not any person who is accustomed to take instructions from the Company or a core connected person (other than from himself/herself where he/she is a director, supervisor or chief executive of a subsidiary of the Company, where applicable) in relation to the acquisition, disposal, voting or other disposition of securities of the Company registered in his/her name or otherwise held by him/her; (e) are outside the U.S. and not a U.S. person (as defined in Rule 902 of Regulation S); and (f) will only participate in the Global Offering through the subscription of the Employee Reserved Shares under the Employee Preferential Offering and will not subscribe for the Company’s H Shares in the Global Offering through any other channels
“Employee Preferential Offering”	the preferential offering of the Employee Reserved Shares to the Eligible Employees for subscription at the Offer Price on a preferential basis, as further described in “Structure of the Global Offering” in this Prospectus
“Employee Reserved Shares”	based on maximum Offer Price of HK\$252.73, no more than 313,600 International Offer Shares being offered to Eligible Employees pursuant to the Employee Preferential Offering
“ESG”	Environmental, Social and Corporate Governance
“EU”	the European Union
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

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“FINI”	“Fast Interface for New Issuance”, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all New Listings
“GDP”	gross domestic product
“General Rules of HKSCC”	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
“Global Coordinator”	the global coordinator as named in “Directors and Parties Involved in the Global Offering”
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”, “our Group”, “our”, “we”, or “us”	our Company and its subsidiaries, or any one of them as the context may require, and where the context requires, in respect of the period before our Company became the holding company of any of its present subsidiaries, such present subsidiaries of our Company, the businesses carried on by such subsidiaries and (as the case may be) their predecessors
“Guide”	the Guide for New Listing Applicants published by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Hong Kong Stock Exchange
“H Share Registrar”	Tricor Investor Services Limited
“He Photolithography”	Hefei He Photolithography Enterprise Management Consulting Partnership Enterprise (Limited Partnership) (合肥合光刻企業管理諮詢合夥企業(有限合夥)), a member of our Controlling Shareholders Group
“HK eIPO White Form”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name, submitted online through the designated website at www.hkeipo.hk
“HK eIPO White Form Service Provider”	the HK eIPO White Form Service Provider designated by our Company, as specified on the designated website at www.hkeipo.hk
“HKFRS(s)”	Hong Kong Financial Reporting Standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants

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“HKSCC”	the Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC EIPO”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via Fini to apply for the Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly owned subsidiary of the HKSCC
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the 1,283,900 H Shares being initially offered by us for subscription pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus)
“Hong Kong Public Offering”	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong, on and subject to the terms and conditions described in the section headed “Structure of the Global Offering” in this prospectus
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering as listed in the section headed “Underwriting” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated Tuesday, June 16, 2026 relating to the Hong Kong Public Offering entered into by, among others, the Company and the Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters)

DEFINITIONS

“IASB”	International Accounting Standards Board
“IFRS”	the IFRS Accounting Standards, which as collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the IASB
“IIT Law”	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)
“Independent Third Party(ies)”	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules
“International Offer Shares”	the 11,554,750 H Shares being initially offered by us for subscription under the International Offering (subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus) together with any additional Shares that may be allotted and issued pursuant to the exercise of the Over-allotment Option
“International Offering”	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S, on and subject to the terms and conditions described in the section headed “Structure of the Global Offering” in this prospectus
“International Sanctions”	all applicable laws and regulations, as amended and supplemented from time to time, related to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment-related activities, including those adopted, administered and enforced by the Relevant Jurisdictions
“International Trade Legal Adviser”	Ashurst Tokyo (Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo), our legal adviser as to international trade laws in connection with the Listing
“International Underwriters”	the underwriters of the International Offering listed in the International Underwriting Agreement
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering which is expected to be entered into on or around Wednesday, June 24, 2026 by, among others, the Company and the Overall Coordinator (for itself and on behalf of the International Underwriters)
“Latest Practicable Date”	June 8, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication

DEFINITIONS

“Lead Manager”	the lead manager as named in “Directors and Parties Involved in the Global Offering”
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing committee of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be on or about Friday, June 26, 2026, on which the H Shares are listed and on which dealings in the H Shares are first permitted to commence on the Hong Kong Stock Exchange
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operates in parallel with the GEM of the Hong Kong Stock Exchange
“Measures for the Administration of Equity Incentives of Listed Companies”	Measures for the Administration of Equity Incentives of Listed Companies (上市公司股權激勵管理辦法) published on July 13, 2016 and amended on August 15, 2018 by the CSRC
“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”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Ms. Cheng”	Ms. Cheng Zhuo (程卓), Chairman of our Board and a member of our Controlling Shareholders Group
“Na Photolithography”	Hefei Na Photolithography Enterprise Management Consulting Partnership Enterprise (Limited Partnership) (合肥納光刻企業管理諮詢合夥企業(有限合夥)), a member of our Controlling Shareholders Group
“NAFR”	National Administration of Financial Regulation of the PRC (中華人民共和國國家金融監督管理總局) (which was established on the basis of the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會))
“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)

DEFINITIONS

“Nomination Committee”	the nomination committee of the Board
“OFAC”	the United States Treasury Department’s Office of Foreign Assets Control, the principal U.S. regulator implementing and enforcing U.S. international sanctions programs and policies
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed “Structure of the Global Offering” in this prospectus
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option to be granted by us to the International Underwriters exercisable by the Overall Coordinator (on behalf of the International Underwriters) under the International Underwriting Agreement, to require our Company to allot and issue up to an aggregate of 1,925,750 additional H Shares at the Offer Price, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering to, among others, cover over-allocations in the International Offering, if any; for further details, see “Structure of the Global Offering” in this prospectus
“Overall Coordinator”	the overall coordinator of the listing of the H Shares on the Hong Kong Stock Exchange as named in “Directors and Parties Involved in the Global Offering”
“Overseas Listing Trial Measures” or “Trial Measures”	The Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法)
“PRC GAAP”	Generally accepted accounting principles of the PRC

DEFINITIONS

“PRC Government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
“PRC Legal Adviser”	DeHeng Law Offices, the PRC legal adviser to our Company
“Price Determination Agreement”	the agreement to be entered into between our Company and the Overall Coordinator on behalf of the Underwriters on the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be on or about Wednesday, June 24, 2026 on which the Offer Price is to be fixed by agreement between our Company and the Overall Coordinator (on behalf of the Underwriters)
“Primary Sanctioned Activity”	any activity in a Sanctioned Country or (i) with; or (ii) directly or indirectly benefiting, or involving the property or interests in property of, a Sanctioned Target by a listing applicant incorporated or located in a Relevant Jurisdiction or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law or regulation
“prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Jurisdictions”	the U.S., the EU, the UK, Australia, Japan and the United Nations
“Relevant Persons”	the Sole Sponsor, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager, the Underwriters, the Capital Market Intermediaries, any of their or the Company’s respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAIC”	the 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), currently known as the SAMR

DEFINITIONS

“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“Sanctioned Country”	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions-related laws or regulations of the Relevant Jurisdictions
“Sanctioned Target”	any person or entity (i) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Sanctioned Country; or (iii) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SDN”	individuals and entities that are listed on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC, which sets forth individuals and entities that are subject to its sanctions and restricted from dealings with U.S. persons
“Secondary Sanctionable Activity”	certain activity by a listing applicant that may result in the imposition of sanctions against the Relevant Persons by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though the listing applicant is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus with that Relevant Jurisdiction
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“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 capital of our Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Sole Sponsor”	China International Capital Corporation Hong Kong Securities Limited
“Stabilizing Manager”	China International Capital Corporation Hong Kong Securities Limited
“STAR Market”	the Science and Technology Innovation Board of the Shanghai Stock Exchange (上海證券交易所科創板)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code” or “Hong Kong Takeovers Code”	the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the financial years ended December 31, 2023, 2024 and 2025
“UK”	the United Kingdom
“UN”	the United Nations
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“VAT”	value-added tax
“Xin Qi Hewei”	Xin Qi Hewei (Suzhou) Integrated Circuit Technology Co., Ltd. (芯碁合微(蘇州)集成電路科技有限公司), a PRC company established on July 22, 2020, our wholly-owned subsidiary

DEFINITIONS

“Xin Qi Technology (Thailand)”	Xin Qi Technology (Thailand) Co., Ltd., a Thailand company established on May 21, 2024, our wholly-owned subsidiary
“Yage Venture Capital”	Ningbo Yage Venture Capital Partnership (Limited Partnership) (寧波亞歌創業投資合夥企業(有限合夥)), a member of our Controlling Shareholders Group

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including our subsidiaries) have been included in this prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

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

“2.5D structure”	an advanced packaging technique that combines multiple integrated circuit dies in a single package without stacking them into a three-dimensional integrated circuit with through-silicon vias
“3D structure”	active chips are integrated by die stacking for shortest interconnect and smallest package footprint
“5G”	fifth generation of cellular network technology
“AI”	artificial intelligence
“BOM”	bill of materials
“bumping”	an advanced wafer-level manufacturing process that creates small, raised metal bumps (like solder balls or copper pillars) on the pads of individual semiconductor dies while they are still part of a full wafer
“CAGR”	compound annual growth rate
“cash conversion cycle”	the number of days it takes for a company to convert its investments in inventory and receivables into cash from sales, calculated as inventory days plus receivable days minus payable days
“CO ₂ ”	carbon dioxide (in context, CO ₂ laser drilling)
“CoWoS”	Chip on Wafer on Substrate, an advanced 2.5D packaging technology that integrates multiple chiplets and high-bandwidth memory cubes onto a silicon interposer mounted on a substrate
“CRM”	customer relationship management
“Direct-writing lithography technology”	or specifically referred to as “direct imaging technology” in the context of PCB manufacturing, is a lithographic technique that utilizes digitally controlled light or electron beams to directly transfer patterns onto a substrate without the need for physical masks
“ERP”	enterprise resource planning
“FC BGA”	flip chip-ball grid array
“FC CSP”	flip chip-chip scale package

GLOSSARY OF TECHNICAL TERMS

“FPC”	flexible printed circuit
“FPD”	flat panel display
“GB/T”	Guobiao/Tuijian, recommended Chinese standard
“GFA”	gross floor area
“HDI”	high-density interconnect
“HPC”	high-performance computing
“IC Substrate”	integrated circuit substrate
“IGBT”	insulated-gate bipolar transistor, a three-terminal power semiconductor device primarily forming an electronic switch
“IOT”	internet of things
“IPD”	integrated product development
“LDI”	laser direct imaging
“LD”	laser diode, a semiconductor device similar to a light-emitting diode in which a diode pumped directly with electrical current can create lasing conditions at the diode’s junction
“LED”	light emitting diode
“MEMS”	micro-electro-mechanical systems
“MES”	manufacturing execution system
“OLED”	organic light emitting diode
“PCB”	printed circuit board
“PLP”	panel-level advanced packaging
“QA”	quality assurance
“QC”	quality control
“raster data”	a grid of pixels, with each pixel storing a value (like elevation or temperature), making it ideal for representing continuous phenomena such as satellite images and elevation maps but becoming pixelated when zoomed in
“R&D”	research and development
“RDL”	redistribution layer
“Si”	silicon

GLOSSARY OF TECHNICAL TERMS

“SiC”	silicon carbide
“SOP”	standard operating procedure
“SoW”	system on wafer, an advanced semiconductor packaging technology that integrates various functional chiplets (processors, memory, accelerators) onto a single, full silicon wafer to create a single, large-scale system rather than individual chips
“sq.m.” or “m ² ”	square meter, a unit of area measurement
“TGV”	through glass via
“TSV”	through-silicon via
“vector data”	uses points, lines, and polygons to represent discrete geographic features like roads and buildings, offering high precision and scalability without loss of quality
“WEE”	wafer edge exposure
“WEP”	wafer edge protection
“WLP”	wafer-level packaging

FORWARD-LOOKING STATEMENTS

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

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

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

RISK FACTORS

An investment in our H Shares involves risks. You should carefully consider all of the information in this prospectus, including our consolidated financial statements and related notes, before making an investment in our H Shares.

Our business, financial condition, results of operations and prospects could be materially and adversely affected by any of these risks, some of which are beyond our control. Other risks and uncertainties that we are not currently aware of or that are not disclosed or implied below, or which we do not currently believe to be material, may also be detrimental to our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including those discussed in this section. The trading price of our H Shares may decline due to any of these risks, and you may lose all or part of your investment. This prospectus also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks described below and elsewhere in this prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may be unable to respond promptly to technological advancements or align our technologies with new industry standards, and our investments in innovation may not yield the expected results.

The global direct-writing lithography equipment industry in which we operate is characterized by rapidly changing technologies as well as technological obsolescence. Technological innovation is a cornerstone of our success. During the Track Record Period, we made substantial R&D investments, which we believe are crucial factors for our future growth and prospects. In 2023, 2024 and 2025, our research and development expenses amounted to RMB94.5 million, RMB97.7 million and RMB131.2 million, respectively, accounting for 11.4%, 10.2% and 9.3% of our total revenue in the same years.

We develop and enhance our products based on the micro-nano direct-writing lithography technology. The development of our equipment integrates multidisciplinary technologies spanning precision machinery, ultraviolet optics, computer science, graphics processing, pattern recognition, deep learning, automated control systems, high-speed data processing, and organic chemistry. Such cross-disciplinary integration requires substantial R&D investment, extended development cycles and carries inherent technical risks due to the sophistication of cross-domain integration. Rapid technological change and evolving industry standards in the PCB and semiconductor equipment industries ongoing challenges. If we are unable to respond promptly to technological advancements or align our technologies with evolving industry standards, or if our investments in innovation fail to deliver the expected outcomes, our business operations and competitive position may be materially and adversely affected.

There can be no assurance that our R&D projects will yield the expected results, be completed on schedule or within budget, or that new products will be accepted by customers and achieve anticipated sales or profit. Furthermore, there can be no assurance that our existing or potential competitors will not develop products which are similar or superior to our products or are more competitively priced. In such cases, we may lose market share. Due to uncertainties in the time frame for developing new products and the duration of market windows for these products, we may have to abandon a product that is no longer commercially viable, even after significant investment.

RISK FACTORS

We operate in intensely competitive industries.

We primarily operate in the global direct-writing lithography equipment industry, which are highly competitive. The competitive landscape in such markets is characterized by strong competition among a few internationally renowned companies from regions such as Europe and Japan, who have substantial resources and are highly driven to maintain or grow market share. In recent years, heightened policy support in China has accelerated technological advancements in the China's direct-writing lithography equipment industry and intensified the level of competition. The emergence of Chinese equipment suppliers is drawing increased attention from global incumbents, intensifying market competition. Furthermore, rapid market growth is likely to attract new entrants. Accordingly, we face dual competitive pressures from established international players and emerging domestic competitors.

As a result, such competitive landscape demands our continuous improvement in competitiveness by constantly upgrading and optimizing our technologies, products, production processes, production capacity, and supply chain and pricing, and failure to compete successfully in such aspects may adversely affect our profitability and results of operations. In particular, we rely on our ability to maintain robust cooperative relationships with customers and respond rapidly to customer requirements to maintain mutually-beneficial relationships with our existing and new customers. As we expand our product portfolio, customer base and geographical markets, we will need significant managerial, financial and human resources to exceed our competitors in these aspects. There can be no assurance that we can maintain customer relationships and the pricing competitiveness to secure sales orders or gain market share.

In addition, some of our existing and new competitors may have greater financial, marketing, technical or other resources than us. Greater resources may allow such competitors to respond to changes in market demand more quickly and produce and sell new or more advanced products, as well as better withstand downturns in the markets where we operate. There can be no assurance that we will be able to continue to compete successfully, and our failure to do so could have an adverse effect on our business, financial condition and results of operations.

Our business and financial performance are dependent on demand from downstream customers. Any slowdown in these downstream industries could reduce our customers' need for our products and services.

We primarily provide PCB direct imaging equipment and semiconductor direct-writing lithography equipment for PCB and semiconductor manufacturers. Our financial performance and operating results depend on the overall performance of the various downstream industries where our products are used. These industries and applications include, but are not limited to, server and data storage, automotive electronics, and consumer electronics, which are subject to cyclical fluctuations. Our business is also subject to the policies and performance trends within the global direct-writing lithography equipment industry. If the downstream industries cannot maintain robust growth and its demand for our products, our business and profitability may be adversely affected.

Even if the markets in the downstream industries grow substantially, we cannot assure you that we will be able to pursue these opportunities. If one or more of these markets experience a shift in customer demand, our products may not be able to compete as effectively, if at all.

RISK FACTORS

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

The demand for PCB direct imaging equipment and semiconductor direct-writing lithography equipment is closely linked to technological advancement and the development of downstream sectors such as server and data storage, automotive electronics, and consumer electronics. Any adverse changes in these sectors, such as technological shifts, reduced consumer spending, or changes in industry trends, could negatively impact demand for our products and affect our business, financial condition and results of operations. Furthermore, our operations are significantly influenced by economic, political and social conditions in China and globally. Economic downturns, geopolitical tensions, inflations, and/or changes in monetary policies, in our key markets or our customers' key markets, whether actual or perceived, could change demand by players in the downstream industry value chain, which could materially and adversely affect our financial condition and results of operations.

Difficulties in attracting or retaining these individuals could hinder our innovation and future development.

Our future performance depends on the service and contribution of our management to oversee and execute our business plans and identify and pursue new opportunities and product innovations. Any loss of service of our management can significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and results of operations. From time to time, there may be changes in our management team, resulting from the departure of personnel, which could also disrupt our business. Hiring suitable replacements and integrating them into our existing teams also require a significant amount of time, training and resources, and may affect our existing corporate culture.

Additionally, competition for highly skilled personnel is often intense, and we may incur significant costs to attract and retain highly skilled personnel in our R&D team. We may not be successful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs. In addition, job candidates and existing employees often consider the value of the incentives and awards they receive in connection with their employment. If such incentives or awards decline, it may adversely affect our ability to retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and prospects could be adversely affected.

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

Our success depends on our ability to maintain and enhance our brand image and reputation, whose value depends on factors such as the quality, design, performance, functionality and durability of our products, product innovation and customer experience. Expenses associated with maintaining our brand image can be significant, and we may further incur substantial expenses to establish our brand image in new markets we may enter. However, we cannot assure you that our investments in these areas would be successful, and expenses related to maintaining our brand image and reputation may have an adverse impact on our business, financial condition and results of operations if they do not yield the expected results.

RISK FACTORS

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

As a well-recognized brand, we may also be subject to unfair competition, harassment or other detrimental conduct by third parties, including complaints to regulatory authorities, negative social media postings and the public dissemination of malicious statements related to us. These actions, regardless of their accuracy or source, could harm our reputation, erode consumer confidence, reduce sales, and make it more challenging to attract or retain key personnel. They may also result in increased scrutiny from regulators, higher compliance costs, or legal challenges, and could materially and adversely affect our business, financial condition and results of operations.

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

Our product quality is critical to our success. Our quality management system may not always identify latent product defects, which could lead to failures during installation or use, resulting in safety hazards or operational issues for our customers. The effectiveness of our quality management system depends on a number of factors, including the design of the system, the machineries used, the quality of our staff and related training programs and our ability to ensure that our employees adhere to our quality management policies and guidelines. In the event that the use of end-products that adopt our products results in an unsafe condition or injury as a result of, among other factors, our component failures, manufacturing flaws, design defects or inadequate disclosure of product-related risks or information, it could result in product liability or warranty claims; we could be named as a defendant in such claims, and any insurance that we carry may not be sufficient or it may not apply to all situations. Similarly, our customers could be subjected to claims as a result of such accidents and bring claims against us to hold us accountable. In 2023, 2024 and 2025, we recorded 108, 99 and 72 warranty claims. In 2023, 2024 and 2025, we recorded product warranty provision of approximately RMB11.7 million, RMB40.1 million and RMB46.0 million, representing 1.4%, 4.2% and 3.3% of our revenue for the same years, respectively. In addition, in the event that our products fail to perform as expected or such failure of our products results in a recall, our reputation may be damaged, which could make it more difficult for us to sell our products to existing and prospective customers and could materially and adversely affect our business, results of operations and financial condition.

The scale up in our production to meet increasing demand can put pressure on our quality assurance processes. For example, it may stretch existing resources, including personnel and equipment, beyond their optimal capacity, leading to potential oversights or errors. Bottlenecks may occur as quality assurance processes struggle to handle higher volumes without delays or rushed evaluations. Increased production can also cause accelerated wear and tear on equipment, affecting product quality. Scaling up may involve process changes or new technologies, introducing unforeseen quality issues.

RISK FACTORS

Additionally, sourcing additional materials or components to meet higher demand can result in variability in quality, impacting the final product. These challenges collectively increase the risk of defects or non-compliance with standards.

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

We recorded operating cash outflow in the past.

We have incurred negative cash flows during the Track Record Period. In 2023 and 2024, we incurred negative operating cash flow of RMB129.4 million and RMB71.6 million, respectively. See “Financial Information — Liquidity and Capital Resources — Cash Flow — Net Cash Used in/Generated from Operating Activities.”

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

We are exposed to inventory management risks.

Our inventories primarily consist of raw materials, work in progress, finished goods and goods in transit. As of December 31, 2023, 2024 and 2025, our inventories were RMB308.5 million, RMB577.8 million and RMB771.2 million, respectively, of which finished goods accounted for 5.0%, 16.3% and 14.1%, respectively. Our inventory turnover days for the same years was 227.5 days, 262.9 days and 287.2 days, respectively.

If we fail to manage our inventory effectively, we may be subject to increased inventory storage costs, a heightened risk of inventory obsolescence, a decline in inventory value and significant inventory write-offs. We cannot guarantee that our inventory levels will be able to swiftly meet the demands of customers, which may adversely affect our revenue. We also cannot guarantee that all of our inventory can be sold as products within a reasonable period of time. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply in a timely manner, we may experience inventory shortages, which might result in a diminished customer base and a decrease in revenue, any of which could harm our business, financial condition and results of operations.

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

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We may be exposed to credit risks arising from our trade and bills receivables. Failure to collect our trade and bills receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

Our trade receivables primarily consist of amounts due from customers for sales of goods under various business lines. We generally offer credit terms of six to 12 months, which may be extended to up to 24 months for certain major customers. Our bills receivables primarily consist of bank acceptance bills, commercial acceptance bills. Our bills receivables are generally due within six months from the date of issuance. Our trade and bills receivables, net amounted to RMB849.9 million, RMB1,017.0 million and RMB1,097.1 million as of December 31, 2023, 2024 and 2025, respectively.

In 2023, 2024 and 2025, our trade receivables turnover days was 318.6 days, 361.5 days and 275.2 days, respectively, in line with the industry practice. See “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Trade and Bills Receivables.” We cannot assure you that we will be able to collect all or any of our trade receivables on time, or at all. The occurrence of such events would materially and adversely affect our financial condition and results of operations.

We are subject to risk related to the prolonged cash conversion cycle.

During the Track Record Period, we recorded inventory turnover days of 227.5 days, 262.9 days, and 287.2 days in 2023, 2024 and 2025, respectively. In addition, our trade receivables turnover days remained relatively high at 318.6 days, 361.5 days, and 275.2 days in 2023, 2024 and 2025, respectively. See “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Inventories” and “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Trade and Bills Receivables.” Our trade payable turnover days were 199.5 days, 220.0 days, and 211.2 days in 2023, 2024 and 2025, respectively. During the Track Record Period, our conversion cycle (calculated by adding the trade receivable turnover days and inventory turnover days, then subtracting trade payable turnover days) was 346.6 days, 404.4 days, and 351.2 days in 2023, 2024 and 2025, respectively.

Our measures to improve delivery efficiency, strengthen supply chain management, and enhance receivables collection may not be successful and if our inventory turnover days and our trade receivables turnover days continue to increase or remain relatively high, it may lead to a longer cash conversion cycle, which could further add pressure to our cash flow and working capital. Our financial position, business and results of operations might be adversely and materially impacted.

We are susceptible to supply shortages and long lead time, any of which could disrupt our supply chain, delay deliveries of our products to customers, and adversely affect our results of operations.

Our production process depends on a stable supply chain of high-quality raw materials on a timely basis. The raw materials used in our production of our equipment products include motion stages and assemblies, pattern generators, optical path assemblies, exposure light sources and automated control systems, among others. In 2023, 2024 and 2025, our direct material costs amounted to RMB457.1 million, RMB551.3 million and RMB789.2 million, respectively, accounting for 93.3%, 89.6% and 92.1% of our cost of sales in the same years.

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We may not be able to avoid raw material shortage and there can be no assurance that we will be able to identify all of the quality issues of the raw materials we purchase. In the event that our suppliers fail to cater to our growing demands, we may be unable to meet market demand for our products, which may have an adverse impact on our reputation and profitability. Additionally, factors that are beyond our control, including natural disasters, public health hazards, civil unrest, wars, strikes or trade sanctions or restrictions, may impact the supply and market price of raw materials. For example, since the escalation of trade tensions and the imposition of new tariffs by the United States April 2025, Chinese companies, including us, have generally faced increased risks of supply disruptions or restrictions from US suppliers. Such disruptions or restrictions could materially and adversely affect our ability to procure critical components, thereby impacting our production schedule, delivery capabilities and overall operational performance. Any such factor could disrupt our procurement of raw materials and could have a material adverse effect on our production capacity utilization, which, in turn, will adversely affect our business, financial condition and results of operations.

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 face challenges in recruiting experienced customer support specialists or enhancing our infrastructure to respond to customer requests promptly, which could result in delays in handling returns, exchanges, technical support or maintenance assistance. As technical support and maintenance assistance is complex and case-specific, we may not always be able to adapt our services as our business and product portfolio develop, or keep pace with competitors' technical service updates.

In addition, equipment maintenance services also constitute an important and growing revenue stream for us. A decline in the quality or efficiency of our maintenance services, or failure to meet customer expectations, could directly reduce our revenue from these services and adversely affect our financial condition and results of operations.

Our ability to attract new customers is highly dependent on our business reputation and on 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. Furthermore, as our distributors provide customer service to indirect downstream customers, we may not be able to continuously monitor or control the quality of service they provide. If our distributors fail to meet our standards, our reputation and business may be adversely affected.

If the quality of our products deteriorates, we will incur higher costs associated with returns and exchanges. Changes in return, exchange or warranty policies may also increase our costs or lead to customer dissatisfaction, which could result in the loss of existing customers or failure to acquire new ones, materially and adversely affecting our business and results of operations.

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

To increase our revenue and sustain our growth, we are committed to maintaining existing customers and attracting new customers. The customers we secured through tender and bidding processes primarily comprised state-owned enterprises, large listed companies, and leading manufacturers in the electronics and semiconductor industries. In 2023, 2024 and 2025, we secured 12, 22 and 27 customer orders through tender and bidding processes, respectively, which generated revenue

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of RMB68.2 million, RMB44.0 million and RMB52.4 million, respectively, accounting for 8.2%, 4.6% and 3.7% of our total revenue in the same years. The choice of direct-writing lithography equipment suppliers is influenced by various factors, such as, but not limited to, the quality of their products and services, pricing levels, and the suppliers' operational capabilities. The final outcome of any tender process is determined by the inviting party at its sole discretion, and our ability to secure such contracts may be affected by circumstances beyond our control, including, among others, shifts in overall economic conditions, changes in government policies, and fluctuations in industry supply and demand. There is no assurance that we will continue to achieve a high success rate in obtaining new customer orders in the future as anticipated, at the desired pace, or on terms that are favorable to us.

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

We plan to deepen our international footprint in Southeast Asia while concurrently extending our commercial reach into Japan and South Korea. In 2023, 2024 and 2025, our revenue from sales outside mainland China amounted to RMB60.2 million, RMB188.1 million and RMB274.6 million, respectively, accounting for 7.3%, 19.7% and 19.5% of our total revenue in the same years. Expanding our footprint in overseas markets and growing overseas sales is an important part of our future growth, but these efforts may not be successful. Overseas operations are subject to a number of risks, including but not limited to: foreign exchange control and exchange rate fluctuations; increased costs associated with maintaining the ability to understand the local markets and develop and maintain effective marketing in various countries; difficulties and costs related to providing after-sales services and customer support in these markets; difficulty with staffing and managing overseas operations; failure to develop and implement appropriate risk management and internal control structures tailored to overseas operations; difficulty and cost relating to compliance with different commercial and legal requirements of the overseas markets in which we offer or plan to offer our products; failure to obtain or maintain permits for our products in these markets; inability to obtain, maintain or enforce intellectual property rights; stringent consumer protection and product compliance regulations on our customers' products; unanticipated changes in prevailing economic conditions and regulatory requirements; and trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses.

We are subject to risks associated with international trade policies, geopolitics, export control, economic or trade sanctions, and investment restrictions.

Tariffs and trade restrictions are subject to change in response to diverse economic and political factors. As of the Latest Practicable Date, an aggregate 35.0% tariff applied to our products if imported into the U.S., comprising a 25.0% Section 301 tariff and a 10% tariff under Section 122 of the Trade Act of 1974 (the U.S. President has announced that the latter may increase to 15%). The U.S. has also implemented other tariff policies that may affect the broader semiconductor industry. For details, see "Business — Trade Restrictions and International Sanctions Exposure — Tariffs." These tariffs are not expected to have any direct material adverse impact on our Group, which did not export any products to the United States during the Track Record Period and up to the Latest Practicable Date and has no plans to do so following the Listing. However, the volatility of U.S. tariff policies makes it difficult to predict the impact of future changes in U.S.-China relations on our business.

Our operations overseas may also subject us to International Sanctions risks. We transact with suppliers and customers in various jurisdictions and are therefore subject to relevant export control and sanctions laws, including those of the U.S., the EU, the UK, Australia, Japan and the United Nations. Our International Trade Legal Adviser has advised that our Group has engaged in limited transactions with U.S.-sanctioned PRC counterparties, including a PRC supplier of laser diode coupling components

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(“**PRC Supplier**”), but consider that such activities are unlikely to trigger enforcement risks, including any discretionary designation of our Group or any of the Relevant Persons as a Sanctioned Target, because our Group’s transactions lacked willfulness, unlikely caused harm to U.S. sanctions objectives, were met with immediate and comprehensive remediation, all of which support a reduced enforcement response from OFAC. With regards to our transaction with the PRC Supplier, there is a possibility that OFAC may disagree with such assessment; in which case, the possible enforcement outcomes may range from: (i) a “no action” letter due to lack of egregious or ongoing misconduct and relatively low amount of exposure; (ii) the imposition of administrative action(s) against our Company, including a civil monetary penalty; or (iii) in the worst-case scenario, the designation of our Company as an SDN, which the International Trade Legal Adviser considers to be an exceedingly remote possibility. The International Trade Legal Adviser expects the maximum possible civil monetary penalty for the transactions with the PRC Supplier to be under US\$1.0 million but in no case exceeding US\$2.4 million. Our Directors are of the view that payment of penalties in these ranges would not have any material adverse effect on our operations or financial condition or otherwise materially undermine our ability to continue our operations. However, please note that OFAC considers enforcement, including discretionary “secondary sanctions” designation decisions against non-U.S. persons, on a case-by-case basis and may take a different view from our International Trade Legal Adviser’s assessment. For details, see “Business — Trade Restrictions and International Sanctions Exposure — International Sanctions.”

We may also be affected by laws governing foreign investment. On October 28, 2024, the U.S. Department of the Treasury (the “**Treasury**”) issued a final rule on outbound investment, or the Outbound Investment Security Program (“**OISP**”), which became effective on January 2, 2025. The OISP Investment Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau), collectively defined as “covered foreign persons,” that are engaged in “covered activities” relating to: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. U.S. persons subject to the OISP are prohibited from making, or required to report, certain investments in covered foreign persons, which are defined as “covered transactions.” As advised by our International Trade Legal Adviser, we are a “covered foreign person,” and U.S. person investments in our equity interests are “prohibited transactions.” Specifically, we are engaged in the development and production of equipment for volume advanced packaging. Via our semiconductor direct-writing lithography equipment and automation system, our equipment portfolio supports volume advanced packaging, including of 2.5D and 3D structures, Chip on Wafer on Substrate (CoWoS), and System on Wafer (SoW) advanced manufacturing processes. During the Track Record Period, our advanced packaging business was 2.95%, 4.03% and 2.61% of our Group’s sales volume in the years 2023, 2024 and 2025. This is a “prohibited” covered activity under 31 CFR 850.224(b)(2). Under the OISP, U.S. persons’ purchases of certain publicly traded securities are neither prohibited nor subject to notification to Treasury under an exception that applies to U.S. persons’ purchase of “any publicly traded security, with ‘security’ as defined in the U.S. Exchange Act, denominated in any currency, and that trades on a securities exchange in any jurisdiction” (the “**Publicly Traded Securities Exception**”), provided that such U.S. persons or their non-U.S. person subsidiaries are not afforded rights beyond standard minority shareholder protections with respect to our Company. In addition, pursuant to Treasury guidance on December 23, 2025 (the “**FAQ**”), absent additional facts, when a U.S. person acquires an equity interest in a covered foreign person, and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a “publicly traded security,” regardless of when an agreement is entered into. In cases of doubt (including as to whether “additional facts” that are relevant under the FAQ are present), U.S. persons (and non-U.S. subsidiaries of U.S. persons) that acquire H Shares from us in the Global Offering should consult their legal counsel

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regarding availability of the Publicly Traded Securities Exception. In general, as advised by our International Trade Legal Adviser, U.S. persons are not prohibited from acquiring the Company's shares in the Global Offering under the Publicly Traded Securities Exception under the OISP and should therefore not have a material adverse impact on our operations. Our Offer Shares may only be offered and sold outside the U.S. in an offshore transaction in accordance with Regulation S. The OISP remains subject to further development, and will be amended pursuant to the Comprehensive Outbound Investment National Security Act of 2025 enacted by the U.S. Congress in December 2025. For details, see "Business — Trade Restrictions and International Sanctions Exposure — U.S. Outbound Investment Restrictions."

Expanding our production capacity and other aspects of our business operations require substantial capital investment, and there can be no assurance that we will be able to have enough liquidity to successfully implement our capital expenditure plans.

Our operations depend on the continuous maintenance, upgrades and expansion of production capacity to meet evolving customer demands and market trends. As a supplier of direct-writing lithography equipment, we require significant capital expenditure to ensure the quality, efficiency and competitiveness of our products.

During the Track Record Period, we primarily used cash from operating activities in the maintenance and upgrades of production facilities. During the Track Record Period, our capital expenditures were RMB27.4 million, RMB65.5 million and RMB86.9 million in 2023, 2024 and 2025, respectively. There can be no assurance that we will be able to generate sufficient cash from operations, or at all, to fund our planned capital expenditures. Any delays or failures in securing necessary funding and any unforeseen increases in costs or delays in the implementation of our capital expenditure plans could adversely affect our operations and financial results. Moreover, the development in industries where we operate may require us to make additional, unforeseen investments to remain competitive. If we fail to allocate sufficient resources toward adapting to these technological changes or if our investments do not yield the expected benefits, our market position and profitability may be adversely impacted.

Our ability to expand production capacity and consistently deliver high-quality products is essential to our continued success.

Our growth prospects and future profitability depend on, among other things, our ability to upgrade our production capabilities, expand capacity and deliver high-quality products to meet customer demand. We intend to maintain our competitive advantages by, among others, expanding our production capacity and exploring new business opportunities in the global direct-writing lithography equipment industry. To capture these opportunities, we have begun to expand our existing production facilities as well as establish new production facilities overseas. See "Business — Our Production" and "Future Plans and Use of Proceeds."

To successfully upgrade our production capability and expand production capacity, we need to make cost-effective and efficient upgrade and expansion plans, expand and construct new facilities, maintain and purchase production equipment, and hire and train professionals necessary to operate such facilities or equipment, all of which may be affected by several factors, including the availability of working capital, construction and equipment delivery or installation delays, the implementation of new production processes, reliance on third-party contractors, local laws and regulations and governmental approvals (i.e. relevant operating licenses), and customer demand for our expanded capacity.

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We cannot guarantee that our upgrade or expansion plan, if implemented, will be operationally or financially or supported by sufficient market demand and product margins. If we are unable to implement the upgrade or expansion plan cost-effectively and efficiently, our business and profitability may be adversely affected. Construction of new production facilities or the expansion of existing facilities also requires significant capital investment upfront, and it may take a considerable amount of time before such facilities achieve their expected capacity or breakeven point. Failure to manage our cash flow and financial condition prior to such breakeven point may drain our financial resources and adversely affect our results of operations.

We expect that we will incur substantial additional costs, such as depreciation charges, raw material costs, financial costs and labor costs in relation to the above expansion plans. The integration of future expansion projects into our existing operations may be subject to unforeseeable delays, which may, among other things, increase our integration costs, strain our production capacity at other locations, decrease our production efficiency and cause delays in delivery of customer orders. As many factors affecting our expansion are beyond our control, there is no assurance that we will be able to implement our expansion plans successfully or achieve our business objectives.

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

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

Maintaining a high level of utilization of our production facilities is essential for allocating fixed costs across a greater volume of products. As such, our gross profit margin is largely dependent on our ability to sustain or enhance the utilization rates of our production capacity. In 2023, 2024 and 2025, the effective capacity utilization rates of our Hefei Production Base (Phase I) were 89.1%, 96.9% and 100.2%, respectively. However, various adverse factors, such as excess capacity, equipment malfunction, interruptions in utility availability and quality control deficiencies, could negatively affect our facility utilization.

In the industries in which we operate, there is a risk of overcapacity if demand for direct-writing lithography equipment does not grow as expected. This could exacerbate the challenges of maintaining high utilization rates. Furthermore, the increase in global production capacity, driven by anticipated demand for more direct-writing lithography equipment, may be higher than actual market demand increase. If the industries do not grow as expected, or if our production capacity significantly exceeds this growth trajectory, we may face periods of industry-wide oversupply and the consequent price drop. Further, it can be challenging to adjust production levels swiftly due to capacity expansion projects that were previously planned.

If customer demand declines significantly, parts of our production facilities may become idle. This could lead to obsolescence of our facilities over time. Any downturns resulting from production overcapacity or other market demand factors could materially and adversely affect our business, financial condition and results of operations.

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We are exposed to rising costs of raw materials and key components, which could make our products less competitive and adversely affect our results of operations.

We depend on third-party suppliers to provide a variety of materials necessary for the production of our direct-writing lithography equipment, including motion stages and assemblies, pattern generators, optical path assemblies, exposure light sources and automated control systems, among others. Our production volume and production costs depend on our ability to source key raw materials at competitive prices. 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 and governmental regulations and policies.

Any significant increase in the prices of raw materials or key components could adversely affect our cost structure and gross profit margin. If we are unable to pass on such cost increases to our customers or otherwise mitigate the impact through cost control measures, our profitability, financial performance and results of operations could be materially and adversely affected.

Work stoppages, increases in labor costs and other labor-related matters may adversely affect our business operations.

We have not experienced any material work stoppages, strikes or other major labor problems during the Track Record Period. However, there can be no assurance that any of such events will not arise in the future. If our employees were to engage in a strike or other work stoppage, we could experience significant disruption of our operations and/or higher ongoing labor costs, which may have an adverse effect on our business, financial condition and results of operations.

In addition, labor costs in regions where we operate have been increasing in recent years and could potentially continue to increase, which may further increase our manufacturing costs. Factors contributing to rising labor costs include inflationary pressures, changes in minimum wage laws and increased demand for skilled workers. Additionally, regulatory changes or enhanced employee benefits mandated by law could further exacerbate these costs. The competition for skilled labor in our industry is intense and we may be required to offer more attractive compensation packages to retain and attract qualified personnel. We may not be able to pass on these increased costs to customers by increasing the selling prices of our products in light of competitive pressure in the markets where we operate. In such circumstances, our profit margin may decrease and our financial condition and results of operations may be materially and adversely affected.

Our production processes may be disrupted by operational difficulties or accidents, which could increase our costs and interrupt our operations.

Our production processes are complex, requiring equipment that is periodically modified and upgraded to improve manufacturing yields and product performance, as well as reducing unit manufacturing costs. From time to time, production difficulties may arise that could cause delivery delays or reduced output. There is no guarantee that we will not encounter manufacturing issues in achieving acceptable output or timely product delivery due to factors such as construction delays, challenges in upgrading or modifying existing production lines, building new plants, adapting to new manufacturing technologies or processes or delays in equipment deliveries. Any of these issues could constrain our production capacity and adversely affect our results of operations.

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

We are subject to the risks in relation to our distributors whom we do not have absolute control.

We engaged certain distributors to expand the marketing and sales of our products. During the Track Record Period, our distributor partnerships have been instrumental in accelerating overseas market penetration, with a strategic focus on deepening our international footprint in Southeast Asia while concurrently extending our commercial reach into Japan and South Korea. During the Track Record Period, our distributors were located in Hong Kong, South Korea and Japan. As of December 31, 2023, 2024 and 2025, we had two, three and four distributors, respectively. In 2023, 2024 and 2025, we generated revenue of RMB24.4 million, RMB21.2 million and RMB58.2 million from sales to distributors, respectively, accounting for 2.9%, 2.2% and 4.1% of our revenue in the same years, respectively. We enter into distributorship agreements with our distributors to regulate their conducts in the marketing and sales of our products. However, there can be no assurance that we will be successful in detecting any non-compliant activities by our distributors violating the provision of our distributorship agreements or the applicable laws and regulations in both China and overseas. Specifically, we may be exposed to the risks of misconducts and violations committed by our distributors. Misconducts and violations may occur in the form of unauthorized misrepresentation to our downstream end customers, misappropriation of third-party intellectual property and other proprietary rights and bribery or other unlawful payments during the course of their distribution.

If our oversea distributors' cash flows, working capital, financial condition or results of operations deteriorate, they may be unable, or they may otherwise be unwilling, to make payments owed to us promptly or at all. During the Track Record Period, we did not experience any material defaults or delays in payments from our overseas distributors. However, we cannot assure you that there will not be any defaults or delays in the future. Any substantial defaults or delays could adversely affect our cash flows, and we may terminate our relationships with such distributors in a manner that will impair the effective distribution of our products.

If our distributors are unable to effectively develop new markets or acquire new customers, or if they also sell products from our competitors, our sales and market share may be adversely affected. Our distributors may lack adequate sales networks or sufficient technical knowledge of our products, which could weaken their ability to promote our products to end customers. In addition, if our distributors are unable to meet our strategic objectives or fail to comply with our requirements, our market expansion may be hindered.

We also face challenges in maintaining and growing our distributor network. For instance, if price controls or other factors reduce margins from reselling our products, distributors may terminate agreements. Larger competitors may offer better incentives or strategies, prompting distributors to favor rivals, refuse renewals, or terminate partnerships. While we may terminate underperforming or breaching distributors, finding suitable replacements can be costly and time-consuming, and there is no assurance that we will be able to engage new distributors in a timely manner. Failure to maintain or expand our distributor network could slow our business expansion and adversely affect our sales performance.

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In any such event, we may, as a result, incur liability to our downstream end customers for claims of misconducts committed by such distributor. Any such claim could subject us to litigation and impose a significant strain on our financial resources and divert the management attention, regardless of whether the claims have merit. Additionally, such an event could result in complaints from our downstream end customers and subsequent adverse impact on our business and reputation.

We may be exposed to risks associated with engaging third parties for services in connection with our business, such as logistics and warehousing services and outsourced manufacturing.

During the Track Record Period, we engaged certain third-party service providers for services in connection with our business, such as logistics, warehousing and outsourced manufacturing of non-core production processes. However, the services delivered by third-party providers may not always be timely or meet satisfactory quality standards. For example, delivery delays and poor handling by third-party logistics providers and courier companies, disruptions in the transportation network or interruption in the operation of the third-party warehouse facilities may adversely affect our business, financial condition, results of operations and prospects.

We also engage third-party manufacturers from time to time, which may result in inconsistent quality, delivery delays and reduced control over production. If such partners fail to meet our specifications, timelines or compliance standards, or experience operational disruptions, we may be unable to fulfill orders, which could lead to customer dissatisfaction, reputational harm and loss of business.

If third-party service providers fail to perform, increase prices, reduce services or terminate arrangements, we may incur higher costs to replace them. Their non-compliance with qualifications, our requirements, customer requirements or applicable laws and regulations may also harm our reputation and materially and adversely affect our business, financial condition and results of operations.

We may not be able to adequately protect or enforce our intellectual property rights, including trade secrets, or prevent unauthorized parties from copying or reverse engineering our products and solutions, and defending our intellectual property may involve significant costs.

There can be no assurance that we can prevent third parties from infringing upon our intellectual property rights. Unauthorized use of our intellectual properties, unfair competition, defamation or other violations of our rights by our employees and/or third parties may harm our brand and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business. We may, from time to time, be required to institute litigation, arbitration or other proceedings to enforce our intellectual property rights, which may be time-consuming and expensive to resolve and could divert our management's attention regardless of the outcome, and adversely affect our business, financial condition and results of operations.

It can be difficult to register, maintain and enforce intellectual property rights in the jurisdictions where we operate. Laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently. Preventing any unauthorized use of our intellectual properties is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual properties. Any failure in protecting or enforcing our intellectual property rights may have a material and adverse effect on our business, financial condition and results of operations.

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In addition, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our products and maintain our competitive position. There can be no guarantee that our employees, business partners or third parties will not intentionally or inadvertently make unauthorized use or disclosure of our confidential information, or that our trade secrets will not otherwise be misappropriated. If a competitor gains access to and uses such information, our competitive position may be compromised, and disputes may also arise regarding ownership of related know-how and inventions. Enforcing claims relating to the unlawful acquisition or use of our trade secrets is expensive, time-consuming and unpredictable, and may result in substantial financial and human resource costs.

We may be subject to additional contributions of social insurance premium and housing provident funds, and late payments and fines imposed by relevant governmental authorities.

According to the Social Insurance Law of the PRC and the Administrative Regulations on the Housing Provident Fund of the PRC, we are required to make social insurance premium payments and contributions to housing provident funds for our employees. During the Track Record Period, since some of our employees, for example, prefer their social insurance and housing provident funds to be paid at their respective resident places for convenience of utilizing such benefits locally, we engaged third-party agencies to pay social insurance and housing provident funds for them. In addition, we did not pay social insurance and housing provident fund contributions in full amount for certain employees. Pursuant to the PRC laws and regulations, we may be ordered to pay social insurance premium and housing provident funds for our employees under our own accounts instead of making payments under third-party accounts.

According to the Social Insurance Law of the PRC, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. The shortfall amount of social insurance contributions was estimated to be approximately RMB4.8 million, RMB6.9 million and RMB9.2 million in 2023, 2024 and 2025, respectively, representing approximately 0.6%, 0.7% and 0.7% of our revenue in the same years. In view of the above and based on the estimation of our Directors, the amount of maximum potential penalty due to shortfall of social insurance payments during the Track Record Period would be approximately RMB14.3 million, RMB20.6 million and RMB27.6 million, respectively, representing approximately 1.7%, 2.2% and 2.0% of our revenue in 2023, 2024 and 2025. According to the Regulation on the Administration of Housing Provident Fund, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement. In view of the above and based on our Directors' estimation, if the relevant authority applies to the relevant courts for enforcement, the maximum potential enforcement amount in respect of the shortfall in housing provident fund contributions during the Track Record Period would be approximately RMB0.4 million, RMB0.8 million and nil, respectively. We plan to rectify such non-compliances as soon as practicable and will undertake to fully comply with the relevant laws and regulations, subject to the cooperation of each of our employees to make full contributions of social insurance and housing provident funds if the relevant authorities order

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us to do so. On this basis, the maximum potential penalty/potential enforcement amount would be limited to the shortfall in our social insurance and housing provident fund contributions as above. Any such contribution shortfall, overdue charges, penalties and/or fines and potential enforcement amount, if imposed, would be payable by us and could affect our financial condition and results of operations.

Pursuant to the Interpretation of the Supreme People's Court on the Application of Law in the Trial of Labor Dispute Cases (II) promulgated by the Supreme People's Court on July 31, 2025 and implemented on September 1, 2025, where an employer and a employee agree or a worker undertakes to an employer that there is no need to pay social insurance premiums, the people's court shall determine that such an agreement or undertaking is void. If the employer fails to pay social insurance premiums in accordance with the law, and the employee files a claim for rescission of the labor contract and payment of economic compensation by the employer in accordance with Article 38(3) of the Labor Contract Law, the people's court shall support such a claim in accordance with the law. Under the circumstances specified in the preceding paragraph, if the employer, after making up the social insurance premiums in accordance with the law, claims that the worker shall return the paid compensation for social insurance premiums, the people's court shall support such a claim in accordance with the law.

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

Failure to comply with PRC property-related laws and regulations regarding certain of our owned properties may adversely affect our business.

As of the Latest Practicable Date, certain temporary structures at our production base, including carports with a total area of approximately 370.5 sq.m., representing less than 1.5% of our total GFA, had not obtained property ownership certificates in accordance with PRC laws and regulations. These structures are constructed for auxiliary purposes and, under the relevant local regulations and the responses from the local regulatory authority, are not required to obtain planning permits or property ownership certificates. As advised by our PRC legal adviser, the absence of such certificates does not affect our actual possession or use of the main plant and land, which are free from ownership disputes. As such, we have not been subject to any penalties or fines in this regard, and there is no material risk to our business operations or financial condition. Nevertheless, we cannot assure you that the relevant laws and regulations will not change in the future, or that the authorities will not adopt a different interpretation or enforcement practice.

During the Track Record Period, we had not fully submitted project information to the Anhui Provincial investment project online approval and supervision platform, which may result in the competent authorities ordering us to rectify within a prescribed period or imposing fines. In addition, the Hefei Production Base (Phase II) experienced delayed completion compared to the timeline stipulated in the land transfer contract. If the relevant authorities determine that such delay constitutes a breach of the land grant contract, we may be subject to warnings or payment of liquidated damages. As of the Latest Practicable Date, we had completed all main construction works and obtained final acceptance for the Hefei Production Base (Phase II) project, and had not been subject to any administrative penalties or requests for payment of liquidated damages, nor was there any risk of the land being deemed idle.

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If we are challenged by third parties or government authorities upon any of the circumstances stated above, we may be subject to warnings, rectification orders, fines, demolition requirements, and may be forced to relocate, as the case may be, and, as a result, our results of operations and financial condition may be adversely affected.

We rely on a limited number of customers and suppliers for a substantial portion of our revenue and purchases, and any significant changes in their order levels or supply terms may adversely affect our business.

A majority portion of both our revenue and purchases is concentrated among a limited number of customers and suppliers. In 2023, 2024 and 2025, revenue from our top five customers in aggregate accounted for 23.5%, 30.2% and 41.6% of our total revenue, respectively, while revenue attributable to our largest customer in the same years accounted for 7.4%, 7.8% and 13.7%, respectively. The increase in the revenue contribution from our top five customers during the Track Record Period was primarily driven by (i) increased purchases by certain key customers as they expanded capacity and increased capital expenditure, supported by rising end-market demand such as growth in AI computing power, (ii) the timing of order intake, delivery and customer acceptance for several sizeable projects, which resulted in a higher concentration of revenue recognized in 2025, and (iii) our growing penetration among leading customers in the PCB and semiconductor industries, whose procurement tends to be more concentrated in vendors with proven products and service capabilities. Our Directors are of the view that, and the Sole Sponsor concurs, the revenue contribution from our top five customers is expected to further increase in the near term, as leading customers are continuing to expand capacity and increase production, which is expected to translate into higher procurement demand for our products. During the same years, purchases from our top five suppliers in aggregate accounted for 42.6%, 38.9% and 42.2% of our total purchases, respectively, and purchases from our largest supplier accounted for 20.4%, 12.7% and 21.2%, respectively. Accordingly, we are subject to customer and supplier concentration risks.

We may not be able to maintain long-term relationships or secure stable demand and supply on favorable terms. Our major customers may reduce their order volumes or cease to place orders with us due to changes in their business models, strategies, financial condition, or changes in the global direct-writing lithography equipment industry or macroeconomic environment. Similarly, our major suppliers may experience operational or financial difficulties, or be affected by industry or macroeconomic factors, which could result in supply disruptions, price increases or changes in credit terms. Any adverse changes in our relationships or key commercial arrangements with our major customers or suppliers may cause material fluctuations or declines in our revenue, or disruptions to our production and operations, and may have a material adverse effect on our business, financial condition, results of operations and prospects.

If major customers reduce or cease orders, major suppliers reduce or cease supply, or we cannot secure replacement customers or alternative suppliers on commercially reasonable terms in a timely manner, our business, financial condition, results of operations and prospects could be materially and adversely affected.

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There is uncertainty about the applicability or recoverability of our deferred tax assets, which may affect our financial position in the future.

As of December 31, 2023, 2024 and 2025, we recorded deferred tax assets of RMB24.9 million, RMB26.0 million and RMB28.9 million, respectively. Deferred tax assets are recognized in respect of deductible temporary differences. As those deferred tax assets can only be recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized, management's judgement is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered. See Notes 2.3 and 32 to the Accountants' Report set out in Appendix I for further details on our accounting policy with respect to deferred tax assets and on the movements of our deferred tax assets during the Track Record Period. Since such determination requires significant judgment from our management on the tax treatments of certain transactions as well as assessment on the probability, timing and adequacy of future taxable profits for the deferred tax assets to be recovered, and if such judgments turn out to be imprecise, we may need to adjust our tax provisions accordingly. In addition, if future taxable profits are insufficient to support the recovery of our deferred tax assets, we may be required to reduce or derecognize all or part of such deferred tax asset, which could increase our income tax expense and adversely affect our business, financial condition and results of operations.

Our historical results may not be indicative of our future performance and our results of operations, and we may not be able to manage future growth effectively.

The historical financial information included in this Prospectus is not expected to be indicative of our future financial results. Such financial information is not intended to represent or predict the results of operations of any future periods.

Our future growth is, to a certain extent, based upon our forward-looking assessment of market prospects. We cannot guarantee that our assessment will always turn out to be correct or that we can grow our business as planned. Our expansion plans may be affected by a number of factors beyond our control. Such factors include changes in the general economic conditions and the competitive landscape of the industries where we operate, as well as the relevant regulations and policies and the supply and demand for our products.

Managing our growth will require significant expenditures and allocation of resources, including workforce expansion and training, maintaining key relationships, and continued investment in production expansion projects and R&D. These efforts may strain our operational and internal control systems, and any failure to manage growth efficiently could materially and adversely affect our business, financial condition, results of operations and prospects.

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

Our ordinary operations are exposed to a range of risks, including potential disruptions arising from operational mistakes, power failures, equipment breakdowns or shutdowns; restrictions resulting from environmental or other regulatory compliance; social, political, or labor disturbances; environmental or industrial incidents; as well as catastrophic events such as fires, earthquakes, explosions, floods, or other natural disasters.

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We may also be materially and adversely affected by force majeure events and other issues beyond our control, including wars, terrorist attacks, riots and outbreaks, epidemics or pandemics of contagious diseases, which may restrict business activities in affected areas.

Additionally, our production processes involve inherent safety risks, such as workplace injuries. These hazards may lead to bodily harm or fatalities, as well as damage to assets and equipment, potentially resulting in personal injury claims, business interruptions, or exposure to civil, administrative, or criminal sanctions. Our production facilities, warehouses and information systems may be damaged or disrupted by such events, which could cause interruptions, property damage, production delays, breakdowns or system and internet failures.

Should any of these incidents occur, our operations could be interrupted, leading to significant losses or liabilities. Our insurance coverage for such operational risks may be insufficient or, in some cases, unavailable. If we incur substantial losses or liabilities that are not fully covered by insurance, our business, financial position, and operating results could be materially and adversely impacted.

Any losses or unauthorized access to or unauthorized releases of confidential information and personal data could subject us to significant reputational, financial, legal and operational consequences.

Our operations are in need of the handling and storage of sensitive information, including, but not limited to, personal data relating to our employees. While we have implemented measures to safeguard the confidentiality of such information and to prevent unauthorized access or disclosure of our employees' personal data and other information collected in the ordinary course of our business, these measures may not always prove effective. Confidential information may be exposed as a result of incidents such as theft, misuse due to employee misconduct or negligence, or breaches of security at third-party online platforms that we utilize. Any such events could have a material and adverse impact on our business, reputation, and financial results.

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

We face various risks in connection with our business and may lack adequate insurance coverage or have no relevant insurance coverage. As of the Latest Practicable Date, we obtained and maintained insurance policies that we believe are customary for businesses of our size and type and in line with standard commercial practice in China. See “Business — Insurance.” We cannot guarantee that a product liability claim or other litigation will not be brought against us in the future, or that we will be able to purchase product liability insurance or other related insurance on acceptable terms. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our network infrastructure, production facilities or business operations, or any material litigation, our results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we were held liable for uninsured losses or amounts and claims for insured losses exceeding the limits of our insurance coverage, our business, financial condition, results of operations and prospects may be materially and adversely affected.

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

During the Track Record Period, we benefited from various government grants and preferential tax policies in accordance with applicable regulations. These government grants represent subsidies and other incentives provided by PRC local governments under prevailing supportive policies, primarily for research and development investment and technological upgrades. In 2023, 2024 and 2025, we recorded government grants of RMB28.8 million, RMB14.2 million and RMB9.7 million, respectively. See “Financial Information — Description of Major Components of Our Results of Operations — Other Income and Gains, Net.” In addition, certain subsidiaries of our Company qualified for preferential corporate income tax rates during the Track Record Period. Government grants are recognized only when there is reasonable assurance that the grants will be received and that all relevant conditions will be met. These grants were largely non-recurring and their amounts were determined at the discretion of local government authorities. There is no assurance that we will continue to receive similar government grants or preferential tax treatment in the future. Should we fail to obtain such support going forward, our business, financial condition, and results of operations could be adversely affected.

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

The exchange rate of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, changes in international political and economic conditions, as well as supply and demand in the local market. There is no assurance that, under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. It is difficult to predict how market forces or government policies may impact the exchange rate between Renminbi and the Hong Kong dollar, U.S. dollar or other currencies in the future.

The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of Renminbi against the U.S. dollar, Hong Kong dollar or any other foreign currency may result in a decrease in the value of our net proceeds from the offering. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

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

We may from time to time grow our business through strategic investments, partnerships or acquisitions by ourselves or in collaboration with external parties. However, there can be no assurance that our efforts, or any future acquisitions or investments, will be successful or that we will achieve the anticipated strategic benefits and financial returns from such transactions.

There are various risks associated with our acquisitions and investments, including integration challenges; delayed, reduced or unrealized synergies; adverse changes beyond our control (including in regulations, technology and economic conditions); increased indebtedness and operational constraints;

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exposure to unknown or contingent liabilities that may require significant expenditure; difficulties integrating, motivating and retaining personnel; diversion of management time and resources; and unanticipated impairment of goodwill and other intangible assets.

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

In addition, we may be subject to valuation risks in connection with acquisitions, investments and partnerships. The determination of the fair value of such acquisitions, investments and partnerships, including goodwill and other intangible assets, and the assessment of any subsequent impairment involve significant management judgment, estimates and assumptions, including assumptions regarding the expected growth, profitability and cash flows associated with such acquisitions, investments and partnerships. Such assumptions may prove to be inaccurate, or business, financial, market, regulatory or other conditions may change adversely following a transaction. If such acquisitions, investments and partnerships fail to perform as expected, we may be required to recognize impairment losses in respect of goodwill or other intangible assets, which could materially and adversely affect our financial condition and results of operations.

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

We may face claims of infringement on know-how and intellectual property rights by third parties which, if resolved unfavorably, could result in the loss of rights and the obligation to pay damages.

We may, from time to time, be subject to legal proceedings and claims relating to the intellectual property rights of third parties. For example, we have been involved in patent infringement lawsuits historically. From 2017 to 2018, Advantools (China) Co., Ltd. (合肥芯碩半導體有限公司) (“Advantools”) initiated several patent infringement proceedings against our Company and personnels. All such claims were dismissed by the courts of first instance, and subsequent appeals lodged by Advantools were also dismissed by the appellate court, thereby concluding the cases without any finding of infringement, liability, or penalty against our Company. As of the Latest Practicable Date, we were not involved in any ongoing patent infringement litigation with Advantools or other third parties. There can be no assurance that similar claims will not arise in the future or that any such claims, if brought against us, will be resolved in our favor. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed upon by our products, solutions, services or other aspects of our business without our knowledge. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in the PRC or other jurisdictions. We also face risks related to patents filed by employees during their initial

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employment period. These patents could be subject to claims that the underlying inventions were developed by their previous employers, potentially resulting in disputes, loss of patent rights, or limitations on our use of the related technologies. If any third-party infringement claims are brought against us, we may be forced to divert our management's attention and other resources from our business and operations to defend these claims, regardless of their merits. Additionally, the application and interpretation of the PRC laws relating to intellectual properties, and the procedures and the standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights in the PRC are still evolving, and there can be no assurance that the PRC courts or regulatory authorities would agree with our analysis. If we were found to have violated the intellectual property rights of any third party, we may be subject to liability for our infringing activities or may be prohibited from using such intellectual properties, and we may incur licensing fees or be forced to develop alternatives of our own. In such events, our business, financial condition and results of operations may be materially and adversely affected.

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

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of our business. We cannot assure you that we will not be involved in various legal and other disputes in the future, which may expose us to additional risks and losses. In addition, 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 and may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our business operations. The disruption of our business due to judgment, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees may materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

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

Any future occurrence of force majeure events, natural disasters, wars or outbreaks, epidemics or pandemics of contagious diseases, including COVID-19, monkeypox, avian influenza, severe acute respiratory syndrome, H1N1 influenza or Ebola virus, may materially and adversely affect our business, financial condition and results of operations. Outbreaks, epidemics or pandemics of contagious diseases could result in a widespread health crisis and restrict the level of business activities in affected areas, which may, in turn, materially and adversely affect our business, financial condition and results of operations. Moreover, there have been natural disasters such as earthquakes, floods and droughts in the past few years around the globe. Any future occurrence of severe natural disasters in the PRC or other jurisdictions where we operate may materially and adversely affect regional and global economy and therefore our business.

We are also vulnerable to natural disasters, wars and other calamities because our production facilities, warehouses and information systems are susceptible to damage or disruption from fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks

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or similar events. Any of the foregoing events may give rise to interruptions, damage to our property, delays in production, breakdowns, system failures, technology platform failures or Internet failures, which could materially and adversely affect our business, financial condition and results of operations.

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

Changes to the existing regulatory regime relating to the sectors where we operate our business may restrict our ability to offer products and services and could materially and adversely affect our business, financial condition, and results of operations.

In recent years, the PRC government has, on many occasions, promoted the development of the direct-writing lithography equipment industry. New laws, rules and regulations relevant to our businesses may be introduced in the future, or the current applicable regulations may otherwise be amended or replaced, requiring us to conduct business with additional oversight and regulatory compliance. We may be required to comply with new laws, rules or regulations, or adapt to amendments to existing ones. These changes may necessitate adjustments to our facilities, equipment, personnel or service offerings, which could increase our capital expenditures and operating costs. If we are unable to respond to regulatory changes in a timely or cost-effective manner, our business operations, financial condition and results of operations may be materially and adversely affected.

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

Our business is subject to regulations and standards relating to environmental, safety and occupational health matters where we operate. Under these laws and regulations, we are required to maintain safe production conditions and to protect the occupational health of our employees. However, there can be no assurance that we will not experience any material accidents or worker injuries in the course of our production process in the future.

In addition, our production process produces pollutants such as wastewater, waste gas and industrial solid waste. The discharge of such pollutants from our manufacturing operations into the environment, if in violation of relevant regulations, may give rise to liabilities that may require us to incur costs to remedy such discharge. There can be no assurance that the situations that will give rise to environmental liabilities will be discovered, or that any environmental laws adopted in the future will not affect our operating costs and other expenses. Should stricter environmental protection standards and regulations be imposed in the future, there can be no assurance that we will be able to comply with such new regulations. Any increase in the manufacturing costs resulting from the implementation of additional environmental protection measures and/or failure to comply with new environmental laws or regulations may have a material adverse effect on our business, financial condition or results of operations.

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

The conversion of Renminbi into foreign currencies should be in compliance with relevant laws and regulations. We receive a majority of our revenue in Renminbi, and undertake certain transactions denominated in foreign currencies. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of the SAFE by complying with certain procedural requirements. In particular, under the relevant existing exchange laws and regulations, without prior approval of the SAFE, cash generated from the operations of our PRC subsidiaries may be used to pay dividends to our Company, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have licenses to carry out foreign exchange business. However, the laws, regulations and governmental policies regarding currency conversion are generally complex and evolving. If we cannot obtain sufficient foreign currencies to satisfy our foreign currency demands via the foreign exchange regulation system, we may not be able to pay dividends in foreign currencies to our Shareholders. Foreign exchange transactions under our capital account are subject to the relevant foreign exchange regulations and policies, and may need approval from the SAFE or its local branches. These regulations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

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

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

Although we will be subject to the Listing Rules and the Takeovers Code upon the listing of our Shares on the Stock Exchange, the holders of the Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Takeovers Code do not have the force of law in Hong Kong.

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

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. We are subject to certain uncertainties embedded in the legal systems of some geographic markets where we operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject the enforcement of foreign judgments or arbitral awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims or threats in an attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects.

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

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

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between mainland China and a non-mainland China investor's jurisdiction of residence that provides for a different income tax arrangement, mainland China withholding tax at the rate of 10% is normally applicable to dividends from mainland China sources payable to investors that are non-mainland China resident enterprises that do not have a mainland China establishment or, if they do, where the relevant income is not effectively connected to it. Any gains realized on the transfer of Shares by such investors are subject to a 10% mainland China income tax rate if such gains are regarded as income from sources within mainland China unless a treaty or similar arrangement provides otherwise. Under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation rules, income and gains from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20%, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 by State Taxation Administration (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the STA, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty

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between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides, as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares by Ministry of Finance of the People's Republic of China and State Taxation Administration (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Guo Shui Han [1998] No. 61) (國稅函[1998]61號) issued by the MOF of the PRC and the STA on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

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

RISKS RELATING TO THE GLOBAL OFFERING

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

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

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

Our A Shares are listed on the Shanghai Stock Exchange's STAR Market. Following the Global Offering, our A Shares will continue to be traded on the Shanghai Stock Exchange's STAR Market and our H Shares will be listed on the Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible. With different trading characteristics, the H Share and A Share markets have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

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

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

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

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

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

- our financial performance;
- changes in securities analysts' estimates, if any, of our financial performance;
- the history of, and the prospects for, ourselves and the industry in which we operate;
- an assessment on the prospects for, and timing of, our future revenue and cost;
- reports that independent research analysts may publish, if any;
- the present state of our development;
- the valuation of publicly traded companies that are engaged in business activities;
- general market sentiment regarding the industry we operate in;
- changes in laws and regulations of China;
- our actual or perceived failure to compete effectively in the market; and
- political, economic, financial and social conditions.

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

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Future sales or perceived sales of substantial amounts of our Shares in the public market could have a material adverse effect on the price of our Shares and our ability to raise additional capital in the future.

The market price of our Shares could decline as a result of future sales of a substantial number of our Shares or other securities relating to our Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their shareholdings if we issue additional Shares other than on a pro rata basis to existing Shareholders. New Shares or equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the Shares.

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

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

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

Our Controlling Shareholders Group 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. Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), the Controlling Shareholders Group will be together entitled to control the exercise of approximately 31.10% of the voting rights. The interests of our Controlling Shareholders Group might differ from the interests of our other Shareholders. In the event that our Controlling Shareholders Group cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders Group and our other Shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

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

We protect our Shareholders' interest by ensuring a consistent dividend policy. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of China, the payment of dividends may be subject to

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certain limitations. Moreover, the calculation of our profit under the PRC GAAP may differ in certain respects from the calculation under the IFRS Accounting Standards. As a result, even if we report a profit for the year under IFRS Accounting Standards, we may not have distributable profits as determined by PRC GAAP. Additionally, the declaration, payment and amount of any future dividends are subject to the discretion of our Directors after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at a Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of China. See "Financial Information — Dividend." No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

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

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

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

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

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

This Prospectus, particularly the section headed "Industry Overview" contains information and statistics relating to the global direct-writing lithography equipment industry in China and globally, as well as other economic data. Such information and statistics are derived from official government sources, which had not been independently verified by us, the Sole Sponsor, the Overall Coordinator,

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

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

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

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

The Global Offering is being made solely on the basis of the information and representations contained in this prospectus, which are true and accurate to the best of our knowledge and belief. Any information not contained in this prospectus should not be relied upon in making an investment decision with respect to the securities being offered.

Prior to the publication of this prospectus, there has been coverage in the media regarding us and the Global Offering, which may have contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. Investors should be aware that information and opinions published by third-party sources may have been based on outdated, incomplete, or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media’s coverage of our Company and the Global Offering may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets and the demands of advertisers.

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

APPOINTMENT OF JOINT COMPANY SECRETARIES

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

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

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

We have appointed Ms. WEI Yongzhen (“**Ms. Wei**”), our Secretary to the Board as one of our joint company secretaries (the “**Joint Company Secretaries**”, each a “**Joint Company Secretary**”). As she has extensive experience in information disclosure and corporate governance but presently does not possess any of the qualification required under Rules 3.28 and 8.17 of the Listing Rules, we have appointed Ms. Cheung Hin Kiu (“**Ms. Cheung**”) to provide assistance to Ms. Wei. Ms. Cheung is a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Ms. Wei and Ms. Cheung will be jointly discharging the duties and responsibilities of a company secretary. Ms. Cheung will be assisting Ms. Wei in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Also, Ms. Wei will be assisted by (1) the compliance adviser of our Company for the first full financial year starting from the Listing Date, particularly in relation to Hong Kong corporate governance practice and compliance matters; and (2) the Hong Kong legal adviser of our Company, on matters regarding our Company’s ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Ms. Wei will endeavor to attend relevant trainings and familiarize herself with the Listing Rules and duties required of a company secretary of an issuer listed on the Stock Exchange. We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Wei may be appointed as a Joint Company Secretary of our Company.

Pursuant to Chapter 3.10 of the Guide, the waiver will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions: (1) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a

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Joint Company Secretary throughout the Waiver Period; and (2) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of three years on the condition that Ms. Cheung will work closely with, and provide assistance to, Ms. Wei in the discharge of her duties as a company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations.

Our Company will further ensure that Ms. Wei has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws and regulations and the Listing Rules. Before the end of the three-year period, the Company will demonstrate and seek the Stock Exchange's confirmation that Ms. Wei, having had the benefits of Ms. Cheung's assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of a company secretary so that a further waiver would not be necessary.

For further information regarding the qualifications of Ms. Wei and Ms. Cheung, see "Directors and Senior Management" in this prospectus.

MANAGEMENT PRESENCE IN HONG KONG

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

Since most of the business operations of our Group are managed and conducted outside Hong Kong, and all our Executive Directors ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two Executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing Executive Directors or appointment of additional Executive Directors. Therefore, our Company does not, and does not contemplate in the foreseeable future that we will, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

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

- (a) **Authorized representatives:** we have appointed Ms. Wei Yongzhen and Ms. Cheung Hin Kiu as the authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. Accordingly, the 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

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period of time. We will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives. For more information about our Authorized Representatives, see “Directors and Senior Management” in this prospectus;

- (b) **Directors:** each of our Authorized Representatives has means to contact all members of our Board (including our Independent Non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of our Board for any matters. In the event that any Director expects to travel or otherwise be out of office, he/she will provide a contactable phone number of him/her to the Authorized Representatives. Pursuant to Rule 3.20 of the Listing Rules, each of our Directors shall provide their telephone number, mobile phone number, facsimile number (if available), email address (if available), residential address and correspondence address to the Stock Exchange. To the best of our knowledge and information, each Director who does not ordinarily reside 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 of the Stock Exchange; and
- (c) **Compliance adviser:** we have appointed Rainbow Capital (HK) Limited as our compliance adviser (the “**Compliance Adviser**”) upon Listing pursuant to Rules 3A.19 and 19A.05 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. The Compliance Adviser will have access at all times to our Authorized Representatives, the Directors and other senior management and can act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of the Compliance Adviser have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Adviser;

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

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of a listing applicant may only subscribe for or purchase any securities for which listing is sought that are being marketed by or on behalf of a listing applicant either in his/her/its own name or through nominees if the conditions in Rule 10.03 of the Listing Rules are fulfilled, namely that (i) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules is achieved. Paragraph 1C(2) of Appendix F1 to the Listing Rules states that, without the prior written consent of the Stock Exchange, no allocations will be permitted to be made to directors or existing shareholders of a listing applicant or their close associates, unless the conditions set out in Rules 10.03 and 10.04 are fulfilled.

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

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Prior to the Listing, our share capital comprises entirely A Shares listed on the STAR Market of Shanghai Stock Exchange (stock code: 688630). As a company listed on Shanghai Stock Exchange with its A Shares publicly traded thereon and with a large public A Shares shareholder base, it would be unduly burdensome for us to seek the prior consent of the Stock Exchange for each of our minority existing Shareholders or their close associates who subscribe for the H Shares in the Global Offering.

As disclosed in the section headed “Structure of the Global Offering — The International Offering — Employee Preferential Offering” in this prospectus, certain Offer Shares initially available for subscription under the International Offering, are available for subscription as Employee Reserved Shares by the Eligible Employees on a preferential basis under the Employee Preferential Offering according to Rule 10.01 of the Listing Rules. To the best knowledge of the Company upon due and careful enquiry, certain of the Eligible Employees (the “**Existing Shareholder Employee Participants**”) held A Shares as of the Latest Practicable Date, and may continue to hold A Shares of the Company prior to the completion of the Global Offering. The Eligible Employees have been selected by the Company by taking into consideration, among others, their respective seniority, current position as well as contribution made to the Group, and the Company does not take into regard whether its employee is an existing Shareholder or not when determining the list of Eligible Employees. In addition, none of the Existing Shareholder Employee Participants (i) is a core connected person of the Company or their close associate; or (ii) holds more than 5% voting rights in the Company prior to the completion of the Global Offering. Accordingly, such Existing Shareholder Employee Participants would not be able to exert any influence on the allocation process in the Employee Preferential Offering. Furthermore, there is no preferential treatment to Existing Shareholder Employee Participants compared to the other Eligible Employees.

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

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

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- (e) to the best knowledge and belief of our Company and the Sole Sponsor, and based on discussions between our Company and the Overall Coordinator and confirmations required to be submitted to the Stock Exchange by the Sole Sponsor, we will confirm to the Stock Exchange that no preferential treatment will be given to the Permitted Existing Shareholders and/or their close associates in the allocation process by virtue of their relationship with our Company;
- (f) the Sole Sponsor, the Company and the Overall Coordinator will confirm to the Stock Exchange in writing that the cornerstone investment agreement, where applicable, does not contain any material term which is more favorable to the Permitted Existing Shareholder or their close associates than those in other cornerstone investment agreements in accordance with Chapter 4.15 of the Guide;
- (g) in the case of participation as placees, the Overall Coordinator will confirm to the Stock Exchange that, to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to any of the Permitted Existing Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the International Offering; and
- (h) the Sole Sponsor will confirm to the Stock Exchange that based on (i) its discussions with our Company and the Overall Coordinator; and (ii) the confirmations provided to the Stock Exchange by our Company and the Overall Coordinator, and to the best of their knowledge and belief, they have no reason to believe that the Permitted Existing Shareholders and/or their close associates received any preferential treatment in the allocation process as placees by virtue of their relationship with our Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide, and details of the allocation to the Permitted Existing Shareholders holding more than 1% of the issued share capital of the Company immediately prior to the completion of the Global Offering will be disclosed in this prospectus and/or the allotment results announcement, as the case may be.

CONSENT IN RESPECT OF ALLOCATIONS TO CONNECTED CLIENT UNDER THE EMPLOYEE PREFERENTIAL OFFERING

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

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

China International Capital Corporation Hong Kong Securities Limited (“**CICCHKS**”) is a Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinator, Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Underwriter in connection with the Global Offering. As further described in the section headed “Structure of the Global Offering The International Offering Employee Preferential Offering” in the Prospectus, CICC Financial Trading Limited (“**CICC FT**”) and China International Capital Corporation Limited have entered into a series of cross-border delta-one OTC

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swap transactions with each other and with the privately-offered investment fund subscribed by the Eligible Employees (“**OTC Swaps**”) and CICC FT as a placee subscribing for the Offer Shares to hedge the OTC Swaps. CICC FT and CICCHKS, the Sole Sponsor, Overall Coordinator and Underwriter of the Global Offering, are members of the same group of companies. Accordingly, CICC FT is a connected client of CICCHKS for the purpose of paragraph 1C(1) of Appendix F1 to the Listing Rules.

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

- (a) any Offer Shares to be allocated to CICC FT will be held on behalf of the privately-offered investment fund subscribed by the Eligible Employees. Each of the Eligible Employees is an independent third party;
- (b) no preferential treatment has been, nor will be, given to CICC FT by virtue of their relationship with CICCHKS in any allocation of Offer Shares in the International Offering other than the assured entitlement under the Employment Preferential Offering;
- (c) each of the Company, the Overall Coordinators, CICC FT and CICCHKS has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and
- (d) the total number of the Employee Reserved Shares subscribed by the Eligible Employees will be disclosed in the allotment results announcement of the Company.

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

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

Paragraph 13(7) of the Appendix F1 to the Listing Rules states that “connected client” in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

CICC FT has entered into a cornerstone investment agreement with, among others, CICCHKS. CICC FT and China International Capital Corporation Limited will enter into a series of cross border delta-one OTC swap transactions (the “**Greenwoods OTC Swaps**”) with each other and the ultimate clients (the “**CICC FT Ultimate Clients (Greenwoods)**”), pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to hedge the Greenwoods OTC Swaps, while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Greenwoods). CICC FT and CICCHKS, one of the Joint Sponsors, Overall Coordinators and Underwriters of the Global Offering, are members of the same group of companies. Accordingly, CICC FT is a connected client of CICCHKS.

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We have applied for, and the Stock Exchange has granted, a consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit CICC FT (in connection with Greenwoods OTC Swaps) (the “**Connected Client Cornerstone Investor**”) to participate in the Global Offering as a cornerstone investor on the following basis and conditions as set out in Paragraph 5 of Chapter 4.15 of the Guide for New Listing Applicants:

- (a) any Offer Shares to be allocated to the Connected Client Cornerstone Investor will be held on behalf of independent third parties;
- (b) the cornerstone investment agreement of the Connected Client Cornerstone Investor does not contain any material terms which are more favorable to them (as the case may be) than those in other cornerstone investment agreements;
- (c) no preferential treatment has been, nor will be, given to CICC FT by virtue of their relationship with CICCHKS, respectively, in any allocation of Offer Shares in the International Offering other than the assured entitlement under the relevant cornerstone investment agreement;
- (d) CICC FT confirms that to the best of its knowledge and belief, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a cornerstone investor by virtue of its relationship with CICCHKS, other than the assured entitlement under the relevant cornerstone investment agreement;
- (e) each of the Company, the Overall Coordinators, the Connected Client Cornerstone Investor has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and
- (f) details of the cornerstone investment and details of the allocations will be disclosed in this prospectus and the allotment results announcement.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

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

THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 1,283,900 Offer Shares and the International Offering of initially 11,554,750 Offer Shares (subject to, in each case, reallocation on the basis referred to in “Structure of the Global Offering” in this prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option).

The listing of our H Shares on the Stock Exchange is sponsored by the Sole Sponsor and the Global Offering is managed by the Overall Coordinator. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, subject to us and the Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around Wednesday, June 24, 2026. For further information regarding the Underwriters and the Underwriting Agreements, see “Underwriting” in this prospectus.

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

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

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

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

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

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

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

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Friday, June 26, 2026. Save as otherwise disclosed in this prospectus, no part of our Shares or loan capital is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date.

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

CSRC FILING

According to the Overseas Listing Trial Measures, we are required to complete the filing procedures with the CSRC in connection with the proposed Listing. We have submitted a filing to the CSRC for application for the Listing and the CSRC issued a notification on our Company's completion of such filing on February 6, 2026.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangements as such arrangements may affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

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

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

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

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

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

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Sole Sponsor, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, partners, agents, advisers or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

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

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB6.81980 to US\$1.00, (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.87048 to HK\$1.00, and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK\$7.83453 to US\$1.00, being the PBOC rates prevailing on the Latest Practicable Date.

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

LANGUAGE

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

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed in any table, chart or elsewhere in this prospectus are due to rounding.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Executive Directors

Name	Address	Nationality
Ms. Cheng Zhuo (程卓女士)	Room 302, Building 123 Amber Villa East No. 6 Changjiang West Road Shushan District, Hefei Anhui Province PRC	Chinese
Mr. Fang Lin (方林先生)	Room 3402, Building 8 No. 1988, Yungu Road Binhu New District, Hefei Anhui Province PRC	Chinese
Ms. Wei Yongzhen (魏永珍女士)	Room 101, Building 41 Languang Yongjin Peninsula Intersection of Changning Avenue and Caihong Road High-tech Zone, Hefei Anhui Province PRC	Chinese

Non-executive Directors

Name	Address	Nationality
Mr. Zhao Lingyun (趙凌雲先生)	Room 2101, Building 59 Languang Yongjin Peninsula Intersection of Changning Avenue and Caihong Road High-tech Zone, Hefei Anhui Province PRC	Chinese
Mr. Zhou Chijun (周馳軍先生)	Room 102, Building 7 Phase II, Wanzhen Xiaoyaoyuan Ma'anshan Road, Hefei Anhui Province PRC	Chinese
Mr. Liu Feng (劉鋒先生)	Room 203, No. 83 Lane 100, Deping Road Pudong New District, Shanghai PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Independent Non-executive Directors

Name	Address	Nationality
Ms. Zhou Yana (周亞娜女士)	No. 804, Building 20 Dafuhong Academy, Sanli'an Street Shushan District, Hefei Anhui Province PRC	Chinese
Mr. Zhong Qi (鍾琪先生)	Room 2502, Building 2 Phase II, Keda Garden Baohe District, Hefei Anhui Province PRC	Chinese
Mr. Wong Lok Tak (王樂得先生)	No. 201, Yellowfish Beach Tai Po, New Territories Hong Kong	Chinese (Hong Kong)

For further details, see “Directors and Senior Management” in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinator, Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Capital Market Intermediary	China International Capital Corporation Hong Kong Securities Limited 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Capital Market Intermediaries	CMB International Capital Limited 45/F, Champion Tower, 3 Garden Road, Central, Hong Kong Guoyuan Securities Brokerage (Hong Kong) Limited 17th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong
Joint Bookrunner and Joint Lead Manager	BOCI Asia Limited 26/F Bank of China Tower, 1 Garden Road, Central, Hong Kong
Joint Lead Manager	Futu Securities International (Hong Kong) Limited 34/F, United Centre No. 95 Queensway, Admiralty, Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal Advisers to our Company

As to Hong Kong and U.S. laws:

Clifford Chance

27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC laws:

DeHeng Law Offices

23/F, Sinar Mas Plaza
501 East Daming Road
Hongkou District, Shanghai
PRC

As to international trade laws:

**Ashurst Tokyo (Ashurst Horitsu Jimusho
Gaikokuho Kyodo Jigyo)**

30/F, Shiroyama Trust Tower
4-3-1 Toranomom
Minato-ku, Tokyo
Japan

Legal Advisers to the Sole Sponsor and the Underwriter

As to Hong Kong and U.S. laws:

DLA Piper

25/F, Three Exchange Square
8 Connaught Place
Central, Hong Kong

As to PRC laws:

Commerce & Finance Law Offices

12/F–15/F
China World Office 2
No. 1 Jian Guo Men Wai Avenue
Chaoyang District
Beijing
PRC

Auditor and Reporting Accountant

Ernst & Young

*Certified Public Accountants and
Registered Public Interest
Entity Auditor under the
Accounting and Financial
Reporting Council Ordinance*
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Industry Consultant**China Insights Industry Consultancy Limited**

10/F, Block B
Jing'an International Center
88 Puji Road
Jing'an District
Shanghai, PRC

Compliance Adviser**Rainbow Capital (HK) Limited**

Office No. 710, 7/F
Wing On House
71 Des Voeux Road Central
Central
Hong Kong

Receiving Bank**CMB Wing Lung Bank Limited**

45 Des Voeux Road Central
Hong Kong

CORPORATE INFORMATION

Registered Office in the PRC

Building 1
No. 789, Changning Avenue
Hefei High-tech Zone, Hefei
Anhui Province
PRC

Principal Place of Business in the PRC

Building 1
No. 789, Changning Avenue
Hefei High-tech Zone, Hefei
Anhui Province
PRC

**Principal Place of Business in
Hong Kong**

Room 1915, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Company's Website

www.cfmee.cn
*(The information contained in this website does not
form part of this prospectus)*

Joint Company Secretaries

Ms. WEI Yongzhen
Building 1
No. 789, Changning Avenue
Hefei High-tech Zone, Hefei
Anhui Province
PRC

Ms. CHEUNG Hin Kiu
Room 1915, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Authorized Representatives

Ms. WEI Yongzhen
Building 1
No. 789, Changning Avenue
Hefei High-tech Zone, Hefei
Anhui Province
PRC

Ms. CHEUNG Hin Kiu
Room 1915, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

CORPORATE INFORMATION

Audit Committee	Ms. Zhou Yana (<i>Chairman</i>) Mr. Wong Lok Tak Mr. Zhao Lingyun
Nomination Committee	Mr. Zhong Qi (<i>Chairman</i>) Ms. Zhou Yana Mr. Zhou Chijun
Remuneration and Appraisal Committee	Mr. Wong Lok Tak (<i>Chairman</i>) Mr. Zhong Qi Mr. Fang Lin
Strategy Committee	Ms. Cheng Zhuo (<i>Chairman</i>) Mr. Zhong Qi Mr. Zhao Lingyun
H Share Registrar	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Bank(s)	China Everbright Bank Hefei Changjiang West Road Branch 1st Floor, Tuoji City Plaza No. 687, Changjiang West Road Shushan District, Hefei Anhui Province, PRC China Construction Bank Hefei Government Affairs and Culture New District Branch 1st Floor, Huahuashi Street Shushan District, Hefei Anhui Province, PRC Bank of China Hefei High-tech Industrial Development Zone Branch No. 6, Haiguan Road Shushan District, Hefei Anhui Province, PRC China Merchants Bank Hefei Branch Business Department No. 169, Funan Road, Hefei Anhui Province, PRC

INDUSTRY OVERVIEW

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

OVERVIEW OF DIRECT-WRITING LITHOGRAPHY TECHNOLOGY

Overview of Lithography Technology

Micro-nano manufacturing refers to the cutting-edge manufacturing technology that involves precision fabrication of materials, structures, or devices at the micrometer or nanometer scale. Lithography technology is one of the core micro-nano manufacturing technologies that uses light or other energy sources to transfer the predefined micro-nano patterns to the substrate through exposure process, enabling the creation of complicated micro-nano structures for various applications. Lithography technology can be categorized into mask lithography technology and direct-writing lithography technology based on whether the physical mask is used. Mask lithography relies on physical masks, utilizing a beam to pass through the physical mask to achieve a projection exposure process whereas the direct-writing lithography, which is also known as digital mask lithography or maskless lithography in industry practice, does not require a physical mask but uses the beam to focus directly on the substrate to achieve the exposure process.

Comparative Analysis of Mask Lithography Technology and Direct-Writing Lithography Technology

	Direct-Writing Lithography Technology	Mask Lithography Technology
Lithography mechanism	<ul style="list-style-type: none"> Does not require a physical mask, using a beam to focus directly on the substrate to achieve the exposure process, with the beam being adjusted in real-time by the computer 	<ul style="list-style-type: none"> Relies on physical masks, utilizing a beam to pass through the physical mask to achieve a projection exposure process
Mass production line widths	<ul style="list-style-type: none"> Micrometer and submicrometer level, primarily spans from 50μm to 100nm 	<ul style="list-style-type: none"> Nanometer level, primarily spans from 0.5μm to 2nm
Downstream applications	<ul style="list-style-type: none"> PCB manufacturing, advanced packaging, IC substrate manufacturing, mask making and FPD panel manufacturing etc. 	<ul style="list-style-type: none"> Primarily applied in the manufacturing of IC (Integrated circuit) products
Lithography equipment Cost	<ul style="list-style-type: none"> Price primarily ranges from RMB2.0 million to RMB80.0 million, depends on the precision requirements and technical complexity 	<ul style="list-style-type: none"> Price primarily ranges from RMB50.0 million to RMB3.0 billion, depends on the precision requirements and technical complexity
Market size of lithography equipment	<ul style="list-style-type: none"> Projected to increase from approximately RMB14.0 billion in 2025 to RMB24.6 billion in 2030, with a CAGR of 11.9% 	<ul style="list-style-type: none"> Projected to increase from approximately RMB211.7 billion in 2025 to RMB295.9 billion in 2030, with a CAGR of 6.9%

INDUSTRY OVERVIEW

Value Creation of Direct-Writing Lithography Technology

The technological features of direct-writing lithography provide unique advantages for its industrialization and generate value for associated downstream sectors:

- **Strong Compatibility:** Direct-writing lithography breaks through the limitations of substrate materials types and shapes. The beam can be controlled and adjusted in real time by software algorithms. Therefore, direct-writing lithography can be adapted to a variety of substrate materials, such as silicon, glass, metal, ceramics, and polymers, and shows good compatibility with flexible or curved substrates.
- **High Flexibility:** Through software algorithms, direct-writing lithography dynamically adjusts exposure parameters, path planning, and patterns to enable real-time intelligent correction. This capability allows for a higher flexibility and tolerance to substrate variations, material deformation, and errors occurring during the manufacturing process, which improves the overall yield.
- **Shortened Process Chain:** Direct-writing lithography eliminates the design, manufacturing, transportation, and storage of photomasks from the process chain, as well as the machine required for photomask replacement during production line changeovers. This significantly reduces preparation time, effectively improves production capacity utilization, and mitigates expenses associated with the photomasks.
- **Digitalization:** Driven by the development of intelligent manufacturing technologies, the intelligent and automated upgrading of production lines has become a trend. As a highly digitalized lithography technology, direct-writing lithography can be better integrated into intelligent and automated production lines, meeting their requirements for high automation and data interconnectivity.
- **Energy Saving and Emission Reduction:** Direct-writing lithography eliminates the processing steps related to photomasks. By shortening the process chain, it effectively reduces energy consumption, carbon emissions, and the discharge of heavy metal etching waste liquid and organic cleaning solvents related to photomasks, providing customers with an eco-friendlier lithography technology solution.

Overview of the Industrialization of Direct-Writing Lithography Technology

As an emerging technology originating in the semiconductor field, direct-writing lithography has achieved large scale industrial application in the field of PCB manufacturing. With the iteration and advancement of direct-writing lithography technology, its lithography precision and production efficiency have become increasingly refined. This has led to the continuous validation of its technical applicability and advancement in several fields of the semiconductor-related industry.

INDUSTRY OVERVIEW

The following table summarizes the principal industrial application scenarios and representative downstream industries of direct-writing lithography technology in 2024:

Industrialization of Direct-Writing Lithography Technology, 2024

Field	Application Scenario	Downstream Industries
PCB	<p>PCB is the core hardware of electronic device. Its manufacturing relies on lithography processes to define conductive patterns. According to the industry practice, in the field of PCB manufacturing, direct-writing lithography technology is commonly called direct imaging technology whereas the mask lithography technology is commonly called the film-based lithography technology.</p> <p>In the field of PCB manufacturing, direct-writing lithography technology typically offers 3 to 4 times higher production efficiency⁽¹⁾ compared to traditional film-based lithography. Meanwhile, under mass production conditions, traditional film-based lithography can only achieve a line width accuracy of approximately 100 micrometers, whereas direct-writing lithography can attain a line width accuracy of about 5 micrometers. As a result, direct-writing lithography has become the dominant lithography technology solution in PCB manufacturing today, and is virtually the only lithography technology solution for high-end PCB manufacturing that demands high line width accuracy.</p>	Consumer Electronics, AI Servers and Data Centers, Automotive Electronics, Embodied Intelligence, Information and Communications, Optical Module, Low-Altitude Economy, Industrial PC, Industrial Automation, Medical, Aerospace and Defense etc.
Semiconductor-related fields	<ul style="list-style-type: none"> • Front-end (wafer fabrication): Lithography is used to construct nanoscale transistors and other core devices on the wafer. Direct-writing lithography offers advantages in low-cost, high-flexibility processing, making it well-suited for small-batch, fast-iteration IC products. • Back-end (packaging and testing): Lithography is primarily applied to form metal interconnects and pads at the micron or submicron scale, enabling internal and external chip connections. In this stage, direct-writing lithography achieves production efficiency comparable to traditional mask-based lithography. As Moore's Law approaches its limits, the industry is shifting toward advanced packaging solutions such as Chiplet, 2.5D, and 3D, enhancing performance through system-level packaging. Traditional mask lithography faces limitations such as limited correction capability, high cost of physical masks, restricted substrate size for exposure, and slow iteration cycles. Direct-writing lithography, with its core advantages of "maskless and digital direct-writing" has become the ideal solution for advanced packaging. 	Consumer Electronics, AI Servers and Data Centers, Automotive Electronics, Embodied Intelligence, Information and Communications, Advanced Packaging, Flat Panel Display (FPD), Photovoltaics, Industrial PC, Industrial Automation, Medical, Aerospace and Defense etc.

INDUSTRY OVERVIEW

Field	Application Scenario	Downstream Industries
	<ul style="list-style-type: none"> • IC Substrate: Owing to the trend towards miniaturization and enhanced performance of electronic devices, coupled with the stringent requirements for chip integration and performance, the market demand for IC substrates is experiencing fast growth. Direct-writing lithography effectively addresses the increasingly complex circuit designs and miniaturization needs of IC substrates, thereby enhancing production efficiency and product performance. • Other Fields: In addition to the applications mentioned above, direct-writing lithography is also used in production of physical masks and shows potential for application in a variety of fields, including FPD, micro-electromechanical systems (MEMS) etc. 	

Note:

(1) Taking the standard substrate size of 18 inches by 24 inches (457 mm × 610 mm) as an example, the calculations are based on a processing line width precision of 150 micrometers.

Source: Expert interview, CIC

ANALYSIS OF THE GLOBAL DIRECT-WRITING LITHOGRAPHY EQUIPMENT INDUSTRY

Definition of Direct-Writing Lithography Equipment

Direct-writing lithography equipment, also known as direct imaging equipment in the PCB field, refers to specialized production equipment designed for micro-nano lithography based on direct-writing lithography technology. The R&D and manufacturing of direct-writing lithography equipment highly depend on the deep integration of multiple disciplines, including optics, mechanics, electronics, and software engineering.

Value Chain of Global Direct-Writing Lithography Equipment Industry

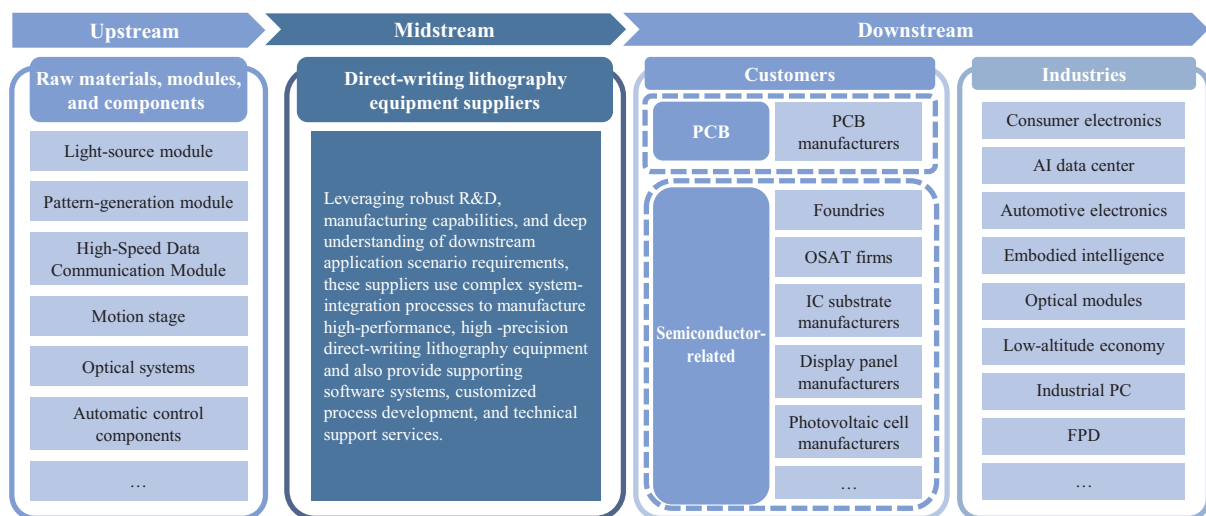
The upstream of the value chain mainly consists of raw materials, modules, and components required for equipment production. These include light sources, pattern generators, motion stages, optical path assemblies, and automated control components, among others.

The midstream, where our company operates within, comprises direct-writing lithography equipment suppliers. Leveraging their substantial research and development efforts, manufacturing expertise, and a thorough comprehension of the specific needs of downstream applications, they engage in sophisticated system integration to produce advanced, high-precision direct-writing lithography equipment. They also provide supporting software systems, customized process development, and technical support services.

The downstream encompasses end-users of direct-writing lithography equipment, including PCB manufacturers, foundries, outsourced semiconductor assembly and Outsourced Semiconductor Assembly and Test (OSAT) firms, IC substrate manufacturers, and others. The application fields of their end-products are extremely diverse, covering consumer electronics, AI data center, automotive electronics, embodied intelligence, optical modules, low-altitude economy, industrial PC, FPD and more.

INDUSTRY OVERVIEW

Value Chain of Global Direct-Writing Lithography Equipment Industry



Source: CIC

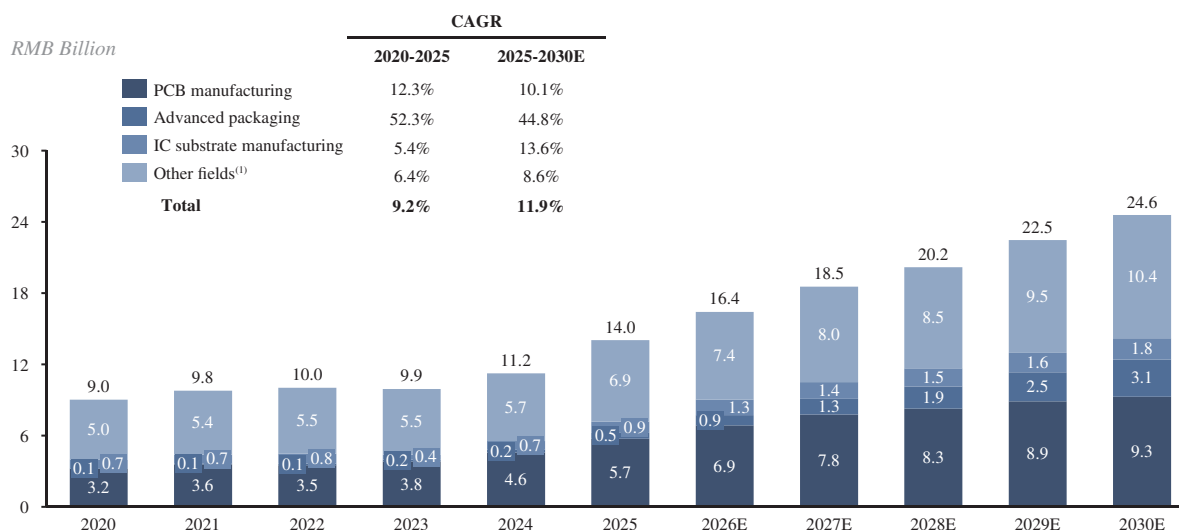
Market Size of Direct-Writing Lithography Equipment Industry

The global market size of direct-writing lithography equipment is projected to increase from approximately RMB14.0 billion in 2025 to approximately RMB24.6 billion in 2030, representing a CAGR of 11.9% during this period.

PCB manufacturing is the major downstream application area for the direct-writing lithography equipment produced by the Company. As essential core components in electronic-end products, PCBs are widely deployed in key fields including AI servers, automotive electronics and consumer electronics. Market demands in these sectors are closely linked to the capacity expansion and capital expenditure of downstream PCB manufacturers, whose strategies are formulated based on the evaluation of underlying downstream demands from these end markets. Since 2025, the global AI infrastructure sector has entered a period of robust high growth, driving a substantial surge in demand across the PCB industry. Specifically, in 2025, the total capital expenditure (CapEx) of global cloud service providers (CSPs), the primary purchasers of AI servers, exceeded USD 400 billion, and their capital expenditure is forecasted to rise to over USD 600 billion in 2026. Such massive capital investment by CSPs has significantly lifted demand for high-performance PCBs used in AI servers and data centers, which in turn has prompted PCB manufacturers, which are the major downstream customers of the Company during the Track Record Period, to accelerate capacity expansion and equipment procurement. As a result, the growing demand for PCBs has directly translated into stronger sales growth for direct-writing lithography equipment. Considering that it generally takes one to three years for newly-built PCB factories to complete construction and achieve mass production, capacity expansion and equipment procurement activities are expected to be concentrated mainly from 2025 to 2027. This will drive a rapid increase in market demand for direct-writing lithography equipment in PCB manufacturing field during this period. Accordingly, the CAGR of the global PCB direct imaging equipment market for 2024 to 2027 stands at 19.3%, and is expected to moderate and maintain steady expansion from 2028 onwards.

INDUSTRY OVERVIEW

Market Size of Global Direct-Writing Lithography Equipment Industry, in terms of Sales Revenue, 2020-2030E



Note:

(1) Other application fields include mask making, FPD, photovoltaic cells, MEMS, and power semiconductor devices.

Source: SEMI, IEA, Prismark, Yole, CIC

Growth Drivers of the Global Direct-Writing Lithography Equipment Industry

- Industrial Upgrading Continuously Drives Demand for Micro-Nano manufacturing and Direct-Writing Lithography Equipment:** The global industry is being profoundly reshaped by advanced technologies such as artificial intelligence (AI), 5G communications, and the Internet of Things (IoT). It is expected that the global expenditure in AI industry will increase from approximately RMB2,424.7 billion in 2025 to approximately RMB7,789.2 billion in 2030, representing a CAGR of 26.3%. As the core infrastructure of AI industry, it is expected that the global market size of AI server will increase from approximately RMB1,656.7 billion in 2025 to RMB7,507.7 billion in 2030, representing a CAGR of 35.3%. Additionally, the global sales volume of new energy passenger vehicles is expected to increase from approximately 22.4 million units in 2025 to 50.3 million units in 2030, representing a CAGR of 17.5%. The global market size of robotics industry is expected to increase from approximately RMB528.4 billion in 2025 to around RMB1,431.3 billion in 2030, with a CAGR of 22.1%. The upgrading and development of these industries will lead to higher requirements for the quantity and performance of micro-nano devices. As the core equipment for the manufacturing of micro-nano devices, lithography equipment will continue to benefit from the needs of global industrial upgrading and the development of emerging industries.
- Technological Iteration Continuously Expands the Application Boundaries of Direct-Writing Lithography Equipment:** With the gradual maturation of key technologies such as multi-beam parallel writing, deep-ultraviolet light sources, and AI-based real-time pattern correction, direct-writing lithography can achieve higher production efficiency and finer linewidth processing capabilities. This advancement broadens its applicability beyond the PCB industry to encompass advanced packaging, IC substrates, and other semiconductor domains, generating market opportunities for direct-writing lithography equipment.

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- **New Materials and Processes in Micro-Nano Manufacturing Accelerates the Adoption of Direct-Writing Lithography Technology and Increase Demand for Direct-Writing Lithography Equipment:** The adoption of new processes and materials such as mSAP, PLP, 2.5D/3D packaging, and glass substrates in micro-nano manufacturing presents challenges related to substrate sizes, substrate warpage, and multilayer alignment. Owing to its advantageous material and size compatibility, coupled with its mask-less operational characteristic, direct-writing lithography technology is more amenable to and advantageous for accommodating the requirements stemming from the adoption of new materials and processes.
- **Policy Support and Industry Shift Trends:** In August 2020, the State Council of China issued “Policies for Encouraging the High Quality Development of 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若干政策》) that prioritize R&D in core technologies such as integrated circuit equipment. The National Integrated Circuit Industry Investment Fund Phase III established in China in 2024 also designated lithography systems as a primary investment target. In March 2024, the State Council of China issued “Plan for Promoting Large-Scale Equipment Renewal and Consumer Product Trade-in Program” (《推動大規模設備更新及消費品以舊換新行動方案》) that aims to propel the modernization of equipment within critical industries, with a particular emphasis on energy efficiency and carbon reduction, digital transformation, and intelligent upgrading as the primary focus areas. It is designed to significantly promote the renewal of production equipment and the implementation of technological improvements. These measures offer policy guarantees and financial support for industry development. Moreover, the global shifting of the PCB and semiconductor industries towards Chinese Mainland and Southeast Asia is promoting advancements in the associated industrial chain, thereby driving the market demand for equipment within these regions.

ANALYSIS OF THE PCB DIRECT IMAGING EQUIPMENT MARKET

Overview of Global PCB Industry

The global PCB industry is continuously upgrading along with the trend of high performance, multifunctionality, and miniaturization of electronic products. The market size of global PCB industry is approximately RMB510.5 billion in 2025, and is projected to reach around RMB730.5 billion in 2030, with a CAGR of 7.4%. Among them, the market size of global high-end PCB industry is expected to increase from approximately RMB224.1 billion in 2025 to around RMB355.7 billion in 2030, with a CAGR of 9.7%.

The global PCB industry is experiencing a notable structural shift of production capacity, capital expenditure and supply chain deployment, with industrial resources increasingly converging into the Chinese Mainland while Southeast Asia has emerged as a fast-growing production base. The Chinese Mainland has established itself as the world’s largest PCB production base, with its share of the global PCB production value rising from approximately 8% in 2000 to over 55% in 2025. Meanwhile, driven by the region’s comparatively cost-effective labor and land resources, favorable industrial support policies, as well as downstream clients’ growing demand for diversified supply chain layout, Southeast Asia has become an important destination for the capacity expansion of global PCB manufacturers. As the market demands of PCB direct-imaging equipment are closely linked to the capacity expansion and capital expenditure of downstream PCB manufacturers, active capacity expansion by downstream PCB manufacturers in Southeast Asia will benefit the performance of PCB direct-imaging equipment suppliers.

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Value Proposition of PCB Direct Imaging Equipment

PCB direct imaging equipment is primarily used in the exposure processes for PCB manufacturing. As electronic products continue to evolve towards intelligence, miniaturization, and multifunctionality, the number of components integrated on PCBs has significantly increased. This trend has driven the continuous refinement in parameters such as line width, line spacing, via diameter, and the thickness of conductive and insulating layers. As a result, higher technical requirements have been placed on the exposure processes of PCBs, especially in terms of exposure accuracy.

In the field of large-scale PCB production, direct imaging technology has achieved mature application. Direct imaging equipment uses data-driven direct imaging devices without the need for photomasks. It features high pattern resolution and alignment accuracy, which enables it to meet the strict precision requirements of high-end PCB products. It has become mainstream in the field of high-end PCB exposure equipment.

Market Size of PCB Direct Imaging Equipment

The continuous development of PCB products towards higher density, precision, and integration has directly driven the growth in market demand for direct imaging equipment. The market size of global PCB direct imaging equipment is projected to increase from approximately RMB5.7 billion in 2025 to around RMB9.3 billion in 2030, with a CAGR of 10.1%.

ANALYSIS OF THE APPLICATION OF DIRECT-WRITING LITHOGRAPHY EQUIPMENT IN SEMICONDUCTOR-RELATED FIELD

Direct-writing lithography equipment has demonstrated broad application potential in many sub-scenarios within the semiconductor-related field. Considering the Company's business operations, this section will focus on analyzing the applications of direct-writing lithography equipment in advanced packaging, IC substrate manufacturing, mask making, and FPD panel manufacturing within the semiconductor-related field.

The global semiconductor industry is also experiencing a capacity shift to the Chinese Mainland and Southeast Asia. The Chinese Mainland continues to expand its semiconductor manufacturing and packaging capabilities, supported by strong policy incentives and robust domestic demand for electronics and AI infrastructure. Southeast Asia, particularly Malaysia and Vietnam, has become an attractive destination for semiconductor assembly, testing and mature node fabrication, offering cost effective labor, land, attractive policies and complementary production base for participants in semiconductor industry. The development of the semiconductor industry in Southeast Asia will also generate new demand for direct-writing lithography equipment in semiconductor-related sectors.

Analysis of Direct-Writing Lithography Equipment in the Advanced Packaging Field

Overview of Global Advanced Packaging Market

With the rapid development of applications such as AI, high performance computing (HPC), 5G communications, and automotive electronics, the demand for high computing capability, high-bandwidth, and low power consumption chips have surged. However, Moore's Law is approaching its physical limits, and the cost-effectiveness of continuing to improve performance through process scaling has plummeted. Advanced packaging has become one of the important ways to enhance chip

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performance and reduce power consumption. The global advanced packaging market size is projected to increase from approximately RMB342.5 billion in 2025 to RMB546.4 billion in 2030, representing a CAGR of 9.8%. The rapid development of the advanced packaging market will also strongly drive the capital expenditure of global IC manufacturers in the advanced packaging field. The capital expenditure in this field is expected to increase from approximately RMB92.7 billion in 2025 to around RMB 142.7 billion in 2030, with a CAGR of 9.0%.

Trends of Global Advanced Packaging Industry and Value Creation of Direct-Writing Lithography Technology

With the widespread application of high density interconnect packaging solutions such as 2.5D/3D packaging, fan-in/fan-out packaging, redistribution layers (RDL), through-silicon/glass vias (TSV/TGV), system in package (SiP), Chiplet heterogeneous integration, and panel-level packaging (PLP) in fields such as AI, HPC, 5G RF, and memory stacking, lithography technology solutions are being required to have finer linewidth processing capabilities, higher interlayer alignment accuracy, and larger-area patterning capabilities.

However, mask-based lithography technology faces many limitations in several advanced packaging forms. In 2.5D advanced packaging forms (such as CoWoS-L) and panel-level advanced packaging (PLP) forms, the IC substrate is evolving towards larger sizes to achieve more heterogeneous unit integration within a single packaged chip. However, this size has exceeded the maximum exposure size per shot in photomask lithography processes. Therefore, photomask stitching is required to pattern large sized substrates through multiple exposures. However, the repeated stitching of photomasks will lead to increased alignment errors, exposure process time multiplied, exponentially increased costs, and rapidly declining yields. Direct-writing lithography technology, which does not require photomasks and generates patterns digitally, can complete the exposure process of large sized substrates in one single process step. Compared with mask-based lithography, it demonstrates technological advantages of lower cost and higher efficiency.

The warpage of substrates is another process bottleneck in advanced packaging processes. The bending or twisting of substrates caused by high temperature and mechanical stress will lead to a decline in packaging yield. Direct-writing lithography technology can scan the entire substrate surface and make real-time and precise calculations for substrate deformation to adjust the exposure position and parameters. In addition, with the advantages of digital technology, direct-writing lithography technology has shown high compatibility for emerging advanced packaging forms based on glass substrates, such as TGV. This helps to improve the yield level of advanced packaging.

At present, direct-writing lithography equipment is in the early stage of industrialization in the advanced packaging field and has been introduced and verified in some downstream advanced packaging production lines. With the continuous development of global advanced packaging processes and the gradual emergence of the advanced nature of direct-writing lithography technology, the global market size of direct-writing lithography equipment in the advanced packaging field is expected to increase from approximately RMB0.5 billion in 2025 to around RMB3.1 billion in 2030, with a CAGR of 44.8% during this period.

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Analysis of the Application of Direct-Writing Lithography Equipment in the IC Substrate Manufacturing Field

Overview of the IC Substrate Industry

IC substrates serve as the bridge between chips and PCBs, carrying IC dies and providing them with fine electrical circuits, power and signal redistribution, heat dissipation channels, and connections to external PCBs. With the increasing integration of chip functions and the growing demand for system level packaging, IC substrates can meet the requirements for high density interconnects and complicated system integration, becoming a key foundation for the packaging of high-performance chips. The global IC substrate market size is expected to increase from approximately RMB102.5 billion in 2025 to approximately RMB160.4 billion in 2030, representing a CAGR of 9.4%.

Trends of Global IC Substrate Industry and Value Creation of Direct-Writing Lithography Technology

With the rapid development of industries such as AI, 5G, and automotive, as well as the rapid penetration of advanced packaging technologies, IC substrates are accelerating towards finer linewidths, higher layer counts, and larger sizes. The bottlenecks of traditional photomask exposure in terms of precision, warpage compensation, and mask changing cycle are becoming increasingly prominent. Direct-writing lithography replaces photomasks with digital beam writing, which can achieve fine lines up to 5 microns and high precision multilayer alignment on panel level sizes in one single process, while saving photomask costs and shortening the product introduction cycle.

With the comprehensive advantages of “higher precision, lower cost, and faster iteration,” direct-writing lithography technology has now become the core technological demand for substrate companies to break through process limits and rapidly expand production capacity. The global market size of direct-writing lithography equipment in the IC substrate manufacturing field is expected to increase from approximately RMB0.9 billion in 2025 to approximately RMB1.8 billion in 2030, representing a CAGR of 13.6%.

Overview of the Application of Direct-Writing Lithography Equipment in Mask-making Field

Photomasks are key consumables used for pattern transfer in micro-nano manufacturing fields such as IC and FPD, and their quality directly affects the precision and performance of the final products. The global photomask market is expected to increase from approximately RMB54.5 billion in 2025 to approximately RMB81.0 billion in 2030, representing a CAGR of 8.2%. In the manufacturing process of photomask, direct-writing lithography technology, with its advantages of digital pattern adjustment and smart dynamic correction, has become an ideal micro-nano lithography solution. The global market size of direct-writing lithography equipment in the mask-making sector is expected to grow from approximately RMB4.9 billion in 2025 to around RMB6.3 billion in 2030, representing a CAGR of 5.3%.

Overview of the Application of Direct-Writing Lithography Equipment in FPD Panel Manufacturing Field

FPD are an integral part of modern electronic devices and are widely used in smartphones, tablets, televisions, monitors, and other devices. The global market size of FPD in terms of sales revenue is expected to increase from RMB1.4 trillion in 2025 to RMB1.9 trillion in 2030, representing a CAGR of

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5.9%. With the continuous advancement of display technologies, especially the next-generation display technologies such as OLED and mini/micro LED, higher requirements are being placed on the resolution, contrast ratio, color performance, and production efficiency of display panels. In the manufacturing process of FPD panels, lithography technology is a core process for achieving high precision patterning, and its accuracy directly affects the performance and quality of the display panels. Direct-writing lithography technology can effectively shorten the production cycle, reduce costs, and increase production yield. Its high precision and flexibility enable it to meet the manufacturing requirements of high precision and complex patterns for FPD panels, especially suitable for next-generation display technologies. The global market size of direct-writing lithography equipment in the FPD panel manufacturing field is expected to increase from RMB0.3 billion in 2025 to RMB0.7 billion in 2030, representing a CAGR of 17.0%.

COMPETITIVE LANDSCAPE OF THE GLOBAL DIRECT-WRITING LITHOGRAPHY EQUIPMENT INDUSTRY

Rankings of Global Direct-Writing Lithography Equipment Suppliers

The global Direct-Writing lithography equipment industry exhibits a relatively concentrated competitive landscape, with the top five suppliers accounted for an aggregate market share of approximately 50.6%. In 2025, our Company's Direct-Writing lithography equipment sales reached RMB1,313.3 million, accounting for a market share of 9.4% and ranking 4th among global Direct-Writing lithography equipment suppliers.

**Rankings of Global Direct-Writing Lithography Equipment Suppliers⁽¹⁾,
in terms of Revenue from Direct-Writing Lithography Equipment, 2025**

Ranking	Suppliers	Revenue (RMB in million)	Market share
1	Company A ⁽²⁾	1,750.0	12.5%
2	Company B ⁽³⁾	1,435.0	10.2%
3	Company C ⁽⁴⁾	1,375.0	9.8%
4	Our Company	1,313.3	9.4%
5	Company D ⁽⁵⁾	1,225.0	8.7%
Sub-Total		7,098.3	50.6%

Notes:

- (1) Except for our Company's data, other industry participants' revenues in this ranking are estimated based on publicly available information, corporate annual reports, and expert interviews.
- (2) Company A, founded in the early 21st century and headquartered in Japan. It mainly engages in the development, manufacture, and sale of semiconductor manufacturing equipment for mask-making, inspection and Epitaxy.
- (3) Company B, founded in the late 20th century and headquartered in Sweden, is a company listed on the Nasdaq Stockholm. It mainly engages in the R&D and manufacture of advanced precision equipment and solutions, which are widely applied across multiple advanced manufacturing sectors.
- (4) Company C, founded in the late 20th century and headquartered in the United States, is a company listed on the Nasdaq Stock Exchange. It mainly engages in the R&D and manufacture of advanced manufacturing tools that are essential for the production of a wide range of electronic components, along with supporting technical services and software solutions.
- (5) Company D, founded in the late 20th century and headquartered in the Austria. It mainly engages in the development, manufacture, and sale of semiconductor manufacturing equipment for mask-making.

Source: Annual Reports, Expert interviews, CIC

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Currently, direct-writing lithography technology, also known as direct imaging technology in the PCB field, has achieved mature application in PCB production. As one of the most important subsectors of global direct-writing equipment industry, the global PCB direct imaging equipment industry exhibits a relatively concentrated competitive landscape, with the top five PCB direct imaging equipment suppliers accounted for an aggregate market share of approximately 59.1%. In 2025, our Company's PCB direct imaging equipment sales reached RMB1,079.9 million, accounting for a market share of 18.8% and ranking first among global PCB direct imaging equipment suppliers.

**Rankings of Global PCB Direct-Imaging Equipment Suppliers⁽¹⁾,
in terms of Revenue from PCB Direct-Imaging Equipment, 2025**

Ranking	Suppliers	Revenue (RMB in million)	Market share
1	Our Company	1,079.9	18.8%
2	Company E ⁽²⁾	900.0	15.7%
3	Company F ⁽³⁾	635.0	11.1%
4	Company G ⁽⁴⁾	450.0	7.8%
5	Company H ⁽⁵⁾	322.2	5.6%
Sub-Total		3,387.1	59.1%

Notes:

- (1) Except for our Company's data, other industry participants' revenues in this ranking are estimated based on publicly available information, corporate annual reports, and expert interviews.
- (2) Company E, founded in 2016 and headquartered in China, is a non-listed company. It mainly engages in the equipment and solutions for PCB manufacturing and the broad semiconductor field. It mainly provides PCB direct imaging equipment, projection lithography exposure machines and devices of digital optical equipment.
- (3) Company F, founded in 1968 and headquartered in Japan, is a non-listed company. It mainly engages in exposure process equipment for PCB, semiconductors and liquid crystal displays, providing PCB direct imaging equipment, UV lamps, stepper and other products.
- (4) Company G, founded in 1964 and headquartered in Japan, is a company listed on the Tokyo Stock Exchange. It mainly engages in the R&D and manufacture of PCB direct imaging equipment, light sources, and optical systems, and also provide products such as lamps, LEDs, and extreme ultraviolet equipment.
- (5) Company H, founded in 2002 and headquartered in China, is a company listed on the Shenzhen Stock Exchange. It mainly engages in the R&D, production and sales of specialized PCB production equipment, including PCB direct imaging equipment.

Source: Annual Reports, Expert interviews, CIC

Currently, the global market for direct-writing lithography equipment in semiconductor-related field demonstrates high concentration, with the top five suppliers accounting for an aggregate market share of over 70%. In 2025, our Company's sales of direct-writing lithography equipment in the semiconductor-related field reached RMB233.4 million, accounting for a market share of 2.8%.

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Rankings of Global Semiconductor-Related Direct-Writing Lithography Equipment Suppliers⁽¹⁾, in terms of Revenue from Semiconductor-Related Direct-Writing Lithography Equipment, 2025

Ranking	Suppliers	Revenue (RMB in million)	Market share
1	Company A	1,750.0	21.1%
2	Company B	1,420.0	17.1%
3	Company C	1,375.0	16.6%
4	Company D	1,225.0	14.8%
5	Company I ⁽²⁾	1,150.0	13.9%
Sub-Total		6,920.0	83.4%

Notes:

- (1) Except for our Company's data, other industry participants' revenues in this ranking are estimated based on publicly available information, corporate annual reports, and expert interviews.
- (2) Company I, founded in the mid-20th century and headquartered in Japan, is a listed company on the Tokyo Stock Exchange. It mainly engages in the R&D and manufacture of specialized instruments and equipment applied in scientific research, industrial production and technical detection fields.

Source: Annual Reports, Expert interviews, CIC

Entry Barriers and Key Success Factors in the Global Direct-Writing Lithography Equipment Industry

- **Strong R&D Capabilities:** The direct-writing lithography equipment industry is a technology-intensive sector that integrates multidisciplinary technologies across various fields, including precision mechanics, ultraviolet optics, graphic processing, pattern recognition, deep learning, automatic control, high-speed data processing, and organic chemistry. It is challenging for new entrants to master the diverse technologies and establish a comprehensive R&D system in a short period of time.
- **Extensive Understanding of Application Scenarios and Differentiation Capabilities:** Different fields have varying demands for direct-writing lithography equipment. This requires suppliers to have an extensive and comprehensive understanding of different customer needs and application scenarios, and to provide differentiated solutions. New entrants, lacking industry experience and customer feedback, often find it challenging to quickly and accurately grasp the specific needs of customers in different fields.
- **Comprehensive Talent Development System and Visionary Management Team:** The direct-writing lithography equipment industry, has an acute demand for talent. Equipment suppliers need to establish a comprehensive talent development system to attract and cultivate professionals. Meanwhile, a visionary management team is critical to identifying industry trends, planning R&D and application direction in advance, and maintaining the lead position in technological innovation and industry expansion.
- **High Quality Customer Base and Value Co-creation Systems:** Customers of direct-writing lithography equipment always have high requirements for the performance, stability, and reliability of the equipment. It takes suppliers a long period of time for R&D, process adaptation, and product validation to establish long term and stable cooperative relationships with customers. These relationships are based not only on the high quality of the equipment and services, but also

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on the in-depth value co-creation systems formed by both parties in collaborative innovation, data sharing, and industrial chain integration. This ecosystem creates an irreplaceable customer resource barrier for suppliers, making it difficult for new entrants to accumulate enough customer resources in a short period of time.

- **Comprehensive Service System and Rapid Response Capabilities:** Suppliers of direct-writing lithography equipment need to establish a comprehensive after sales service network, equipped with professional technical support teams that can promptly respond to needs of customers. New entrants often find it difficult to establish a service system that matches the needs of customers in a short period of time.
- **Advanced Manufacturing Capabilities:** Suppliers of direct-writing lithography equipment are required to maintain high manufacturing standards to ensure long-term, stable, and high-quality product delivery. This involves precision in engineering and the integration of complex components, supported by robust quality control. Meeting these standards presents a significant challenge for new entrants.

OVERVIEW OF SUPPORTIVE AND REGULATORY POLICIES IN THE GLOBAL DIRECT-WRITING LITHOGRAPHY EQUIPMENT INDUSTRY

Currently, many countries and regions have introduced supportive policies to attract foreign investment and advance the development of the PCB and semiconductor industries. Thailand adopts the New Investment Promotion Strategy (2023–2027) for industry incentives. Malaysia enforces the National Semiconductor Strategy (NSS) to drive semiconductor industrial expansion. Japan implements the Semiconductor Support Act to support the development of the semiconductor industry. Taiwan China applies tax concessions stipulated under the Statute for Industrial Innovation to encourage relevant industrial investment.

As key equipment for PCB manufacturing and the semiconductor-related industry, direct-writing lithography equipment is mainly subject to regulations focusing on import and export restrictions and factory construction.

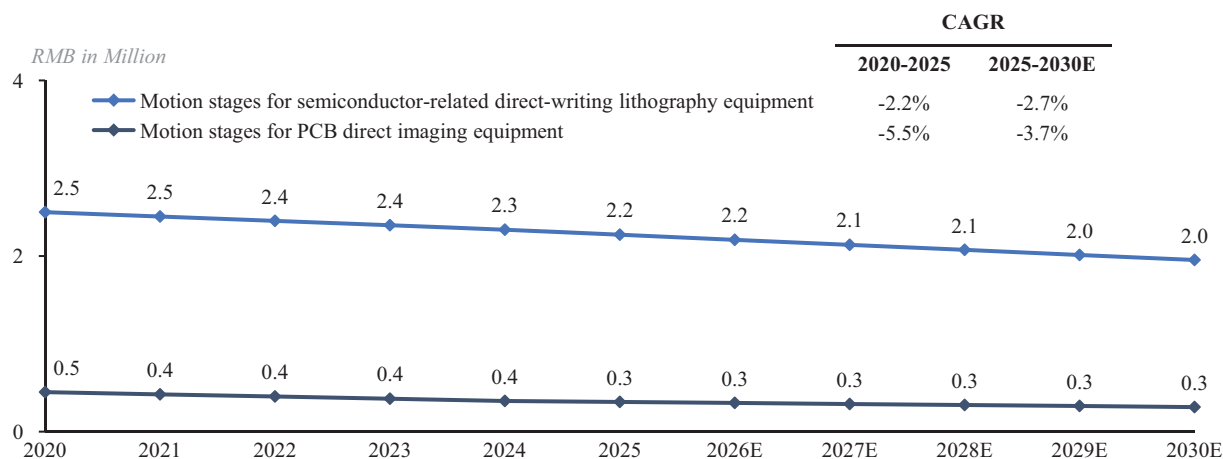
In Thailand, the related regulatory policies involve the Factory Act (No. 2) B.E. 2562 (2019) and the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992). In Malaysia, the related regulatory policies involve the Strategic Trade Act, Industrial Co-ordination Act 1975 and the Environmental Quality Act 1974. In Japan, the prevailing regulatory framework is subject to the Foreign Exchange and Foreign Trade Act. In Taiwan China, the related regulatory policies involve the Foreign Trade Act and the Regulations Governing Export and Import of Strategic High-Tech Commodities.

ANALYSIS OF RAW MATERIAL PRICES IN THE DIRECT-WRITING LITHOGRAPHY EQUIPMENT INDUSTRY

The motion stage is a core component of automated control systems in direct-writing lithography equipment, accounting for approximately 25%-35 % of the manufacturing cost of direct-writing lithography equipment. With advancements in technology and an increased supply from domestic motion stage suppliers in China, the purchasing price for motion stages is anticipated to decline in the future.

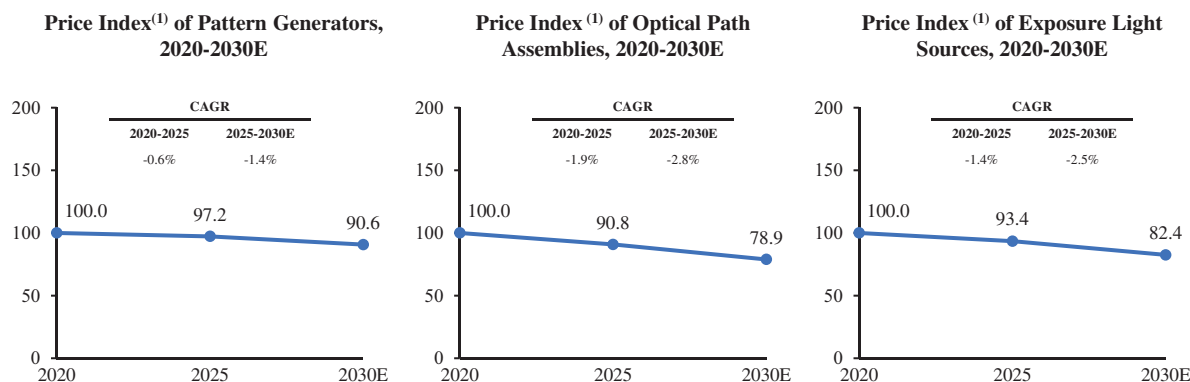
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Average Purchasing Price of Motion Stages, 2020–2030E



Source: Expert interview, CIC

Pattern generators, optical path assemblies and exposure light sources are other important components of direct-writing lithography equipment, accounting for approximately 20%, 10% and 30% of the manufacturing cost of direct-writing lithography equipment respectively. The following price indices illustrate the price dynamics of these components.



Notes:

(1) The price index measures the price of pattern generators, optical path assemblies and exposure light sources for PCB Direct-Imaging equipment, with 2020 prices set as the base of 100.

Source: Expert interviews, CIC

SOURCE OF INFORMATION

In connection with the Global Offering, we engaged CIC, an independent market research consultant, to conduct an analysis of, and to prepare a report about global direct-writing lithography equipment industry. The CIC Report has been prepared by CIC independent of the influence of our Group and other interested parties. We have agreed to pay CIC a total fee of RMB650,000 for the preparation and use of the CIC Report, and we believe that such fees are consistent with the market

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rate. CIC is a consulting firm founded in Hong Kong and provides professional industry consulting services across multiple industries. CIC's services include industry consultancy services, commercial due diligence and strategic consulting.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The market projections in the commissioned report are based on the following key assumptions: (i) the overall global social, economic, and political environment is expected to maintain a stable trend over the next decade; (ii) related key industry drivers are likely to propel continued growth in global direct-writing lithography equipment industry throughout the forecast period; and (iii) there will be no extreme force majeure event or unforeseen industry regulation that may significantly or fundamentally affect the relevant market and industry.

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

REGULATORY OVERVIEW

The information disclosed in this section is an overview of the major PRC laws, regulations and provisions relevant to our business. It does not constitute a detailed analysis of PRC laws, nor does it cover all PRC laws applicable to our business operations in the PRC, and such PRC laws may be subject to change in the future.

MAJOR REGULATORY AUTHORITIES

We primarily engage in the R&D, manufacturing and sales of direct imaging and direct-writing lithography equipment leveraging our micro-nano direct-writing lithography technology, as well as the provision of corresponding maintenance services. According to the Industrial Classification for National Economic Activities (《國民經濟行業分類》) (GB/T4754-2017) (promulgated on June 30, 2017 and implemented on October 1, 2017), our industry is classified as C35 Special Purpose Equipment Manufacturing. The competent authorities for our industry are the Ministry of Industry and Information Technology of the People's Republic of China (the “MIIT”) and the Ministry of Science and Technology of the People's Republic of China (the “MOST”).

The primary responsibilities of the MIIT include formulating strategies, guidelines, policies, and master plans for the advancement of informatization; promoting strategic adjustments, optimization, and upgrading of the industrial structure; drafting industry-related laws and regulations, issuing administrative rules, and overseeing the development of technical policies, frameworks, and standards for the sector. It is also responsible for providing macro-level guidance and regulation on the industry's overall development direction.

The main responsibilities of the MOST include formulating national innovation-driven development strategies and policies for science and technology development, as well as introducing and organizing the implementation of plans and policies for attracting foreign talent and expertise; leading the establishment of a unified national science and technology management platform and a coordination, evaluation and supervision mechanism for research project funding; formulating and organizing the implementation of national basic research plans, policies and standards; formulating and supervising the implementation of national major science and technology project plans; and leading the construction of the national technology transfer system, and formulating and supervising the implementation of relevant policies and measures to promote the transfer and commercialization of scientific and technological achievements and the integration of industry, academia, and research.

LAWS AND REGULATIONS RELATING TO THE COMPANY

The establishment, operation and management of companies within the territory of the People's Republic of China are governed by the Company Law of the People's Republic of China (《中華人民共和國公司法》). PRC Company Law was promulgated by the Standing Committee of the National People's Congress (the “NPCSC”) in December 1993 and was further amended in December 1999, August 2004, October 2005, December 2013, October 2018 and on December 29, 2023, with the latest version to take effect on July 1, 2024. PRC Company Law governs the establishment, operation, corporate structure, and management of legal person entities within the PRC. According to PRC Company Law, companies established in the PRC can take the form of limited liability companies and joint-stock companies. Each company has the status of a legal person and owns its own assets. PRC Company Law also applies to foreign-invested enterprises.

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LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Investment activities of foreign investors in the PRC are primarily governed by the Catalogue of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄》) (the “**Encouraged Catalogue**”), the Special Administrative Measures for Foreign Investment Access (Negative List) (《外商投資准入特別管理措施(負面清單)》) (the “**Negative List**”), and the Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”) along with its implementing regulations and related supporting rules, as promulgated and amended from time to time by the Ministry of Commerce of the People’s Republic of China (“**MOFCOM**”) and the National Development and Reform Commission of the People’s Republic of China (“**NDRC**”).

On September 6, 2024, the NDRC and MOFCOM jointly promulgated 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)》) (the “**2024 Negative List**”), which became effective on November 1, 2024, replacing the previous Negative List. According to the Foreign Investment Law, the FIL Implementing Regulations, and the 2024 Negative List, foreign investors are prohibited from investing in industries listed as prohibited in the Negative List, while for industries listed as restricted, foreign investment must comply with specified conditions. Industries not included in the Negative List are deemed to be industries in which foreign investment is “permitted.” Our Group’s business does not belong to industries included in the 2024 Negative List, which means our Group’s business falls within the scope of “permitted”.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

Pursuant to the Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》) (the “**Product Quality Law**”), promulgated by the NPCSC on February 22, 1993, implemented on September 1, 1993, and amended on December 29, 2018, the production and sale of products in the PRC must comply with the Product Quality Law. Producers shall be responsible for the quality of the products they produce and sell. The market supervision and administration department under the State Council is responsible for the nationwide supervision of product quality. Producers are prohibited from producing or selling products that do not meet the standards and requirements for protecting human health and personal and property safety. Products must not pose unreasonable dangers that endanger personal or property safety. If a defective product causes personal or property damage to others, the victim may claim compensation from the producer or seller of the product. Producers and sellers of non-compliant products may be ordered to cease production or sale of such products and may face confiscation of the products and/or be subject to fines; the sales proceeds (if any) from sales that violate the aforementioned standards or requirements may also be confiscated, and in serious cases, the offender’s business license may be revoked.

LAWS AND REGULATIONS RELATING TO WORK SAFETY

Pursuant to the Work Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》) (the “**Work Safety Law**”), promulgated by the NPCSC on June 29, 2002, implemented on November 1, 2002, and amended on June 10, 2021, entities engaged in production and business activities in the PRC must comply with the Work Safety Law and other laws and regulations concerning work safety. Production and business units shall strengthen work safety management, establish and improve the work safety responsibility system and work safety rules and regulations, improve work safety conditions, promote the standardization of work safety, enhance the level of work safety, and ensure work safety. The principal person in charge of a production and business unit shall be fully

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responsible for the work safety of the unit. Violation of the Work Safety Law will result in penalties such as fines, suspension of production or business for rectification, and orders to cease production and business operations. Where serious consequences are caused, criminal liability will also be pursued.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Environmental Protection

Pursuant to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), most recently amended by the NPCSC on April 24, 2014 and effective from January 1, 2015, any entity that discharges or is about to discharge pollutants in its production, operation or other activities must take effective environmental protection measures to control and properly treat hazardous substances such as waste gas, wastewater, solid waste, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation generated in such activities. The state implements a pollutant discharge permit management system in accordance with the law.

Environmental Impact Assessment

Pursuant to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), promulgated by the NPCSC on October 28, 2002, implemented on September 1, 2003, and amended on December 29, 2018 to become effective on the same date, and the Regulations on the Environmental Protection Management of Construction Projects (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998, implemented on the same date, amended on July 16, 2017, and effective from October 1, 2017, the state implements an environmental impact assessment system for construction projects. For construction projects that may have a significant impact on the environment, an environmental impact report shall be prepared to provide a comprehensive assessment of the potential environmental impacts; for construction projects that may have a slight impact on the environment, an environmental impact report form shall be prepared to provide an analysis or special assessment of the environmental impacts; for construction projects with minimal environmental impact that do not require an environmental impact assessment, an environmental impact registration form shall be filled out. Construction projects for which an environmental impact assessment has not been conducted in accordance with the law shall not be commenced. After the completion of a construction project for which an environmental impact report or environmental impact report form has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the competent ecological and environmental department of the State Council, conduct an acceptance inspection of the supporting environmental protection facilities and prepare an acceptance report. The supporting environmental protection facilities for such projects may be put into production or use only after they have passed the acceptance inspection; those that have not undergone acceptance inspection or have failed the inspection shall not be put into production or use. If an enterprise violates the aforementioned laws and regulations, the competent ecological and environmental department at or above the county level will order it to suspend production or construction, impose a fine, and may order it to restore the original state.

Pollutant Discharge Permit

Pursuant to 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, enterprises, public institutions and other producers and operators subject to pollutant discharge permit management shall discharge pollutants in accordance with the provisions of these regulations. No

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pollutants may be discharged without a pollutant discharge permit. The competent ecological and environmental departments may impose administrative penalties on individuals or enterprises that violate environmental protection laws, such as fines, orders to make corrections, restrictions or suspension of production for rectification, and orders to cease business operations.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax (EIT)

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) (the “**EIT Law**”), promulgated by the NPCSC on March 16, 2007, implemented on January 1, 2008, and amended on December 29, 2018 to become effective on the same date, and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on December 6, 2007, effective from January 1, 2008, and amended on December 6, 2024 to be effective on January 20, 2025, enterprises are categorized as resident enterprises and non-resident enterprises. A resident enterprise refers to an enterprise lawfully established in Chinese Mainland, or an enterprise established under foreign (regional) law but whose de facto management body is in Chinese Mainland. A non-resident enterprise refers to an enterprise established under foreign (regional) law with its de facto management body located outside Chinese Mainland, but which has an establishment or place of business in Chinese Mainland, or which has no establishment or place of business in Chinese Mainland but has income sourced from Chinese Mainland. A 25% EIT rate applies to all resident enterprises and non-resident enterprises with an establishment or place of business in Chinese Mainland for their income sourced from Chinese Mainland, or for income sourced outside Chinese Mainland but effectively connected with their establishment or place of business; For high and new technology enterprises that need key support from the state, a reduced EIT rate of 15% is applied. For non-resident enterprises that have no establishment or place of business in Chinese Mainland, or that have an establishment or place of business but whose income is not effectively connected with it, their income sourced from Chinese Mainland is subject to EIT at a rate of 10%.

Value-added Tax (VAT)

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), promulgated by the NPCSC on December 25, 2024, came into effect on January 1, 2026 and repealed the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) simultaneously, all entities and individuals (including privately or individually-owned business) that sell goods, services, intangible assets, immovables, and import goods in the PRC shall be taxpayers of value-added tax and shall pay value-added tax. Unless otherwise provided, the import tax rate for the sales of goods, processing, repair and maintenance services, and leasing services of tangible movables is 13%; the tax rate for the sales of transportation, postal, basic telecommunications, construction, immovables leasing services, sales of immovables, transfer of land use rights, and sales or imports of goods prescribed by law is 9%; the tax rate for the sales of services and intangible assets is 6%; the tax rate for exported goods is zero, except where otherwise provided by the State Council.

Dividend Distribution

Pursuant to the EIT Law and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China, starting from January 1, 2008, dividends (sourced from within the PRC) received by non-PRC resident investors who do not have an establishment or place of

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business in the PRC, or who have an establishment or place of business but whose income is not effectively connected therewith, are generally subject to an EIT rate of 10%. However, if the jurisdictions where these non-PRC resident investors reside have signed tax treaties with the PRC, the preferential provisions in such tax treaties may apply. Pursuant to the Notice of the SAT on Issues Concerning the Withholding and Payment of Enterprise Income Tax on Dividends Distributed by PRC Resident Enterprises to Non-resident Enterprise Shareholders of H-shares Overseas (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), promulgated by the SAT on November 6, 2008 and effective on the same date, from 2008 onwards, when a PRC resident enterprise distributes dividends to its non-resident enterprise shareholders of H-shares overseas, it shall uniformly withhold and pay EIT at a rate of 10%.

Pursuant to the Circular on Questions Concerning the Collection and Administration of Individual Income Tax after the Repeal of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), issued by the SAT on June 28, 2011, dividends received by non-Chinese Mainland resident individual holders of H-shares are generally subject to Chinese Mainland individual income tax at a withholding tax rate of 10%. Pursuant 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稅和防止偷漏稅的安排》), the PRC government may tax dividends paid by a PRC company to a Hong Kong resident (including natural persons and legal persons), but the tax so charged shall not exceed 10% of the gross amount of such dividends. If a Hong Kong resident directly holds 25% or more of the equity of the PRC company and is the beneficial owner of the dividends and satisfies other conditions, the relevant tax shall not exceed 5% of the gross amount of such dividends. 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 (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》), promulgated by the SAT and effective from December 6, 2019, stipulates that these provisions shall not apply to arrangements or transactions made with the primary purpose of obtaining such tax benefits.

LAWS AND REGULATIONS ON LABOR AND SOCIAL SECURITY

Labor Regulations

Pursuant to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), promulgated by the NPCSC on July 5, 1994, effective from January 1, 1995, and amended on December 29, 2018 to become effective on the same date, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), promulgated by the NPCSC on June 29, 2007, effective from January 1, 2008, and subsequently amended on December 28, 2012 to become effective on July 1, 2013, and the Regulations on the Implementation of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》), issued by the State Council on September 18, 2008 and effective on the same date, an employer shall enter into a written labor contract with an employee to establish a labor relationship. An employer shall pay labor remuneration to employees in full and on time in accordance with the labor contract and relevant laws and regulations. Meanwhile, the wages of an employee shall not be lower than the local minimum wage standard.

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Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), promulgated by the NPCSC on October 28, 2010, effective from July 1, 2011, and most recently amended on December 29, 2018, and the Provisional Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), promulgated by the State Council on January 22, 1999, implemented on the same date, and most recently amended and implemented on the same date on March 24, 2019, employers within the PRC must provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If an enterprise fails to pay the aforementioned social insurance premiums, the social insurance premium collection agency shall order it to pay or make up the shortfall within a specified period. If it still fails to pay upon expiry of the period, it will face administrative penalties such as fines.

Pursuant to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), promulgated by the State Council on April 3, 1999, implemented on the same date, and most recently amended and implemented on the same date on March 24, 2019, enterprises shall register for housing provident fund contributions with the housing provident fund management center and handle the establishment or transfer of housing provident fund accounts for their employees. Enterprises shall make housing provident fund contributions on time. If an enterprise fails to make or underpays the housing provident fund contributions, the housing provident fund management center shall order it to make the payment within a specified period; if it still fails to make the payment upon expiry of the period, an application may be made to a people's court for compulsory enforcement.

Pursuant to the Interpretation of the Supreme People's Court on the Application of Law in the Trial of Labor Dispute Cases (II) promulgated by the Supreme People's Court on July 31, 2025 and implemented on September 1, 2025, where an employer and an employee agree or a worker undertakes to an employer that there is no need to pay social insurance premiums, the people's court shall determine that such an agreement or undertaking is void. If the employer fails to pay social insurance premiums in accordance with the law, and the employee files a claim for rescission of the labor contract and payment of economic compensation by the employer in accordance with Article 38(3) of the Labor Contract Law, the people's court shall support such a claim in accordance with the law. Under the circumstances specified in the preceding paragraph, if the employer, after making up the social insurance premiums in accordance with the law, claims that the worker shall return the paid compensation for social insurance premiums, the people's court shall support such a claim in accordance with the law.

LAWS AND REGULATIONS ON REAL ESTATE ADMINISTRATION

State-owned Land

Pursuant to the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》), promulgated by the NPCSC on June 25, 1986 and most recently amended on August 26, 2019, and the Regulations for the Implementation of the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法實施條例》), issued by the State Council on January 4, 1991 and most recently amended on July 2, 2021, land in the PRC is either state-owned or collectively owned. All land is collectively owned, except for land that is stipulated by law to be state-owned or has been lawfully expropriated as state-owned. The right to use state-owned land may be used by third

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parties through grant, allocation, lease, capital contribution in the form of shares, etc. A third party that has obtained the right to use state-owned land may lawfully use, benefit from, and dispose of the right to use state-owned land within the statutory term of use and planned scope of use.

LAWS AND REGULATIONS ON LEASED PROPERTIES

The Administrative Measures for Commodity Housing Leasing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and effective from February 1, 2011, provide that both parties to a lease contract shall, within 30 days after the conclusion of the housing lease contract, register and file the housing lease with the competent construction (real estate) department at the location of the leased premises. If an entity fails to perform this obligation, the competent construction (real estate) department shall order it to make corrections within a prescribed time limit; if it fails to make corrections after the deadline, a fine of not less than RMB1,000 and not more than RMB10,000 shall be imposed.

Pursuant to the Interpretation of the Supreme People's Court on Several Issues Concerning the Specific Application of Law in the Trial of Dispute Cases over Urban Housing Lease Contracts (2020 Revision) (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020修正)》), effective from January 1, 2021, where the ownership of a leased premises changes during the lessee's possession under the terms of the lease contract, if the lessee requests that the transferee of the premises continue to perform the original lease contract, a PRC court shall support such request, except where a mortgage right had been created over the leased premises before they were leased and the change in ownership is due to the mortgagee's exercise of such mortgage right.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Patents

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), most recently amended by the NPCSC on October 17, 2020 and effective from June 1, 2021, and the Implementing Regulations of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), most recently amended by the State Council on December 11, 2023 and effective from January 20, 2024, patents are divided into three categories: invention patents, utility model patents and design patents. Calculated from the date of application, the term of validity for invention patent rights, utility model patent rights and design patent rights is 20 years, 10 years and 15 years, respectively. The patent rights enjoyed by a patentee shall be protected by law. No person may, without the permission or authorization of the patentee, use their patent; otherwise, the use of such patent shall constitute an infringement of the patent right.

Trademarks

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), promulgated by the NPCSC on August 23, 1982, effective from March 1, 1983, and amended on April 23, 2019 to become effective on November 1, 2019, and the Regulations for the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), promulgated by the State Council on August 3, 2002, effective from September 15, 2002, and amended on April 29, 2014 to become effective on May 1, 2014, trademarks approved for registration by the Trademark Office are registered trademarks, which include goods marks, service marks, collective marks and certification marks. The period of validity of a registered trademark is ten years, calculated from the

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date of approval of the registration. Where the validity period of a registered trademark expires and continued use is required, the trademark registrant shall handle renewal procedures within 12 months before the expiration date. The validity period of each renewal of registration is 10 years, calculated from the day following the expiration of the previous validity period of the trademark.

Copyrights

Pursuant to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), promulgated by the NPCSC on September 7, 1990, effective from June 1, 1991, and amended on November 11, 2020 to become effective on June 1, 2021, works of PRC citizens, legal persons or unincorporated organizations, which refer to intellectual achievements in the literary, artistic and scientific domains that are original and can be expressed in a certain form, shall enjoy copyright, regardless of whether they are published. Copyright owners enjoy various rights, including the right of publication, the right of authorship, and the right of reproduction.

Pursuant 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, effective from October 1, 1991, and amended on January 30, 2013 to become effective on March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration on February 20, 2002 and effective on the same date, and amended on June 18, 2004 to become effective on July 1, 2004, the National Copyright Administration is in charge of the nationwide administration of software copyright registration and has designated the Copyright Protection Center of China as the software registration agency. The Copyright Protection Center of China will grant registration certificates to applicants for computer software copyright that comply with the provisions of the Regulations on the Protection of Computer Software and the Measures for the Registration of Computer Software Copyright.

Domain Names

Pursuant to the Administrative Measures for 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, domain name registration is handled through domain name registrars established in accordance with relevant regulations, and upon successful registration, the applicant becomes the domain name holder.

LAWS AND REGULATIONS ON SECURITIES AND OVERSEAS LISTING

Securities Laws and Regulations

Pursuant to the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the “**Securities Law**”), promulgated by the NPCSC on December 29, 1998, effective from July 1, 1999, and amended on December 28, 2019 to become effective on March 1, 2020, trading activities in the securities market within the PRC are comprehensively regulated, covering the issuance and trading of securities, the acquisition of listed companies, and the responsibilities of securities exchanges, securities companies and securities regulatory authorities. The Securities Law further regulates the direct or indirect issuance of securities or the listing of securities overseas by domestic enterprises, which shall comply with the relevant regulations of the State Council, with specific measures to be stipulated separately by the State Council. The China Securities Regulatory Commission (the “**CSRC**”) is a securities regulatory authority established under the State Council to regulate and manage the

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securities market in accordance with laws and regulations, maintain market order and ensure the lawful operation of the market. Currently, the issuance and trading of H Shares are primarily regulated by laws and regulations promulgated by the State Council and the CSRC.

Overseas Listing Laws and Regulations

Pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), promulgated by the CSRC on February 17, 2023 and effective from March 31, 2023, together with several supporting guidelines (collectively, the “**Overseas Listing Trial Measures**”), a domestic company issuer that intends to conduct an initial public offering or listing overseas must file with the CSRC within three working days after submitting its application documents for overseas issuance and listing.

The Overseas Listing Trial Measures stipulate that an overseas listing is prohibited under any of the following circumstances: (i) where listing and financing are expressly prohibited by laws, administrative regulations, or relevant state provisions; (ii) where the overseas issuance and listing are determined by the relevant competent authorities of the State Council in accordance with the law to potentially endanger national security; (iii) where the domestic enterprise or its controlling shareholder or actual controller has committed criminal offenses such as corruption, bribery, embezzlement, misappropriation of property, or disruption of the socialist market economic order within the last three years; (iv) where the domestic enterprise is under investigation for suspected crimes or major violations of laws and regulations, and no clear conclusion has been reached; and (v) where there is a major ownership dispute over the equity held by the controlling shareholder of the domestic enterprise or by shareholders controlled by the controlling shareholder or actual controller. In addition, the Overseas Listing Trial Measures provide that if any of the following material events occurs after the issuer’s overseas issuance and listing, it shall report the specific circumstances to the CSRC within three working days from the date of the occurrence and announcement of such event: (i) a change of control; (ii) being subject to investigation, penalties or other measures by overseas securities regulatory authorities or relevant competent authorities; (iii) a change of listing status or listing board; and (iv) a voluntary or mandatory delisting. Meanwhile, in their overseas issuance and listing activities, domestic enterprises shall strictly abide by laws, administrative regulations and relevant provisions concerning national security, such as those relating to foreign investment, cybersecurity and data security, and shall earnestly fulfill their obligations to safeguard national security.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), jointly issued by the CSRC, the MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and effective from March 31, 2023, where a domestic enterprise provides or publicly discloses, or provides or publicly discloses through its overseas listed entity, documents involving state secrets or work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory authorities or other entities and individuals, it shall, in accordance with the law, report to the competent authority with approval power for approval and file with the confidentiality administrative department at the same level for record. The working papers formed within the PRC by securities companies and securities service institutions providing services for the overseas issuance and listing of domestic enterprises shall be kept within the PRC. If they need to be transferred out of the country, approval procedures shall be handled in accordance with relevant state regulations.

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LAWS AND REGULATIONS ON EQUITY INCENTIVE PLANS

Regulations on Equity Incentive Plans. Pursuant to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Domestic Individuals' Participation in Equity Incentive Plans of Overseas Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the “SAFE Circular No. 7”), promulgated by SAFE in February 2012, employees, directors, supervisors and other senior management personnel who are PRC citizens or non-PRC citizens who have resided in the PRC for no less than one year consecutively and who participate in any equity incentive plan of an overseas listed company shall, subject to certain exceptions, register with SAFE through a domestic agent. In addition, an offshore trustee must be engaged to handle matters related to the exercise or sale of stock options and the purchase or sale of shares and equity interests. Foreign exchange proceeds from the sale of shares by PRC residents under an equity incentive plan and dividends distributed by the overseas listed company must be remitted to a bank account opened in the PRC by a domestic institution before being distributed to the PRC residents.

LAWS AND REGULATIONS RELATING TO OTHER JURISDICTIONS

Company Establishment under Thai Law

The establishment of a company in Thailand is governed by the Civil and Commercial Code, Book III, Title XXII on Partnerships and Limited Companies, which has been in force since January 1, 1925, and has been amended from time to time, with the latest amendment effective as of January 23, 2015. The incorporation of a limited company in Thailand is a legal process conducted pursuant to Sections 1096 to 1229 of the Civil and Commercial Code, which set out key procedures including the preparation of a Memorandum of Association, the determination of the company's objectives and registered capital, the payment of shares by shareholders, the appointment of authorized directors, and the designation of the registered office.

Xin Qi Technology (Thailand) Co., Ltd. has been duly registered as a juristic person under the laws of the Kingdom of Thailand and has been assigned the corporate registration number 0105567103483, thereby acquiring the legal status of a limited company in accordance with Thai law.

Xin Qi Technology (Thailand) Co., Ltd. has prepared its Memorandum of Association as required by law, specifying the objectives of the business. The company's objectives include manufacturing, contract manufacturing, packaging, assembly, design, distribution, testing, research, and development of printed circuit board (PCB) products. The company has a registered capital of THB100,000,000 (One Hundred Million Baht). The names of shareholders and authorized directors have been clearly specified, and two directors have been appointed. One of the directors has been designated as the authorized signatory of the company, whose signature, together with the company's seal, shall bind the company, in accordance with Section 1144 of the Civil and Commercial Code, which stipulates that a limited company must be represented by one or more directors. This arrangement ensures that the company is legally empowered to act and conduct its business in full compliance with applicable laws. Furthermore, the company has duly submitted its application for registration with the Department of Business Development, Ministry of Commerce, whereby such registration has conferred full juristic person status on the company, entitling it to lawfully conduct business operations in Thailand.

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In the case where 100 percent of the company's major shareholders are foreign nationals, the company is deemed a foreign juristic person incorporated under Thai law, in accordance with the Foreign Business Act B.E. 2542 (1999), which has been in force since March 3, 2000. Section 4 of the Act provides that "a juristic person registered in Thailand, with foreign shareholding of 50 percent or more, shall be regarded as a foreigner." Nevertheless, such a status arises solely from the shareholding structure and does not render the company's business operations unlawful. As a juristic person duly registered in Thailand, the company retains the right to engage in business activities, provided that it complies with the relevant legal requirements.

Application for Investment Promotion (BOI)

Pursuant to the Investment Promotion Act B.E. 2520 (1977), the BOI is a state agency responsible for considering and granting promotional privileges to businesses that are significant to the economy and aligned with Thailand's national policy.

Xin Qi Technology (Thailand) Co., Ltd. submitted an application for investment promotion to the Board of Investment (BOI), which resolved on July 29, 2025, to grant promotional privileges to the Company in the following: approved promotional privileges for the Manufacture of machinery and/or automation equipment with engineering design, including in-house development and design of automatic system integration, including in-house control system design. (Categories 3.1.1.1 and 3.1.1.2).

The Company has been granted promotional privileges under the Investment Promotion Act B.E. 2520 (1977) (as amended), including:

Permission to bring foreign skilled workers or experts, together with their spouses and dependents, into the Kingdom, in such numbers and for such periods of stay as the Board deems appropriate. and to work in positions approved by the Board throughout the duration of their permitted stay.

Permission to own land in such amounts as the Board considers appropriate. Exemption from import duties on machinery as approved by the Board.

Exemption from corporate income tax on net profits derived from the promoted activity for a period of 8 years, up to 100 percent of the investment capital (excluding cost of land and working capital), applicable to the manufacture of automatic machinery with in-house control system design (e.g., Automatic Exposure Machine), applicable to the manufacture of automatic systems with in-house system integration and control system design (e.g., Automatic Exposure Line) and repair of self-manufactured automatic systems.

The income on which the computation of the net profit derived from the activity referred to above shall also include revenue from the sale of by-products, such as scraps or waste generated from the production process.

In the case where a loss has been incurred during the period of exemption of juristic person income tax under the above paragraph, the promoted person shall be permitted to deduct such annual loss from the net profits accrued after the expiration of the period of exemption of juristic person income tax for a period of not more than five years from the expiry date of such period.

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Dividends derived from the promoted activity, which is granted exemption of juristic person income tax under Section 31, shall be exempt from inclusion in the computation of income tax throughout the period during which the promoted person is entitled to such exemption of juristic person income tax.

Import duty exemptions on raw materials, essential materials for export production, and items imported for re-export.

Permission to remit or transfer money abroad in foreign currency. The investment promotion granted by the BOI further exempts the Company from the requirement to obtain an additional Foreign Business License under the Foreign Business Act B.E. 2542.

Pursuant to Section 12 of the Foreign Business Act B.E. 2542, which explicitly provides an exemption for foreign juristic persons that have been granted investment promotion, this exemption serves as a legal guarantee that the Company is entitled to conduct its business lawfully under Thai law and in full compliance with the restrictions under foreign shareholding regulations.

Considering the overall aspects of both incorporation and investment promotion, Xin Qi Technology (Thailand) Co., Ltd. is recognized as a juristic person with legal stability, duly incorporated under Thai law in every respect, having fully complied with the procedures under the Civil and Commercial Code, the Foreign Business Act, and the Investment Promotion Act. This demonstrates that the Company conducts its business in Thailand lawfully and is credible to government authorities, business partners, investors, and the general public. In addition to providing economic support, the investment promotion granted by the BOI also illustrates the Company's legal status and its compliance with Thai law.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

The history of our Company can be traced back to June 30, 2015 when our Company was established. After ten years of development, we have become the largest provider of PCB direct imaging equipment globally, delivering PCB direct imaging equipment and semiconductor direct-writing lithography equipment in the age of AI.

In October 2019, our Company was converted to a joint stock company. On April 1, 2021, our Company became listed on the STAR Market of Shanghai Stock Exchange (stock code: 688630).

KEY DEVELOPMENT MILESTONES

The following table sets out a summary of our Group's key development milestones:

Year	Milestone
2015	Our Company was established in the PRC and we entered the semiconductor and PRC lithography markets.
2016	We successfully delivered our first semiconductor lithography equipment to customers. We successfully developed our first dual-table laser direct imaging equipment.
2017	We developed our first IC substrate equipment. We delivered our first AMOLED display production line to customers.
2018	We delivered our first solder mask direct imaging to customers. Our equipment was first sold to Taiwan China.
2019	Our Company was converted to a joint stock company. We obtained ISO9001 certificate.
2021	Our Company became listed on the STAR Market of Shanghai Stock Exchange (stock code: 688630). Our Hefei Production Base (Phase I) commenced operations.
2022	We delivered our first WLP2000 wafer-level packaging direct writing lithography equipment to customers. We obtained ISO14001 and ISO45001 certificates.
2023	Our shipment reached 1,000 units and we delivered our first lithography equipment for 130-90nm process node to customers.
2024	We established Xin Qi Technology (Thailand), our wholly-owned subsidiary in Thailand.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
	The National standard GB/T 43725-2024 “Direct Imaging Exposure Equipment,” drafted under our leadership, was officially implemented.
	Our semiconductor equipment was first sold to Japan.
2025	Our monthly shipments exceeded 100 units and we delivered and installed over 2,500 units.
	Our Hefei Production Base (Phase II) commenced initial trial operation.
2026	We delivered more than 2,900 units, including over 340 units overseas

OUR SUBSIDIARIES

Our business operations have been carried out by our Company and our two subsidiaries. The following sets forth information about our two subsidiaries as of the Latest Practicable Date.

Xin Qi Hewei was established with limited liability in the PRC on July 22, 2020. As of the Latest Practicable Date, Xin Qi Hewei was wholly owned by our Company and was primarily engaged in sales of semiconductor device special equipment and integrated circuits.

Xin Qi Technology (Thailand) was established with limited liability in Thailand in May 21, 2024. As of the Latest Practicable Date, Xin Qi Technology (Thailand) was wholly owned by our Company and was primarily engaged in sales, assembly and manufacturing of parts for high-end manufacturing equipment of integrated circuits and printed circuits.

See “Appendix VI. Statutory and General Information — 1. Further Information about Our Company — C. Changes in Share Capital of our Subsidiaries” for more details on share capital changes of the Subsidiaries.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Early Development of Our Company

In June 2015, our Company was established as a limited liability company under the name of Circuit Fabology Microelectronics Equipment Co., Ltd. (合肥芯碁微電子裝備有限公司) under the laws of the PRC, with an initial registered capital of RMB60 million following Ms. Cheng’s recognition in the future prospects of the industry the Company operates in and proactive connection with experts in optics, mechanics, electronics and software through industry associations. Upon establishment, our Company was beneficially owned as to 70% by Ms. Cheng, our founder, with a solid educational and professional background in mechanical equipment, complemented by strong market insight and management experience, 26% by Hefei Yage Semiconductor Technology Partnership Enterprise (Limited Partnership) (合肥亞歌半導體科技合夥企業(有限合夥)) (“**Yage Semiconductor**”), now known as Yage Venture Capital, 2% by LI Meiyong (李美英) and 2% by WANG Wei (王瑋). Back then, Ms. Cheng’s interest in our Company was held by ZHAO Yang (趙揚), an Independent Third Party, on behalf of Ms. Cheng through an entrust holding agreement duly signed on June 10, 2015 to facilitate the business registration and ease external interference of our Company, allowing Ms. Cheng more time

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

to focus on talent recruitment and business development for our Company, and such entrustment arrangement was terminated on December 22, 2016 with all relevant changes duly registered with competent authority.

Upon completion of several rounds of capital increase and share transfer, as of August 2019, the registered capital of our Company was increased to RMB78,338,721.

Conversion into Joint Stock Limited Company

In October 2019, our Company was converted from a limited liability company to a joint stock limited company with a registered capital of RMB78,338,721 and our name was changed to Circuit Fabology Microelectronics Equipment Co., Ltd. (合肥芯碁微電子裝備股份有限公司). The shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding
		(%)
Ms. Cheng ⁽¹⁾	36,787,490	46.96
Yage Semiconductor ⁽¹⁾	12,600,000	16.08
Jingning Dingqing Electronic Technology Partnership (Limited Partnership) (景寧頂擎電子科技合夥企業 (有限合夥)) ⁽²⁾	7,980,690	10.19
FANG Lin ⁽³⁾	1,400,000	1.79
Na Photolithography ⁽¹⁾	995,500	1.27
He Photolithography ⁽¹⁾	824,500	1.05
Other Eight Independent Third Party Shareholders	17,750,541	22.66
Total	78,338,721	100.00

Notes:

- (1) Now known as Yage Venture Capital. Each of Yage Venture Capital, Na Photolithography and He Photolithography is controlled by Ms. Cheng, our Chairman of the Board and Executive Director, as the general partner.
- (2) Now known as Ningbo Dingqing Venture Capital Partnership (Limited Partnership) (寧波頂擎創業投資合夥企業(有限合夥)), the general partner of which is YANG Guoqing, an associate of Ms. Cheng and thus a connected person of our Company.
- (3) FANG Lin is our Executive Director and general manager.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Listing on the Shanghai Stock Exchange

On April 1, 2021, we completed the listing of our A Shares on the STAR Market of Shanghai Stock Exchange (stock code: 688630) (the “**A-Shares Listing**”). In the A-Shares Listing, we issued an aggregate of 30,202,448 A Shares, accounting for 25.00% of our Company’s total issued shares of 120,800,000 immediately following the A-Shares Listing. The shareholding structure of our Company immediately after the A-Shares Listing was as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Ms. Cheng ⁽¹⁾	36,787,490	30.45
Hefei Yage Semiconductor Technology Partnership (Limited Partnership) (合肥亞歌半導體科技合夥企業(有限合夥)) ⁽¹⁾	12,600,000	10.43
Jingning Dingqing Electronic Technology Partnership (Limited Partnership) (景寧頂擎電子科技合夥企業(有限合夥)) ⁽²⁾	7,980,690	6.61
FANG Lin ⁽³⁾	1,400,000	1.16
Na Photolithography ⁽¹⁾	995,500	0.82
He Photolithography ⁽¹⁾	824,500	0.68
Other 14 Independent Third Party Shareholders	30,009,372	24.84
A Shareholders	30,202,448	25.00
Total	120,800,000	100.00

Note: See “— Conversion into Joint Stock Limited Company”

Subsequent Shareholding Change

In August 2023, following the approval of our shareholders and the relevant regulatory authority, we were approved for a private placement of new A Shares. In August 2023, we issued 10,497,245 A Shares to thirteen subscribers, all of whom are Independent Third Parties. The private placement raised net proceeds of RMB789,362,921.17. After the completion of this private placement and several rounds of subsequent scrip dividends, our total issued Shares increased to 131,297,245 A Shares.

In September 2023, 121,841 A Shares were issued because of the first vesting of the initial tranche of our 2022 Restricted Shares Incentive Plan (the “**Plan**”). Further in November 2024, 321,630 A Shares were issued because of the second vesting of the initial tranche and the first vesting of the reserved tranche of the Plan. As such, our Company’s registered share capital was overall increased to RMB131,740,716 comprising 131,740,716 A Shares of nominal value of RMB1.00 each as of November 2024. See “Appendix VI. Statutory and General Information — 3. Further Information about our Directors — 4. Our Incentive Plans” for details.

From December 10, 2025 to January 21, 2026, Ms. Cheng, a member of our Controlling Shareholders Group, reduced her holdings of the Company’s shares by 2,634,813 A Shares, representing 2.00% of our total issued shares as of the Latest Practicable Date. As of the Latest Practicable Date, Ms. Cheng controlled approximately 34.13% of the total issued share capital of our Company, comprising 25.92% direct interest and 8.21% indirect interest. See “History, Development and Corporate Structure - Shareholding and Corporate Structure Immediately Before the Global Offering” and “Relationship with our Controlling Shareholders Group” for details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

MAJOR ACQUISITIONS AND DISPOSALS

We had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

PRC REGULATORY REQUIREMENTS

As advised by our PRC Legal Adviser, we have legally and properly completed, settled, and obtained all requisite legal approvals and completed all requisite governmental registrations with relevant governmental authorities in the PRC with respect to all the aforesaid capital increases and equity transfers.

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

Our Company has been listed on the STAR Market of Shanghai Stock Exchange since April 1, 2021. Our Directors confirmed that since our listing on the STAR Market of the Shanghai Stock Exchange and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange or other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Adviser is of the view that, based on the public searches on the websites of the Shanghai Stock Exchange and CSRC and its Anhui Office, there were no records of material non-compliance of our Company and our subsidiaries with the rules of the Shanghai Stock Exchange or other applicable securities laws and regulations since our listing on the Shanghai Stock Exchange and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Sole Sponsor and the view of the PRC Legal Adviser, nothing has come to the Sole Sponsor's attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the STAR Market of Shanghai Stock Exchange.

Our Company seeks to be listed on the Stock Exchange in order to support its global expansion, enhance worldwide capital operation capabilities, strengthen its brand recognition and overall competitiveness, and consolidate its industry position. See "Business — Our Strategies" and "Future Plans and Use of Proceeds" for more details.

Public Float and Free Float

Satisfaction of the Public Float Requirement

Our A Shares are listed on the STAR Market of Shanghai Stock Exchange. So far as our Directors are aware, all 12,838,650 H Shares to be issued pursuant to the Global Offering, representing approximately 8.88% of our total issued share capital immediately upon Listing (assuming the Over-allotment Option is not exercised and no further changes are made to our issued share capital between the Latest Practicable Date and the Listing), are expected to be held in public hands, with an expected market capitalization of approximately HK\$3,082.43 million at the time of Listing (calculated based on the minimum Offer Price of HK\$240.09 per H Share), which is higher than the prescribed expected market capitalization of not less than HK\$3,000,000,000 under Rule 19A.13A(2)(b) of the Listing Rules, thereby satisfying Rule 19A.13A(2) of the Listing Rules at the time of the Listing.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

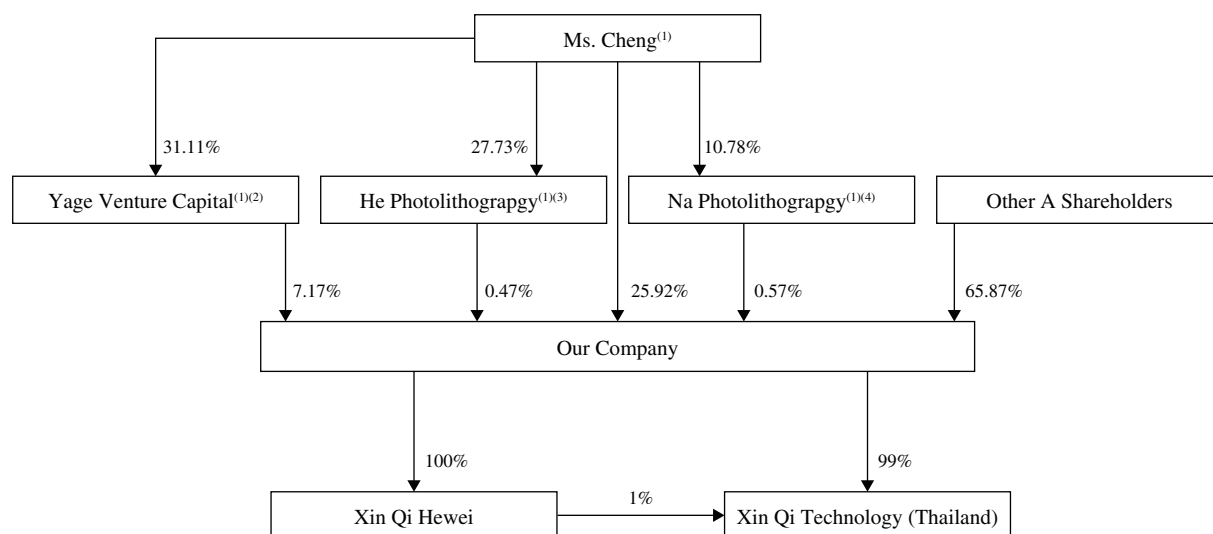
Satisfaction of the Free Float Requirement

Our Company has proposed to adopt mechanism B under Chapter 4.14 of the Guide for New Listing Applicants. Accordingly, 10% of the initial Offer Shares shall be allocated to the public subscription tranche, and at least 40% of the Offer Shares shall be allocated to the placing tranche (other than cornerstone investors) according to paragraph 3.2 of Practice Note 18 to the Listing Rules. Therefore, at least 50% of the Offer Shares will not be subject to lock-up at the time of the Listing. As such, at least 4.44% of the total number of our issued shares will be held by the public and not be subject to lock-up, with an expected market capitalization of approximately HK\$1,541.22 million at the time of listing (calculated based on the minimum Offer Price of HK\$240.09 per H Share), which is higher than the prescribed expected market capitalization of not less than HK\$600,000,000 under Rule 19A.13C(2)(b), thereby satisfying Rule 19A.13C(2)(b) of the Listing Rules at the time of Listing.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately Before the Global Offering

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



Notes:

- (1) As of the Latest Practicable Date, Ms. Cheng controlled approximately 34.13% of the total issued share capital of our Company, comprising 25.92% direct interest and 8.21% indirect interest controlled through Yage Venture Capital, Na Photolithography and He Photolithography, each controlled by Ms. Cheng as the general partner. Ms. Cheng, Yage Venture Capital, Na Photolithography and He Photolithography constitute our Controlling Shareholders Group. For more details, see “Relationship with our Controlling Shareholders Group.”
- (2) As of the Latest Practicable Date, the remaining 68.89% share interest in Yage Venture Capital was owned as to (i) 11.11% by CHEN Dong, our employee and an Independent Third Party, (ii) 5.29% by HE Shaofeng, our employee and an Independent Third Party, (iii) 10.58% by FANG Lin, our Executive Director and general manager, (iv) 0.85% by WEI Yongzhen, our Executive Director, Secretary to the Board and financial director, (v) 11.27% by CHEN Guilin, the director of Anhui Sijian Holding Group Co., Ltd. (安徽四建控股集团有限公司), an Independent Third Party investor who is independent of our Company, our Directors, senior management, major customers and major suppliers with investments in other technology focused enterprises in the PRC and invested in 2016 when Yage Venture Capital had not yet fully developed into an employee stock ownership platform and only subsequently evolved into such platform during which he

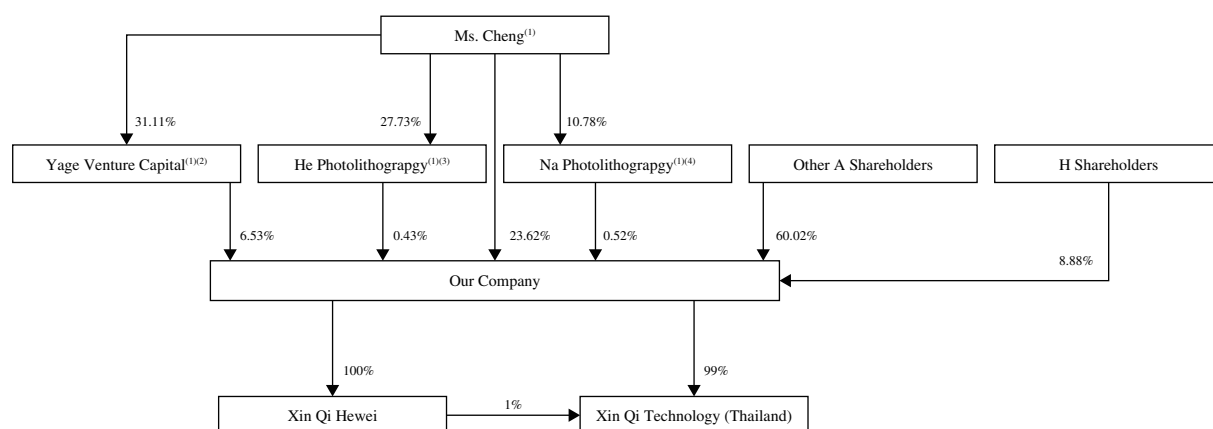
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

did not exit, in view of the long-term growth prospects of our Company and the industry in which it operates in, the consideration of which is determined based on arms-length negotiations between the parties with reference to the then market valuation of our Company and (vi) 29.79% by 13 other limited partners who are both Independent Third Parties and employees within the Group, each holding between 0.16% and 5.56%.

- (3) As of the Latest Practicable Date, the remaining 72.27% share interest in He Photolithography was owned by 23 limited partners who are Independent Third Parties and employees within the Group, each holding approximately between 0.61% and 4.85%.
- (4) As of the Latest Practicable Date, the remaining 89.22% share interest in Na Photolithography was held by 36 limited partners who are Independent Third Parties and employees within the Group, each holding approximately between 0.50% to 6.03%.

Shareholding and Corporate Structure upon Completion of the Global Offering

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



Notes:

(1) to (4) See “— Shareholding and Corporate Structure Immediately Before the Global Offering.”

OVERVIEW

Who We Are

We are the largest provider of PCB direct imaging equipment globally, delivering PCB direct imaging equipment and semiconductor direct-writing lithography equipment in the age of AI. We are dedicated to the manufacturing, sales and maintenance of direct imaging and direct-writing lithography equipment to customers worldwide, building on our established capabilities in the R&D of core high-precision micro-nano lithography technologies and in adapting our proprietary technologies to a diverse range of innovative applications. We are the largest provider of PCB direct imaging equipment globally, with a market share of 18.8% by revenue in 2025, according to CIC. Our closest competitor had a market share of 15.7% by revenue in the same year, and other major competitors also had similar market shares. As of December 31, 2025, we were the only company worldwide with commercialized products covering all of PCB, IC substrate, advanced packaging and mask-making applications, one of only two domestic companies with commercialized products covering advanced packaging application, and one of only three covering mask making application, according to CIC. We have built a stable customer base in advanced packaging, and served 16 customers during the Track Record Period and up to the Latest Practicable Date.

Direct imaging and direct-writing lithography equipment is the core equipment used in critical production processes throughout the integrated circuit and related industry value chains, according to CIC. Our innovative, efficient and reliable maskless lithography technology and equipment can meet the increasingly complex needs in high-end PCB manufacturing, advanced packaging, IC substrates, mask making, and next-generation display panel applications. We have continuously expanded our footprint in overseas markets, strengthened our collaborations with upstream and downstream industries, and optimized our supply chain system and technologies to gain a competitive edge.

We have developed a R&D architecture covering light source and exposure engines, precision stages, alignment and focusing systems, data link technologies, and modular system integration design. We are committed to delivering innovative, stable, and reliable micro-nano direct-writing lithography equipment, with a focus on maximizing customer value. During the Track Record Period, our products primarily include PCB direct imaging equipment and automation system, as well as semiconductor direct-writing lithography equipment and automation system. As of December 31, 2025, we had provided nearly 100 types of PCB direct imaging equipment and semiconductor direct-writing lithography equipment to over 600 customers, including all of the ten largest PCB manufacturers worldwide and 70.0% of the top 100 PCB manufacturers worldwide as of June 30, 2025, according to CIC. As of December 31, 2025, our direct-writing lithography equipment product portfolio covers the widest downstream application scenarios among companies worldwide, according to CIC.

Market Opportunities

The micro-nano direct-writing lithography equipment market demonstrates promising growth potential driven by growth in PCB direct imaging equipment market, advanced packaging market, IC substrate market, mask-making market and next-generation display panel market, according to CIC.

- *PCB direct imaging equipment.* Demand for PCB direct imaging equipment is influenced by technological developments such as AI, 5G, cloud computing and IoT, which have contributed to changes in downstream industries including consumer electronics, new energy vehicles and AI servers. These developments have led to a gradual shift in demand toward PCB manufacturing equipment with higher precision, efficiency and operational stability.
- *Advanced packaging.* The advanced packaging market has expanded alongside increased requirements for computing performance and energy efficiency in applications such as AI, high-performance computing, 5G communications and automotive electronics. As advanced packaging adoption increases, demand for direct-writing lithography equipment used in advanced packaging applications is expected to grow in line with broader industry development.
- *IC substrates.* The IC substrate market has grown as a result of higher levels of chip integration and the increased use of system-level and advanced packaging solutions. IC substrates support high-density interconnection and complex system integration, and continued development of this segment is expected to support demand for direct-writing lithography equipment used in IC substrate manufacturing.
- *Mask making.* Demand for photomasks is linked to growth in the global integrated circuit industry, as photomasks are a necessary component in semiconductor manufacturing. The market for direct-writing lithography equipment used in mask making is expected to expand alongside the photomask market, and domestic suppliers may benefit from substitution of imported equipment.
- *Next-generation display panels.* Next-generation display panels are used in a range of electronic devices, including smartphones, tablets, televisions and monitors. Demand for higher resolution and improved energy efficiency has supported continued development of the flat panel display market, which in turn is expected to contribute to increased demand for direct-writing lithography equipment used in panel display manufacturing.

Our Key Achievements

The following table sets forth our key achievements:

<p>Market Ranking</p>  <p>The World's Largest⁽¹⁾ PCB direct imaging equipment manufacturer, with a market share of 18.8%</p>	<p>Applications</p>  <p>The Only Company⁽²⁾ to cover all application scenarios of PCB, IC substrates, advanced packaging and mask-making</p> <p>Widest Downstream Application Scenario⁽²⁾ covered by our direct-writing lithography product portfolio among companies</p>	<p>Customer Base</p>  <p>We have over 600 Customers⁽³⁾ covering Top 10⁽⁵⁾ PCB manufacturers, 70% of the Top 100 PCB Manufacturers⁽⁵⁾ and Largest⁽²⁾ number of advanced packaging customers</p>
<p>R&D Capabilities</p>  <p>Over 300⁽⁴⁾ granted patents and software copyrights over 280⁽³⁾ R&D staff representing Over One-Third⁽³⁾ of our total workforce</p>	<p>Operating Performance</p>  <p>Over 3,200⁽⁴⁾ units of equipment was delivered and installed</p> <p>Over 440⁽⁴⁾ units of equipment delivered across Taiwan China, Japan, South Korea, Malaysia, Vietnam and Thailand, etc.</p>	<p>Financial Performance</p>  <p>RMB1,408.1 Million 2025 revenue</p> <p>RMB289.9 Million 2025 net profit</p> <p>CAGR Exceeded 37% 2019-2025 revenue CAGR</p>

Notes:

- (1) In terms of revenue in 2025, according to CIC.
- (2) As of December 31, 2025, according to CIC.
- (3) As of December 31, 2025.
- (4) As of the Latest Practicable Date.
- (5) As of June 30, 2025, according to CIC.

COMPETITIVE STRENGTHS

Prominent player in the massive and constantly evolving micro-nano direct-writing lithography market

Direct-writing lithography technology has been widely applied in a broad spectrum of applications scenarios, including various types of PCBs such as multilayer boards, HDI boards, and flexible printed circuits. It supports a wide range of PCB production processes, offering enhanced precision and efficiency. In recent years, the application of laser direct-writing lithography technology has also been expanded into the field of semiconductors, including advanced packaging, MEMS, IC substrate, ceramic device, and bonding application scenarios. According to CIC, the micro-nano direct-writing lithography equipment market demonstrates promising growth potential driven by growth in market demand for PCB direct imaging equipment, advanced packaging, IC substrates, mask making, and next-generation display panel. The size of the global direct-writing lithography equipment market is expected to grow from RMB14.0 billion in 2025 to RMB24.6 billion in 2030, representing a CAGR of 11.9%.

We are the largest provider of PCB direct imaging equipment globally, with leading market shares in PCB direct imaging equipment and early-mover advantages, according to CIC. As a leader in the micro-nano direct-writing lithography industry, we are well-positioned to capitalize on the growing demand in the high-end PCB market and the emerging opportunities in the broader semiconductor sector, particularly in advanced packaging. Leveraging our high product quality, advanced technology, and established market leadership, we remain committed to delivering a diverse portfolio of products and solutions that meet the evolving industry needs.

Competitive micro-nano direct-writing lithography technologies, with key performance indicators at the forefront of international benchmarks

Since our inception, we have been dedicated to conducting independent technology research through our IPD R&D management system. Building on our comprehensive product roadmap and robust technology planning platform, we have established a fully integrated R&D architecture that consolidates expertise across optics, precision mechanics, electronics, software algorithms, and systems engineering. This architecture encompasses core components such as light sources and exposure engines, precision workstations, alignment and focusing systems, graphic processing, system monitoring and automated calibration, data link infrastructure, and modular integration design, forming a complete and scalable foundation for innovation and product development. Through years of dedicated R&D and manufacturing of micro-nano direct-writing lithography equipment, as well as our efforts to integrate our products into various end-use application scenarios, we have built a portfolio of technologies and products that pose a high competitive barrier and enable us to deliver high-performance, reliable, and cost-effective solutions tailored to our customers' needs. For example, leveraging our advanced lithography ultraviolet light source and exposure engine technology, our high-power solder mask model supports up to 200W and triple-band combined light sources, suitable for various solder mask inks; our MAS6P series equipment adopts secondary imaging technology, with a maximum scan width of 24.5 inches and throughput of up to 120 panels per hour, and has been successfully applied in mass production of high-end HDI and IC substrate products. In addition, our system monitoring and automated calibration technology incorporates self-developed algorithms, which can automatically complete spatial relationship calibration among optical, platform, alignment, environmental control, and data link subsystems within 60 seconds, without manual intervention. This technology achieves micron-level compensation, significantly shortens calibration time, and reduces human error.

BUSINESS

We are committed to building a competitive R&D team to ensure the continued advancement of our core technologies. As of December 31, 2025, we had a total of 281 R&D personnel, representing approximately over one-third of our total workforce. Leveraging our deep technical expertise, we have established a proprietary intellectual property portfolio centered on direct-writing lithography technology. As of the Latest Practicable Date, we had obtained 252 registered patents, 54 registered software copyrights, 25 registered trademarks, and two domain names in China, as well as one valid patent in Japan. In 2024, we led the drafting of the national standard GB/T 43725-2024, "Direct-Writing Imaging Exposure Equipment," which has been reviewed and officially published on March 15, 2024.

Our R&D department consists of several specialized R&D teams focusing on core technologies, key components and critical subsystems of micro-nano direct-writing lithography equipment to avoid reliance on third parties and ensure availability and access. These teams focus on improving key performance metrics of direct-writing equipment, including resolution and alignment accuracy, while continuously improving equipment stability, reliability, and compatibility. As a result, our equipment products have already demonstrated performance advantages in PCB and semiconductor application scenarios. On the R&D of critical subsystems and key components, we have successfully completed several major self-developed projects on key equipment modules during the Track Record Period, including the development of high-power precision laser alignment systems, active focusing systems and key modules, deep learning-based target recognition, smooth-moving air-supported platforms, multi-lens connection systems, and high-stability fully automated production lines. These achievements have enabled us to establish independent control over our critical subsystems and core components, laying a solid foundation for continued exploration at the forefront of industry technology.

We strongly emphasize investing in innovative technologies and solutions. As a nationally recognized high-tech enterprise, we have actively contributed to China's strategic scientific and technological development and have successfully undertaken and completed numerous national, provincial, and municipal research projects, including the sixth-generation flat panel display exposure system, the development of 90nm–65nm mask lithography equipment, and the industrialization of wafer-level packaging (WLP) direct-writing lithography systems. Since our listing on the STAR Market of the Shanghai Stock Exchange in 2021, we have proactively collaborated with universities, research institutes, and enterprises, and have entered into more than ten research partnerships with top academic institutions in China with research topics covering precise environment control systems for micro and nano manufacturing, opto-mechanical-thermal coupling, microlens arrays, high-precision displacement sensors, AI-based early warning systems, and computer-based chip patterning. We believe these collaborations have further strengthened our capabilities and competitiveness in micro-nano lithography technologies. During the Track Record Period, our aggregate investment in R&D reached RMB131.2 million.

As we continue to expand our business overseas and as the demand for lithography equipment produced by domestic brands continue to rise, we have achieved competitiveness over core technologies across both PCB and semiconductor equipment, according to CIC. For example, our NEX series for solder mask applications integrates mature multi-wavelength technology, and is compatible with various solder mask inks. It supports minimum solder mask bridges of 40μm and window openings of 60μm, with throughput reaching up to 300 panels per hour. This provides high-capacity, high-precision, fine window, and small side wall solutions for multilayer boards, HDI, rigid-flex boards, and flexible boards. For advanced HDI and IC substrate applications, our mass produced MAS6P series features leading secondary imaging technology and micron-level alignment accuracy. It supports a maximum single-scan imaging width of 24.5 inches, making it well-suited for high-density interconnected

production processes, with throughput of up to 120 panels per hour. In the field of advanced packaging for 12-inch and 8-inch integrated circuits, our WLP2000 model offers intelligent die shift compensation, RDL auto-routing, real-time autofocus, edge exposure (WEE/WEP), and backside alignment capabilities. It achieves overlay accuracy of $\pm 0.6\mu\text{m}$ and delivers strong performance across RDL, bumping, and TSV production processes, demonstrating technological advantages. The MLC600/900 series offers compact, cost-effective solutions for ultra-fine patterning, with minimum linewidth precision lower than 600nm, meeting the lithography requirements of micro-nano scale structures, and is designed for research and production scenarios involving MEMS, power devices, and biochips.

All-scenario and expanding equipment product portfolio

We have established an all-scenario and expanding product portfolio, having been deeply focused on the micro-nano direct-writing lithography equipment sector since inception and adhering to a technology-driven and market-oriented approach. Our comprehensive product portfolio comprises dual growth engines of semiconductor and PCB equipment products, while continuously expanding to cover more semiconductor applications such as IC substrates, advanced packaging, next-generation display and other emerging applications, as well as more high-end PCBs. We are committed to replacing lithography equipment used in mature manufacturing processes with those compatible with more advanced manufacturing processes, and providing customers in downstream sectors, including consumer electronics, new energy vehicles, and AI servers, with domestic alternative solutions to substitute imported micro-nano lithography equipment by foreign competitors in the context of advanced and next-generation manufacturing processes.

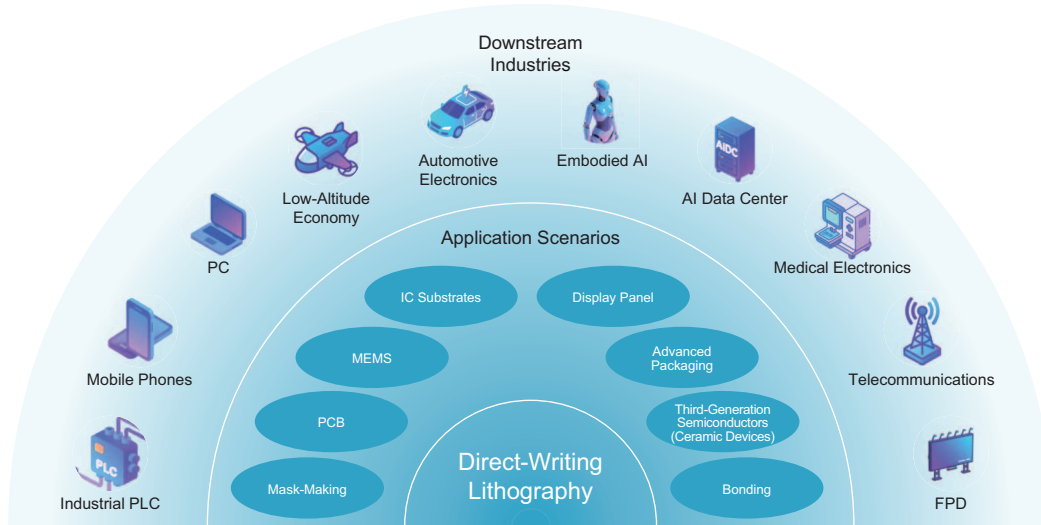
Our product portfolio development primarily focuses on the following aspects:

- *Performance:* we focus on improving the stability, efficiency and precision of our lithography equipment to stay at the forefront of industry development. For example, our WLP model for semiconductor manufacturing can accommodate 2.5D/3D structures, CoWoS (Chip on Wafer on Substrate), and SoW (System on Wafer) advanced manufacturing process.
- *Customization:* We focus on addressing key customer pain points by developing compact, high-stability and intelligent equipment that has rapidly gained traction in the market. For example, compact models are tailored to meet the spatial constraints of small and medium-sized customers, while high-stability and intelligent equipment products are designed to help manufacturer customers improve yield rates, serving as a critical enabler for the expansion and penetration in overseas markets.
- *Forward-Looking Deployment:* We closely follow the development and changes in demand of downstream industries, and proactively develop technology in advance to stay ahead of such changes. In the PCB sector, we have successfully launched new equipment products for IC substrate solder mask and CO₂ laser drilling production processes. In the semiconductor sector, we offer equipment products that satisfy customers' capacity expansion needs in advanced packaging and that are compatible with emerging technologies in glass core substrates and glass substrates. Meanwhile, according to CIC, our equipment products for display panel manufacturing also stay at the forefront of industry application, laying a solid foundation for future expansion into emerging platform-based scenarios of advanced packaging such as bonding.

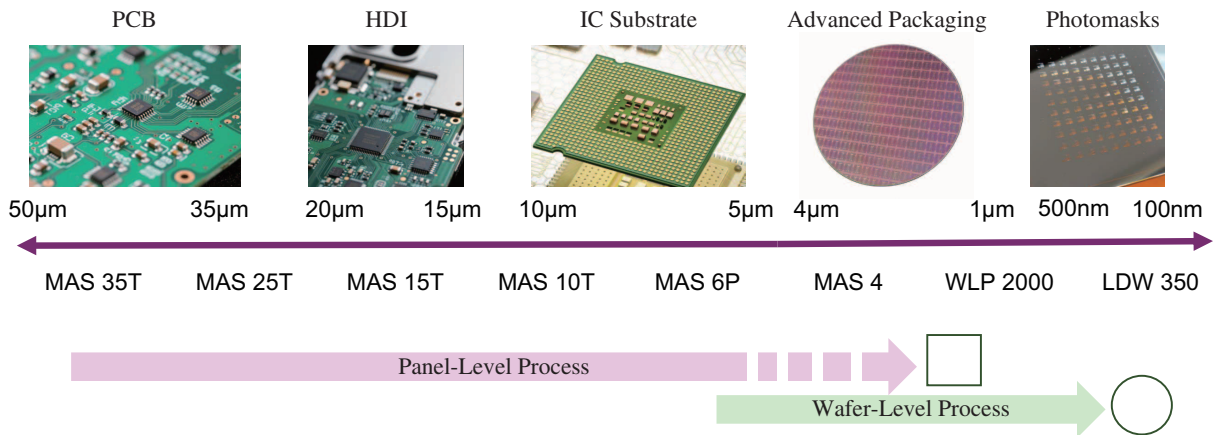
BUSINESS

As a result of the above, we have established a comprehensive direct-writing lithography equipment portfolio covering a wide range of (i) traditional applications of mask making, PCB and MEMS; (ii) advanced applications including IC substrates, display panels, advanced packaging, and third-generation semiconductors (ceramic devices); and further to (iii) emerging cross-disciplinary applications such as bonding. This comprehensive product portfolio not only supports the large-scale production needs of leading customers but also meets the differentiated requirements of customers across various specialized segments.

The following diagram demonstrates the application scenarios of our direct-writing lithography products, as well as the downstream industries covered.



Centering on direct-writing lithography technology, our products are designed to accommodate various substrate sizes from panel-level process to wafer-level process, as demonstrated by the following diagram.



As we continue to focus on the development of our core technologies towards more semiconductor-related verticals and further integrate our R&D resources, we are well positioned to further enrich our product portfolio and reinforce our early-mover advantage as a provider of micro-nano direct-writing lithography manufacturing solution.

Leading modular capabilities featuring both standardized and customized production systems

Building on years of sustained investment in technology R&D and manufacturing facilities, as well as our accumulated expertise in supply chain and production processes, we have developed modular production capabilities to break down our equipment products into distinct and carefully defined modules which we then integrate and develop into finished products. These modules can be either standardized and ready for integration in different lithography equipment models, or highly customized and designed for select customers based on their unique specifications. Depending on the level of customization demanded by a particular customer, we may vary the amount of standardized and customized modules that go into different equipment models.

Such modular production capabilities enable us to deliver high-quality, high-efficiency, and highly stable equipment products at scale while meeting the diverse needs of leading industry clients. The standardized modules ensure product quality and production efficiency. To supplement our advantages in quality consistency and production efficiency brought by our standardized modules, our customized production modules allow us to address individual and varied customer needs in a more targeted fashion, especially for different kinds of customers of our semiconductor equipment products. For example, customers of IC substrates and advanced packaging may have materially varied requirements for lithography. For advanced packaging applications, we offer customized modules for multi-optical engine parallel scanning, auto-alignment, backside alignment, and intelligent correction to support diverse packaging formats including Flip Chip and Fan-In WLP. These capabilities meet specialized process requirements for RDL, Bumping, and TSV. Through customized production, we have successfully entered the supply chains of several leading domestic chip packaging and testing companies, providing equipment tailored for large-die chip packaging applications.

Combining the advantages of standardized and customized modules, our modular production capabilities lead to an effective balance between manufacturing efficiency and cost control on the one hand, and customization based on customer needs on the other hand. Our modular capabilities are designed to prevent us from engaging in over-customization where we design products from ground-up; instead, we carefully assess customer demand for customization, and incorporate standardized modules to the extent feasible to ensure we meet customer demand for customization while maximizing manufacturing efficiency and ensuring on-time delivery, cost effectiveness and quality consistency. Leveraging such modular capabilities, for example, our manufacturing lead time for our MAS and NEX series of PCB direct imaging equipment products was lowered to as fast as approximately four weeks in 2025.

With years of deep industry engagement, we have developed strong and collaborative relationships across the entire industry supply chain, which helps stabilize our raw material supply. In addition to avoiding raw material shortages, close collaborations with suppliers also enable us to timely upgrade our production processes in response to the unique characteristics of raw materials and components and improve product quality and consistency. Thus, our supply chain capabilities help to safeguard the availability of raw materials, compatibility of raw materials with our production process and schedule, and the quality of finished products, enabling us to continuously satisfy global customers' needs in terms of production stability and sustainability.

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Stable and lasting partnership with top customers as a core equipment manufacturer

Building on our capabilities in continuously upgrading our core equipment products and forging a premium brand image, we have assembled a highly skilled and professional customer service team. With timely and highly efficient technical support and service to customers along the PCB, semiconductor and other related electronic information industry value chain, our customer service team has created advantages in maintaining customer loyalty. Through years of high-quality product development, market expansion, and customer relationship management, we have established a comprehensive customer service network, which enabled us to accumulate a rich customer base in the PCB and the broader semiconductor sectors.

Our revenue from PCB direct imaging equipment as well as our market share in the PCB direct imaging equipment industry experienced steady increases during the Track Record Period. We have formed long-term and stable business partnerships with leading industry players: as of December 31, 2025, we had over 600 customers, covering top ten PCB manufacturers and 70.0% of the top 100 PCB manufacturers as of June 30, 2025, according to CIC; we have built a stable customer base in advanced packaging, and served 16 customers during the Track Record Period and up to the Latest Practicable Date. Our equipment products have been widely applied across various segments including mask-making, PCB, MEMS, IC substrate, advanced packaging third-generation semiconductor (ceramic device), and display panel. These long-term and stable partnerships constitute our high-quality and highly loyal customer base, laying a solid foundation for sustainable business growth.

Visionary and professional management team with rich industry experience and strong execution capabilities, as well as a creative core science team that drives continuous innovations

With years of sustained and stable experience in the micro-nano direct-writing lithography equipment industry, we have built a visionary, experienced, well-structured and collaborative management team that is technically proficient and excels at efficiently carrying out our strategies, safeguarding our smooth operations and prudent and sound decision-making.

We also regard talent development and cultivation as a core part of our long-term strategy. As the foundation for our technological innovation, core members of our highly talented and experienced science team have an average of over ten years of experience in semiconductor equipment development, with professional experience from various multinational corporations. As of December 31, 2025, we had 281 R&D personnel, accounting for more than one-third of our total staff. Their expertise spans optics, precision mechanics, graphics processing, machine vision, deep learning, measurement and control technologies, and instrumentation.

OUR STRATEGIES

Continue to invest in key technologies to maintain technology leadership and drive commercialization of cutting-edge innovations

We believe ongoing investment in R&D is the cornerstone of our ability to continue product innovation and maintain competitive edge. We intend to increase R&D spending across key areas related to direct-writing lithography, focusing on high-end PCB and advanced packaging, IC substrates, and other semiconductor sub-sectors. This will further strengthen our leadership in technology and commercialization capabilities, enabling us to better respond to evolving market demands and enhance competitiveness.

BUSINESS

Deepen collaboration with top-tier customers

We plan to maintain and forge stable and lasting collaborations with current and potential top-tier customers. Leveraging our technological and product advantages, we plan to enhance our ability to offer customized solutions to meet the diverse and specialized needs of our key customers. We intend to actively solicit and remain highly responsive to customer feedback, and to continuously optimize products and services accordingly. We believe these measures help enhance loyalty and satisfaction of these key customers, who, leveraging their industry influence and market reach, can help us enhance our brand image, enlarge our market share and solidify our market position.

Strategically expand our presence overseas, reallocate our resources and build our brand overseas

We plan to strategically enhance our international network. With the mainland China market remaining at the core of our focus, we plan to carry out overseas market expansion in Southeast Asia, Japan, and South Korea. We aim to establish standardized and professional R&D, manufacturing, sales and customer service capabilities in these key markets to ensure and further improve the quality and responsiveness of our value-add to key customers therein. Leveraging our strengths in technology, product quality and customer service capabilities, we are well positioned to expand our customer base in overseas markets, expand our overseas market share, and deepen our international presence and brand image in overseas markets.

Achieve sustainable growth through vertical integration and strategic mergers and acquisitions

To complement our organic growth strategy, we plan to selectively pursue strategic investments and acquisitions that enhance our capabilities along the industry value chain which we currently serve or plan to enter. We believe such transactions can also help expand our user base and enrich our product and service offerings.

Attract and retain talent and improve team cohesiveness and creativity

We place strong emphasis on building and nurturing a talent pool, and plan to actively continue to actively attract top talent to drive innovation and boost competitiveness. We plan to further optimize our talent acquisition strategies, expand recruitment channels, and focus on acquiring leading professionals in various technology fields especially semiconductor and AI. We aim to strengthen our diversified training system and foster a corporate culture that encourages employee creativity, thereby enhancing our technical capabilities and driving innovation. We will also continue implementing equity incentive schemes for core members to improve individual productivity and employee loyalty.

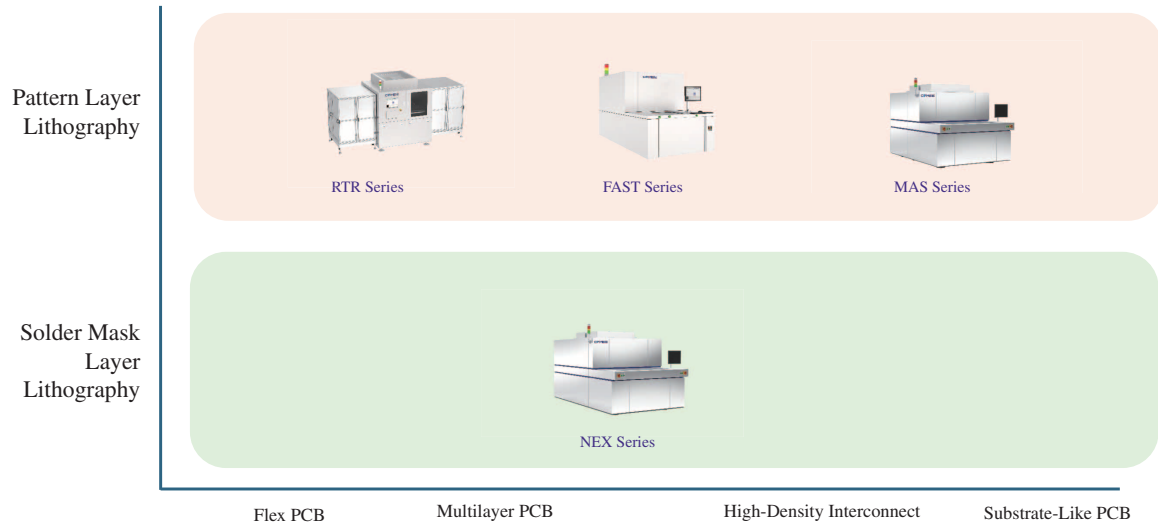
OUR PRODUCTS AND SERVICES

We primarily engage in the R&D, production and sales of direct imaging and direct-writing lithography equipment leveraging our micro-nano direct-writing lithography technology. Our main products include (i) PCB direct imaging equipment and automation system; (ii) semiconductor direct-writing lithography equipment and automation system; and (iii) comprehensive after-sales maintenance and support services of the above products. We are committed to providing localized, on-site support wherever our products are delivered, thereby ensuring that our service coverage effectively extends to our customers' operational sites. With over 10 years of dedicated experience in the global direct-writing lithography equipment industry, we continuously research and develop technical processes in PCB and semiconductor equipment production. As of December 31, 2025, we had

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provided nearly 100 types of PCB direct imaging equipment and semiconductor direct-writing lithography equipment to over 600 customers, including all of the ten largest PCB manufacturers worldwide and 70.0% of the top 100 PCB manufacturers worldwide as of June 30, 2025, according to CIC. We are the largest provider of PCB direct imaging equipment globally, with a market share of 18.8% by revenue in 2025, according to CIC. Benefiting from our extensive product portfolio, advanced technologies and robust production capabilities, we are able to adapt quickly to the evolving industry trends and serve our customers' diverse needs.

The following diagram sets forth an illustration of our major types of key PCB direct imaging equipment and automation system products:

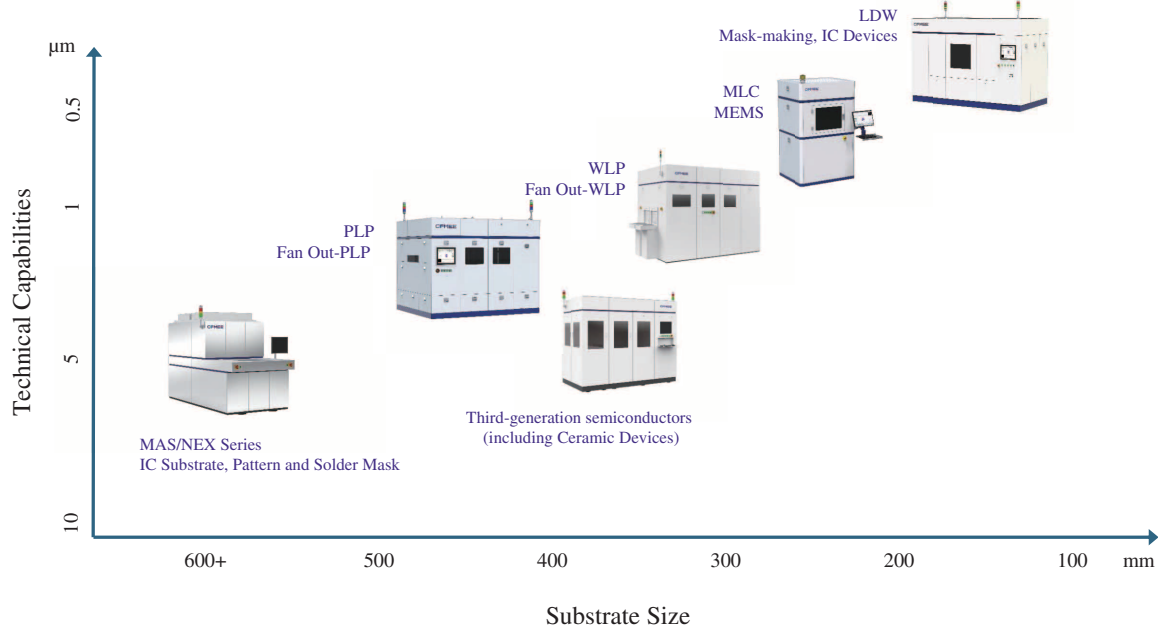


The following table sets forth certain details on main features, technological advantages, key process steps, application scenarios, and product series of our key PCB direct imaging equipment and automation system products:

Main Features	Technological Advantages	Key Process Steps	Application Scenarios	Product Series
<ul style="list-style-type: none"> Supports minimum line widths of 4μm High throughput and alignment accuracy Digital lithography without photomasks Modular automation integration 	<ul style="list-style-type: none"> Eliminates need for film-based photomasks, reducing defects Enables high-density, fine-line PCB fabrication Flexible adaptation to various substrate types and sizes Real-time data integration with MES 	<ul style="list-style-type: none"> Pattern layer and solder mask lithography Automated material handling Inline inspection and traceability Panel-level production 	<ul style="list-style-type: none"> Fine high-density interconnected HDI boards Flexible and rigid-flex PCBs Multilayer PCB manufacturing 	<ul style="list-style-type: none"> MAS Series FAST Series RTR Series NEX Series

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The following diagram sets forth an illustration of our major types of key semiconductor direct-writing lithography equipment and automation system products:



The following table sets forth certain details on main features, technological advantages, key process steps, application scenarios, and product series of our key semiconductor direct-writing lithography equipment and automation system products:

Main Features	Technological Advantages	Key Process Steps	Application Scenarios	Product Series
<ul style="list-style-type: none"> Supports minimum line widths of 350nm Multi-optical engine parallel scanning Advanced alignment and compensation algorithms Compatible with wafer- and panel-level packaging 	<ul style="list-style-type: none"> Direct-writing for advanced process nodes (e.g., 130nm–90nm) High-resolution patterning for IC masks, MEMS, OLEDs Real-time process monitoring and feedback Seamless MES connectivity 	<ul style="list-style-type: none"> IC mask and chip lithography Wafer and panel-level packaging Micro/mini LED and OLED display panel lithography Automated substrate transfer and inspection 	<ul style="list-style-type: none"> IC mask fabrication High-end IC substrates Advanced semiconductor packaging (WLP, PLP) MEMS and biochip production Micro/mini LED and OLED display manufacturing 	<ul style="list-style-type: none"> LDW Series MLC Series WLP Series PLP Series WA/WB Series MLF Series RTR DE Series MAS Series NEX Series EE Series TE Series

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

Year ended December 31,									
2023			2024			2025			
Revenue	Sales Volume	Average Selling Price	Revenue	Sales Volume	Average Selling Price	Revenue	Sales Volume	Average Selling Price	
<i>RMB'000</i>	<i>Unit</i>	<i>RMB'000/Unit</i>	<i>RMB'000</i>	<i>Unit</i>	<i>RMB'000/Unit</i>	<i>RMB'000</i>	<i>Unit</i>	<i>RMB'000/Unit</i>	
PCB direct imaging equipment and automation System	589,811	280	2,106.5	772,887	378	2,044.7	1,079,928	475	2,273.5
Semiconductor direct-writing lithography equipment and automation System	188,247	54	3,486.1	109,843	27	4,068.3	233,419	61	3,826.5
Total/Overall	778,058	334	2,329.5	882,730	405	2,179.6	1,313,347	536	2,450.3

PCB Direct Imaging Equipment and Automation System

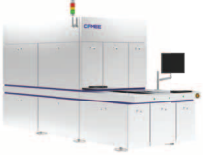
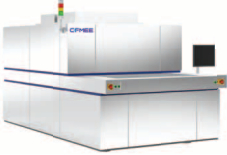


Our PCB direct imaging equipment and automation system is primarily used in the lithography process for the manufacturing of PCBs, specifically for the lithography of pattern layers and solder mask layers. The lithography process is a fundamental step in PCB manufacturing, involving the transfer of designed circuit patterns onto the PCB substrate through precise light-based patterning and subsequent development. Traditionally, the lithography process has relied on film-based photomasks. Our direct imaging technology, however, enables digital lithography without the need for photomasks, thereby streamlining production and reducing the risk of defects associated with film materials.

Our PCB direct imaging equipment supports minimum line widths of 4μm, meeting the technical requirements of a broad range of PCB applications, such as HDI boards. Since our establishment, we have developed a series of PCB direct imaging systems in response to evolving industry trends. Our equipment is capable of achieving competitive results in minimum line width, throughput and alignment accuracy. In particular, the MAS 4 model achieves a minimum line width of 4μm, meeting the stringent demands of IC substrate manufacturing. The MAS 35T standalone system delivers a throughput of 480 panels per hour at a minimum line width of 35μm and alignment accuracy of ±12μm, while the MAS 15T standalone system achieves 360 panels per hour at a minimum line width of 15μm and alignment accuracy of ±8μm.

In addition, our direct imaging technology eliminates the use of photomasks, enabling a fully digital lithography process. This not only enhances production efficiency but also improves product quality and consistency, particularly for high-density and fine-line PCB applications.

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The following table sets forth certain details of our major PCB direct imaging equipment as of December 31, 2025:

Product Series	Appearance	Features	Application Scenarios	Guidance Price Range (RMB'000/Unit)
MAS Series		<ul style="list-style-type: none"> Advanced direct imaging solution for pattern lithography High-resolution imaging for fine-line consistency and edge roughness Suitable for flexible, rigid-flex, HDI, and multilayer boards 	Pattern lithography for FPC, rigid-flex, HDI, and multilayer PCBs	2,000–4,800
NEX Series		<ul style="list-style-type: none"> Next-generation high-performance solder mask direct imaging High-power exposure source Precision imaging and alignment system for solder mask lithography 	Solder mask lithography for various PCB types	2,300–4,800
RTR Series.		<ul style="list-style-type: none"> Roll-to-roll direct imaging system Integrated high-precision imaging and roll-to-roll handling Designed for continuous flexible PCB production 	FPC lithography, roll-to-roll flexible PCB manufacturing	3,800–8,000
FAST Series		<ul style="list-style-type: none"> High throughput, small footprint Optimized for large panel PCB production Designed for high-yield PCB manufacturing 	Large panel PCB manufacturing	1,150–2,700

In addition, we have developed a series of laser drilling equipment, including MUD series (UV laser drilling systems) and the MCD series (CO₂ laser drilling systems), designed for via formation in HDI and FPC applications, meeting the increasing demand for fine-pitch and high-density interconnects in advanced PCB manufacturing. These systems are capable of high-precision laser drilling with a minimum hole diameter of 35 μm and feature real-time energy monitoring to ensure process stability and quality.

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Semiconductor Direct-Writing Lithography Equipment and Automation System

Our semiconductor direct-writing lithography equipment and automation system is primarily used in the lithography process for IC mask fabrication, IC substrate, advanced packaging and micro/mini LED and OLED display panel production. Compared to PCB direct imaging equipment, our semiconductor direct-writing lithography equipment supports narrower minimum line widths of 350nm, and is designed to meet the stringent requirements of high-end semiconductor and display equipment production processes.


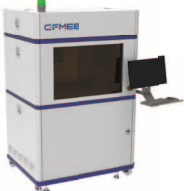

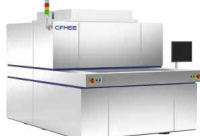
Unlike PCB direct imaging equipment, which is optimized for pattern and solder mask lithography at the micron scale, our semiconductor direct-writing lithography equipment is engineered for sub-micron precision and is suitable for a wide range of semiconductor and display applications. These products are capable of supporting photomask fabrication for process nodes ranging from 130nm to 90nm, wafer-level and panel-level packaging, MEMS, and micro/mini LED and OLED panel manufacturing.

In 2023, 2024 and 2025, we recorded revenue from semiconductor direct-writing lithography equipment and solutions of RMB188.2 million, RMB109.8 million and RMB233.4 million, respectively, accounting for 22.7%, 11.5% and 16.6% of our total revenue in the same years.

The following table sets forth certain details of our major semiconductor direct-writing lithography equipment as of December 31, 2025:

Product Series	Appearance	Features	Application Scenarios	Guidance Price Range (RMB'000/Unit)
LDW Series		<ul style="list-style-type: none"> Minimum line width <350nm Suitable for IC mask, IC chip, MEMS, biochip direct-writing lithography 	IC mask fabrication, IC substrate, MEMS, biochips	7,000–12,000
WLP Series		<ul style="list-style-type: none"> Multi-optical engine parallel scanning Auto alignment, backside alignment, smart compensation Advanced packaging for 12"/8" wafers 	Flip Chip, Fan-In WLP, Fan-Out WLP, 2.5D/3D packaging	10,000–25,000
PLP Series		<ul style="list-style-type: none"> Multi-optical engine parallel scanning Auto edge alignment, autofocus, smart compensation Supports copper-clad laminate, composite, glass substrates 	Panel-level packaging: FC CSP, FC BGA, Fan-In/Out PLP, 2.5D/3D	7,000–10,000

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Product Series	Appearance	Features	Application Scenarios	Guidance Price Range
MLF Series		<ul style="list-style-type: none"> • Compact, large depth of field, high throughput • Flexible configuration • Good process adaptability for dry film and photoresist 	Si/SiC power devices, MEMS, ceramic packaging	(RMB'000/Unit) 2,000–5,500
MLC Series		<ul style="list-style-type: none"> • Compact design • Minimum line width <600nm • Suitable for research and production 	IC substrate, masks, MEMS, biochips	1,000–3,000
FPD Solution . . .		<ul style="list-style-type: none"> • Minimum resolution <700nm • Designed for Micro/mini LED and OLED panel lithography 	Micro/mini LED and OLED display panel manufacturing	35,000
IC Substrate Solution		<ul style="list-style-type: none"> • Minimum resolution <4μm • Full-process exposure for IC substrate circuits and solder mask 	IC substrate	4,000–6,500

Equipment Maintenance Services

We also provide a comprehensive range of equipment maintenance services and other value-added solutions to support our customers throughout the lifecycle of our products. Our maintenance services are designed to ensure the stable and reliable operation of our equipment, minimize downtime, and help customers maximize their return on investment.

The designed lifecycle of our PCB direct imaging equipment and semiconductor direct-writing lithography equipment is generally eight to 10 years. With periodic replacement of parts and components and routine maintenance, customers are typically able to operate our equipment stably for a longer period. However, customers may upgrade or replace equipment earlier due to technology upgrades and changes in process requirements in the PCB and semiconductor industries.

Our equipment maintenance offerings include regular preventive maintenance, on-site troubleshooting and repairs, spare parts supply, equipment upgrades, and technical support. We maintain a dedicated service team with extensive experience in mechanical, electrical, and optical systems,

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enabling us to respond promptly to customer needs and deliver high-quality service solutions. In addition to scheduled maintenance, we offer emergency repair services to address unexpected equipment issues and minimize production interruptions.

In 2023, 2024 and 2025, we recorded revenue from equipment maintenance services of RMB44.4 million, RMB64.0 million and RMB84.4 million, respectively, accounting for 5.4%, 6.7% and 6.0% of our total revenue in the same years.

RESEARCH AND DEVELOPMENT

We are dedicated to technological innovation, which is fundamental to enhancing our core competitiveness, driving sustainable growth, and delivering value to our customers. We have established a comprehensive R&D system and an IPD management system to ensure that our R&D activities are ultimately aimed at achieving commercial success and meeting our business objectives. Our R&D Management Department, Product Management Department, and product development project teams are responsible for the overall management of R&D projects, including planning, project initiation, development, and lifecycle management. During the Track Record Period, we continued to optimize our IPD management system and R&D processes. By promoting platform-based product development and a matrix management model, we have enhanced resource utilization, improved the success rate of new product launches, and strengthened our technological and product competitiveness to support sustainable business growth.

We have built a talent structure that combines experienced industry experts with young technical specialists, fostering an innovative and collaborative environment. As of December 31, 2025, our R&D team comprised 281 employees, accounting for over one-third of our total workforce. Driven by specific application scenarios and customer requirements, our R&D team focuses on addressing industry pain points through process innovation, equipment upgrades, and technology optimization. We adhere to a systematic approach to R&D management, continuously improving personnel, equipment, materials, methods, environment, and measurement standards. Leveraging our accumulated expertise and resources, we are able to respond quickly to market trends and technological advancements, ensuring that our products and solutions remain at the forefront of the industry.

R&D Process

We have established a structured and standardized R&D process to ensure that our product development is closely aligned with market demand, technological trends, and our strategic objectives. This process is designed to manage the entire lifecycle of R&D projects, from project initiation to mass production, ensuring rigorous quality control, risk management, and efficient resource allocation at every stage. Our R&D projects are typically conducted through, six key stages, as set out below:

- ***Project Initiation and Opportunity Assessment:*** Our Product Development Team (“PDT”) conducts comprehensive research and analysis on market and customer requirements, product competitiveness, technology trends, and input-output assessment. Based on this analysis, we propose new R&D projects and formulate initial product business plans.
- ***Concept Analysis and Feasibility Study:*** Upon project approval, our PDT performs a systematic analysis of product requirements, conducts technical feasibility studies, and develops execution strategies. Our product business plan is subsequently refined and formalized to provide a clear framework for the next phases of development.

- **Detailed Design and System Design:** After the concept analysis and feasibility study stage, our PDT organizes system-level design, defines the product planning baseline, and develops detailed action plans for each function and discipline.
- **Product Development and Cross-functional Integration:** Following approval of the detailed design, our R&D team designs and integrates products to meet specifications, with active participation from marketing, manufacturing, quality, and service functions to ensure readiness in each area. Upon completion of prototype development and internal validation, the project proceeds to the verification stage.
- **Verification and Pilot Production:** We organize on-site customer validation of the product and conduct small-batch pilot production to verify manufacturability and serviceability. This stage ensures that the product meets functional requirements, is capable of mass production, and is positioned for market success.
- **Product Release and Market Launch:** Upon successful verification and pilot production, we enter the release phase, officially launching the product and commencing mass market sales.

Our Key Technologies and R&D Achievements

Our key technological achievements include (i) advanced lithography ultraviolet light source and exposure engine technology, (ii) high-precision, high-speed alignment and autofocus technology, (iii) high-speed, real-time, high-precision graphic processing technology, and (iv) high-reliability system monitoring and automated calibration technology. We believe these technological achievements not only support our current product offerings but also position us to capture emerging opportunities in advanced manufacturing and next-generation applications.

Advanced Lithography Ultraviolet Light Source and Exposure Engine Technology

We have developed advanced lithography ultraviolet light source and exposure engine technology, which provides a solid foundation for the resolution and throughput of direct-writing lithography equipment. We have achieved breakthroughs in high-power and high-stability ultraviolet light source modules, covering a wavelength range of 375nm to 445nm, supporting both single and multi-wavelength combined outputs. These innovations enhance compatibility with various photoresist systems and significantly improve production consistency. Leveraging these light source technologies and integrated high-precision optical system design, we have developed dedicated exposure engines for different PCB product series, primarily the solder mask and pattern series, achieving key features including high power tolerance, low distortion, high resolution, and large-format secondary imaging.

High-Precision, High-Speed Alignment and Autofocus Technology

We have developed high-precision, high-speed alignment and autofocus technology, which provides reliable assurance for the precise and efficient operation of direct-writing lithography equipment and multi-layer overlay. This technology is supported by precision workstations, which provide a stable and accurate mechanical foundation for high-precision alignment and motion control. This technology integrates key functions such as high-precision fiducial recognition and positioning, real-time automatic focusing, and high-precision multi-axis coordinated motion control. In terms of fiducial recognition and positioning, we have overcome the limitations of traditional algorithms, achieving sub-micron (3σ) recognition accuracy and excellent stability, effectively avoiding pattern

misalignment and deformation. For autofocus, we have integrated high-sensitivity distance measurement and fast-response actuators, enabling automatic real-time compensation for defocus caused by thermal drift, vibration, and substrate deformation, ensuring optimal focus during high-speed scanning, resulting in uniform linewidth (variation less than $\pm 10\%$) and stable imaging. For motion control, our precision platform adopts high-precision multi-axis coordinated motion control technology, ensuring smooth movement and nanometer-level positioning accuracy, meeting the stringent requirements for repeatability within tens of nanometers.

High-Speed, Real-Time, High-Precision Graphic Processing Technology

We have developed high-speed, real-time, high-precision graphic processing technology, which provides core support for the implementation of the “digital mask” function in direct-writing lithography equipment. Our graphic processing platform is built on a robust data link infrastructure, enabling high-throughput and low-latency data transmission to support real-time conversion of large volumes of vector data to raster data. To meet our customers’ diverse application needs, we have developed a comprehensive suite of graphic algorithms and compensation techniques, including linear and nonlinear pattern transformation, pattern compensation, seamless stitching, nanometer-level lens distortion correction, dynamic multi-lens linewidth consistency, and die shift correction, ensuring our equipment maintains core competitiveness in various complex application scenarios.

High-Reliability System Monitoring and Automated Calibration Technology

We have developed high-reliability system monitoring and automated calibration technology, aimed at helping customers improve production efficiency and reduce operating costs. During equipment operation, we conduct multi-dimensional system monitoring through key hardware module status feedback, software log collection, and environmental control systems. Based on these system monitoring methods, we can collect and analyze equipment operating data, and provide early warnings when abnormal trends are detected, helping customers identify potential issues in advance. Building on system monitoring, we have also developed automated calibration technology based on self-developed algorithms, which can automatically complete spatial relationship calibration among optical, platform, alignment, environmental control, and data link subsystems within 60 seconds, without manual intervention.

In addition to our internal research and development efforts, we actively engage in joint R&D projects with our core customers and leading academic institutions. For core customers, we collaborate on both customized enhancements to existing equipment, and the co-development of entirely new products to address emerging industry needs. These joint development projects are typically governed by cooperation agreements that clearly define intellectual property ownership and other key terms. We also leverage resources from universities and research institutes to support our product innovation, entering into formal agreements to ensure proper allocation of intellectual property rights. Such collaborations enable us to stay at the forefront of technological advancement and to deliver solutions that are closely aligned with customer requirements and industry trends.

OUR PRODUCTION

According to product characteristics and market conditions, we operate under a modular production approach that combines standardized production for high-volume, stable-demand products with customized production for high-end, strategic, or technically demanding projects. This approach allows us to balance the benefits of scale and efficiency with the flexibility required to serve customers with unique technical or application needs.

Standardized Production Modules

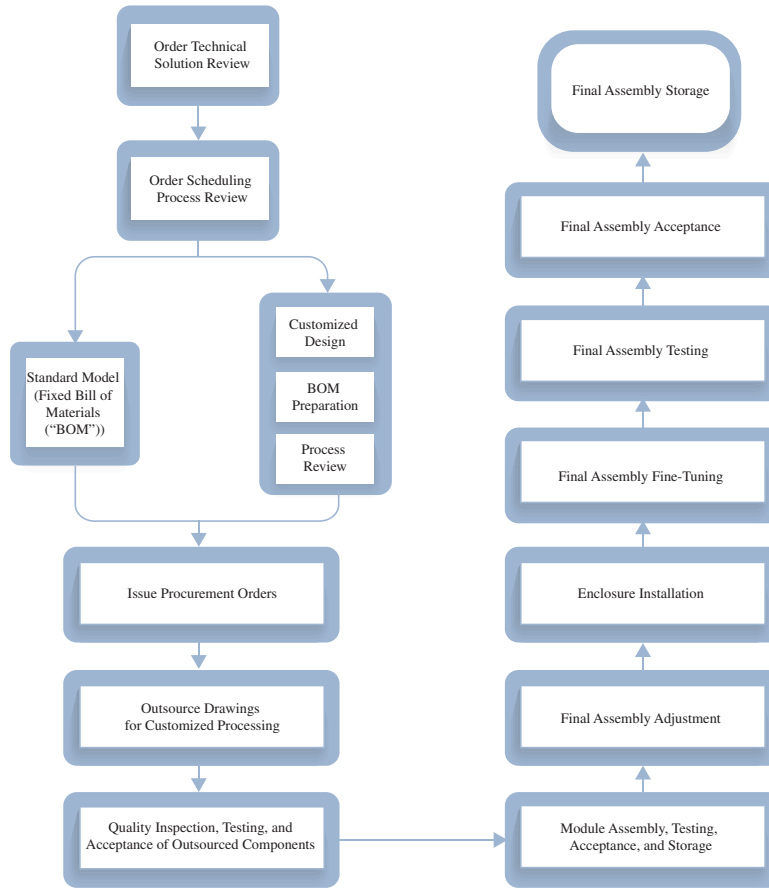
Our standardized production modules emphasize product quality and production efficiency. We formulate production plans based on confirmed customer orders and market demand forecasts. For products with stable demand and high sales volume, we maintain a certain level of work in progress inventory to ensure timely delivery lead times and rapid fulfillment of customer needs. This approach enhances our operational efficiency and supports the scalability of our manufacturing activities.

Customized Production Modules

Our customized production modules are primarily targeted at high-end strategic customers or technically demanding projects, enabling us to address individual and varied customer needs, particularly for our semiconductor equipment customers. For example, for advanced packaging applications, we offer customized modules for multi-optical engine parallel scanning, auto-alignment, backside alignment, and intelligent correction to support diverse packaging formats and specialized process requirements. Due to varying product performance and configuration requirements across different market segments, we also develop standardized modules and solutions during the customized production process. Depending on the complexity and technical specifications of the order, the production lead time typically ranges from 12 to 36 weeks for PCB customized products and from 24 to 40 weeks for semiconductor customized products. This market-driven model enables us to deliver tailored solutions that address unique technical challenges and application needs, strengthening our relationships with key customers and supporting our position in high-value market segments.

Production Process

The following table sets forth the typical production process for our major products:



Step	Production Process	Description
1.	Order Technical Solution Review	We assess the customer's actual requirements, recommend and confirm the appropriate equipment model, and discuss and agree on the customization and specifications of relevant modules with the customer, after which we finalize the technical specifications and acceptance criteria for subsequent work.
2.	Order Scheduling Process Review	Based on the agreed technical solution, we conduct an internal review of commercial terms and delivery schedule, and formally initiate production.
3.	Customized Design	We initiate customized module design in optics, mechanics, electronics, and software according to the order's technical terms and production schedule, and complete the design output as scheduled.

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Step	Production Process	Description
4.	Bill of Materials (BOM) Preparation and Process Review	We prepare a BOM in line with the customized design and submit it to the process engineering department for structural and technical review and confirmation.
5.	Issue Procurement Orders	Based on the confirmed BOM, we issue procurement orders in our ERP system and commence sourcing of optical, mechanical, and electronic components from qualified suppliers, ensuring all materials meet quality and delivery standards.
6.	Quality Inspection, Testing, and Acceptance of Outsourced Components (including Custom Processing)	We send out drawings for custom processing as required and conduct inspection, testing, and acceptance of all outsourced components. Only qualified materials are accepted into inventory; non-conforming items are rejected and returned to suppliers.
7.	Module Assembly, Testing, Acceptance, and Storage	<p>Optical, mechanical, and electronic modules are assembled and tested in parallel:</p> <ul style="list-style-type: none"> • Optical modules: Assembly, alignment, and calibration of lenses, light sources, and optical paths to meet design specifications. • Mechanical modules: Assembly and calibration of frames, moving parts, and motion systems for stability and precision. • Electronic modules: Assembly and testing of control units, pattern boards, and wiring harnesses for signal integrity and reliability. <p>Any non-conforming modules are reworked or eliminated and do not proceed to the next step. Qualified modules are stored for subsequent integration.</p>
8.	System Integration and Adjustment	We integrate optical, mechanical, and electronic modules into the complete system, conduct power-on testing and optical parameter adjustment in accordance with the production plan.
9.	Enclosure Installation	We install external components and enclosures to ensure structural integrity, safety, and compliance with design requirements.
10.	Final Assembly Fine-Tuning . .	We perform comprehensive system-level adjustment and calibration of the fully integrated equipment to ensure optimal performance. Non-conforming systems are returned for re-adjustment or rework before proceeding.

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Step	Production Process	Description
11.	Final Assembly Testing	We conduct stability tests under rated light source power and simulate exposure operations to verify all equipment functions.
12.	Final Assembly Acceptance . . .	We perform thorough quality inspection on equipment that passes stability testing, including appearance, performance, safety, and parameter configuration. Only equipment that passes all acceptance criteria proceeds to storage; non-conforming equipment is returned for further adjustment or rework.
13.	Final Assembly Storage	Qualified finished products are transferred into inventory, prepared for packaging and timely delivery to customers.

We have limited reliance on large-scale specialized machinery, as our production primarily centers on the precision assembly, calibration, integration, and stability testing of mechanical, electrical, and optical components. In addition, our production processes emphasize flexibility and adaptability, enabling production lines to be reconfigured or adjusted efficiently in response to changes in product specifications or customer requirements. This is achieved through the use of standardized workstations, precision tools, and smaller-scale assembly equipment, rather than reliance on large-scale specialized machinery. The main equipment utilized in our production process includes laser interferometers, optical/electronic microscopes, centering instruments, offline precision testing fixtures and laminators, among others. During the Track Record Period, we regularly upgrade, conduct preventive maintenance, and introduce advanced technologies to the production equipment, so as to ensure our production efficiency and product quality.

We strictly implement production process standards and ensure that Standard Operating Procedures (“SOP”) are in place to guide standardized operations throughout the entire production process. We have established process quality control points and a three-tier inspection mechanism comprising self-inspection, mutual inspection, and dedicated inspection, with quality inspection stations set up at key stages to comprehensively monitor product quality and ensure that final deliveries meet customer requirements. See “— Quality Control.”

Production Management Systems

To support our digitalization and intelligent production initiatives, we have implemented a range of production management systems, including Production Planning Management System, Product Line Task Assignment System and Production Scheduling System. These systems enable integrated management of procurement, production, supplier collaboration, and customer relationships, and provide data analysis to support decision-making and resource optimization.

- *Production Planning Management System:* We leverage the Material Requirements Planning (“MRP”) functionality in our ERP system to build an MRP framework tailored to our business needs. By using work orders as the core driver, we achieve supply-demand balancing and automated production planning. We also coordinate material requisition and delivery tracking, improving our material management efficiency and accuracy.

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- *Product Line Task Assignment System:* We use this system to integrate product line order management, after-sales service, and daily operational tasks, enabling standardized project management. The system supports workflow planning, task assignment and real-time monitoring.
- *Production Scheduling System:* We capture scheduling approvals and automatically analyze production requirements and equipment parameters. The system generates precise equipment configuration lists and pushes process parameters directly to workshop terminals to guide production. We also maintain electronic equipment files with version traceability, recording configuration changes, maintenance history, and performance data to support preventive maintenance.
- *Production Exception Handling System:* We manage the entire process of exception reporting, handling, closure, and accountability through this system. Exception forms allow us to quickly report issues, automatically coordinate production and research and development resources, assign responsible personnel, and ensure follow-up and closure.
- *Process Optimization System:* We have established a digital workflow for process improvement proposals, review, task assignment and closure. By integrating this system with Feishu platform, we can quickly submit and receive feedback on improvement suggestions. Once approved, the system assigns responsible personnel, sets deadlines, and tracks progress dynamically, enabling cross-departmental collaboration and continuous process optimization.
- *Quality Management System:* We have built a quality management system on the Feishu platform that standardizes inspection requirements and procedures from material receipt to finished product delivery. We set up process control points, monitor quality data, and respond rapidly to anomalies. We also assign unique traceability codes to key materials and products, ensuring full traceability throughout our supply chain and production process.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any major interruptions in production due to facility, equipment or system failures, nor did we incur any major accidents.

Our Production Base

As of the Latest Practicable Date, we had one production base in Hefei, China, comprising Phase I and Phase II.

Hefei Production Base

Our Hefei Production Base (Phase I) spanned a GFA of approximately 34,879.8 sq.m. as of December 31, 2025. The Hefei Production Base (Phase I) commenced operations in 2021 and specializes in production of high-end PCB direct imaging equipment, wafer-level packaging direct imaging lithography equipment and FPD equipment.

Our Hefei Production Base (Phase II) spanned a GFA of approximately 40,397.9 sq.m. as of December 31, 2025. The Hefei Production Base (Phase II) commenced initial trial operation in September 2025 and specializes in the production of automation system, high-end PCB direct imaging equipment, laser drilling equipment, wafer-level packaging direct imaging lithography equipment and

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FPD equipment. During the initial trial operation phase, the Hefei Production Base (Phase II) produced 48 automated production lines to support 96 LDI units as of December 31, 2025. After this stage, we plan to commence formal equipment production in line with market demand and customer orders, and expect the production base to further enhance our manufacturing capabilities and support our long-term growth strategy.

The following table sets forth the details of our Hefei Production Base (Phase I) for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
	Effective		Effective	Effective		Effective	Effective		Effective
	Annual	Actual	Capacity	Annual	Actual	Capacity	Annual	Actual	Capacity
	Production	Production	Utilization	Production	Production	Utilization	Production	Production	Utilization
	Capacity ⁽¹⁾	Volume	Rate ⁽²⁾	Capacity ⁽¹⁾	Volume	Rate ⁽²⁾	Capacity ⁽¹⁾	Volume	Rate ⁽²⁾
	Unit		%	Unit		%	Unit		%
Hefei Production Base (Phase I)	350	312	89.1	480	465	96.9	580	581	100.2

- (1) Effective annual production capacity represents our sustainable manufacturing capability under normal operating conditions, which is assessed based on (i) the practical throughput of our bottleneck processes and (ii) our parallel commissioning capability, taking into account the multi-stage nature of our production, including assembly, integration, debugging and final commissioning.
- (2) Utilization rate is calculated by dividing actual production volume by the designed production capacity for the same years.

In addition, our designed production capacity is the designed annual production capacity as filed with the relevant government authority, and is the output of PCB direct imaging equipment and semiconductor direct-writing lithography equipment a production base can achieve, calculated by taking the total number of production stations in our Hefei Production Base (Phase I), multiplying this by the number of actual working days in a year, divided by the commissioning days required per unit. In 2023 and 2024, our Hefei Production Base (Phase I) had a designed annual production capacity of approximately 270 units, based on 28 production stations, 300 actual working days per year, and 30 days required for commissioning each unit, after accounting for maintenance, breakdowns or other delays. In 2025, following our capacity expansion, the designed annual production capacity, calculated using the same method, is approximately 330 units. Based on such designed production capacity, the corresponding utilization rates were 116.6%, 172.2% and 176.1% in 2023, 2024 and 2025, respectively.

During the Track Record Period, the utilization rate based on designed production capacity our Hefei Production Base (Phase I) showed an upward trend and exceeded 100%, mainly due to our continuous process optimization and enhancements in production management, which significantly reduced the average labor hours required per unit and improved overall operational efficiency. In addition, robust market demand for our products during these periods led to increased order volumes and higher actual output, enabling us to surpass our originally designed production capacity. According to a written certification issued by the Hefei High-tech Industrial Development Zone Economic Development Bureau (合肥高新技術產業開發區經濟發展局), the competent authority, the difference between our actual production and the filed designed production capacity was mainly due to functional adjustments of certain production lines and improved equipment utilization efficiency. The certification confirms that there has been no unauthorized construction or expansion of production lines, nor any material violations or illegal acts, and that no restrictions on production, suspension of production, or administrative penalties have been imposed on the Company. As advised by our PRC legal adviser, based on the above certification and relevant PRC laws and regulations, our production in excess of the filed designed capacity does not constitute a material non-compliance, and our Directors are of the view this is not expected to have material adverse impact on our operations or financial performance.

Outsourced Manufacturing

Our manufacturing model is structured to ensure both quality control and operational flexibility. Core production processes, including the assembly of key modules, physical calibration, and system integration, are completed in-house to maintain strict quality standards. We procure electronic components, PCBs, optical elements, and other raw materials from a network of qualified suppliers. See “— Supply Chain Management.”

For certain non-core processes, such as PCB soldering and specific sub-assemblies, we may engage external third-party manufacturing contractors. The decision to outsource is typically based on factors such as cost efficiency, capacity constraints, or the technical complexity of the process. In these cases, we provide the necessary materials and detailed technical specifications, and require external manufacturers to comply with our product drawings, quality standards, and process documentation. We do not rely on any single supplier, thereby mitigating supply chain risks.

We may also outsource certain non-core components or processing steps due to cost advantages or temporary capacity constraints. When selecting manufacturing contractors, we consider a range of factors, including technical capability, production capacity, product quality, delivery efficiency, cost competitiveness and willingness to cooperate. We conduct regular assessments, on-site inspections, and performance reviews to monitor their compliance with our quality standards and contractual obligations, and provide technical guidance and training as needed.

The salient terms of the agreements between us and our manufacturing contractors are set out below:

- *Product Specifications.* The agreements generally specify the product name, model, quantity, technical specifications, and delivery date. Both parties are required to comply with the agreed product standards and technical requirements.
- *Pricing, fees and payment.* Unless otherwise agreed, the price includes transportation, packaging, insurance, and technical consulting. Manufacturing fees are set out in the contract and are generally determined by reference to market rates and factors such as labor, production schedule, technical complexity, and order volume. Payment is typically made by bank transfer or other agreed methods, and we generally pay 100% of the contract amount within 60 days after acceptance of the goods and receipt of the invoice, unless otherwise agreed.
- *Inspection, remedies and warranty.* We are entitled to inspect products upon receipt and, if defects or non-conformities are found, may require the manufacturing contractor to repair, replace, or accept the return of the products. The contractor is liable for defects or defaults in outsourced processes or products and must bear related costs, and we may seek compensation in accordance with the agreement. The contractor also typically provides a warranty period (as specified in the contract) under which it is responsible for repair or replacement of defective products at no additional cost.
- *Confidentiality.* Both parties are required to keep the terms of the agreement and any technical or commercial information confidential.
- *Termination.* The agreement may be terminated upon expiry, by mutual agreement, or in the event of a material breach by either party.

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In 2023, 2024 and 2025, we engaged 19, 25 and 24 manufacturing contractors, with manufacturing fees of RMB9.2 million, RMB24.5 million and RMB35.3 million, respectively. To the best of our knowledge, all of these manufacturing contractors are Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our manufacturing contractors, nor did we experience any material product defects or defaults in relation to outsourced products or processes.

CUSTOMERS, SALES AND MARKETING

Our Customers and Customer Service

Leveraging our competitive product portfolio and extensive sales expertise, we have established a robust customer base encompassing multiple global leading PCB and semiconductor manufacturers. These customers are widely recognized as leaders in the semiconductor and PCB sectors. Our ability to serve and retain such high-quality, top-tier customers demonstrates our strong customer stickiness and industry reputation, laying a solid foundation for our continued business growth.

We offer full lifecycle equipment maintenance services to customers to ensure that our equipment consistently meets their production requirements. We have strategically positioned regional sales centers nationwide, including our subsidiaries in Shenzhen and Suzhou, enabling comprehensive sales coverage and technical support across Southern, Eastern, and Central China. Concurrently, we have expanded internationally through our sales network, establishing industrial footholds in Southeast Asia, such as Thailand, with synergistic access to Japanese and Korean markets. Our years of market presence have cultivated strong recognition among downstream customers, providing a solid foundation for new customer acquisition through this regional approach.

We have further structured our sales organization to align with the distinct characteristics of our business segments. In terms of the sales of our PCB direct imaging equipment and automation system, we have established dedicated sales divisions for Southern, Eastern, and Central China, and overseas markets, respectively. This structure helps us address regional customer needs and respond to market trends and feedback. In addition, we have also established a dedicated sales department for the sales of our semiconductor direct-writing lithography equipment and automation system, ensuring focused market development and professional support tailored to the unique requirements of global semiconductor industry customers. We review and adjust our sales strategies based on customer demand and industry dynamics. Through this differentiated sales structure, we are able to optimize resource allocation, strengthen relationships with our customers, and drive the continued growth of our equipment sales in both domestic and overseas markets.

Moreover, we maintain close contact with customers to gain a deep understanding of their needs and we attach great importance to helping customers use our products properly. Our R&D team and sales department engage in frequent discussions with our customers to explore anticipated customer needs and related equipment updates. We collect feedback directly from customers to garner insights that help drive our business and operations forward. Our dedication to quality end-to-end service to our global customer base further strengthens our industry influence and reputation.

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Major Customers

During the Track Record Period, our customers were mainly PCB and semiconductor manufacturers, while a small proportion of our customers were distributors. The following tables set forth the basic information of our Group's top five customers in each year during the Track Record Period:

For the year ended December 31, 2023

Customer	Products provided	Revenue from the customer (RMB'000)	% of total revenue (%)	Length of business relationship with our Group	Credit terms	Payment method
Customer A ⁽¹⁾	PCB equipment, semiconductor equipment and maintenance services	61,143	7.4	Above 6 years	6 to 12 months	Wire transfer or bill collection
Customer B ⁽²⁾	PCB equipment, semiconductor equipment and maintenance services	44,024	5.3	Above 6 years	6 to 12 months	Wire transfer or bill collection
Customer C ⁽³⁾	PCB equipment and maintenance services	38,329	4.6	Above 6 years	3 to 6 months	Wire transfer
Customer D ⁽⁴⁾	PCB equipment, semiconductor equipment and maintenance services	28,796	3.5	Above 3 years	3 to 6 months	Wire transfer
Customer E ⁽⁵⁾	PCB equipment, semiconductor equipment and maintenance services	22,462	2.7	Above 7 years	6 to 15 months	Wire transfer or bill collection
Total		194,754	23.5			

For the year ended December 31, 2024

Customer	Products provided	Revenue from the customer (RMB'000)	% of total revenue (%)	Length of business relationship with our Group	Credit terms	Payment method
Customer E	PCB equipment, semiconductor equipment and maintenance services ⁽¹⁾	74,354	7.8	Above 7 years	6 to 15 months	Wire transfer or bill collection
Customer F ⁽⁶⁾	PCB equipment, semiconductor equipment and maintenance services	67,041	7.0	Above 6 years	12 to 24 months	Wire transfer
Customer C	PCB equipment and maintenance services	65,366	6.9	Above 6 years	3 to 6 months	Wire transfer
Customer D	PCB equipment, semiconductor equipment and maintenance services	47,124	4.9	Above 3 years	3 to 6 months	Wire transfer
Customer G ⁽⁷⁾	PCB equipment and maintenance services	34,614	3.6	Above 2 years	3 to 6 months	Wire transfer
Total		288,499	30.2			

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For the year ended December 31, 2025

Customer	Products provided	Revenue from the customer (RMB'000)	% of total revenue (%)	Length of business relationship with our Group	Credit terms	Payment method
Customer D	PCB equipment, semiconductor equipment and maintenance services	192,624	13.7	Above 3 years	3 to 6 months	Wire transfer
Customer E	PCB equipment, semiconductor equipment and maintenance services	188,632	13.4	Above 7 years	6 to 15 months	Wire transfer or bill collection
Customer F	PCB equipment, semiconductor equipment and maintenance services	99,562	7.1	Above 6 years	12 to 24 months	Wire transfer
Customer H ⁽⁸⁾	PCB equipment and maintenance services	56,508	4.0	Above 3 years	3 to 6 months	Wire transfer
Customer I ⁽⁹⁾	PCB equipment and maintenance services	48,252	3.4	Above 7 years	3 to 6 months	Wire transfer
Total		585,578	41.6			

Notes:

- (1) A national high-tech enterprise specializing in the research and development and manufacturing of high-precision PCBs.
- (2) A public company listed on the Shenzhen Stock Exchange. It is a high-tech enterprise specializing in the design, research and development, production and sales of PCBs.
- (3) A public company listed on the Shenzhen Stock Exchange. It is a Sino-foreign joint venture high-tech enterprise specializing in the research and development, production and sales of PCBs.
- (4) A public company listed on the Shenzhen Stock Exchange. The products are widely applied in fields such as communication electronics, consumer electronics, automotive electronics and AI servers.
- (5) A public company listed on the Shenzhen Stock Exchange. The products are widely applied in fields such as AI servers, new energy vehicles, and 5G communications.
- (6) A public company listed on the Shanghai Stock Exchange. Focusing on the research and development, production and sales of PCBs and high-end electronic materials.
- (7) A globally leading manufacturer of high-end multi-layer PCBs, its products are widely used in automotive electronics, consumer electronics and other fields.
- (8) A public company listed on the Tokyo Stock Exchange. Its core business encompasses the research and development, manufacturing, and sales of high-end equipment including exposure systems, inspection devices, and evaporation equipment.
- (9) A public company listed on the Shenzhen Stock Exchange, focusing on three major businesses: printed circuit boards (PCB), packaging substrates, and electronic assembly.

In 2023, 2024 and 2025, revenue from our top five customers in aggregate accounted for 23.5%, 30.2% and 41.6% of our total revenue, respectively, while revenue attributable to our largest customer in the same years accounted for 7.4%, 7.8% and 13.7%, respectively. The increase in the revenue contribution from our top five customers during the Track Record Period was primarily driven by (i) increased purchases by certain key customers as they expanded capacity and increased capital expenditure, supported by rising end-market demand such as growth in AI computing power, (ii) the timing of order intake, delivery and customer acceptance for several sizeable projects, which resulted in a higher concentration of revenue recognized in 2025, and (iii) our growing penetration among leading customers in the PCB and semiconductor industries, whose procurement tends to be more concentrated

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in vendors with proven products and service capabilities. Our Directors are of the view that, and the Sole Sponsor concurs, the revenue contribution from our top five customers is expected to further increase in the near term, as leading customers are continuing to expand capacity and increase production, which is expected to translate into higher procurement demand for our products.

To the knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates or any of our shareholders holding more than 5% of our issued share capital had any interests in any of our five largest customers in each year during the Track Record Period.

Our Sales Network

During the Track Record Period, we established an extensive sales network that enabled us to bring our PCB direct imaging equipment and semiconductor direct-writing lithography equipment to a broad customer base, bolstering our brand reputation and reinforcing our competitive edge in the market. We primarily entered into sales and purchase agreements with our direct customers, which we believe is critical to predict and address customers' needs. To further extend our market presence, we also sold our products through distributors, who in turn sell our products to other companies. During the Track Record Period, our distributor partnerships were instrumental in accelerating overseas market penetration, with a strategic focus on deepening our international footprint in Southeast Asia while concurrently extending our commercial reach into Japan and South Korea.

The following table sets forth the breakdown of our revenue by contribution from our customers, both in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>					
Direct customers	804,421	97.1	932,732	97.8	1,349,967	95.9
Distributorship	24,434	2.9	21,211	2.2	58,155	4.1
Total	828,855	100.0	953,943	100.0	1,408,121	100.0

The following below sets forth the breakdown of our revenue by geographic region, based on the final shipment destination, both in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>					
Chinese Mainland	768,619	92.7	765,810	80.3	1,133,533	80.5
Overseas markets						
Thailand	—	—	115,992	12.2	140,343	10.0
Japan	17,575	2.1	21,211	2.2	56,508	4.0
Taiwan China	34,259	4.2	42,374	4.4	49,449	3.5
Other regions ⁽¹⁾	8,402	1.0	8,556	0.9	28,288	2.0
Total	828,855	100.0	953,943	100.0	1,408,121	100.0

Note:

(1) Other regions primarily include Hong Kong, Vietnam, South Korea and Malaysia.

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Direct Customers

During the Track Record Period, our direct customers mainly included PCB and semiconductor manufacturers. In 2023, 2024 and 2025, we generated RMB804.4 million, RMB932.7 million and RMB1,350 million from sales to direct customers, respectively, accounting for 97.1%, 97.8% and 95.9% of our revenue in the same years.

The salient terms of the sales and purchase agreements between us and our direct customers are set out below:

- *Product Specifications.* We specify the product name, specifications, model, and quantity in the agreement.
- *Quality control.* The quality of the products shall be in compliance with the specific standards designated by our customers as set out in the contract.
- *Price.* The prices of the product are generally specified in each purchase order in the case where the main sales agreement is a framework agreement.
- *Payment terms.* Our direct customers are typically required to prepay 30% of the total contract value within a specified period after signing the contract, pay a further 60% upon acceptance of the products, and settle the remaining 10% after the expiry of the warranty period.
- *Confidentiality.* All confidential information provided by either party shall not be disclosed to any third party without prior consent.
- *Delivery and transportation.* We typically deliver the products to the customer's designated location after receiving the down payment. The transportation costs are generally borne by us.
- *Warranty.* We typically offer direct customers product warranties from one to two years.

During the Track Record Period, we strategically engaged third-party sales agents to leverage their expertise and market presence in local markets. These agents, typically well-established trading companies within their respective industries, have been instrumental in enhancing the accessibility of our products. By capitalizing on their local strengths, we have successfully expanded our sales network and experienced growth in overseas customers. We pay these third-party sales agent service fees for their services in helping us expand our sales network. In 2023, 2024 and 2025, we recorded third-party sales agent service fees of RMB9.4 million, RMB18.4 million and RMB23.9 million, respectively. We directly enter into sales contracts with the end customers who were connected to us by the third-party sales agents. In 2023, 2024 and 2025, we engaged three, two and nine third-party sales agents, respectively, through whom we generated sales revenue of RMB65.2 million, RMB48.8 million and RMB134.6 million, respectively. These third-party sales agents were primarily located in Shenzhen, Suzhou, Xuzhou, Huizhou, Shanghai, Taiwan China and Thailand.

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The salient terms of the agreements between us and third-party sales agents are set out below:

- *Duration.* The duration of our agreements with third-party sales agents is typically two years.
- *Commission.* The commission rates payable to third-party sales agents vary depending on the region of the end customer. Typically, we set different commission rates for third-party sales agents ranging from approximately 5% to 11% of the final contract amount of the relevant sales transaction. According to CIC, such commission arrangement is in line with industry practice.
- *Sales agents' responsibilities.* Sales agents are typically responsible for the marketing, and promotion of our products and brand in the relevant region.
- *Our Responsibilities.* We are obligated to provide updated product catalogs to third-party sales agents in a timely manner in the event of any changes to our products.
- *Intellectual property.* We have granted sales agents the non-exclusive right to use our trademark "CFMEE" and other trademarks related to us, subject to our prior written consent, for the purpose of promoting our products under the agreement.
- *Pricing.* The sales prices of our products within the agent territory are determined through mutual agreement between us and the relevant third-party sales agents.
- *Termination.* The agreements terminate upon expiry, or can be terminated by mutual agreement. The agreement can also be terminated upon written notice of one party, in the event of fraud, bankruptcy or material breach of the agreement of the other party.

Distributorship

During the Track Record Period, we also cooperated with distributors with local customer resources to achieve effective customer outreach and market penetration in certain geographical areas such as Southeast Asia, Japan and South Korea. Our distributors are generally trading companies in the PCB and semiconductor production equipment industry. During the Track Record Period, our distributors were located in Hong Kong, South Korea and Japan. We maintain a buyer-seller relationship with our distributors. From 2023 to 2025, the number of our distributors remained stable at three with no changes and we engaged an additional distributor in the first half of 2025, through which we sold our products to customers primarily located in Vietnam, Japan, Thailand and South Korea. In 2023, 2024 and 2025, we generated revenue of RMB24.4 million, RMB21.2 million and RMB58.2 million from sales to distributors, respectively, accounting for 2.9%, 2.2% and 4.1% of our revenue in the same years.

Management of Distributors

We adopt differentiated pricing strategies for our different types of products. We value the management of our distributors, and maintain a good cooperative relationship with them. Our distributors management covers order and settlement management, marketing support and training and

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evaluations. We require a comprehensive evaluation of our distributors regularly, assessing a range of criteria including sales performance, inventory, project acquisition, technical support, key customer assistance, payment, operational efficiency and compliance status, among others.

To minimize the risk of cannibalisation, we generally take the following measures in relation to our distributors: (i) when selecting our distributors, we take into consideration their respective geographic coverage to avoid potential competition among the distributors within a region; (ii) our distribution agreements specify the designated distribution regions; and (iii) we regularly communicate with our distributors to monitor various aspects of their sales activities and keep track of any potential cannibalisation or competition among our distributors.

We primarily commence business relationships with new distributors due to routine replacement and market coverage expansions. We terminate business relationships with distributors primarily due to their change of business and the market volatilities in the PCB and semiconductor production equipment industry during the past few periods.

To the best of our knowledge, all of our distributors are Independent Third Parties. Besides the ordinary course distribution arrangement with us, there is no other relationship between the distributors and each of our Company, our subsidiaries, our shareholders, directors or senior management or any of their respective associates. During the Track Record Period and up to the Latest Practicable Date, we had no material unresolved disputes or lawsuits with these terminated distributors. For distributors that have terminated their business relationship with us, if they still have remaining inventory, we will not accept their product return (except for quality issues) as stipulated in the agreement.

Our Arrangements with Distributors

Our relationship with distributors is a standard buyer-seller relationship. We typically enter into sales and purchase agreements with our distributors. We generally do not allow our distributors to engage sub-distributors. The salient terms of our standard sales agreements between us and our distributors are set out below:

- *Duration.* The duration of the distribution agreements is typically one to two years.
- *Payment terms.* Our distributors are typically required to prepay a predetermined percentage of either the total contract value prior to shipment, and settle the remaining balance within the agreed-upon timeframe following receipt of our products.
- *Pricing.* The sales prices of our products are determined through mutual agreement between us and our distributors.
- *Sales targets.* We generally set sales targets for our distributors based on annual forecasts of the relevant market.
- *Product specifications.* Our distributors typically set forth product specifications for products ordered, such as product name, model, configuration and features.
- *Product Return/Exchange.* Distributors are generally not permitted to return or exchange products except in the case of quality issues. We are responsible for any costs arising from defective products.

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- *Warranty.* We generally provide a one-year warranty period for the products delivered to our distributors.
- *Confidentiality.* All confidential information provided by either party shall not be disclosed to any third party without prior consent.
- *Termination.* The agreements terminate upon expiry, or may be terminated by the non-defaulting party in the event that the other party defaults and fails to rectify the breach within the prescribed period.

Marketing

We adopt a customer-centric marketing approach to build and expand our relationships with customers. We collect feedback directly from them to garner insights that help drive our business and operations forward. We utilize offline and online marketing channels such as our website, industry exhibitions, seminars and industry media to showcase our latest products and technological achievements. These targeted marketing strategies meet our business promotion needs, enhance our brand awareness and capture the attention of potential customers. As we continue to expand domestically and internationally, we continuously optimize our sales and marketing network to ensure that we have sufficient geographic coverage across both existing and new markets. We have strategically positioned regional hubs nationwide, including our Shenzhen subsidiary and Suzhou subsidiary, enabling comprehensive sales coverage across Southern, Eastern, and Central China. Concurrently, we have expanded internationally through our sales network, establishing industrial footholds in Southeast Asia with synergistic access to Japanese and Korean markets. Specifically, we have established a subsidiary in Thailand to further enhance our local presence and service capabilities, and have delivered approximately 227 units of equipment to customers in Thailand as of December 31, 2025.

Our strong brand reputation and significant industry influence have been cultivated through extensive and deep partnerships with leading customers across various sectors. We adopt tailored strategies for customers in different industries and devote significant resources to business development in emerging applications. We make full use of the opportunity to participate in exhibitions to showcase our latest products and technologies to domestic and foreign customers, enhance our brand awareness, and develop business relationships with potential customers.

Pricing

We adopt differentiated pricing strategies for our different types of products. We take into account various factors when determining the price of our products, including procurement and production cost, product performance, technological differentiation, customer demand, supply chain dynamics and expected gross margin of each product, as well as other commercial terms. We also evaluate the competitive landscape, including the overall market conditions as well as the market prices of comparable products offered by our peers.

After-sale Services

We believe that the accessibility of high-quality after-sales services is an important consideration behind a consumer's purchase decision. Adhering to our values of "customer-first" ("以客戶為中心") and the service philosophy of "meeting customer needs while exceeding their

expectations” (“滿足客戶需求、超越客戶期待”). We have established localized service teams in major markets, enabling us to respond rapidly to customer needs and provide on-site technical support, maintenance, and training. Our sales network serves as the primary contact point for customers to receive prompt 24/7 after-sales services, which cover delivery, return and exchange of defective products, as well as trainings to ensure proper installation of our products and the verification of the application conditions of our products. We believe that the provision of satisfactory after-sales services is a crucial determinant of our success. It enhances the value chain of our products and fosters satisfaction among customers and end-users.

We provide product return and exchange services that are tailored to address the requirements and concerns of our customers. We have established a standard product return procedure. When a customer raises a quality issue with our products, our technical team promptly verifies the concern. Following an internal analysis and review that confirms a product deficiency, our quality control department informs the sales team to initiate a return request and complete the return and exchange procedure. In 2023, 2024 and 2025, we recorded the amounts of product returns of nil, RMB4.5 million and RMB8.3 million, accounting for nil, 0.5% and 0.6% of our revenue in the same years, respectively. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product returns, product recalls, that adversely impacted our reputation, business operations or financial condition, nor were we subject to any material product liability claims. We believe such arrangements help foster trusted, stable relationships with customers and sustain our long-term growth. Our sales team are required to attend regular training sessions to improve their knowledge and skills. To ensure the quality of our after-sales services, we conduct regular appraisals of representatives with regard to their performance.

Moreover, our sales team conducts customer satisfaction evaluations on a regular basis by collecting and analyzing information from our customers regarding their satisfaction with our products and services. By doing so, we gain valuable insights into areas where we excel and identify opportunities for improvement. These evaluations also serve as a platform for us to follow up on our customers’ evolving needs. By understanding our customers’ future requirements and preferences, we can explore further collaboration opportunities and generate ideas for product iteration and innovation.

QUALITY CONTROL

We have comprehensive policies and detailed procedures in place to ensure product quality, supported by our digital intelligence initiatives and sustainability integration strategy. We have deployed multiple quality management systems and advanced digital platforms covering R&D, production, and supply chain operations. Through our various management systems such as the CRM system, ERP system and Feishu platform, we implement end-to-end digital control from market engagement to post-sales service, enabling real-time data capture, analysis, and shared visibility to standardize workflows and improve cross-functional coordination. We have also received various certifications such as ISO-9001:2015.

We have established a dedicated quality control department to ensure that every stage from raw material inspection to product delivery consistently meets quality standards and customer requirements through systematic prevention, supervision, inspection and continuous improvement, thereby enhancing product quality, safeguarding our brand reputation and mitigating quality risks. Our quality control department comprises two specialized functional teams, namely the quality assurance (“QA”) team and the quality control (“QC”) team. Our QA team is responsible for the establishment, maintenance and ongoing enhancement of our quality control system, as well as the prevention and management of

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quality risks throughout the production process. Our QC team is primarily responsible for the inspection, testing and assessment of product conformity, conducting objective and timely inspections to identify and intercept non-conforming products, and providing accurate quality data to support management decisions. Our QA and QC teams operate with clear division of responsibilities and close collaboration, jointly forming a comprehensive quality assurance framework for our production.

As of December 31, 2025, we had a quality control workforce of 24 employees. We have strengthened standardized production and quality management training, engaging all staff in quality assurance initiatives to minimize the risk of quality control issues. We also encourage a culture of quality awareness throughout the organization, with regular internal audits and feedback mechanisms to drive continuous improvement. We have developed a full life cycle quality control system covering product R&D, supply chain, production process and customer service, ensuring that all products are manufactured and assembled adhering to consistent standards and quality.

Our quality control measures include the following:

- **Product R&D Quality Control:** We adopt an Integrated Product Development (“IPD”) model, fully leveraging research outcomes driven by the technical requirements of various niche markets, and implement advanced product quality control plans to effectively prevent design defects and potential quality issues during the R&D phase. We have established dedicated positions to supervise the integrity of the R&D process and conduct quality reviews of key deliverables at each project stage, ensuring rigorous process management throughout product development. We also conduct regular design validation and reliability testing to ensure that new products meet both internal and customer standards before mass production.
- **Supply Chain Quality Control:** We implement stringent supplier qualification protocols, particularly for core systems and specialized components, and select a limited group of certified suppliers to establish long-term and stable partnerships. We have established a closed-loop management mechanism covering the entire supplier lifecycle, including onboarding, performance evaluation and exit. Through regular commercial negotiations, we secure optimal procurement terms while requiring strict compliance with our technical specifications. We ensure ongoing supplier compliance with our quality requirements through quality certification, incoming material inspection, process monitoring and collaborative improvement. In addition, we conduct continuous supplier performance reviews across multiple dimensions, including quality, cost and delivery, to ensure stable and reliable supply. We also provide training and technical support to key suppliers to enhance their quality management capabilities and ensure alignment with our standards.
- **Production Process Quality Control:** We strictly adhere to production process standards and ensure that SOP cover the entire production process, guiding employees in standardized operations. We have established process quality control points and implemented a three-tier inspection mechanism comprising self-inspection, mutual inspection and dedicated inspection to promptly identify and manage quality issues. In addition, we have set up quality inspection stations at key stages, including in-process, finished goods and pre-shipment, to comprehensively monitor product quality and ensure that final deliveries meet customer requirements. We also utilize digital monitoring tools and automated inspection equipment to further enhance process control and traceability.

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- **Customer Service:** We have established a marketing and service network covering our targeted market in Southeast Asia, Japan and South Korea, providing localized technical support and after-sales service throughout the product life cycle. We have also established a standardized customer complaint handling procedure to ensure timely response to customer concerns and actively collect customer feedback for continuous service improvement. In addition, we have implemented an efficient product quality incident traceability mechanism, enabling us to accurately identify problem areas and root causes, drive internal product improvement and manage risk recalls, thereby ensuring product quality control and enhancing user experience. Furthermore, we regularly analyze customer feedback and service data to identify trends and proactively address potential quality issues, further strengthening our commitment to customer satisfaction.

SUPPLY CHAIN MANAGEMENT

Raw Materials and Procurement

The key raw materials we procure include motion stages and assemblies, pattern generators, optical path assemblies, exposure light sources and automated control systems, among others.

For the procurement of raw materials, we advance supply chain digital transformation to establish our supplier collaboration platform, which shortens business processing times and improves the delivery cycle of various components. We utilize the SRM system to optimize warehouse operations, promote on-demand distribution and enhance turnover efficiency. We have developed a one-stop integrated procurement platform as well as a procurement management center, thereby strengthening the foundation for our high-efficiency, quality-driven, and sustainable manufacturing.

The prices of raw materials are primarily determined based on competitive negotiation between our suppliers and us. The prices are generally fixed for prescribed periods of time set out in the framework agreements. When there are material price fluctuations in the market, subject to both parties' agreement, the prices may be adjusted with reference to the then market prices. During the Track Record Period and up to the Latest Practicable Date, we did not experience quality or delivery issues with our raw materials that materially affected our operations.

OUR SUPPLIERS

Supplier Selection and Management

We develop our supplier selection strategy based on our need for raw materials and the supply conditions of the market. When selecting suppliers, we take into account diverse factors, including, among others, the suppliers' background, technical capability, product quality, cost, production capacity, and delivery efficiency. We have implemented a comprehensive supplier management system that defines the admission of suppliers, daily management of qualified suppliers, and termination of unqualified suppliers to improve our supplier management standards.

During our selection process, we mainly focus on suppliers' qualifications, compliance with laws and regulations, industry experience, quality assurance systems, and R&D capabilities, and we also consider social responsibilities and other dimensions, including environment, the safety of hazardous substances, trade safety, and other aspects. We also review their production process, product quality, and market reputation. We implement a rigorous traceability process for our raw materials, tracing them

to their origins to ascertain compliance with the elevated benchmarks established by our standards. We may conduct on-site visits to production bases of potential suppliers. Potential suppliers are also required to provide samples for our testing and assessment. Suppliers are then admitted onto our list of qualified suppliers. We generally prioritize those qualified suppliers, and price comparisons are conducted where raw materials are of satisfactory quality and functionality.

Our primary sources for raw materials are in China. We carry out performance assessments to ensure the quality and service standards of our suppliers on a quarterly basis and inform the suppliers of our assessment results and rectification requirements. In addition, we conduct batch checks and ongoing reliability tests to ensure the consistency and high quality of our products. If certain raw materials and components fail to meet our stringent testing standards, we request the return of the affected batch. The supplier is obliged to perform an analysis of the returned products, identify the causes for non-compliance, and propose viable solutions.

Agreements with Suppliers

We typically enter into framework supply agreements with suppliers, the salient terms of which are set out below:

- *Product specification.* We specify the product name, manufacturer or brand, specification, price, quantity, delivery timeline and other detailed items in each purchase order we send to our suppliers. We may also include technical requirements or quality standards as part of the purchase order where necessary.
- *Pricing.* The prices quoted to us are based on market conditions and stated in the purchase orders.
- *Payment and credit term.* We are typically granted a credit term of 30 to 60 days.
- *Logistics.* The suppliers are typically responsible for the delivery of products to our designated location specified in each purchase order. The suppliers typically are generally responsible for the logistic and transportation costs associated with the procurement of materials.
- *Quality guarantee.* Products are typically accepted in accordance with the specifications agreed with our suppliers. Should any quality issues arise during the warranty period, we are entitled to request product replacement or return.
- *Confidentiality.* Typically, we require our suppliers to keep our trade secrets and know-how confidential.
- *Termination.* The agreement may be terminated upon expiry, by mutual agreement, or in the event of a material breach by either party.

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Anti-Kickback Measures

An effective set of anti-kickback policies and procedures is critical to ensuring the integrity of our quality assurance and supply chain network while managing our costs. Our anti-kickback measures and initiatives include the following:

- *Zero tolerance.* All supply agreements contain provisions prohibiting bribery and kickbacks, and any breaches of them may lead to serious penalties on the suppliers in question and may result in the termination of their qualifications as our suppliers. We would immediately terminate the employment of any employee who is found to be involved in any bribery or kickback incidents.
- *Reporting mechanism.* We have entered into integrity agreements and product commitments with our suppliers and implemented a reporting mechanism under which our suppliers and our employees may report instances of bribery or kickbacks directly to our management and our hotline.
- *Advanced management system and policies.* We have formulated an anti-commercial bribery system and implemented a series of internal control measures and policies to prevent any potential bribery or kickbacks.

Major Suppliers

During the Track Record Period, our major suppliers primarily include manufacturers of motion stages and assemblies, pattern generators, optical path assemblies, exposure light sources and automated control systems. The following tables set forth the basic information of our Group's top five suppliers in each year during the Track Record Period:

For the year ended December 31, 2023

Supplier	Products purchased	Purchase amount (RMB'000)	% of total purchases (%)	Length of business relationship with our Group	Credit terms	Payment method
Supplier A ⁽¹⁾	Digital Micro-mirror Devices	95,981	20.4	Above 6 years	Two months	Wire transfer/letter of credit
Supplier B ⁽²⁾	High precision Stage	45,941	9.8	Above 9 years	One month	Wire transfer/bank draft
Supplier C ⁽³⁾	Laser Module	26,435	5.6	Above 3 years	Two months	Wire transfer/bank draft
Supplier D ⁽⁴⁾	Laser Module	16,471	3.5	Above 6 years	Two months	Wire transfer/bank draft
Supplier E ⁽⁵⁾	PC and Graphic Workstation	15,635	3.3	Above 7 years	Two months	Wire transfer
Total		200,463	42.6			

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For the year ended December 31, 2024

Supplier	Products purchased	Purchase amount	% of total purchases	Length of business relationship with our Group	Credit terms	Payment method
		(RMB'000)	(%)			
Supplier A	Digital Micro-mirror Devices	106,102	12.7	Above 6 years	Two months	Wire transfer/letter of credit
Supplier B	High precision Stage	76,637	9.2	Above 9 years	One month	Wire transfer/bank draft
Supplier F ⁽⁶⁾	Laser Module	55,182	6.6	Above 4 years	Two months	Wire transfer/bank draft
Supplier D	Laser Module	46,516	5.6	Above 6 years	Two months	Wire transfer/bank draft
Supplier G ⁽⁷⁾	Laser coupling assembly	39,931	4.8	Above 4 years	Two months	Wire transfer/bank draft
Total		324,368	38.9			

For the year ended December 31, 2025

Supplier	Products purchased	Purchase amount	% of total purchases	Length of business relationship with our Group	Credit terms	Payment method
		(RMB'000)	(%)			
Supplier A	Digital Micro-mirror Devices	211,751	21.2	Above 6 years	2 months	Wire transfer/letter of credit
Supplier B	High precision Stage	98,080	9.8	Above 9 years	1 months	Wire transfer/bank draft
Supplier D	Laser Module	52,413	5.2	Above 6 years	2 months	Wire transfer/bank draft
Supplier G	Laser coupling assembly	30,527	3.1	Above 4 years	2 months	Wire transfer/bank draft
Supplier E	PC and Graphic Workstation	29,107	2.9	Above 7 years	2 months	Wire transfer
Total		421,879	42.2			

Notes:

- (1) A global supplier of technology products, services and solutions, headquartered in Hong Kong, PRC. One of the global leading authorized distributors in electronic components.
- (2) A company headquartered in Shenzhen, Guangdong Province, PRC, focused on nano and micron level linear motor motion stages, semiconductor ceramic components, marble components, etc.
- (3) A high-tech enterprise headquartered in Tianjin, PRC, specializing in the R&D, production and sales of high-power semiconductor laser components and systems, handheld laser welding machines, the high-end semiconductor lasers produced by the company are widely used in multiple fields such as laser direct imaging (LDI), lidar, laser medical aesthetics, and blue laser processing.
- (4) A company headquartered in Dongguan, Guangdong Province, PRC, specializing in the research and development, production, and sales of semiconductor lasers. Main business includes the manufacturing of laser diodes, laser modules, optical fiber coupled lasers, and other products, which are widely used in 3D scanning, exposure development, machine vision, medical beauty, engraving and cutting.
- (5) A company headquartered in Xiamen, Fujian Province, PRC, focused on providing infrastructure and commercial terminal solutions for core users and global users.
- (6) A company headquartered in Suzhou, Jiangsu Province, PRC, engaged in research on laser imaging technology, laser de-speckle technology, semiconductor laser source coupling technology and DLP/LCoS/CMOS engine development.
- (7) A high-tech enterprise headquartered in Jinan, Shandong Province, PRC, specializing in the research and development, production and sales of semiconductor laser epitaxial wafers, laser bar chips, laser devices, and laser modules.

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To the knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates or any of our shareholders holding more than 5% of our issued share capital had any interests in any of our five largest suppliers in each year during the Track Record Period.

Our Directors confirm that our Group did not experience any material disruption, disputes or delay in relation to supply by our suppliers during the Track Record Period and up to the Latest Practicable Date.

SUPPLIER-CUSTOMER OVERLAP

Among our top five suppliers in each year during the Track Record Period, Supplier B was also our customer, leasing properties from us in each year during the Track Record Period. The leasing arrangement with Supplier B was primarily entered into to facilitate Supplier B's supply of products to us, as Supplier B required production facilities on our premises for operational convenience. Our Directors are of the view that such arrangement was entered into for legitimate business purposes and on normal commercial terms. In 2023, 2024 and 2025, our purchase amount from Supplier B was RMB45.9 million, RMB76.6 million and RMB98.1 million, respectively, representing 9.8%, 9.2% and 9.8% of our total purchase amount in the same years. In 2023, 2024 and 2025, our revenue from Supplier B who was also our customer was RMB1.0 million, RMB1.1 million and RMB1.1 million, respectively, representing 0.1%, 0.1% and 0.1% of our total revenue in the same years. During the same years, our gross profit from Supplier B as our customer, was RMB0.8 million, RMB0.9 million and RMB0.9 million, respectively.

Among our top five customers in each year during the Track Record Period, Customer D was also our supplier, leasing properties to us in 2023, 2024 and 2025. The leasing arrangement with Customer D was primarily entered into to facilitate the provision of after-sales services to Customer D, given its significance as one of our major customers. We leased sales office space from Customer D to better serve its needs. Our Directors are of the view that such arrangement was entered into for legitimate business purposes and on normal commercial terms. During the Track Record Period, we mainly sold PCB direct imaging equipment and semiconductor direct-writing lithography equipment to Customer D, including the MAS, NEX and RTR series, and provided comprehensive after-sales maintenance and support services for these products. In 2023, 2024 and 2025, our revenue from Customer D was RMB28.8 million, RMB47.1 million and RMB192.6 million, respectively, representing 3.5%, 4.9% and 13.7% of our total revenue in the same years. In 2023, 2024 and 2025, our purchase amount from Customer D who was also our supplier was RMB0.1 million, RMB0.4 million and RMB0.4 million, respectively, representing approximately 0.0%, 0.1% and 0.0% of our total purchase amount in the same years. During the same years, our gross profit from Customer D as our customer, who was also our supplier, was RMB16.5 million, RMB25.4 million and RMB114.2 million, respectively.

According to CIC, such overlap is not uncommon in the industry, particularly given our leading market position, market share and the breadth of our relationships with a diverse customer and supplier base. These factors increase the likelihood that certain parties may act as both our customers and suppliers, engaging in both the sale and purchase of products and services with us. Our Directors are of the view that the transactions with the overlapping supplier-customers were conducted at arm's-length, mutually independent and under normal commercial terms. Negotiations of the terms of our sales to and purchases from these overlapping supplier-customers were conducted on an individual basis, and the sales and purchases were neither inter-connected nor inter-conditional with each other.

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COMPETITION

As one of the most important subsectors of global direct-writing equipment industry, the global PCB direct imaging equipment industry exhibits a relatively concentrated competitive landscape, with the top five PCB direct imaging equipment suppliers accounted for an aggregate market share of approximately 59.1%, according to CIC. We were the world's largest PCB direct imaging equipment supplier in terms of revenue in 2025, with a market share of 18.8%, according to CIC.

With leading positions in the industry, deep industry experience, strong R&D and manufacturing capabilities, broad product portfolios and large and stable customer base, we believe that we are well positioned to excel in the competition in our industry. We believe that there are high barriers for our competitors to enter the market, which include, among other things, technology, scale production experience, capital investment, supply chain and customer base. See "Industry Overview."

LOGISTICS

We are dedicated to developing an efficient and transparent logistics supply chain to ensure customer satisfaction and enhance our distribution efficiency. We engage qualified third-party logistics service providers for the delivery of finished products from our manufacturing facilities to locations specified by our customers. We set strict standards for the transportation of our products that these third-party logistics service providers are required to follow and we evaluate the third-party logistics service providers on their compliance and performance to ensure smooth delivery of products to customers. Through ongoing enhancements, we are consistently improving delivery timeliness, accuracy and customer satisfaction while achieving cost reductions. To the best of our knowledge, all of these logistics service providers are Independent Third Parties.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant delay or inappropriate handling of goods that materially and adversely affected our business operations.

INVENTORY MANAGEMENT

Our inventories mainly include raw materials, work-in-progress, finished products and goods in transit.

Our supply chain management is coordinated to achieve synergy and desirable allocation of resources among order placement, procurement management, product manufacturing, shipping and other processes. We manage and maintain sufficient inventory levels to support production. We analyze and determine the procurement strategies according to the forecast supply, market analysis and the estimation of fluctuations of the volume in procurement period and procurement price. Based on such analysis, we set different reasonable and safe inventory levels for different kinds of inventories in response to changes in customer demand and fluctuations of raw material prices.

In addition, we digitalize and standardize our inventory management through our ERP system, which enhances the efficiency and accuracy of our inventory management processes. We also retest products to ensure that they are still suitable for their intended use after reaching their designated storage period.

INFORMATION TECHNOLOGY

Information technology systems are essential to competitiveness and efficient operations. We leverage information technology to streamline our business processes and enhance our operational efficiency. We have established multiple information systems to support various business functions. Our key information technology systems are set forth below:

- **ERP system.** We use the T100 system as our core ERP platform, through which we have built an end-to-end integrated solution covering supply chain management, production, and financial management. Since its implementation, we have achieved real-time data sharing and process visualization across departments improving efficiency and supporting decision-making.
- **PLM system.** We have deployed Teamcenter as our Product Lifecycle Management (“PLM”) platform, allowing us to manage and collaborate throughout the entire product lifecycle in a unified way. It supports R&D-manufacturing collaboration and centralized technical documentation and design data.
- **CRM system.** We use the CRM system to digitalize and comprehensively manage our entire sales process, from market lead generation and opportunity tracking to order fulfillment and payment collection. It supports sales coordination and analytics.
- **SRM system.** We have developed an SRM system based on the Feishu platform, allowing us to share data in real time and collaborate efficiently across all aspects of our supply chain. It supports supply chain collaboration, supplier quality and cost control.

INTELLECTUAL PROPERTY

We depend on our proprietary technologies and production know-how to maintain our competitive position in the markets in which we operate, and we create intellectual property through our extensive R&D activities. Our general policy is to apply for patents on an ongoing basis, in China and other appropriate jurisdictions, on patentable developments that are considered to have commercial significance. Our portfolio of patents covers our proprietary technologies used in products as well as many aspects of our product design and production processes.

We seek to protect our intellectual property and proprietary rights primarily through intellectual property laws, relying on a combination of patent, trademark, trade secret and other intellectual property laws in China and other countries. As of the Latest Practicable Date, we had obtained 252 registered patents, 54 registered software copyrights, 25 registered trademarks, and two domain names in China, as well as one valid patent in Japan.

Sources of Core Technologies

Our core technologies are primarily self-developed, with external introduction mainly limited to certain components, talent recruitment and industry-academia collaborations. Our self-developed technologies cover key areas such as (i) advanced lithography ultraviolet light source and exposure engine technology, (ii) high-precision, high-speed alignment and autofocus technology, (iii) high-speed, real-time, high-precision graphic processing technology, and (iv) high-reliability system monitoring and

automated calibration technology. Our externally introduced technologies mainly involve procurement of core components, such as motion platforms and optical modules, and collaborative projects with leading universities and research institutes.

Technological Advantages and Commercial Benefits for Customers

Our technological advantages translate into tangible commercial benefits for our customers. In particular, we illustrate below, through two representative examples, how our technologies help customers improve yield, reduce costs and shorten lead times.

First, our laser direct writing lithography technology addresses a key pain point in advanced WLP or 2.5D CoWoS processes, specifically in the RDL process. In the WLP process, die shift during the die attach stage (chips can slightly shift from their intended positions during the manufacturing) is a common issue, resulting primarily from the precision limitations of die bonding equipment, substrate warpage, and material shrinkage. This leads to misalignment between the RDL (the wiring layer) and IC pads (chip's connection points), which can cause short circuits, open circuits, and ultimately lower yield. Traditional mask-based lithography cannot compensate for individual die shift as they use fixed masks, which cannot adjust for small position changes and all chips are treated the same way in despite of their different positions, so all ICs on a pad are exposed using the same mask, resulting in higher rework and scrap rates. Our laser direct writing lithography technology, as applied in the WLP2000 series, enables high-resolution measurement of each die's actual position on the wafer before RDL exposure. The measured die shift data (the exact position of each individual chip) are then imported into the laser direct writing system, which dynamically adjusts the digital mask for each die and performs real-time exposure with error compensation. This ensures that each RDL pad is precisely aligned with the corresponding IC pad, significantly improving interconnection yield and reducing the occurrence of defects. As a result, our customers benefit from improved product quality, lower production costs due to reduced rework and scrap, and greater process flexibility, as there is no need to produce or replace physical masks for each batch. This solution also supports advanced packaging formats such as Fan-Out WLP (扇出型晶圓級封裝) and 2.5D/3D integration, helping our customers to enhance their competitiveness and win more high-end orders in the market.

In addition, one of our customers is a manufacturer of high-speed PCBs for AI servers, where products typically require frequent design changes and short delivery timelines. Under traditional lithography processes, each design change requires the production of new photomasks, with each photomask set costing more than RMB0.1 million and taking approximately seven to fifteen days to complete. Also, traditional processes may have difficulty maintaining consistent circuit accuracy below 4 μm (one-millionth of a meter), resulting in relatively low production yields. We adopt maskless direct-writing lithography technology, which enables minimum circuit widths of approximately 2 to 4 μm and alignment accuracy of around $\pm 8 \mu\text{m}$ (subject to product specifications and customers' process conditions). As no photomasks are required, production can in general commence promptly, following a design change, eliminating the need for photomask fabrication. By using our products, this customer was able to achieve full savings on photomask costs, thereby substantially reducing mask fabrication expenses. Additionally, lead times for design changes were significantly shortened in certain projects and responsiveness for R&D prototyping was markedly enhanced, while manufacturing yields were substantially improved, depending on the product mix and process conditions.

We have a range of internal control policies and measures in place to protect our intellectual property rights and trade secrets, which include: (i) implementation of our Intellectual Property Management Policy (《知識產權管理制度》); (ii) managing classified access to technical documents;

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(iii) requiring confidentiality agreements and regular training for employees; (iv) restricting access for external personnel to R&D areas; (v) enforcing automatic encryption of R&D files and prohibiting external storage devices; and (vi) conducting comprehensive legal review of contracts as part of our intellectual property management system. We proactively pursue patent applications for our technological innovations and utilize our patent rights to safeguard our legitimate interests. Meanwhile, we take reasonable steps to detect possible infringement of our intellectual property rights. We rely on non-disclosure agreements to protect our interests in non-patentable know-how and hard-to-patent production processes. All contracts we enter into with employees, suppliers and other strategic partners are reviewed and approved by our in-house legal team to ensure that they contain adequate safeguards to prevent unauthorized disclosure. To the best of our knowledge and belief, our intellectual property rights have not been subject to any material intellectual property claims by third parties during the Track Record Period and up to the Latest Practicable Date. To the best of our knowledge and based on our current business operations, none of our core technologies is subject to any regulatory oversight or restrictions such as export controls in the jurisdictions in which we operate, nor have we received any notice from relevant authorities indicating that our technologies are subject to such regulatory requirements.

EMPLOYEES

As of December 31, 2025, we had a total of 795 full-time employees, located in China, as well as nine full-time employees located in Thailand. The following table sets forth the number of our full-time employees by function as of December 31, 2025:

Business Function	Number of Employees	Percent (%)
Research and development	281	35.0
Customer service	246	30.6
Production	120	14.9
Sales	32	4.0
Quality control	24	3.0
Administration	10	1.2
Finance	10	1.2
Procurement	8	1.0
Human resources	10	1.2
Others	63	7.8
Total	804	100.0

We recruited employees primarily through employment websites, on-campus recruitment, and internal referrals during the Track Record Period. We enter into standard labor contracts with our employees and confidentiality and non-compete agreements with key management and professionals. We emphasize the importance of training and development for our employees to enhance their technical skills and overall performance. We provide induction training to new joiners on our culture, business, and industry to help them to fit in. We also provide tailored, continuing training sessions by internal and external experts to employees to improve their technical skills in their practice areas and management skills training programs, including leadership training, to cadres in key positions. Committed to providing fair and equal opportunities to our employees, we formulate career development and promotion path plans covering all levels of our staff and conduct performance evaluations regularly. As part of our retention strategy, we offer competitive remuneration packages to

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employees, including salary and allowances, performance-based bonuses, and long-term incentive programs, including but not limited to an employee stock ownership plan for managers, high-potential talent, and key technical professionals. We have established an annual review system to assess the performance of employees, which forms the basis of our decisions with respect to salary increases and promotions.

We have always striven to provide our employees with comprehensive social benefits, a diverse work environment, and a wide range of career development opportunities. We are committed to providing a safe and healthy workplace, which is reinforced by strict policies, robust team member education, and safety recognition awards, along with continued investments in technology. We support the physical health and well-being of our team members by providing an array of programs that help our people stay at their best level of health. We believe that everyone deserves respect. We are committed to the education, recruitment, development, and advancement of diverse team members nationwide and are recognized for our commitment to those efforts.

We have established labor unions for our employees. We believe we maintain a good working relationship with our employees and we have not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Fund

We are required under PRC laws and regulations to make contributions to employee social insurance plans and housing provident funds at specified percentages of the salaries, bonuses and certain allowances of our staff, up to a maximum amount specified by the local government from time to time. During the Track Record Period, since some of our employees, for example, prefer their social insurance and housing provident funds to be paid at their respective resident places for convenience of utilizing such benefits locally, we engaged third-party agencies to pay social insurance and housing provident funds for them. We have terminated such arrangement in 2025. The number of these employees accounted for approximately 7.7%, 7.4% and nil of the total number of our employees as of December 31, 2023, 2024 and 2025, respectively. We made contributions through such third-party agencies of RMB1.2 million, RMB1.7 million and nil in 2023, 2024 and 2025, respectively. As advised by our PRC Legal Adviser, pursuant to the PRC laws and regulations, we may be ordered to pay social insurance premium and housing provident funds for our employees under our own accounts instead of making payments under third-party accounts, and if the third-party human resources agencies fail to pay the social insurance premium or housing provident funds for and on behalf of our employees as required under applicable PRC laws and regulations, we may be ordered to rectify such failure by paying full contributions to social insurance and housing provident funds for our employees.

During the Track Record Period and as of the Latest Practicable Date, we did not pay social insurance and housing provident fund contributions in full amount for certain employees, primarily because they were unwilling to cooperate in making such payments, or they had chosen to participate in local rural social security systems offered in their place of residence or household registration. According to CIC, it is not uncommon that employees living in rural areas are reluctant to make payment of social insurance and housing provident fund contributions. According to the Social Insurance Law of the PRC and the Regulation on the Administration of Housing Provident Fund, social insurance and housing provident fund are divided into the employer's part and the employee's part. When full payment is made, both the employer and the employees need to make contributions, which will lead to a reduction in the employee's disposable income.

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According to the Social Insurance Law of the PRC, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. According to the Regulation on the Administration of Housing Provident Fund, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement. See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to additional contributions of social insurance premium and housing provident funds, and late payments and fines imposed by relevant governmental authorities.”

In addition, pursuant to the Interpretation of the Supreme People’s Court on the Application of Law in the Trial of Labor Dispute Cases (II) promulgated by the Supreme People’s Court on July 31, 2025 and implemented on September 1, 2025, where an employer and a employee agree or a worker undertakes to an employer that there is no need to pay social insurance premiums, the people’s court shall determine that such an agreement or undertaking is void. While this may increase our compliance costs in the event of such claims, based on the absence of material employee complaints, our ongoing rectification measures, and the fact that we have not been subject to any administrative penalties or orders to make up contributions during the Track Record Period and up to the Latest Practicable Date, our Directors are of the view that the implementation of the Interpretation is not expected to have material adverse impact on our Group’s business operations or financial condition.

As of the Latest Practicable Date, we had not made any provisions for potential liabilities in respect of the above non-compliances. Our PRC Legal Adviser has further advised that, under the current laws and regulations as well as the requirements of local governmental authorities, and based on the absence of material employee complaints, the risk of our Group being subject to material administrative penalties in relation to social insurance and housing provident fund contributions is low, based on the following facts: during the Track Record Period and up to the Latest Practicable Date, (i) we had not been subject to any administrative penalties relating to the engagement of third-party human resource agencies; (ii) we had not received any notification from the relevant Chinese authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, (iii) we have reviewed and obtained certain confirmations from the relevant competent social insurance authorities confirming that there is no record of any member of our Group being imposed administrative disposition or penalties by the relevant authorities for violation of the relevant laws and regulations, and (iv) we have obtained an indemnity letter from the Controlling Shareholders Group to indemnify our Group against any claims, fines and other liabilities arising from such non-compliances. In addition, according to the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《人力資源和社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018, all local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises. Based on

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the abovementioned facts, our Directors are of the view that the risks in relation to social insurance and housing provident funds are not expected to have a material adverse impact on our Group's business operations or financial performance,

We have reviewed our practice and adopted or plan to adopt remedial measures to rectify such incidents, including:

- Strengthening the training of our personnel, including training on various compliance-related topics for our employees, such as applicable laws and regulations governing social insurance and housing provident fund contributions, relevant contribution bases and the potential legal and financial consequences of non-compliance. Such training will be conducted on a regular basis and tailored to the responsibilities of different departments, including management personnel and staff of human resources and finance departments, with a view to improving overall compliance awareness and ensuring proper implementation of relevant requirements in daily operations;
- Communicating with our employees to seek their understanding and cooperation in complying with the applicable payment base, which also requires additional contributions from our employees;
- Establishing an internal control mechanism to monitor our ongoing compliance with the social insurance and housing provident fund contribution regulations and oversee the implementation of any necessary measures. This includes regular reviews of contribution calculations and payment records and timely identification and rectification of any non-compliance issues. Dedicated personnel will be assigned to monitor regulatory updates and oversee the implementation of any necessary corrective or preventive measures, with the objective of ensuring sustained compliance going forward; and
- Consulting our PRC Legal Adviser for advice on relevant laws and regulations in China to keep us abreast of relevant regulatory developments. Such consultation covers changes in laws and regulations promulgated by relevant legislative and administrative authorities, updated regulatory policies, implementation rules, official interpretations and regulatory guidance, as well as prevailing enforcement trends and practices. Through regular consultations and ad-hoc discussions, our PRC Legal Adviser will assist us in assessing the potential impact of regulatory developments on our business operations and compliance status and recommend corresponding compliance measures or adjustments to our internal practices and procedures.

In addition, in September 2025, we have, after thorough internal review and active communication with all affected employees, fully ceased all third-party agencies to pay social insurance and housing provident funds. Going forward, we will continue to implement the above measures to ensure we are in compliance with the social insurance and housing provident fund contributions requirements under the relevant laws and regulations. We plan to rectify such non-compliances as soon as practicable and will undertake to fully comply with the relevant laws and regulations, subject to the cooperation of each of our employees to make full contributions of social insurance and housing provident funds if the relevant authorities order us to do so. In addition, we will proactively communicate with relevant local authorities to keep up to date with the applicable laws and regulations concerning social insurance and

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housing provident funds. We will also communicate such updates with our employees to allow them to better understand the relevant laws and regulations, increasing their understanding of the regulatory requirements so as to enhance our compliance with the applicable laws and regulations.

INSURANCE

As of the Latest Practicable Date, we maintained various insurance policies relating to our business operations. Our assets, employee safety and other applicable items/risks are covered by commercial insurances such as employer's liability insurance including accident insurance and critical illness insurance (for interns and traveling employees), overseas insurance (for employees traveling abroad) property insurance and liability insurance for senior management personnel. We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by laws and regulations in the PRC and in accordance with the commercial practices in our industry. However, our insurance coverage may not be adequate to cover all losses that may occur.

However, there can be no guarantee that we will not incur losses or suffer claims beyond the limits, or outside the relevant coverage, of our insurance policies. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance policies may not provide adequate coverage for all claims associated with our business operations."

During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business.

TRADE RESTRICTIONS AND INTERNATIONAL SANCTIONS EXPOSURE

Tariffs

Overview

Certain foreign jurisdictions may impose trade restrictions such as tariffs directly or indirectly affecting China-based companies, due to the source of their products, ownership of businesses or other reasons. Such laws and regulations are likely subject to frequent changes, and their interpretations and enforcements involve substantial uncertainties, which may be heightened by national security concerns or driven by political or other factors that are outside of our control.

Our products, if imported to the U.S., would be subject to various tariffs introduced by the U.S. to target imports from the PRC and the PRC's semiconductor industry generally, as detailed below:

- (1) Our products are classified under Harmonized Tariff Schedule code 9010 50 20. As such, our products are subject to 25% tariffs under "List 3" tariffs imposed under Section 301 of the Trade Act of 1974 (as amended) ("**Section 301**") imposed in September 2018 ("**Section 301 Tariffs**").
- (2) Our products are subject to a temporary 10% tariff on all U.S. imports, effective February 24, 2026, pursuant to Section 122 of the Trade Act of 1974. This measure was proclaimed on February 20, 2026, following the U.S. Supreme Court's ruling that tariffs imposed under the International Emergency Economic Powers Act ("**IEEPA**") were unlawful. The tariff, initially set for 150 days, is expected to increase to 15% as announced by the U.S. President, but he has not yet done so to date.

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The volatility and uncertainty of the current U.S. administration's tariff policies make it difficult to predict the magnitude and impact of future changes in U.S. trade relations or new laws and regulations on our business. For example, on December 23, 2024, the Office of the U.S. Trade Representative opened an investigation under Section 301 of the Trade Act of 1974 into Chinese actions allegedly targeting the semiconductor industry for dominance. On December 23, 2025, the Office concluded that China's acts, policies, and practices are actionable under Section 301, although an additional tariff will only be imposed as of June 23, 2027. Separately, on April 1, 2025, the U.S. Secretary of Commerce initiated an investigation under Section 232 of the Trade Expansion Act of 1962 into the national security effects of imports of semiconductors, semiconductor manufacturing equipment, and their derivative products. As a result of the investigation, on January 14, 2026, the U.S. President announced that effective January 15, 2026, three categories of semiconductors (HTS codes 8471 50, 8471 80, and 8473 30) became subject to 25 per cent ad valorem duties.

Evaluation of our Group's tariffs exposure

As advised by our International Trade Legal Adviser, our Directors are of the view that the existing and proposed tariffs imposed by the U.S. on imports from the PRC or other jurisdictions are not expected to have any direct material adverse impact on our Group. Our Group did not export any products to the United States during the Track Record Period and up to the Latest Practicable Date and has no plans or arrangements to do so following Listing. In addition, during the Track Record Period, our Group's products were primarily intended for end use in the PRC, Taiwan China, Japan, South Korea, Thailand, Vietnam and Malaysia, and were not expected to be imported into the United States. Our Group may have indirect exposure to U.S. tariffs, but our International Trade Legal Adviser has advised that such potential indirect exposure is not material, as our customer base and sales channels have limited U.S. exposure, and our products are mainly intended for end use outside the U.S. and are unlikely to be re-exported to the U.S. Furthermore, any future policy changes are highly uncertain, and the impact of existing tariffs in other jurisdictions are already embedded in our Group's financial performance and forecasts.

Having considered the above views from our Directors and International Trade Legal Adviser and after undertaking the relevant due diligence, nothing has come to the attention of the Sole Sponsor that would reasonably cause it to cast doubt on our Directors' view above on our Group's U.S. tariffs exposure in any material respect.

U.S. Outbound Investment Restrictions

Overview

Executive Order 14105 (issued by the U.S. President on August 9, 2023) established the Outbound Investment Security Program (the "**OISP**"), a mechanism for reviewing U.S. outbound investments in certain national security technologies in "countries of concern," including China (including Hong Kong and Macau). The OISP imposes prohibition or notification requirements on investments in persons engaged in "covered activities" in specified sectors, including semiconductors and microelectronics, quantum information technologies, and AI.

The rules regarding U.S. outbound investment remain subject to further development. On 18 December 2025, the U.S. President signed into law the National Defense Authorization Act for Fiscal Year 2026, which includes the Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**"). Although the existing OISP regulations remain in effect, the COINS Act requires the

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Treasury to propose revisions within 450 days of enactment. Those revisions will include, among other changes, an expansion of the countries of concern and covered technologies, revisions to key defined terms, and the establishment of a formal advisory opinion process.

Evaluation of the OISP's impact on our Group

As advised by our International Trade Legal Adviser, our Directors are of the view that the impact of the OISP is generally limited and manageable because:

- As advised by our International Trade Legal Adviser, we are of the view that the Company is a “covered foreign person,” and U.S. person investments in our equity interests are “prohibited transactions.” Specifically, we are engaged in the development and production of equipment for volume advanced packaging. The OISP defines “advanced packaging” under 31 CFR 850.201 as “to package integrated circuits in a manner that supports the two-and-one-half-dimensional (2.5D) or three-dimensional (3D) assembly of integrated circuits, such as by directly attaching one or more die or wafer using through-silicon vias, die or wafer bonding, heterogeneous integration, or other advanced methods and materials.” Via our semiconductor direct-writing lithography equipment and automation system, our equipment portfolio supports volume advanced packaging, including of 2.5D and 3D structures, Chip on Wafer on Substrate (CoWoS), and System on Wafer (SoW) advanced manufacturing processes. During the Track Record Period, our advanced packaging business was 2.95%, 4.03% and 2.61% of our Group’s sales volume in the years 2023, 2024 and 2025. This is a “prohibited” covered activity under 31 CFR 850.224(b)(2).
- Under the OISP, U.S. persons’ purchases of certain publicly traded securities are neither prohibited nor subject to notification to Treasury under an exception that applies to U.S. persons’ purchase of “any publicly traded security, with ‘security’ as defined in the U.S. Exchange Act, denominated in any currency, and that trades on a securities exchange in any jurisdiction” (the “**Publicly Traded Securities Exception**”), provided that such U.S. persons or their non-U.S. person subsidiaries are not afforded rights beyond standard minority shareholder protections with respect to the Company. In addition, pursuant to Treasury guidance on December 23, 2025 (the “**FAQ**”), absent additional facts, when a U.S. person acquires an equity interest in a covered foreign person, and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a “publicly traded security,” regardless of when an agreement is entered into. In cases of doubt (including as to whether “additional facts” that are relevant under the FAQ are present), U.S. persons (and non-U.S. subsidiaries of U.S. persons) that acquire H Shares from us in the Global Offering should consult their legal counsel regarding availability of the Publicly Traded Securities Exception. In general, as advised by our International Trade Legal Adviser, following Listing, U.S. persons are not prohibited from acquiring the Company’s shares in the Global Offering under the Publicly Traded Securities Exception under the OISP and should therefore not have a material adverse impact on our operations. Our Offer Shares may only be offered and sold outside the U.S. in an offshore transaction in accordance with Regulation S.
- The OISP has no implications on our Group’s business operations and has limited and manageable implications on our Group’s capital raising activities and investor eligibility. Investments by persons other than U.S. persons or their “controlled foreign entities,” as defined under the OISP, are generally not subject to the OISP, unless a U.S. person is

involved in a manner that constitutes “knowingly directing” a “prohibited transaction” by a non-U.S. person. Additionally, the provision of services ancillary to our Company’s IPO, including due diligence, underwriting, communication with regulators, and financial forecast guidance, that does not involve acquiring our Company’s shares is neither a covered transaction nor subject to the prohibitions under the OISP.

Having considered the above view from our Directors and International Trade Legal Adviser and after undertaking the relevant due diligence, nothing has come to the attention of the Sole Sponsor that would reasonably cause it to cast doubt on our Directors’ view above on the OISP’s impact on our Group in any material respect.

International Sanctions

The United States and other jurisdictions or organizations, including the EU, the United Nations, the United Kingdom, Australia and Japan, have, through executive orders, legislation or other regulatory means, implemented measures that impose International Sanctions targeting certain countries, regions, governments, individuals, entities, organizations, industries and sectors. For example, Cuba, Iran, North Korea, Syria, the Crimea, Kherson and Zaporizhzhia regions and the so-called Luhansk People’s Republic and so-called Donetsk People’s Republic regions are subject to sanctions by the United States which are broad-based and oriented geographically. Additionally, the United States has adopted International Sanctions on individuals and entities in China under various sanctions programs, such as the programs targeting Russia, Iran, North Korea, Hong Kong, illicit drugs, cyber-related attacks and the Global Magnitsky Sanctions program.

U.S.-imposed International Sanctions

The United States deploys a wide range of restrictive measures including sanctions and export controls against various targeted countries, groups and individuals. U.S. sanctions include both “primary” and “secondary” sanctions, as well as non-blocking “list-based” sanctions. OFAC administers and enforces the majority of U.S. sanctions programs. U.S. primary sanctions generally apply to U.S. persons, including any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States. The U.S. has also enacted secondary sanctions targeting non-U.S. persons engaged in prohibited transactions (e.g., significant transactions with parties blocked under U.S. sanctions). The detailed rules of such secondary sanctions differ by sanctions programs. Non-U.S. persons found to be engaging in the prohibited transactions may be denied access to the U.S. economic system, including being designated on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC (“**SDN List**”). On the other hand, the U.S. has also implemented stringent export control regulations, which are primarily administered by BIS. The EAR applies to exports of commodities, software and technical data from the U.S. to foreign countries, and to re-exports from one foreign country to another. Intrinsically sensitive or strategic goods or technology are typically designated by an Export Control Classification Number (“**ECCN**”). Items classified with ECCN 3A991.d are generally lower-technology electronics, such as semiconductor devices, integrated circuits, and capacitors, and are controlled for anti-terrorism reasons. Items classified with ECCN EAR99 generally consist of everyday consumer and industrial items like stationery, clothing, household electronics, or packaged food, and in the majority of cases do not require a license to export. Depending on the destination country, end-user, and the item’s ECCN, exporting or re-exporting an item subject to the EAR may require a U.S. export license unless a license exception was available. License applications would be subject to review under varying policies (e.g., presumption of approval,

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presumption of denial, or a case-by-case review) as further described in the EAR. Under the EAR's "de minimis" rule, non-U.S. products incorporating more than a specified percentage of controlled U.S. content are still considered subject to the EAR, and under the EAR's foreign direct product rules, non-U.S. products made with certain U.S. origin plant and technology are also subject to the EAR. Therefore, U.S. persons and foreign persons (including foreign companies) must determine if their items are subject to the EAR. The BIS also maintains lists of persons that are subject to enhanced export control restrictions. One such list, the Entity List, includes a list of foreign persons on which certain trade restrictions are imposed. In recent years, the United States has placed an increasing number of entities, including hundreds of entities in China, on the Entity List and other restricted or prohibited party lists. In addition to naming additional persons to these lists, BIS has imposed complex and restrictive rules applicable to doing business with persons on them. The restrictions applicable to Entity List parties include licensing requirements for exports, reexports, or transfers of items on lists of controlled items maintained by the U.S. government, which in most cases prevent these named entities from receiving essentially any item subject to U.S. export controls, including, in some cases through the application of the EAR's foreign direct product rules, to items produced wholly outside the United States.

Our International Trade Legal Adviser has screened our counterparties to determine if they are subject to applicable U.S. economic sanctions or export control restrictions and has identified historical transactions with U.S.-sanctioned PRC customers and suppliers, which are detailed below.

(i) Transactions with U.S.-sanctioned PRC customers

Our International Trade Legal Adviser has further advised that our Group engaged in limited transactions with two PRC customers, one incorporated in Anhui (the "**Anhui Customer**") and one incorporated in Shenzhen (the "**Shenzhen Customer**"). Both entities are considered "blocked entities" under U.S. sanctions law (together, the "**PRC Customers**") because their shared majority shareholder (the "**Sanctioned Shareholder**") has been designated by the U.S. Department of the Treasury as an SDN on October 1, 2025, under Executive Order 13382 under the non-proliferation sanctions program. This designation was not accompanied by any general license authorizing additional time for wind-down transactions with the Sanctioned Shareholder or the PRC Customers.

Under OFAC's "50 Percent Rule," any entity that is 50% or more owned, directly or indirectly, by one or more SDNs is itself considered blocked, even if it does not appear on the SDN List. The PRC Customers were accordingly subject to the same U.S. blocking sanctions as the Sanctioned Shareholder from October 1, 2025, and non-U.S. persons who provide "material" assistance to them face U.S. secondary sanctions risks after that date. No general license or other exception authorizing transactions with the PRC Customers applied.

Our International Trade Legal Adviser has advised that the Sanctioned Shareholder has owned 100% of the Anhui Customer since before October 1, 2025, making the Anhui Customer a "blocked entity" from that date to the present.

Our Group's dealings with the Anhui Customer since October 1, 2025, are outlined below.

- (1) Pursuant to a sales contract dated November 21, 2025 (the "**Equipment Sales Contract**"), the Anhui Customer ordered a solder mask exposure machine for RMB2,200,000 from the Company. The Company delivered the said machine to the Anhui Customer on around December 31, 2025.

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- (2) Pursuant to an agreement dated July 9, 2024 (as amended by a supplemental agreement dated June 2, 2025, the “**Maintenance Services Contract**”), the Company agreed to provide maintenance services to the Anhui Customer in relation to six laser direct imaging machines that the Anhui Customer purchased from our Group. The total consideration that the Anhui Customer agreed to pay under the Maintenance Services Contract was RMB1,229,178. In accordance with the Maintenance Services Contract, the Company calibrated, improved and cleaned some of the Anhui Customer’s machines or their components on December 24, 2025, January 17, 2026 and February 23, 2026, respectively.

Our contracts with the Anhui Customer that had outstanding balances as at the Latest Practicable Date are summarized below. Our Group recorded revenue of approximately RMB2.5 million in 2024 and RMB3.7 million in 2025 from sales to the Anhui Customer, representing 0.27% and 0.26% of our revenue in each respective period.

	Types of products/ services that the Company agreed to provide	Total consideration agreed (RMB)	Accounts receivable as of October 1, 2025 (RMB)	Payments made after October 1, 2025 (RMB)	Accounts receivable as of the date of the Latest Practicable Date (RMB)
A contract entered into on or around May 30, 2024 .	Certain accessories to machines	1,123	1,123	0	1,123
A contract entered into on or around November 11, 2024	Solder mask exposure machine	2,500,000	1,295,822	457,000	838,822
A contract entered into on or around February 19, 2025	Solder mask exposure machine	3,500,000	895,000	270,000	625,000
A contract entered into on or around May 23, 2024 .	One-off maintenance services for several products	36,418	36,418	0	36,418
Equipment Sales Contract . .	Solder mask exposure machine	2,200,000	0	440,000	1,760,000
Maintenance Services Contract.	Maintenance services in relation to six machines	1,229,178	1,209,178	990,500	218,678
Total			<u>3,437,541</u>	<u>2,157,500</u>	<u>3,480,041</u>

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As of the Latest Practicable Date, the total amount of accounts receivable owed by the Anhui Customer to our Group stands at RMB3,480,041. As of March 13, 2026, our Group has decided to cease all transactions with the Anhui Customer. Our Group will forgo collecting the amounts receivable that remained outstanding from the Anhui Customer to minimize any U.S. secondary sanctions risks from transacting with an SDN and will recognize relevant impairment losses accordingly.

With respect to the Shenzhen Customer, the Sanctioned Shareholder held approximately 55% of its shares from around December 2021, increasing to 100% on or around October 28, 2025, before transferring all shares to non-sanctioned individuals on or around January 14, 2026. As the divestment occurred entirely outside the U.S. without any U.S. nexus, the Shenzhen Customer is deemed unblocked from January 14, 2026. Accordingly, the Shenzhen Customer was a “blocked entity” between October 1, 2025 and January 14, 2026.

Our Group recorded revenue of approximately RMB2.2 million in 2024 and RMB2.1 million in 2025 from sales to the Shenzhen Customer, representing 0.23% and 0.15% of our revenue in each respective period.

Our Group’s dealings with the Shenzhen Customer since October 1, 2025, are outlined below.

- (1) On September 9, 2024, and May 27, 2025, the Shenzhen Customer purchased solder mask exposure machines from our Group, with total consideration agreed being RMB2,500,000 and RMB2,390,000, respectively. The Shenzhen Customer paid our Group in installments pursuant to the terms of the relevant transaction contracts. As at October 1, 2025, the Shenzhen Customer owed the Company RMB2,023,000 in accounts receivable pursuant to these two contracts. We delivered such machines to the Shenzhen Customer before October 1, 2025.
- (2) Between October 1, 2025 and January 14, 2026 (i.e., the period when the Shenzhen Customer was a “blocked entity”), our Group received a total of RMB 1,186,500 from the Shenzhen Customer as partial repayment for the above contracts. As of the Latest Practicable Date, the total amount of accounts receivable owed by the Shenzhen Customer to our Group was nil. As advised by our International Trade Legal Adviser, although the Shenzhen Customer is no longer a “blocked entity” after January 14, 2026, our Group will forgo collecting the amounts receivable that remained outstanding from the Shenzhen Customer, considering the small amount and the historical International Sanctions risks arising from the transactions, and the relevant impairment loss will be recognized accordingly.

We have provided confirmations to our International Trade Legal Adviser that:

- Our Group first learned of the PRC Customers’ sanctioned statuses through our International Trade Legal Adviser around March 2026. The Company held an emergency meeting across its sales, finance, legal and other relevant departments to discuss remedial measures.
- As of March 13, 2026, our Group has decided to cease all transactions with the Anhui Customer and the Shenzhen Customer. Our Group will also not deliver or provide any further goods or services to the Anhui Customer, and it would forgo collecting the amounts receivable that remained outstanding from the Anhui Customer. On the other hand, our Group has noted that the Shenzhen Customer is no longer a blocked entity under U.S. sanctions law.

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- Our implementation of enhancing our sanctions policies and procedures has been gradual, and in some cases, particularly related to transactions with “blocked entities” that do not directly appear on the SDN List and a corresponding awareness of the necessity to conduct know-your-customer due diligence on ultimate beneficial owners and look-through verification. This unintentionally resulted in our delayed awareness of the PRC Customers’ sanctioned statuses. We are committed to ensuring penetrating due diligence checks by our sales and procurement functions. Our legal department will also conduct sanctions screening at the point of onboarding and upon execution of customer contracts through the contract approval workflow. In addition, to enhance the frequency of ongoing monitoring, our legal department conducts a comprehensive annual sanctions review of our top ten suppliers and customers against all applicable sanctions lists. We further reinforced these measures by conducting monthly reviews of existing customers against applicable sanctions lists and providing training to key personnel to strengthen their sanctions compliance awareness and ensure strict adherence to internal control policies.
- Our Group has no other pending or future transactions, whether direct or indirect, with the PRC Customers, the Sanctioned Shareholder, or their respective affiliates.

In determining whether to apply secondary sanctions on the basis of whether a person has rendered “material” assistance to an SDN, based on guidance provided in other sanctions programs with secondary effects (e.g., 31 CFR 561.404 and various frequently asked questions on OFAC’s website), OFAC considers the totality of the facts and circumstances, including: (i) the size, number, and frequency of the transaction(s); (ii) the nature of the transaction(s); (iii) the level of awareness of management and whether the transaction(s) are part of a pattern of conduct; (iv) the nexus between the transaction(s) and the sanctioned person; (v) the impact of the transaction(s) on the objectives of the relevant sanctions regimes; (vi) whether the transaction(s) involve deceptive practices; and (vii) such other factors as OFAC deems relevant on a case-by-case basis.

Based on the size, volume and other attributes of these transactions, our International Trade Legal Adviser has advised that our Group’s transactions with the PRC Customers after and during their designation as “blocked entities” would unlikely constitute “material” assistance to the PRC Customers or otherwise trigger enforcement risks against the Relevant Persons.

For the Anhui Customer, our International Trade Legal Adviser considers the risk that OFAC would impose secondary sanctions (e.g., SDN List designation) on our Group or any Relevant Person is low, and our Group’s exposure to the retrospective effects of legal and regulatory liabilities due to our historical transactions with the Anhui Customer is remote, because:

- (1) As to the level of awareness of management, there is no evidence of senior-level intent or willful blindness to the fact that our Group was transacting with “blocked entities.” Our Directors confirm that, had our enhanced internal controls concerning ultimate beneficial owners and look-through verification been implemented, our supervisory and managerial personnel would have had actual knowledge or reason to know of the Anhui Customer’s “blocked entity” status. The absence of management-level knowledge weighs against a finding that the transactions constituted a deliberate pattern of conduct involving sanctioned parties.

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- (2) As to whether the transactions form a pattern of sanctions violations, the Group ceased performing all outstanding obligations to the Anhui Customer under the Maintenance Services Contract upon considering our International Trade Legal Adviser's advice, and decided to forgo the accounts receivable that remained outstanding as at that date. The rapid wind-down demonstrates a good-faith commitment to sanctions compliance rather than a pattern of knowing engagement, which would have been an aggravating factor. OFAC guidance indicates that a sustained or escalating pattern of dealings with blocked persons would be an aggravating factor, and the Group's prompt cessation of the relationship points in the opposite direction.
- (3) As to whether the transactions involved deceptive practices, our International Trade Legal Adviser has not identified anything suggesting that the transactions involved any deceptive practices, such as concealing the identity, origin, destination, or ownership of the goods, the parties, or the funds involved in the transaction, so as to circumvent U.S. sanctions targeting the Anhui Customer or the Sanctioned Shareholder. The absence of such conduct reduces the likelihood that OFAC would view the transactions as warranting an enforcement response such as applying secondary sanctions to the Group.
- (4) As to other relevant factors, as of the Latest Practicable Date, no Group entity or management members have been designated on the SDN List or otherwise sanctioned, which suggests that OFAC has not identified the Group's activities as warranting designation or enforcement action.
- (5) As to the size, number, and frequency of the transactions, the total consideration under the Equipment Sales Contract and Maintenance Services Contract was RMB3,429,178, (i.e., around US\$480,084), and the RMB2,157,000 received from the Anhui Customer after October 1, 2025, is of a relatively low size. The limited monetary value and short duration of the relevant activity, assessed against OFAC's focus on the scale and temporal scope of transactions, weigh in favor of a reduced enforcement response.

For the Shenzhen Customer, our International Trade Legal Adviser considers the risk that OFAC would impose secondary sanctions on our Group or any Relevant Person to be low, and our Group's exposure to the retrospective effects of legal and regulatory liabilities due to our continued dealings with the Shenzhen Customer to be remote, because:

- (1) As to the size, number, and frequency of the transactions and their impact on sanctions objectives, the Shenzhen Customer is no longer a "blocked entity" after January 14, 2026 and, in our International Trade Legal Adviser's assessment, the volume of our transactions with it during the three and a half months while it was blocked is not material enough to likely warrant an enforcement response. The limited scope and the disaffiliation of the Shenzhen Customer with the Sanctioned Shareholder diminish the nexus between the transactions and the objectives of the relevant sanctions regime.
- (2) As to the nature of the transactions, the payments received by our Group while the Shenzhen Customer was blocked were consideration for goods that our Company had already provided to the Shenzhen Customer before it was blocked. The pre-existing contractual basis for these payments indicates that the transactions did not constitute new and knowing commercial engagement with a blocked person. Our Directors also confirm that, had our enhanced

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internal controls concerning ultimate beneficial owners and look-through verification been implemented, our supervisory and managerial personnel would have had actual knowledge or reason to know of the Shenzhen Customer's "blocked entity" status.

- (3) As to whether the transactions involved deceptive practices, our International Trade Legal Adviser has not identified anything suggesting that the transactions involved any deceptive practices, such as concealing the identity, origin, destination, or ownership of the goods, the parties, or the funds involved in the transaction, so as to circumvent U.S. sanctions targeting the Shenzhen Customer or the Sanctioned Shareholder.

Our International Trade Legal Adviser has assessed that the transactions with the Shenzhen Customer and the Anhui Customer should not trigger enforcement risk with OFAC.

However, it should be noted that OFAC considers enforcement on a case-by-case basis and may take a different view from that of our International Trade Legal Adviser.

(ii) Transactions with U.S.-sanctioned PRC supplier

Our International Trade Legal Adviser has further advised that our Group might have also engaged in limited transactions with one U.S.-sanctioned PRC supplier (the "**PRC Supplier**"), which supplied laser diode coupling components to us.

The PRC Supplier was designated an SDN under Executive Order 14024 on January 15, 2025, under the Russian Harmful Foreign Activities Sanctions program. This designation was not accompanied by any general license authorizing wind-down transactions with the PRC Supplier. Hence, from January 15, 2025, non-U.S. persons who provide "material" assistance to the PRC Supplier or entities 50% owned or more by the PRC Supplier face U.S. secondary sanctions risks after that date.

After the PRC Supplier's designation on the SDN List:

- Our Group paid the PRC Supplier in the aggregate of approximately RMB18.7 million (USD2.7 million) in relation to our procurement contracts concluded in 2024, representing 3.05% of our cost of sales in 2024.
- Our Group paid the PRC Supplier in the aggregate of approximately RMB30.1 million (USD4.3 million) in relation to our procurement contracts concluded in 2025, representing 3.51% of our cost of sales in 2025.
- Our Group also received goods worth approximately RMB36.1 million (USD5.2 million).

We have confirmed to our International Trade Legal Adviser that:

- Because our Group previously relied on manual screening to keep abreast of updates to the SDN List, we first learned about the PRC Supplier's sanctioned status through open-source media reports between August 16, 2025, to August 22, 2025 due to our lack of monitoring of the International Sanctions risks in transacting with the PRC Supplier. Such information was discussed among our Group's procurement teams and the general manager during a meeting on August 22, 2025, during which our Group decided to terminate its business relationship entirely with the PRC Supplier, and replace the source of laser diode coupling components

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with an alternate non-Sanctioned Target supplier. Additionally, after the meeting in August 2025, we strengthened our internal controls to implement screening procedures when evaluating new suppliers and initiating new transactions with existing suppliers. Specifically, the procurement department conducts sanctions list screening for all newly onboarded suppliers, and the legal department performs additional sanctions checks as part of its basic information verification of supplier materials submitted by procurement. As supplier onboarding does not follow a fixed schedule, these screening procedures are conducted on an ad hoc basis corresponding to the timing of each new supplier introduction or transaction initiation.

- Our Group placed our last order with the PRC Supplier on August 31, 2025, made our last payment to the PRC Supplier on January 13, 2026 in connection with orders placed on or before August 31, 2025, and has satisfied all remaining payables. These payments were made pursuant to payment terms under the existing contracts and requirements under relevant PRC legislation.
- Our Group has no other pending or future transactions, whether direct or indirect, with the PRC Supplier or its affiliates.

The General Factors in OFAC's Economic Sanctions Enforcement Guidelines in Appendix A to 31 CFR Part 501 ("**Enforcement Guidelines**") outline the circumstances OFAC considers to determine whether conduct constituting an apparent sanctions violation is considered "egregious" or "non-egregious." In making the egregiousness determination, OFAC generally will give substantial weight to General Factors A ("**willful or reckless violation of law**"), B ("**awareness of conduct at issue**"), C ("**harm to sanctions program objectives**"), and D ("**individual characteristics**"), with particular emphasis on General Factors A and B.

For the PRC Supplier, our International Trade Legal Adviser considers any U.S. secondary sanctions risks to be limited, and the risk that OFAC would impose secondary sanctions on our Group or any Relevant Person is low, and our Group's exposure to the retrospective effects of legal and regulatory liabilities due to our historical transactions with the PRC Supplier is remote, because:

- General Factor A — Willful or Reckless Violation of Law.** Under General Factor A, OFAC considers whether a subject person's conduct was willful, deliberate, or showed a reckless disregard for U.S. sanctions laws. Generally, to the extent the conduct at issue is the result of willful conduct or deliberate intent, OFAC's enforcement response will be stronger. In the present case, our Group's transactions with the PRC Supplier were not the product of willful or reckless conduct. Our Group had no actual notice of the PRC Supplier's SDN designation prior to August 2025. Upon learning of the designation through open-source media reports, we enacted immediate and comprehensive remediation steps, including ceasing all new orders in August 2025 and formally terminating the relationship and substituting with a non-SDN supplier in October 2025. This pattern of prompt voluntary remediation, rather than continued engagement after notice that the counterparty is an SDN, is a factor OFAC has considered favorably in prior enforcement actions.
- General Factor B — Awareness of Conduct at Issue.** Under General Factor B, OFAC evaluates whether a subject person had actual knowledge that the conduct giving rise to the apparent violation took place, whether a subject person had reason to know or should reasonably have known based on readily available information and with the exercise of

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reasonable due diligence, and whether the conduct was undertaken with the explicit or implicit knowledge of senior management. In the present case, our Group relied on manual screening to keep abreast of updates to the SDN List. Our Directors confirm that, had our enhanced internal controls been implemented, our supervisory and managerial personnel would have had actual knowledge or reason to know of the PRC Supplier's SDN status. At the point the designation was identified, our Group promptly commenced a wind-down of the business relationship.

- (iii) **General Factor C — Harm to Sanctions Program Objectives.** Under General Factor C, OFAC considers the actual or potential harm to sanctions program objectives, including the economic or other benefit conferred on sanctioned individuals, entities, or countries, the implications for U.S. foreign policy, whether the conduct likely would have been licensed, and whether the conduct supported humanitarian activity. In the present case, the components we sourced from the PRC Supplier were standard, civilian-grade laser diodes originating from Japan, widely used in projection and lighting products. These components have no discernible military-industrial application and no nexus to Russia or its war on Ukraine, which is the target of the Russian Harmful Foreign Activities Sanctions program under Executive Order 14024. On this basis, the transactions are unlikely to have conferred any economic benefit or technological support to Russia through the PRC Supplier contrary to U.S. foreign policy goals, and the effect on the integrity of the U.S. sanctions program and related policy objectives appears limited.
- (iv) **General Factor D — Individual Characteristics.** Under General Factor D, OFAC considers the particular circumstances and characteristics of the Subject Person, including commercial sophistication, size of operations, and financial condition. Our Group is a commercially sophisticated enterprise, which OFAC may weigh in considering whether we should have been aware of the secondary sanctionable exposure with the PRC Supplier. However, the transaction volume with the PRC Supplier amounted to only 2% to 3% of the cost of sales in 2024 and 2025. The prompt shift to an alternate, non-SDN supplier within two months while maintaining business continuity and a stable supply chain underscores that the relationship with the PRC Supplier was not integral to our Group's core operations. Additionally, our Group has no prior sanctions enforcement history with OFAC, which OFAC has treated as a mitigating consideration in prior enforcement actions.

As advised by our International Trade Legal Adviser, our Directors consider that our conduct with the PRC Supplier should be "non-egregious," and the risk of any International Sanctions-related retrospective effects of the legal or regulatory implications arising from our historical transactions with the PRC Supplier to be low, when assessed against these General Factors. There is a possibility that OFAC may disagree with such assessment; in which case, the possible enforcement outcomes may range from: (i) a "no action" letter due to lack of egregious or ongoing misconduct and relatively low amount of exposure; (ii) the imposition of administrative action(s) against our Company, including a civil monetary penalty; or (iii) in the worst-case scenario, the designation of our Company as an SDN, which the International Trade Legal Adviser considers to be an exceedingly remote possibility. Applying the Enforcement Guidelines, the International Trade Legal Adviser expects the maximum possible civil monetary penalty for the transactions with the PRC Supplier to be under US\$1.0 million but in no case exceeding US\$2.4 million. Our Directors are of the view that payment of penalties in these ranges would not have any material adverse effect on our operations or financial condition or otherwise materially undermine our ability to continue our operations. Notwithstanding the foregoing, OFAC conducts enforcement actions on a discretionary basis, and would consider U.S. national security

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and foreign policy objectives before choosing to impose penalties and/or sanctions against our Group. The assessment above reflects the International Trade Legal Adviser's professional interpretation, but OFAC may take a different view.

(iii) Procurement of U.S.-origin components

During the Track Record Period, certain U.S.-origin components that are classified with an ECCN of EAR99 or 3A991.d under the EAR were incorporated into our Group's products. Our International Trade Legal Adviser has advised that our products are not subject to the EAR under the "de minimis" rule, because (1) 3A991.d items do not require a license when exported to, reexported to or transferred within any country (other than Russia, Belarus, U.S.-embargoed countries (i.e., Cuba, Iran, North Korea and Syria) or the Donetsk People's Republic and Luhansk People's Republic regions of Ukraine, none of which we sell to), and (2) EAR99 items do not require a license when exported to, reexported to or transferred within any country (other than U.S.-embargoed countries (i.e., Cuba, Iran, North Korea and Syria) or the Donetsk People's Republic and Luhansk People's Republic regions of Ukraine, none of which we sell to), and both are thus not regarded as "controlled" items for purposes of the "de minimis" rule in the context of our Group's business. Our International Trade Legal Adviser has thus advised that the incorporation of such items does not render our Group's products subject to the EAR. Our Group also does not use U.S.-origin software and technology in our product design and manufacturing processes, so our International Trade Legal Adviser has advised that our Group's products would not become subject to the EAR by virtue of any of the Foreign Direct Product rules.

During the Track Record Period, our Group sold to certain PRC customers on the Entity List. However, our International Trade Legal Adviser has advised that given that our Group's products are not subject to the EAR, such sales would not constitute violations of the EAR.

Japan-imposed International Sanctions

With regards to Japanese export controls, the principal legislation is the Foreign Exchange and Foreign Trade Act ("**FEFTA**"), which authorizes Japan's Ministry of Economy, Trade and Industry ("**METI**") to administer export controls. The Cabinet's Export Trade Control Order specifies the controlled goods pursuant to Article 48(1) of the FEFTA, and the Cabinet's Foreign Exchange Order specifies controlled technology including software pursuant to Article 25(1) of the FEFTA. During the Track Record Period, our Group procured Japan-origin components from suppliers in the PRC and Taiwan China. The Japan-origin components are not subject to controls under the FEFTA.

Our International Trade Legal Adviser has advised that two of our Company's PRC customers were placed on the Ministry of Economy, Trade and Industry's end-user list ("**End User List**") as of the Latest Practicable Date. The End User List provides exporters with referential information on foreign entities for which concern cannot be eliminated regarding involvement in activities such as the development of weapons of mass destruction or other items. As our Group did not export goods from Japan to the said customers (i.e., the transactions took place entirely within the PRC), and the FEFTA does not apply extraterritorially to non-Japanese persons, our International Trade Legal Adviser has advised that such sales do not give rise to material risks under Japanese export controls.

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EU-imposed International Sanctions

The EU has over 40 different sanctions regimes in place. All EU sanctions apply: (a) within the EU (including its airspace); (b) on board any aircraft or vessel under the jurisdiction of any EU member state; (c) to any EU national, regardless of where they are resident/located; (d) to any legal person, entity or body which is incorporated/constituted under the laws of any EU member state, irrespective of their location, including unincorporated branches, but not entities incorporated outside the EU; and (e) to any legal person, entity or body in respect of any business done in the EU.

The key EU dual-use export control legislation is Regulation (EU) No 2021/821 (“**EU Dual-Use Regulation**”), which controls the export of certain controlled dual-use products and technology from the EU to any non-EU country jurisdiction, the provision of technical assistance relating to controlled items, and the brokering of transactions that involve the transfer of controlled goods. Annex I to the EU Dual-Use Regulation (“**Annex I**”) contains the main list of controlled items.

Our International Trade Legal Adviser has screened our counterparties to determine if they are subject to applicable EU economic sanctions or export control restrictions and has not identified any transactions that involve such sanctioned parties or nexus to trigger the application of EU sanctions and export controls.

During the Track Record Period, we imported microlens arrays and laser interferometers from German and Swiss suppliers. The products from Switzerland transited through the EU. After conducting the relevant due diligence, which included a review of the transaction products and verification of the relevant customs codes and high-level technical specifications made available to them by our Group against Annex I, our International Trade Legal Adviser has assessed that the microlens arrays and laser interferometers are unlikely to be controlled under Annex I. Additionally, our International Trade Legal Adviser has advised that in practice, EU export controls require the suppliers, not our Group, to secure any relevant authorizations before exporting from the EU, and our Group would not face direct enforcement action under EU law for receiving goods without the required authorizations.

Additionally, during the Track Record Period, our Group did not export from the Netherlands or otherwise source any items from the Netherlands. As advised by our International Trade Legal Adviser, our Directors are of the view that: (i) as our Group’s business activities have no nexus to the Netherlands, the supplemental export controls on the semiconductor industry in the Netherlands also have no nexus to our Group; and (ii) our Group did not engage in any operations or transactions that implicate EU export control restrictions or violate EU export control laws or regulations.

UK and Australia-imposed International Sanctions

The UK operates its own sanctions regime after December 31, 2020. UK sanctions apply: (a) within the territory and territorial waters of the UK and to all UK persons, wherever they are in the world; (b) to all individuals and legal entities who are within or undertake activities within the UK’s territory; and/or (c) to all UK nationals and UK legal entities established under UK law, including their non-UK branches (but not separately incorporated non-UK subsidiaries), irrespective of where their activities take place.

Australia has a dual sanctions regime consisting of sanctions measures imposed by the UN, together with Australian autonomous sanctions imposed by the Australian Government as a matter of its foreign policy. Australia’s dual sanctions regime is administered by the Australian Sanctions Office,

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which sits within the Department of Foreign Affairs and Trade. The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to: (i) any person in Australia; (ii) any Australian anywhere in the world; (iii) activities in Australia; (iv) companies incorporated overseas that are owned or controlled by Australians or persons in Australia; and/or (v) any person using an Australian flag vessel or aircraft to transport goods or transact services subject to UN sanctions.

Our International Trade Legal Adviser has screened our counterparties to determine if they are subject to applicable UK and Australian economic sanctions or export control restrictions and has not identified any transactions that involve such sanctioned parties or nexus to trigger the application of UK and Australian sanctions and export controls.

As regards UK export controls, as advised by our International Trade Legal Adviser, our Directors are of the view that our products and procurement activities should not give rise to material risks under UK export controls, because:

- During the Track Record Period, our Group did not record business dealings with suppliers incorporated in the UK.
- No Group entity directly or indirectly exports or re-exports from the UK goods, technology or software, of any type or quantity.
- None of our Group's products (or any components) contain any components, software, or technology exported from the UK.
- Therefore, our Directors are of the view that our procurement activities have no nexus with UK export controls, and our Group did not engage in any operations or transactions that implicate UK export control restrictions or violate UK export control laws or regulations.

As regards Australian export controls, as advised by our International Trade Legal Adviser, our Directors are of the view that our products and procurement activities should not give rise to material risks under Australian export controls, because:

- During the Track Record Period, our Group did not record business dealings with suppliers incorporated in Australia.
- No Group entity directly or indirectly exports or re-exports from Australia goods, technology or software, of any type or quantity.
- None of our Group's products (or any components) contain any components, software, or technology exported from Australia.
- Therefore, our Directors are of the view that our procurement activities have no nexus with Australian export controls, and our Group did not engage in any operations or transactions that implicate Australian export control restrictions or violate Australian export control laws or regulations.

UN-imposed International Sanctions

The UN can take action to maintain or restore international peace and security under Chapter VII of the UN Charter. It does this by way of resolutions passed by the UN Security Council. UN Security Council sanctions have taken a number of different forms and have ranged from economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions.

Our International Trade Legal Adviser has screened our counterparties to determine if they are subject to applicable UN economic sanctions or export control restrictions and has not identified any transactions that involve such sanctioned parties or nexus to trigger the application of UN sanctions and export controls.

Evaluation of our Group's International Sanctions risk exposure

As advised by our International Trade Legal Adviser, our Company is not a Sanctioned Target, or located, incorporated, organized or resident in a Sanctioned Country; and our sales activities during the Track Record Period do not qualify as a Sanctioned Trader for purposes of Chapter 4.4 of the Guide.

For the purpose of Chapter 4.4 of the Guide, our International Trade Legal Adviser has further advised that our business activities (a) did not constitute Primary Sanctioned Activity; and (b) engaged in limited transactions with the PRC Customers and the PRC Supplier, but such activity is unlikely to trigger enforcement risks for reasons set out above. Our Directors confirm that, as of the Latest Practicable Date, the Group has not been subject to any investigation, inquiry, enforcement action or sanctions designated by any U.S. regulatory authority in connection with the transactions aforementioned.

We acknowledge that International Sanctions risks associated with our business activities cannot be completely excluded due to the fast-evolving International Sanctions regimes. However, we expect such risks to remain low and manageable given the nature of our products and end users, and they may be further mitigated to the extent that we can demonstrate compliance with International Sanctions as discussed below.

Further, we have undertaken to the Stock Exchange that we will:

- (i) Not directly or indirectly apply the IPO proceeds and any other funds raised through the Exchange to (a) finance or facilitate any Sanctioned Activity; or (b) pay any damages for terminating or transferring the relevant contracts that constitute the Secondary Sanctionable Activity;
- (ii) Terminate before listing all obligations under the relevant contracts that constitute the Secondary Sanctionable Activity and have measures in place to ensure compliance with the undertakings; and
- (iii) Disclose in our annual, interim and quarterly reports (if any) (a) details of any new and/or existing Primary Sanctioned Activity or Secondary Sanctionable Activity; (b) its efforts in monitoring its business exposure to sanctions risks; and (c) the current status of, and the anticipated plans for, any new and/or existing Primary Sanctioned Activity or Secondary Sanctionable Activity.

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Our internal control measures to minimize International Sanctions risks

In order to identify and monitor our exposure to International Sanctions risks relating to these sales, our legal department has enhanced our internal controls as follows.

- (i) Appoint dedicated personnel with adequate expertise to oversee the continuous enhancement and implementation of our Group's commitment to sanctions and export control compliance;
- (ii) Implement an enhanced sanctions and export control compliance policy, which includes (but is not limited to) adequate ongoing screening of all existing and future customers, suppliers and end users (in particular, information about end users is provided by our customers and is screened pursuant to our compliance policy), export control compliance measures (e.g., management of electronic inventory control and procurement processes), and sanctions and export control trainings as and when necessary;
- (iii) Incorporate sanctions and export control-related clauses in contracts with customers and suppliers for all transactions;
- (iv) Conduct sanctions training for management, business teams and other teams as and when necessary; and
- (v) Incorporate sanctions compliance-focused audits into our Group's periodic audits, including audits of subsidiaries and distributors.

Our International Trade Legal Adviser has reviewed and evaluated these internal control enhancements and is of the view that these measures, when implemented by our Group, would be sufficient and effective for our Group to comply with the applicable International Sanctions laws and to monitor our exposure to International Sanctions risks.

Based on the scope of work performed, our Internal Control Consultant has not identified any material deficiency in our internal control policies and procedures relating to sanctions and export control. We have engaged an internal control consultant (the "**Internal Control Consultant**") to review the design and execution of the implemented Measures. The Internal Control Consultant has checked the implemented measures and did not identify further issues in relation to the effectiveness of implemented remedial Measures.

Based on the due diligence performed by the Sole Sponsor and having taken into account (i) the findings and conclusions of our internal control consultant, (ii) the views of the International Trade Legal Advisor, and (iii) the enhanced internal control measures implemented by our Group, the Sole Sponsor is satisfied that the rectification measures have been properly implemented by our Group and has confirmed that nothing has come to its attention that would reasonably cause it to cast doubt on the adequacy and effectiveness of our internal control system relating to sanctions and export control in any material respect. Accordingly, the Sole Sponsor is of the view that our Group's internal control system relating to sanctions and export control remains adequate and effective in all material respects.

We will continue to transact with non-Sanctioned Target customers in the other Relevant Regions while continuously monitoring our Group's exposure to International Sanctions risks and relying on our enhanced internal control measures.

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Upon Listing, we will implement additional measures as appropriate to minimize International Sanctions risks. The Internal Control Consultant conducted follow-up reviews on our enhanced internal control measures in respect of our exposure to International Sanctions risks that may arise from our business dealings with counterparties in overseas countries. The Internal Control Consultant is not aware of any significant deficiencies in the design and implementation (save for those internal control measures which will be implemented upon Listing) of the enhanced internal control measures in respect of our exposure to sanction risks, and the Internal Control Consultant did not have any further recommendations in the internal control review.

Our International Trade Legal Adviser has reviewed and evaluated these internal control measures and is of the view that these measures, insofar as they can be strictly implemented by our Group, would be adequate and effective for our Company to comply with the applicable International Sanctions Laws.

Having taken the above advice of our International Trade Legal Adviser into account, our Directors are of the view that the above measures will provide a reasonably adequate and effective framework to assist us in identifying and monitoring any material risks relating to international sanctions.

Having considered the above view from our Directors and International Trade Legal Adviser and after undertaking the relevant due diligence, nothing has come to the attention of the Sole Sponsor that would reasonably cause them to cast doubt on our Directors' view above on our Group's International Sanctions risk exposure in any material respect.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We regard Environmental, Social and Governance (ESG) management as equally important as our business operations. We integrate the concept of sustainable development into our operations, product research and development, and other processes.

ESG Governance

We formulated the ESG Management System of Circuit Fabology Microelectronics Equipment Co., Ltd. (《芯碁微装ESG管理制度》), and have established an ESG management structure.

The Board of Directors, as the leading and decision-making body for ESG work, is responsible for reviewing and approving important ESG-related matters such as our Company's ESG development strategy and goals, material issues, management structure and management systems. The Strategy and Development Committee under the Board is responsible for identifying ESG-related risks and opportunities that have a significant impact on our Company's business, promoting and supervising the progress of ESG goal achievement, and reviewing our Company's ESG-related disclosure documents, among other matters. The ESG Working Group is responsible for implementing our Company's ESG development strategy and goals, and for organizing and arranging the implementation of ESG work-related matters by various executive units. The ESG Executive Group is responsible for executing the ESG work plan and reporting on work results periodically.

We integrate sustainable development management into our Company's strategy and operations, incorporate the fulfillment of ESG responsibilities into our operational management and decision-making system, and continuously enhance our Company's sustainability performance.

ESG Materiality Assessment and Risk Management

In accordance with the Environmental, Social and Governance Reporting Code (《環境、社會及管治報告守則》), we identify our Company's material ESG issues and potential risks through methods such as industry benchmarking studies.

- In conjunction with our Company's actual operational conditions and industry development trends, we have identified material issues that are closely related to our Company's environmental, social and governance performance.
- We engage external experts to provide professional advice and guidance, prioritize ESG issues by comprehensively considering their importance to our Company's development and to stakeholders, identify highly material ESG issues, and integrate them into our Company's ESG management policies and strategies.

Based on our materiality assessment, we have identified product quality and safety, occupational health and safety, and emissions management as our key ESG matters.

As of December 31, 2025, we had not experienced any material ESG-related risk incidents, had not been subject to any penalties for violating ESG-related laws and regulations concerning environmental protection, product quality and safety, and occupational health and safety, and had not suffered any actual or anticipated potential material impact from ESG (including climate) related risks on our business, strategy and financial performance.

Environment

We comply with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and other applicable laws, regulations and environmental standards. We have formulated Environmental Factor Identification and Evaluation Control Procedure, and the Pollutant Control Procedure, and have obtained the ISO 14001 Environmental Management System certification. Our environmental performance is in line with industry standards. Based on publicly available data, key environmental performance indicators such as comprehensive energy consumption and greenhouse gas emissions (Scope 1 and Scope 2) are below the industry average.

In 2023, 2024 and 2025, our environmental compliance costs were approximately RMB130,000, RMB800,000 and RMB350,000, respectively.

Based on the current state of our business development and our level of environmental management, we have set the following environmental management goals:

- **Environmental Management:** Zero environmental pollution incidents.
- **Greenhouse Gas Emissions Reduction:** By 2030, greenhouse gas emission intensity will decrease by 20% compared to 2025.
- **Exhaust Gas:** By 2030, air pollutant emissions will decrease by 10% compared to 2025. 100% compliance rate for exhaust gas emissions.
- **Wastewater:** 100% compliance rate for wastewater discharge.

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- **Waste:** By 2030, the emission intensity of hazardous waste and non-hazardous waste will decrease by 5% compared to 2025. 100% compliant disposal rate for hazardous waste and non-hazardous waste.
- **Energy Efficiency:** By 2028, renewable electricity will increase by 50% compared to 2024, reaching 1.68 million kWh.
- **Water Efficiency:** By 2030, water consumption intensity will decrease by 10% compared to 2025.

Emissions Management

We strictly comply with emissions-related laws and regulations such as the Integrated Emission Standard of Air Pollutants (《大氣污染物綜合排放標準》), the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》) and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》). We have established the Pollutant Control Procedures to strictly manage our emissions.

- **Exhaust Gas Management:** The exhaust gas we generate mainly consists of volatile organic compounds (VOCs) from the photolithography process and sulfuric acid mist from the substrate cleaning process. In 2023, 2024 and 2025, our exhaust gas emissions were approximately 15.44 million, 14.00 million and 19.12 million standard cubic meters, respectively.
- **Wastewater Management:** The wastewater we generate includes domestic sewage and process wastewater. Domestic sewage is treated by grease traps and septic tanks before being discharged into the municipal sewage network. Process wastewater is regularly collected, treated and reused, and is not discharged off-site. In 2023, 2024 and 2025, our domestic sewage discharge was 10,154 tons, 10,281 tons and 15,758 tons, respectively.
- **Hazardous Waste:** The hazardous waste we generate mainly includes waste oil, waste oil-water mixtures, waste photoresist, and waste activated carbon from the production process. To further standardize hazardous waste management, we have established management systems such as the Pollution Control Procedure (《污染物控制程序》). All hazardous waste is transported by designated personnel to a dedicated hazardous waste storage facility for centralized storage, with detailed records maintained. Corresponding packaging methods are applied based on waste categories — for example, waste liquids are stored in ton tanks, while waste activated carbon is stored in cardboard boxes with designated area segregation. We engage qualified third-party service providers for compliant disposal of hazardous waste and obtains hazardous waste transfer manifests as proof of disposal. In 2023, 2024 and 2025, our hazardous waste emissions was 9.99 tons, 8.06 tons and 4.39 tons, respectively; and the hazardous waste emission intensity was 12.05 kg/million of revenue, 8.44 kg/million of revenue and 3.12 kg/million of revenue, respectively.
- **Non-hazardous Waste:** The non-hazardous waste we generate mainly consists of domestic garbage, office waste, and discarded components from the production process. Domestic and office waste are collected and treated by a resource recovery unit. Discarded components

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from the production process are returned to the original manufacturer. In 2023, 2024 and 2025, our non-hazardous waste emissions was 32.84 tons, 35.62 tons and 67.43 tons, respectively; and the non-hazardous waste emission intensity was 0.040 tons/million of revenue, 0.037 tons/million of revenue and 0.048 tons/million of revenue, respectively.

Energy and Resource Management

We comply with the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), have formulated management systems such as the Energy and Resource Control Procedures (《能源資源控制程序》), and have listed energy saving and consumption reduction as an annual KPA and systematically promote various energy-saving initiatives.

Regarding water use, our water source is the municipal supply, and we have not encountered any water scarcity issues. In production and operations, we use purified water as process water to reduce replacement frequency and improve water use efficiency.

In terms of paper usage, we actively promote online collaborative work to reduce the circulation of paper documents.

The following table sets out the energy consumption of our Company during the Track Record Period:

Metrics	Unit	As of December 31,		
		2023	2024	2025
Comprehensive Energy Consumption	Tons of standard coal	489.46	592.23	761.30
Comprehensive Energy Consumption Intensity.	Tons of standard coal/million of revenue	0.59	0.62	0.54
Electricity Consumption	KWh	3,588,550.56	4,285,667.94	5,475,535.38
Clean Energy Consumption (Photovoltaic Power Generation)	KWh	720,829.2	1,126,579.2	1,125,885.6
Gasoline Consumption (Business Travel).	Liter	14,959.5	15,066.13	13,677.82
Purchased heat.	GJ	720.37	1,177.00	1,838.3
Natural Gas	m ³	5,846	6,900	8,229
Water Consumption	m ³	11,282	11,423	17,511

Note: The calculation method for comprehensive energy consumption is based on the General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020) (《綜合能耗計算通則》).

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Addressing Climate Change

We are committed to green and low-carbon development, continuously improving our climate governance system, and attaching importance to the potential impacts of climate change on our Company. We actively identify climate-related risks and opportunities, systematically assess their impact on our Company's operations and development, and formulate response measures accordingly:

Regarding physical risks, we primarily focus on typhoons, extreme precipitation, extreme heat, and extreme cold weather, which may affect production stability and equipment operations. To address these, we have implemented measures such as emergency response plans, insurance coverage, and equipment protection.

In terms of transition risks, we are mindful of increasing regulatory pressure and potential reputational impacts, while also seizing opportunities arising from improved energy efficiency. To this end, we are enhancing climate-related disclosures, promoting low-carbon innovation, and continuously investing in photovoltaic power generation to strengthen our sustainable development capabilities.

By advocating for green offices and low-carbon travel, installing rooftop photovoltaics to increase the proportion of renewable energy use, we reduce electricity consumption, increase the use of clean energy.

The following table sets out the greenhouse gas (GHG) emissions of our Company during the Track Record Period:

Metrics	Unit	As of December 31,		
		2023	2024	2025
Scope 1 GHG Emissions.	Tons of CO ₂ equivalent	12.64	14.92	17.99
Scope 1 GHG Emissions Intensity.	Tons of CO ₂ equivalent/million of revenue	0.015	0.016	0.013
Scope 2 GHG Emissions.	Tons of CO ₂ equivalent	2,094.9	2,536.7	3,140.4
Scope 2 GHG Emissions Intensity.	Tons of CO ₂ equivalent/million of revenue	2.53	2.66	2.23
Scope 3 GHG Emissions (Category 6 — Business Travel).	Tons of CO ₂ equivalent	650.39	857.47	836.97

Note: The calculation method for Scope 1 and Scope 2 GHG emissions is based on the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Mechanical Equipment Manufacturing Enterprises (Trial) (《機械設備製造企業溫室氣體排放核算方法與報告指南(試行)》). The emission factors for Scope 1 and Scope 2 GHG emissions are based on the Announcement on the Release of 2022 Power Grid CO₂ Emission Factors (《關於發布2022年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment. Our Company's Scope 1 GHG emissions are mainly from natural gas consumption during production and operation. Scope 2 GHG emissions are mainly from purchased electricity and heat. The calculation method for Scope 3 GHG emissions refers to the GHG Protocol (《溫室氣體核算體系》). The emission factors refer to data from China's product life-cycle GHG emission factor database and the US Environmentally-Extended Input-Output (USEEIO) model database.

Social

Product Quality and Service

We have formulated and implemented internal systems such as the Non-conforming Product Control Procedures (《不合格品控制程序》) and the Product Quality Information Management System (《產品質量信息管理制度》). During the Track Record Period, we did not have any product recall incidents due to safety or health issues.

In terms of product quality control, we have systematically built a unified problem management platform to achieve standardized management of issues throughout the entire production process. In 2025, we plan to establish a quality management system, promoting the online management of inspection results at all stages, and identifying quality risks based on data monitoring.

In terms of optimizing the customer experience, we have formulated systems such as the Customer Service Assurance Control Procedures (《客戶服務保證控制程序》), and After-sales Service Management Specifications (《售後服務管理規範》). For customer opinions and complaints, we have implemented full-process control from receipt to closed-loop handling, improving the efficiency of our response to customer complaints.

In terms of data privacy and information security, we have formulated and adhere to the Data Leakage Incident Management System (《數據泄露事件管理制度》). We have established an Information Security Committee and regularly conduct reviews and make arrangements for information and data security. During the Track Record Period, we have passed the evaluation for Level 2 of the Information System Security Level Protection.

Research and Development and Innovation

As a technology innovation-driven company, we actively promote the research and development of cutting-edge technologies, have formulated the Intellectual Property Management Regulations (《知識產權管理規定》) and continuously enhance our technological competitiveness and product market advantages.

In terms of intellectual property protection, we conduct intellectual property risk assessments at key project nodes and have established long-term cooperation with professional third-party intellectual property agencies.

Human Capital

Compliant Employment

We adhere to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and have formulated internal management systems such as the Employee Code of Conduct (《員工行為準則》), and strictly prohibit practices such as child labor and forced labor. During the Track Record Period, we did not have any incidents of child labor or forced labor.

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In terms of recruitment and employment, we uphold the principles of openness and inclusivity, and effectively ensure fairness throughout the entire recruitment process. In terms of compensation management, we strictly comply with regulations such as the Interim Provisions on Wage Payment (《工資支付暫行規定》) and have built a market-competitive compensation system. The following table sets forth the distribution of our full-time employees in China during the Track Record Period:

Metrics	Unit	As of December 31,		
		2023	2024	2025
Total Number of Employees	Persons	539	679	795
Number of Employees by Gender . . . Male	Persons	440	567	651
Female	Persons	99	112	144
Employee Turnover Rate	%	12.24	11.78	14.88
Employee Turnover Rate by Gender . . Male	%	11.59	12.17	16.00
Female	%	15.15	9.82	8.86

Employee Health and Safety

We strictly adhere to laws and regulations such as the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》) and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》). We have established and improved a work safety responsibility system, and have obtained ISO 45001 Occupational Health and Safety Management System certification and Level 3 Work Safety Production Standardization certification. During the Track Record Period, we had no work-related fatalities, and there were zero workdays lost due to work-related injuries.

Employee Training and Development

We have established a fair performance and promotion mechanism, providing employees with dual-track career development paths in both managerial and professional tracks. In 2023, 2024 and 2025, the average training hours per employee were 24 hours, 25 hours, and 29 hours, respectively.

Metrics	Unit	As of December 31,		
		2023	2024	2025
Percentage of Trained Employees by Gender Male	%	82.88	83.52	81.66
Female	%	17.12	16.48	18.34

Responsible Supply Chain

We continuously improve our supplier management system and have formulated systems such as the Supplier Management Control Procedures (《供應商管理控制程序》), the Supplier Onboarding Management Guidelines (《供應商導入管理規範》) to standardize the entire supplier lifecycle management, from sourcing and development to performance evaluation and exit.

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At the supplier onboarding stage, we focus on environmental and social risks. Key evaluation criteria include supplier performance and relevant certifications in areas such as product quality, environmental protection, labor rights, employee health and safety, business ethics, and intellectual property protection. We require suppliers to provide certification documents related to environmental, quality, and other management systems. We also incorporate ESG compliance requirements into supplier contracts and include the Confidentiality Agreement, Safety and Security Agreement, and Integrity Agreement as legally binding supplementary attachments to our contracts with suppliers. We oppose any unfair competition, corruption, or bribery in the procurement and supplier fulfillment processes.

We follow the Supplier Onboarding Management Guidelines (《供應商導入管理規範》) and collect various qualification documents from suppliers, such as environmental management system certificates and environmental restricted substance assurance letters, to assess their environmental compliance capabilities. During the supplier audit stage, we conduct continuous monitoring of supplier ESG performance. Through periodic performance assessments, we require suppliers to track and rectify non-conformities, continuously improving supplier quality.

Business Ethics

We strictly adhere to the Anti-Monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》), and have formulated internal systems such as our Company Complaint and Whistleblowing Management System (《公司投訴舉報管理制度》), and have established and publicized multiple whistleblowing channels, standardized the reporting procedures and handling processes, and strictly protect the information of whistleblowers. During the Track Record Period, there were no concluded legal proceedings against our Company in relation to corruption or bribery.

Philanthropy and Charity

In terms of philanthropic practice, our Company has established a public welfare project for the care of women and children with the Hefei Women's Federation to effectively assist women and children. It has also organized the "Hundred Enterprises in Hundred Villages" poverty alleviation activity to support rural development. From 2023 to 2025, our cumulative charitable donations amounted to RMB150,000.

PROPERTIES

We own and lease properties in China for the use of production, R&D and office purposes. As of the Latest Practicable Date, our production bases were based in China. Our headquarters are located in Hefei, China.

As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of the Latest Practicable Date, we held the land use rights of two parcels of land with an aggregate site area of approximately 53,150.3 sq.m. in China. Such land parcels have been granted land use right certificates. As of the Latest Practicable Date, we owned six properties in China with a total GFA of approximately 35,962.4 sq.m. These land parcels and properties are primarily used for business operations, production and warehousing purposes.

During the Track Record Period, certain temporary structures at our production base, including carports with a total area of approximately 370.5 sq.m., representing less than 1.5% of our owned GFA, had not obtained property ownership certificates in accordance with PRC laws and regulations. These structures are constructed for auxiliary purposes and, under the relevant laws and regulations and the responses from the local regulatory authority, are not required to obtain planning permits or property ownership certificates. There is no legal requirement for us to obtain such certificates for these structures, and we will not be subject to any penalties or fines for not having obtained them. As advised by our PRC legal adviser, the absence of such certificates does not affect our actual possession or use of the main plant and land, which are free from ownership disputes. As of December 31, 2025, packaging waste rooms had been demolished, our Directors believe that our business operations and financial condition would not be materially affected, as these structures are not essential to our core production or daily operations. In addition, according to the confirmation issued by the relevant construction authority, we have complied with applicable construction laws and regulations during the Track Record Period and have not been subject to any administrative penalties or adverse credit records. Our PRC Legal Adviser is of the view that the relevant authority is competent to issue such confirmation.

Our Directors believe that the defects of such temporary structures would not materially and adversely affect our business, results of operations or financial condition, based on the following: (i) our plant and the underlying land are free from ownership disputes; (ii) the temporary structures are used for auxiliary purposes and account for a small proportion of our total plant area; (iii) we have not been subject to any administrative penalties or adverse credit records in relation to construction matters during the Track Record Period; (iv) if required to demolish these structures, our normal production and operations would not be materially affected; and (v) we have obtained an indemnity letter from the Controlling Shareholders Group to indemnify our Group against any claims, fines and other liabilities arising from such non-compliances.

As of Latest Practicable Date, our principal construction-in-progress was the ancillary works of the Hefei Production Base (Phase II). As of the Latest Practicable Date, we had not fully submitted certain project information for the Hefei Production Base (Phase II) to the Anhui Provincial investment project online approval and supervision platform as required under PRC regulations, which may expose us to the risk of being ordered by the competent authorities to rectify within a prescribed period or being subject to fines. We have already initiated the process of preparing and supplementing the outstanding application materials, and are actively communicating with the relevant authorities to ensure full compliance. We have obtained a written confirmation from the Hefei High-tech Industrial Development Zone Economic Development Bureau, which confirms that, as of the date of the confirmation, no violations of laws or regulations, administrative penalties or regulatory measures have been identified in relation to the submission of project information for the Hefei Production Base (Phase II). Our PRC Legal Adviser is of the view that, as of the Latest Practicable Date, we have not

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received any rectification notice from the relevant competent authorities regarding this matter, and there is no situation of overdue rectification, the risk of the Company being subject to administrative penalties in respect of this matter is low.

In addition, during the Track Record Period, our Hefei Production Base (Phase II) project was not completed within the timeline stipulated in the land transfer contract. The delayed completion was primarily due to objective factors, including multiple adjustments to the overall planning scheme at the time of land delivery, site preparation, coordination with relevant parties, and other practical factors affecting the commencement and construction progress, which were not attributable to us. As confirmed by the relevant government authorities, these delays were not caused by any fault or subjective reason on the part of our Group. As of the Latest Practicable Date, we had completed all main construction works and obtained final acceptance, and had not received any request from the land administration authorities for payment of liquidated damages or been subject to any administrative penalties in this regard.

According to the land transfer contract and its supplemental provisions entered into between our Group and the Hefei Municipal Bureau of Natural Resources and Planning (合肥市自然資源和規劃局) in respect of the Hefei Production Base (Phase II), penalty clauses are stipulated such that, if the construction is not commenced or completed within the stipulated timeline, liability for breach of contract may be pursued in accordance with applicable laws and regulations. Specifically, the land transfer contract provides that if the transferee fails to commence or complete construction as agreed, the Hefei High-Tech Industrial Development Zone Administrative Committee (合肥高新技術產業開發區管理委員會) shall determine and pursue the relevant liability for breach of contract. As of the Latest Practicable Date, the Hefei High-Tech Industrial Development Zone Administrative Committee had issued a written confirmation stating that, as the delay in commencement and completion was due to objective factors and not attributable to our Group, no liability, compensation or penalty will be imposed on our Group in respect of such delay. The written confirmation further states that the delay in completion will not affect our Group's ability to subsequently apply for and obtain the relevant property ownership certificates for the Hefei Production Base (Phase II) project, nor will it affect the lawful commencement of production and operation at the project. Our PRC Legal Adviser is of the view that the Hefei High-Tech Industrial Development Zone Administrative Committee is competent to issue such confirmation. As advised by our PRC legal adviser, based on the above confirmation and relevant PRC laws and regulations, our production in excess of the filed designed capacity does not constitute a material non-compliance.

As of the Latest Practicable Date, we were in the process of sorting and preparing the application materials required for the full legal title registration of the Hefei Production Base (Phase II). Based on the above facts, our PRC Legal Adviser reasonably and predictably believes that there are no legal impediments to obtaining the full legal titles to the properties, subject to completion of the required procedures. We plan to formally commence operations at the Hefei Production Base (Phase II) only after obtaining all necessary regulatory approvals and completing the property title registration.

Our Directors believe that the above defects would not materially and adversely affect our business, results of operations or financial condition, as (i) we have not been found to have committed any major violations or received any administrative penalties or regulatory measures in relation to project information submission or delayed completion; (ii) the delayed completion has not resulted in any idle land, forfeiture risk, or administrative penalties; and (iii) we have obtained an indemnity letter from the Controlling Shareholders Group to indemnify our Group against any claims, fines and other

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liabilities arising from such non-compliances. Based on the above facts, as of the Latest Practicable Date, we had not made any provisions for potential liabilities in respect of the above non-compliances which our Directors are of the view is sufficient and appropriate.

Leased Properties

As of the Latest Practicable Date, we leased two properties in China primarily used for office premises, with an aggregate gross floor area of approximately 498.9 m². The leases generally have a term ranging from two to five years. As of the Latest Practicable Date, we are in the process of completing the registration procedures for the lease agreement in respect of one of our leased properties due to a change of landlord, and as advised by our PRC legal adviser, there are no material legal impediments to the completion of such registration.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC legal adviser, we have obtained all licenses, approvals, permits and certificates that are material and necessary for our business operations in jurisdictions where we operate, and such licenses, permits, approvals and certificates are valid and subsisting.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention. As of the Latest Practicable Date, we and our major subsidiaries are not involved in any court, arbitral or administrative proceedings which we believe may be of material importance to our assets and liabilities or profits and losses nor, so far as we are aware, are any such proceedings pending or threatened.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal and market risks identified in relation to our operations. We also periodically review these procedures to ensure their effectiveness. Our policies and procedures relate to managing our procurement and production, as well as monitoring our sales performance and product quality.

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted, or will continue to adopt, among other things, the following risk management measures:

- Establish an Audit Committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see “Directors and Senior Management — Committees under our Board of Directors — Audit Committee”;

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- Adopt policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- Organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;
- Provide training programs periodically to our senior management and employees on professional behavior requirements and ethics standards to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against non-compliance in our employee discipline measures and supervision guidelines;
- Enhance our reporting and records system for factories, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities;
- Establish a set of emergency procedures in the event of major quality-related issues;
- Provide enhanced training programs on quality assurance and product safety procedures; and
- Distribute employee handbooks to enhance employees' awareness of complying with laws and regulations.

DATA PRIVACY POLICY

We are committed to ensuring data privacy and information security. We do not engage in collecting private information through public channels such as operational websites or apps, and the data we collect is limited. In the course of conducting our business, the only privacy data we collect mainly pertains to employee information, customer and supplier contact information, and other data necessary for operation and management. We make sure to obtain adequate authorization and consent from our employees, customers, and suppliers for collecting and processing their private information.

In the course of our business operations, we attach great importance to data privacy and information security. We adhere to the principle of minimized and necessary access when collecting data, and currently only collect limited personal information, such as names and telephone numbers of employees and customers through our designated systems. Such data is not stored in local databases, and we do not transmit such data via interfaces unless strictly necessary. Sensitive data is also subject to desensitization before any external transmission.

To prevent data leakage and external intrusion, we have adopted security measures such as zero-trust access controls and secure gateway systems. We have also put in place rules and approval procedures to monitor and manage unusual attempts to access our internal network. All such activities are subject to necessary review and traceability, thereby ensuring the separation of internal and external data and the protection of privacy.

We have also established a data acquisition and approval process, under which access to sensitive data within our systems requires confirmation through unified company procedures before any data extraction or analysis is conducted. In addition, we have implemented data storage and backup measures to ensure data is not lost or unrecoverable. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of operating or transaction data nor have we been subject to any complaint, investigation or legal proceedings in relation to data privacy.

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AWARDS AND RECOGNITIONS

We have received various awards and recognition in respect of our products, technology and innovation. The following table sets forth major awards and recognitions we received during the Track Record Period and up to the Latest Practicable Date:

Year	Awards/Recognitions	Awarding entity
2026	National Intellectual Property Demonstration Enterprise (國家知識產權示範企業)	China National Intellectual Property Administration (國家知識產權局)
2025	2024 Top 100 Enterprises (Specialized Equipment and Instruments) in China Electronics Circuit Industry (2024年度中國電子電路行業(專用設備和儀器)百強企業)	China Electronics Circuit Industry Association (中國電子電路行業協會)
2024	The 11th Anhui Provincial Patent Gold Award (第十一屆安徽省專利金獎)	Anhui Provincial Administration for Market Regulation (安徽省市場監督管理局)
2024	Anhui Outstanding Private Enterprise (安徽省優秀民營企業)	Anhui Provincial Committee of the Communist Party of China, Anhui Provincial People's Government (中共安徽省委, 安徽省人民政府)
2024	Anhui Advanced Collective in Labor Competition (安徽省勞動競賽先進集體)	Anhui Provincial Federation of Trade Unions, Anhui Provincial Labor Competition Committee (安徽省總工會, 安徽省勞動競賽委員會)
2024	Anhui May 1st Labor Certificate (安徽省五一勞動獎狀)	Anhui Provincial Federation of Trade Unions (安徽省總工會)
2023	National-Level Specialized, Sophisticated, Distinctive, and Innovative (“ Little Giant ”) Enterprises (國家級專精特新“小巨人”企業)	China's Ministry of Industry and Information Technology (中華人民共和國工業和信息化部)
2023	2022 Top 100 Enterprises (Specialized Equipment and Instruments) in China Electronics Circuit Industry (2022年度中國電子電路行業(專用設備和儀器)百強企業)	China Electronics Circuit Industry Association (中國電子電路行業協會)
2023	2023 Anhui Provincial First (Set) Major Technical Equipment Certification (2023年度安徽省首台(套)重大技術裝備認定)	Anhui Provincial Department of Economy and Information Technology (安徽省經濟和信息化廳)

CONNECTED TRANSACTION

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTION

Property Leasing Framework Agreement

Principal Terms

Our Company, for itself and on behalf of its subsidiaries, has entered into a framework agreement (the “**Property Leasing Framework Agreement**”) with Hefei Jiuchuan Intelligent Equipment Co., Ltd. (合肥九川智能裝備有限公司, “**Hefei Jiuchuan**”), pursuant to which our Group will rent to Hefei Jiuchuan certain properties as factories and offices. As of the Latest Practicable Date, Hefei Jiuchuan was held as to 48.4% by Mr. Zhao Lingyun, our Non-executive Director.

The Property Leasing Framework Agreement will become effective on the Listing Date and end on December 31, 2027. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Property Leasing Framework Agreement.

Pricing Policy

The rents charged by our Group during the leasing term are determined based on normal commercial terms after arm’s length negotiations between the relevant parties, and the leasing shall be equivalent to the prevailing market rates of properties of comparable size and quality situated in the same locality available to or offered by Independent Third Parties, which are in the best interests of our Company and our Shareholders as a whole.

Reasons for the Transaction

During the Track Record Period, we have rented properties to Hefei Jiuchuan as factories and offices and we expect that we will continue to rent the properties after the Listing. Our Group has a long-term and stable business relationship with Hefei Jiuchuan. Compared with Independent Third Parties, Hefei Jiuchuan has a better understanding of our leasing requirements. We consider that the terms of the Property Leasing Framework Agreement are consistent with normal commercial terms and leasing our spared properties to Hefei Jiuchuan also brings a steady rental income and cash flows to the Group.

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 5% and the total consideration of the transaction thereunder is expected to be less than HK\$3,000,000 on an annual basis, 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.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Our Board of Directors consists of nine Directors, comprising three Executive Directors, three Non-executive Director, and three Independent Non-executive Directors. Our Directors are elected for a term of three years and are subject to re-election.

Our senior management is responsible for the daily operations of our Company.

Directors and Senior Management

The following table sets forth certain information regarding our Directors:

Name	Age	Position(s)	Date of Joining our Group	Date of Appointment as a Director	Role and Responsibility
Executive Directors					
Ms. CHENG Zhuo (程卓女士)	60	Chairman of the Board and Executive Director	June 2015	March 2016	Responsible for overall strategic planning, business direction and management of the Group
Mr. FANG Lin (方林先生)	46	Executive Director and general manager	November 2015	March 2016	Responsible for the operation and management of the Group
Ms. WEI Yongzhen (魏永珍女士)	44	Executive Director, secretary to the Board and financial director	April 2019	October 2019 (secretary to the Board and financial director); April 2020 (Executive Director)	Responsible for our corporate governance, information disclosure, legal and compliance issues and financial management
Non-executive Directors					
Mr. ZHAO Lingyun (趙凌雲先生)	49	Non-executive Director	July 2020	September 2021	Responsible for providing advice to the Board and participating in the formulation of the general corporate business plans
Mr. ZHOU Chijun (周馳軍先生)	59	Non-executive Director	October 2022	October 2022	Responsible for providing advice to the Board and participating in the formulation of the general corporate business plans

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of Joining our Group	Date of Appointment as a Director	Role and Responsibility
Mr. LIU Feng (劉鋒先生)	48	Non-executive Director	November 2023	November 2023	Responsible for providing advice to the Board and participating in the formulation of the general corporate business plans

Independent Non-executive Directors

Ms. ZHOU Yana (周亞娜女士)	72	Independent Non-executive Director	August 2025	August 2025	Responsible for providing independent advice on the operation and management of our Company
Mr. ZHONG Qi (鍾琪先生)	44	Independent Non-executive Director	November 2024	November 2024	Responsible for providing independent advice on the operation and management of our Company
Mr. WONG Lok Tak (王樂得)	65	Independent Non-executive Director	August 2025	August 2025	Responsible for providing independent advice on the operation and management of our Company

The following table sets out certain information regarding the senior management of our Company.

Name	Age	Position(s)	Date of Joining our Group	Date of Appointment as senior management	Role and Responsibility
Mr. FANG Lin (方林先生)	46	Executive Director and general manager	November 2015	March 2016	Responsible for the operation and management of the Group
Ms. WEI Yongzhen (魏永珍女士)	44	Executive Director, secretary to the Board and financial director	April 2019	October 2019 (secretary to the Board and financial director); April 2020 (Executive Director)	Responsible for overall financial management of the Group, information disclosure, investor relation, legal and compliance issues and other Board-related matters

DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed in this section, (i) none of our Directors held any directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this document; (ii) to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

BOARD OF DIRECTORS

Executive Directors

Ms. CHENG Zhuo (程卓女士), aged 60, is our Executive Director, chairman of the Board and our founder.

Ms. Cheng joined our Group in June 2015 and served as chairman of the Board of the Company since March 2016. She has also served as the general partner of Yage Venture Capital since May 2019, the general partner of Na Photolithography since July 2019, the general partner of He Photolithography since July 2019 and director of Xin Qi Technology (Thailand) Co., Ltd. since May 2024.

Prior to joining our Group, Ms. Cheng worked at Anhui General Machinery Factory (安徽通用機械廠) from August 1984 to April 1998 and served as general manager of Anhui Shengjia Auction Co., Ltd. (安徽盛佳拍賣有限責任公司) from December 1998 to December 2012 and executive director of Anhui Shengjia Benfu Trading Co., Ltd. (安徽盛佳奔富商貿有限責任公司) from July 2011 to October 2019.

In June 2019, Ms. Cheng was named as one of the top 50 Outstanding Entrepreneurs in manufacturing industry in Anhui Province by Anhui Provincial Department of Economy and Information Technology (安徽省經濟和信息化廳). In August 2023, she was awarded the Third Prize of Anhui Science and Technology Progress Award by Anhui Provincial People's Government (安徽省人民政府).

Ms. Cheng obtained her diploma in Chinese Language and Literature from Anhui Radio and Television University (安徽廣播電視大學), currently known as Anhui Open University (安徽開放大學) in PRC in August 1985 and her master's degree in business administration from Anhui Institute of Business Administration (安徽工商管理學院) in PRC in December 2005. She was qualified as an Accountant in May 1996 by the Ministry of Finance of the People's Republic of China.

Mr. FANG Lin (方林先生), aged 46, is our Executive Director and general manager.

Mr. Fang joined our Group in November 2015 and served as Executive Director and general manager since March 2016. He has also served as the executive director and general manager of Xin Qi Hewei (Suzhou) Integrated Circuit Technology Co., Ltd. (芯碁合微(蘇州)集成電路科技有限公司) since July 2020.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining our Group, Mr. Fang served as the R&D engineer and director of Hefei AdvanTools Semiconductor Co., Ltd. (合肥芯碩半導體有限公司) from March 2007 to March 2013 and its deputy general manager of technology department from April 2014 to June 2015, the deputy general manager of technology department of Tianjin AdvanTools Co., Ltd. (天津芯碩精密機械有限公司) from April 2013 to March 2014.

Mr. Fang was awarded Anhui Province Science and Technology Achievement Award by Anhui Provincial Department of Science and Technology (安徽省科學技術廳) in June 2008 and Third Prize of Anhui Province Science and Technology Progress Award by Anhui Provincial People's Government (安徽省人民政府) in August 2023.

Mr. Fang obtained his bachelor's degree in mechanical engineering and automation from Shijiazhuang Tiedao College (石家莊鐵道學院) in PRC in June 2001 and his master's degree in mechanical engineering, manufacturing and automation from Hefei University of Technology (合肥工業大學) in PRC in June 2008. He was qualified as senior engineer in mechanical engineering by Anhui Provincial Department of Human Resources and Social Security in November 2023.

Ms. WEI Yongzhen (魏永珍女士), aged 44, is our Executive Director, secretary to the Board and financial director.

Ms. Wei joined our Group in April 2019 as our financial director and has served as secretary to the Board of our Company since October 2019 and an Executive Director since April 2020. Prior to joining our Group, Ms. Wei worked at financial department of Shanghai Shenneng Biocolor Biotechnology Co., Ltd. (上海申能博彩生物科技有限公司) from July 2005 to October 2006, served as financial director of Datwyler (Suzhou) Cabling System Co., Ltd. (德特威勒(蘇州)配線系統有限公司) from November 2006 to June 2010 and worked at Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300274) from June 2010 to April 2019, with her last position as the manager of finance center and the deputy general manager. Ms. Wei also served as an independent director of Anhui Sci Tech Innovation Zhongguang Technology Co., Ltd. (安徽科創中光科技股份有限公司) from December 2021 to December 2024.

Ms. Wei obtained her bachelor's degree in finance management from Anhui Industry University (安徽工業大學) in PRC in July 2005 and her master's degree in business administration from University of Science and Technology of China (中國科學技術大學) in PRC in November 2015. She was qualified as a mid-level accountant by Anhui Provincial Department of Human Resources and Social Security (安徽省人力資源與社會保障廳) in August 2010 and a registered accountant by Jiangsu Institute of Certified Public Accountants (江蘇省註冊會計師協會) in June 2010.

Non-executive Directors

Mr. ZHAO Lingyun (趙凌雲先生), aged 49, is our Non-executive Director.

Mr. Zhao joined our Group in July 2020 and served as the deputy manager of operations until November 2021. He has been a Director since September 2021 and is now a Non-executive Director. Prior to joining our Group, Mr. Zhao served as the assistant manager of Taiwan Jianyan Technology Co., Ltd. (台灣健研科技有限公司) from July 2002 to July 2007, general manager of Nanjing Xieli Electronic Technology Group Co., Ltd. (南京協力電子科技集團有限公司) from July 2007 to April 2014 and general manager of Joint Stars Technology Co., Ltd. (南京協辰電子科技有限公司) from April

DIRECTORS AND SENIOR MANAGEMENT

2014 to February 2020. Currently, Mr. Zhao has been served as the executive director and general manager of Hefei Jiuchuan Intelligent Equipment Co., Ltd. (合肥九川智能裝備有限公司) since November 2021.

Mr. Zhao obtained his bachelor's degree in electronic information engineering from University of Electronic Science and Technology of China (中國電子科技大學) in PRC in June 2018.

Mr. ZHOU Chijun (周馳軍先生), aged 59, is our Non-executive Director.

Mr. Zhou joined our Group in October 2022 and has been serving as our Non-executive Director since then. Prior to joining our Group, Mr. Zhou served as director of the mechanical CAD design center of the mechanical factory of Hefei Mining Machinery Factory Research Institute (合肥礦山機器廠研究所) from September 1988 to December 1993 and the chairman of the board of Hefei Zhongjian Construction Machinery Co., Ltd. (合肥中建工程機械有限公司) from August 1995 to June 2005. Currently, Mr. Zhou has served as the executive director and general manager of Hefei Xiangyuan Construction Machinery Co., Ltd. (合肥湘元工程機械有限公司) since August 2006 and executive director and general manager of Anhui Jinxiangyuan Construction Machinery Sales Co., Ltd. (安徽金湘元工程機械銷售有限公司) since May 2022.

Mr. Zhou graduated from the Hefei University (formerly known as Hefei United University (合肥聯合大學)) in PRC in July 1988.

Mr. LIU Feng (劉鋒先生), aged 48, is our Non-executive Director.

Mr. Liu joined our Group in November 2023 and has served as our Non-executive Director since then. Prior to joining our Group, Mr. Liu served as senior software engineer of the Keguang Microelectronics (Shanghai) Co., Ltd. (科廣微電子(上海)有限公司) from July 2000 to September 2004, general manager of Weiku Information Technology (Shanghai) Co., Ltd. (偉庫資訊技術(上海)有限公司) from June 2015 to August 2016 and general manager of Tongbin Energy saving Technology (Shanghai) Co., Ltd. (同斌節能科技(上海)有限公司) from October 2016 to December 2017. Currently, Mr. Liu has served as general manager of Yiwu Huaxin Equity Investment Co., Ltd. (義烏市華芯股權投資有限公司) since April 2020 and supervisor of Shanghai Fuqin Culture Technology Co., Ltd. (上海復琴文化科技有限公司) since February 2022.

Mr. Liu obtained his bachelor's degree in management information systems from Xidian University (西安電子科技大學) in PRC in July 2000, his master's degrees in computer technology and his executive master's degree in business administration from Fudan University (復旦大學) in PRC in July 2007 and June 2014, respectively.

Independent Non-executive Directors

Ms. ZHOU Yana (周亞娜女士), aged 72, is our Independent Non-executive Director.

Ms. Zhou is profoundly knowledgeable in accounting and business administration. She served at Anhui University (安徽大學) from 1984 to 2017, where she held various academic and administrative positions including lecturer, professor, executive vice dean of the School of Economics and dean of the School of Business Administration.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhou has rich experience in serving as a director and chairperson of audit committees of listed companies, including serving as independent directors and chairpersons of audit committees of Huishang Bank Corporation Limited (徽商銀行股份有限公司), a company listed on the Stock Exchange (stock code: 3698) since August 2018, Anhui Transport Consulting & Design Institute Co., Ltd. (安徽省交通規劃設計研究總院股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603357), since June 2020 and QuantumCTek Co., Ltd. (科太國盾量子技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688027), since July 2024.

Ms. Zhou obtained her master's degree in accounting from Anhui University (安徽大學) in PRC in December 1984 and her bachelor's degree in economics from Anhui University in January 1982. She is a non-practicing member of the Chinese Institute of Certified Public Accountants.

Mr. ZHONG Qi (鍾琪先生), aged 43, is our Independent Non-executive Director.

Mr. Zhong joined our Group in November 2024 and has served as our Independent Non-executive Director since then. Prior to joining our Group, Mr. Zhong has worked at University of Science and Technology (中國科學技術大學) since July 2010 with his current position as a specially appointed researcher.

Mr. Zhong obtained his bachelor's degree in management science from University of Science and Technology (中國科學技術大學) in PRC in July 2004 and his doctoral degree in management science and engineering from University of Science and Technology in July 2010.

Mr. WONG Lok Tak (王樂得先生), aged 65, is our Independent Non-executive Director.

Mr. Wong is a seasoned entrepreneur and environmental technology expert based in Hong Kong. Mr. Wong began his career in the early 1980s as a PCB manufacturing engineer and precious metals recovery chemist. He joined Gleco (Asia) Ltd. (勵樂(亞洲)有限公司), later merged into DuPont Chemical, in 1984 and served as its chief executive officer of Asia Region from 1995 to 2001.

Mr. Wong currently serves as the chief executive officer of CGET Environmental Technology Ltd. (思捷環保科技有限公司) since 2002, director and chairman of Baode Technology Ltd. (保德科技有限公司) since 2002, chief executive officer of Face Group Ltd. (面子集團有限公司) since 2011 and chief executive officer of Changlv Power Investment Ltd. (常綠電力投資有限公司) since 2018.

Mr. Wong graduated from Hong Kong Polytechnic Institute (香港理工學院) in July 1981 with a diploma in Chemical Technology. In 1998, he was awarded the title of Associate Fellow by the Hong Kong Institution of Engineers. In 2015, he was appointed as a Justice of the Peace (non-official) by the Hong Kong SAR Government.

SENIOR MANAGEMENT

For biographical details of Mr. FANG Lin (方林先生) and Ms. WEI Yongzhen (魏永珍女士), see “— Board of Directors — Executive Directors.”

DIRECTORS AND SENIOR MANAGEMENT

OTHER DISCLOSURE

For our Directors' interest in our Shares within the meaning of Part XV of the SFO, see "Appendix VI. Statutory and General Information — 3. Further Information about our Directors — C. Disclosure of Interests — (b) Disclosure of Interests of Directors and Chief Executive."

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in August 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

JOINT COMPANY SECRETARIES

Ms. WEI Yongzhen (魏永珍女士), is one of the joint company secretaries of the Company. For the biographical details of Ms. Wei Yongzhen, please refer to "— Directors — Executive Directors."

Ms. CHEUNG Hin Kiu (張顯翹女士), is one of the joint company secretaries of the Company. Ms. Cheung is a senior manager of corporate secretarial services at Tricor Services Limited. Ms. Cheung has over 20 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Cheung is a Chartered Secretary, a Chartered Governance Professional and a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She is also a member of the Association of Chartered Certified Accountants.

COMPETING INTERESTS

As of the Latest Practicable Date, none of our Directors had interests in any business, which competes or is likely to compete, either directly or indirectly with our business.

COMMITTEES UNDER OUR BOARD OF DIRECTORS

In accordance with relevant PRC laws, regulations, our Articles of Association and the corporate governance practice in the Listing Rules, we have formed four board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee of our Company consists of three Directors, namely, Ms. Zhou Yana, Mr. Wong Lok Tak and Mr. Zhao Lingyun. Ms. Zhou Yana serves as the chairman of the committee.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration and Appraisal Committee of our Company consists of three Directors, namely, Mr. Wong Lok Tak, Mr. Zhong Qi and Mr. Fang Lin. Mr. Wong Lok Tak serves as the chairman of the committee.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Nomination Committee of our Company consists of three Directors, namely, Mr. Zhong Qi, Ms. Zhou Yana and Mr. Zhou Chijun. Mr. Zhong Qi serves as the chairman of the committee.

Strategy Committee

The Strategy Committee of our Company consists of three Directors, namely, Ms. Cheng Zhuo, Mr. Zhong Qi, and Mr. Zhao Lingyun. Ms. Cheng Zhuo serves as the chairman of the committee. The primary duties of the Strategy Committee of our Company include (but are not limited to): reviewing and providing recommendations on the long-term strategic development of our Company; evaluating and advising on major investment and financing proposals that require Board approval as stipulated in our Articles of Association; assessing and advising on significant capital operations and asset management projects that require Board approval as stipulated in our Articles of Association; evaluating and advising on other significant matters affecting the development of our Company; monitoring the implementation of the above matters; and handling other matters authorized by our Board.

BOARD DIVERSITY POLICY

Our Company has adopted a board diversity policy (the “**Board Diversity Policy**”) setting out the approach to achieve diversity on our Board.

The Nomination Committee of our Company reviews and assesses our Board composition on behalf of our Board and recommends the appointment of new Directors, taking into account a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, industry and regional experience, and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on our Board. The Nomination Committee will disclose the composition of our Board annually in the corporate governance report and monitor the implementation of the Board Diversity Policy. The Nomination Committee will review the Board Diversity Policy and assess its effectiveness, and where necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval.

DIRECTORS AND SENIOR MANAGEMENT

Our Board has a balanced mix of experiences and industry background. Our Directors have a diverse education background including economics, law, accounting, business administration and management, as well as different industry backgrounds and professional qualifications. We have three Independent Non-executive Directors with different industry backgrounds, representing one third of the members of our Board. Furthermore, our Board has three female Directors and has a wide age range. Considering our Company's business model and the backgrounds and abilities of our Directors, the composition of our Board satisfies the Board Diversity Policy.

The Nomination Committee is responsible for ensuring the diversity of our Board and will use its best efforts to identify and recommend suitable candidates for our Board's consideration, subject to our Directors being satisfied with the qualification and experience of the relevant candidates after a reasonable review process based on the relevant criteria, and fulfilling their fiduciary duties to act in the best interests of our Company and our Shareholders as a whole when making the relevant appointments.

COMPLIANCE ADVISER

In accordance with Rule 3A.19 of the Listing Rules, our Company has appointed Rainbow Capital (HK) Limited as our compliance adviser. Pursuant to Rule 3A.23 of the Listing Rules, our Company will consult with and seek advice from the compliance adviser on a timely basis in the following circumstances: (a) before the publication of any regulatory announcement, circular or financial report; (b) where a transaction, which might be a notifiable or connected transaction under Chapter 14 or 14A of the Listing Rules, is contemplated including share issues and share repurchases; (c) where our Company proposes to use the proceeds of the Listing in a manner different from that detailed in this prospectus or where the business activities, developments or results of our Group deviate from any forecast, estimate, or other information in the listing document; and (d) where the Stock Exchange makes an inquiry of the listed issuer under Rule 13.10 of the Listing Rules.

The term of appointment of the compliance adviser of our Company shall commence on the Listing Date and end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of the financial results for the first full financial year commencing after the Listing Date and such appointment shall be subject to extension by mutual agreement.

COMPENSATION AND REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate remuneration (including fees, salaries, bonuses, allowances and benefits in kind, and pension scheme contributions, but excluding share-based compensation expenses) for our Directors and former Directors for the years ended December 31, 2023, 2024 and 2025 were approximately RMB2.36 million, RMB2.35 million and RMB2.88 million, respectively.

The aggregate remuneration (including fees, salaries, allowances and benefits in kind, and pension scheme contributions, but excluding share-based compensation expenses) for our Company's five highest paid individuals for the years ended December 31, 2023, 2024 and 2025 were approximately RMB4.44 million, RMB5.07 million and RMB4.55 million, respectively.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors, former Directors or the five highest-paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors or the five highest-paid individuals during the Track Record Period for the loss of any office in connection

DIRECTORS AND SENIOR MANAGEMENT

with the management of the affairs of any subsidiary of our Company. Save as disclosed above, no other payments have been made or are payable in respect of the years ended December 31, 2023, 2024 and 2025, by any member of our Group to any of our Directors, former Directors or the five highest-paid individuals.

The remuneration of our Directors and senior management is determined with reference to factors including the completion status of our Company's financial indicators and business objectives, scope of work and responsibilities of senior management, completion status of various performance indicators for Directors and senior management and operational performance regarding the business innovation and profit-generating capabilities of directors and senior management. Under the arrangements currently in force, we estimate the aggregate remuneration, excluding discretionary bonus, of our Directors for the year ending December 31, 2026 to be approximately RMB2.75 million.

EMPLOYEE SHARE INCENTIVE SCHEMES

Share Incentive Plan for Executive Directors, Senior Management and Key Employees

For details of our share incentive plan, see "Appendix VI. Statutory and General Information — 3. Further Information about our Directors — 4. Our Incentive Plans."

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

OVERVIEW

As of the Latest Practicable Date, Ms. Cheng, Yage Venture Capital, He Photolithography and Na Photolithography, collectively held approximately 34.13% of our total share capital. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), they will control in aggregate approximately 31.10% of our total share capital and will become our Controlling Shareholders Group. For a simplified corporate structure chart of our Group, see “History, Development and Corporate Structure — Our Shareholding and Corporate Structure.”

NON-COMPETITION UNDERTAKING

Non-Competition Undertaking Given by Ms. Cheng

On May 7, 2020, Ms. Cheng provided a long-term non-compete undertaking to our Company, pursuant to which she undertakes, among others, that:

- (1) she, or the entities she controls (excluding the Company) will not, within or outside PRC, directly or indirectly in any manner (including but not limited to sole proprietorship, joint venture, or other legally permitted forms) through controlled enterprises or their subsidiaries, engage in any business activities that essentially compete or are likely to essentially compete with the Company’s business and cause material adverse effect;
- (2) if in the future, the entities she controls (excluding the Company) and/or their subsidiaries engage in business operations which compete with the Company in any material aspect, she undertakes that the Company shall have the right, based on its own circumstances and discretion, to request Ms. Cheng and/or entities controlled by her to take actions to resolve the competitions, including but not limited to (i) allowing the Company to acquire equity or assets of the competing entities directly or indirectly controlled by Ms. Cheng; (ii) requiring the entities controlled by Ms. Cheng and/or their subsidiaries to transfer the equity or assets of the competing business to unrelated third parties within a specified time; and (iii) if the entities controlled by Ms. Cheng and/or their subsidiaries acquire new assets, equity, or business opportunities competing with the Company’s main business, granting the Company the right of first refusal to purchase such assets or equity and the right of first participation in such business opportunities;
- (3) she and the entities that she controls or may control in the future (excluding the Company) and their subsidiaries will not provide proprietary technologies, trademarks, or other intellectual property related to competing businesses, or sales channels, customer information, or other trade secrets to other companies, enterprises, institutions, organizations, or individuals engaged in businesses that compete with the Company;
- (4) she will not use the Shares held in the Company to engage in or participate in any activities that may harm the legitimate rights and interests of the Company or other shareholders of the Company; and
- (5) if the Company’s interests are harmed due to violations of the above commitments by Ms. Cheng or the entities that she controls or may control in the future (excluding the Company) and their subsidiaries, they will be liable for the damages suffered by our Company.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

CONFIRMATION IN RELATION TO ANY COMPETING INTEREST

Each member of our Controlling Shareholders Group has confirmed that she/it does not have any interests in any business (apart from the business of the Group) that competes or is likely to compete, directly or indirectly, with our principal business, which is required to be disclosed under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS GROUP

Having considered the following factors, our Directors are of the view that we are able to conduct our business independently from our Controlling Shareholders Group after the Global Offering.

Management Independence

Our business has been managed and conducted by our Board and senior management. Our Board consists of nine Directors, comprising three Executive Directors, three Non-executive Directors and three Independent Non-executive Directors, and we also have two senior management members (both of whom are Executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, see “Directors and Senior Management.”

Save as disclosed below, none of our Directors or members of our senior management holds a directorship or other position in our Controlling Shareholders Group:

Name	Position in our Company	Name of the Corporate Controlling Shareholder or its Close Associates	Position
Ms. Cheng	Chairman of the Board and Executive Director	Yage Venture Capital	general partner
		He Photolithography	general partner
		Na Photolithography	general partner

Notwithstanding the fact that Ms. Cheng holds overlapping directorship or other positions in our Controlling Shareholders Group, we are of the view that our Company can be managed independently for the following reasons:

- (1) Yage Venture Capital, He Photolithography and Na Photolithography are all employee stock-ownership platforms and have no business operations;
- (2) our daily management and operations are carried out independently by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Company. For details of the industry experience of our senior management team, see “Directors and Senior Management;”
- (3) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

- (4) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting. Hence, no Director will be able to influence our Board in making decisions on matters in which he or she is, or may be interested;
- (5) we have three Independent Non-executive Directors and certain matters of our Company must always be referred to the Independent Non-executive Directors for review. We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Company and our Controlling Shareholders Group which would support our independent management. See “— Corporate Governance Measures”; and
- (6) we have appointed Rainbow Capital (HK) Limited as our compliance adviser, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and Listing Rules, including various requirements relating to Directors’ duties and corporate governance.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Company independently from our Controlling Shareholders Group after the Listing.

Operational Independence

Our Directors are of the view that we can continue operating independently from our Controlling Shareholders Group after the Listing. Our Controlling Shareholders Group comprises one individual and three employee stock-ownership platforms which have no business operations. Despite the controlling interest in our Company retained by our Controlling Shareholders Group after the Listing, we hold and enjoy the benefit of all relevant permits and licenses necessary for carrying out our business in all material respect, and we have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders Group. We also have full powers to make all decisions regarding, and to carry out, our own business operations independently from our Controlling Shareholders Group. In addition, our access to, and relationship with, our key customers and suppliers are independent from our Controlling Shareholders Group.

In light of the above, our Directors are satisfied that we have been operating independently from our Controlling Shareholders Group and their respective associates during the Track Record Period and will continue to be able to operate independently upon Listing.

Financial Independence

We have adopted our own independent 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 function with relevant finance personnel.

Moreover, we open and manage our bank accounts independently and have never shared any bank account with our Controlling Shareholders Group. We are also capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders Group in view of our Group’s strong financial position, steady cash flow generation and level of liquid assets as well as our ability to raise funds on a standalone basis. We do not expect to rely on our Controlling Shareholders Group and their respective close associates for financing after the Listing as we expect that our working capital will be funded by cash flows generated from operating activities, the cash and cash equivalent on hand and internally generated funds as well as the proceeds from the Global Offering. As of the Latest

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

Practicable Date, we did not have any outstanding loans or guarantees provided by or granted to, nor any non-trade balances due to or due from, our Controlling Shareholders Group or their respective associates.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders Group and their close associates from a financial perspective without undue reliance on our Controlling Shareholders Group or their close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors acknowledge the importance of good corporate governance in protection of our Shareholders' interests. In order to further manage any potential conflicts of interest with the Controlling Shareholders Group, we have adopted the following measures:

- (1) as part of our preparation for the Global Offering, we have amended our Articles of Association and terms and references of Board meetings to comply with the Listing Rules to provide that a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates have a material interest;
- (2) our Company has formulated and adopted policies and mechanisms in relation to (i) internal controls and decision-making procedures for related party transactions and connected transactions, (ii) the prevention of appropriation of funds by Controlling Shareholders Group, actual controllers and other related parties, (iii) provision of external guarantee, and (iv) internal audit;
- (3) if our Group and our Controlling Shareholders Group or any of their associates intend to engage in any connected transaction, our Company will comply with the relevant requirements relating to connected transactions under the Listing Rules;
- (4) we will keep a balanced composition of Executive and Independent Non-executive Directors on the Board. We have appointed three Independent Non-executive Directors and we believe our Independent Non-executive Directors possess sufficient experience and are free of any business or other relationship that could interfere in any material manner with the exercise of their independent judgment. We also believe that our Independent Non-executive Directors are able to provide impartial opinions to safeguard the interests of our Shareholders as a whole;
- (5) where our Independent Non-executive Directors request or are requested to review any conflict of interests circumstances between our Group and our Controlling Shareholders Group, our Controlling Shareholders Group and/or our other Directors shall provide our Independent Non-executive Directors with all necessary information for consideration and our Independent Non-executive Directors shall be provided with access to independent advisers at the expense of our Company;
- (6) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and
- (7) we have appointed Rainbow Capital (HK) Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and regulations and the Listing Rules, including various requirements relating to corporate governance, upon Listing.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, as of the Latest Practicable Date and immediately following the completion of the Global Offering, assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and Listing, each of the following persons will have an interest or short position (as applicable) 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 issued voting shares of our Company:

Name of substantial Shareholder	Nature of interest	Description of Shares	Number of Shares directly or indirectly controlled	Approximate percentage of interest in the total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of interest in the total issued share capital of our Company after the Global Offering (assuming the Over-allotment Option is not exercised)	Approximate percentage of interest in the total issued share capital of our Company after the Global Offering (assuming the Over-allotment Option is exercised in full)
Ms. Cheng.	Beneficial owner	A Shares	34,152,677	25.92%	23.62%	23.31%
	Interest in controlled corporations ⁽¹⁾	A Shares	10,815,000	8.21%	7.48%	7.38%

Note:

- (1) As of the Latest Practicable Date, Yage Venture Capital, Na Photolithography and He Photolithography were controlled by Ms. Cheng as general partner and held 9,450,000, 746,625 and 618,375 A Shares, respectively. As such, Ms. Cheng was deemed to be interested in the A shares held by the three entities for the purpose of Part XV of the SFO.

Save as disclosed above and in Appendix VI to this prospectus, our Directors are not aware of any person who will, immediately following the Global Offering (and the offering of any additional H Shares pursuant to the Over-allotment Option), have an interest or short position in the Shares or underlying Shares of our Company 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 will, directly or indirectly, be interested in 10% or more of the issued voting shares of any other members of our Group.

SHARE CAPITAL

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the total issued share capital of our Company was RMB131,740,716, comprising 131,740,716 A Shares of nominal value RMB1.00 each, all of which are listed on the Shanghai Stock Exchange.

Description of Shares	Number of Shares	Percentage of issued share capital
A Shares	131,740,716	100.00%
Total	131,740,716	100.00%

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following completion of the Global Offering, assuming that the Over-allotment Option is not exercised, the entire share capital of our Company would be as follows:

Description of Shares	Number of Shares	Percentage of issued share capital
A Shares	131,740,716	91.12%
H Shares issued pursuant to the Global Offering	12,838,650	8.88%
Total	144,579,366	100.00%

Immediately following completion of the Global Offering, assuming that the Over-allotment Option is fully exercised, the entire share capital of our Company would be as follows:

Description of Shares	Number of Shares	Percentage of issued share capital
A Shares	131,740,716	89.92%
H Shares issued pursuant to the Global Offering	14,764,400	10.08%
Total	146,505,116	100.00%

OUR SHARES

Our H Shares in issue upon completion of the Global Offering and our A Shares are ordinary shares in the share capital of our Company and are considered as one class of Shares. However, apart from qualified domestic institutional investors and persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approval of any competent authority, or (if our H Shares are eligible securities for that purpose) through Shenzhen-Hong Kong Stock Connect or Shanghai-Hong Kong Stock Connect pursuant to relevant PRC laws and regulations, our H Shares may not be subscribed by or traded between legal or natural persons of the PRC.

Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by PRC investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in RMB. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and

SHARE CAPITAL

traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by PRC investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in RMB. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the Global Offering. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境内未上市股份申请“全流通”业务指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A shares holders may convert A shares held by them into H shares for listing and trading on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE GLOBAL OFFERING

We have obtained approval from our holders of A Shares to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. Such approval was obtained at the Shareholders’ meeting of our Company held on August 29, 2025 (and as amended by the shareholders’ meeting held on November 14, 2025) upon, among other things, the following major terms:

- (i) the number of H Shares to be offered under the Global Offering shall be no more than 25% of the total share capital of our Company as enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the Over-allotment Option).
- (ii) the issue of H Shares and listing of H Shares on the Hong Kong Stock Exchange shall be completed within 18 months from the date when the Shareholders’ meeting was held on August 29, 2025. If the Company obtains the filing or approval documents from relevant regulatory authorities (including the CSRC, SFC and the Stock Exchange) for the H-share listing within the valid period, the resolution’s valid period will automatically extend to the later of the completion date of the H-share listing, the completion date of the H-share issuance under the exercise of the Over-allotment Option (if any), or the date of completion of the aforementioned authorized matters.

SHAREHOLDERS’ GENERAL MEETINGS

For details of the circumstance under which our Shareholders’ general meeting is required, see “Summary of the Articles of Association — Shareholders and General Meetings” in Appendix V to this prospectus.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 50 Shares) that may be purchased for an aggregate amount of approximately US\$201.81 million (or approximately HK\$1,581.1 million, calculated based on an exchange rate of US\$1.00 to HK\$7.83453) (assuming an Offer Price of HK\$246.41 per Share (being the mid-point of the Offer Price range) and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the “**Cornerstone Placing**”).

Pursuant to paragraph 3.2 of Practice Note 18 to the Listing Rules, at least 40% of the total number of Offer Shares initially offered in the Global Offering must be allocated to investors in the placing tranche (other than the Cornerstone Investors). As the Company is initially offering approximately 10% of the total number of Offer Shares in the Hong Kong Public Offering, no more than 50% of the total number of the Offer Shares initially offered in the Global Offering can be allocated to all Cornerstone Investors (the “**Cornerstone Placing Allocation Limit**”). Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that the Company, the Sole Sponsor and the Sponsor-Overall Coordinator shall have the right to, in their sole and absolute discretion, adjust the allocation of the number of Offer Shares to be subscribed for by the relevant Cornerstone Investor to ensure compliance with the Listing Rules, including the Cornerstone Placing Allocation Limit. Accordingly, the Company, the Sole Sponsor and the Sponsor-Overall Coordinator will adjust the allocation of the number of Offer Shares to be subscribed for by the Cornerstone Investors in proportion to their respective initial subscription amounts set out in their respective Cornerstone Investment Agreements to ensure compliance with the Cornerstone Placing Allocation Limit in the event that the final Offer Price is set at HK\$240.09 or lower, and will disclose the number of the Offer Shares finally allocated to each of the Cornerstone Investors in the allotment results announcement of the Company to be published on or around June 25, 2026.

Based on the Offer Price of HK\$252.73 per Offer Share, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 6,416,350. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
49.98%	4.44%	43.46%	4.38%

Based on the Offer Price of HK\$246.41 per Offer Share, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 6,416,350. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

CORNERSTONE INVESTORS

Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
49.98%	4.44%	43.46%	4.38%

Based on the Offer Price of HK\$240.09 per Offer Share, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 6,416,350. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
49.98%	4.44%	43.46%	4.38%

We believe that the Cornerstone Placing demonstrates our Cornerstone Investors' confidence in our Company and its business prospect, and that leveraging on the Cornerstone Investors' investment or industry experience, the Cornerstone Placing will help to raise the profile of our Company. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through introduction by the Overall Coordinators.

The Cornerstone Placing will form part of the International Offering, and save as otherwise waived/obtained consent by the Stock Exchange, the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and all the Shares to be subscribed by the cornerstone investors will be counted towards the public float for the purpose of under Rule 19A.13A of the Listing Rules. Immediately following the completion of the Global Offering, (i) none of the Cornerstone Investors and/or their close associates will have any Board representation in our Company; (ii) none of the Cornerstone Investors and/or their close associates will become a substantial Shareholder of our Company; and (iii) equity interests in our Company being beneficially owned by the three largest public Shareholders will be less than 50% for the purpose of Rule 8.08(3) of the Listing Rules. The Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side arrangements or agreements between the Company, and the Cornerstone Investors, or any benefit, direct or indirect, conferred on the Cornerstone Investors, by virtue of or in relation to the Listing other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 of the Listing Rules and consent under paragraph 1C(2) of Appendix F1 to the Listing Rules to permit offer shares in the International Offering to be placed to existing minority Shareholders who (i) hold less than 5% of the voting rights in our Company prior to the completion of the Global Offering and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of our Company or the close associates of any such core connected person, and/or their close associates. For further details, please see the section headed "Waivers from Strict Compliance with the Listing Rules."

CORNERSTONE INVESTORS

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's Shares commence on the Stock Exchange. There will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery arrangement has agreed that it shall nevertheless pay for the relevant Offer Shares in full before the Listing. Delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering.

To the best of the knowledge, information and belief of our Company, save for Monterey Park, Bosera International, China Universal (HK), Fullgoal HK and Fullgoal Fund (all as defined below) are our existing Shareholders or close associates of our existing Shareholders (i) the Cornerstone Investors and their ultimate beneficial owners are independent of the Company, its connected persons and their respective associates; (ii) none of the Cornerstone Investor is accustomed to take and has not taken instructions from the Company, its subsidiaries, our Directors, chief executive, Controlling Shareholders Group of Shareholders, substantial Shareholders, existing Shareholders or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is directly and indirectly financed by the Company, its subsidiaries, our Directors, chief executive, Controlling Shareholders Group of Shareholders, substantial Shareholders, existing Shareholders or their respective close associates.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

To the best knowledge of our Company, each of the Cornerstone Investor is independent from each other and makes independent investment decisions, and their subscription under the Cornerstone Investment Agreements would be financed by their own internal resources or the assets managed for the investors (in the case of cornerstone investors which are funds or investment managers) and they have sufficient funds to settle their respective investment under the Cornerstone Placing. Each of the Cornerstone Investor has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for the relevant cornerstone investment.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors under the Cornerstone Placing may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering, as described in the paragraphs headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation" in this prospectus. The number of Offer Shares to be acquired by each Cornerstone Investor may be deducted on a pro rata basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offering, after taking into account the requirements under Appendix F1 to the Listing Rules as well as the discretion of the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) to exercise the Over-allotment Option.

CORNERSTONE INVESTORS

THE CORNERSTONE INVESTORS

The table below sets forth details of the Cornerstone Placing:

Cornerstone Investor	Subscription amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming an Offer Price of HK\$240.09 per Share (being the low-end of the Offer Price range)			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
			Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
Entities under the control of						
Hefei SASAC						
Hefei Jianhui	10.45	340,950	2.66%	0.24%	2.31%	0.23%
Xinyao Investment	9.50	309,950	2.41%	0.21%	2.10%	0.21%
Nexchip Semiconductor HK . .	7.60	247,950	1.93%	0.17%	1.68%	0.17%
JPMAMAPL	19.00	619,950	4.83%	0.43%	4.20%	0.42%
Victory Giant HK	19.00	619,950	4.83%	0.43%	4.20%	0.42%
CPE Chestnut	17.10	557,950	4.35%	0.39%	3.78%	0.38%
Lion Global	17.10	557,950	4.35%	0.39%	3.78%	0.38%
CICC FT (in connection with						
Greenwoods OTC Swaps) . . .	11.40	371,950	2.90%	0.26%	2.52%	0.25%
HHLR.	11.40	371,950	2.90%	0.26%	2.52%	0.25%
Huadeng Victorious	9.97	325,450	2.53%	0.23%	2.20%	0.22%
Montage HK	9.50	309,950	2.41%	0.21%	2.10%	0.21%
Yonglian Investment	9.50	309,950	2.41%	0.21%	2.10%	0.21%
Monterey Park	9.03	294,750	2.30%	0.20%	2.00%	0.20%
Bosera International.	6.65	216,950	1.69%	0.15%	1.47%	0.15%
China Universal (HK)	6.65	216,950	1.69%	0.15%	1.47%	0.15%
Fullgoal HK and Fullgoal Fund .	6.65	216,950	1.69%	0.15%	1.47%	0.15%
GF Fund	6.65	216,950	1.69%	0.15%	1.47%	0.15%
Ocean Fine Industrial.	4.75	154,950	1.21%	0.11%	1.05%	0.11%
Sungrow Power HK.	4.75	154,950	1.21%	0.11%	1.05%	0.11%
Total	196.63	6,416,350	49.98%	4.44%	43.46%	4.38%

CORNERSTONE INVESTORS

Cornerstone Investor	Subscription amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming an Offer Price of HK\$246.41 per Share (being the mid-point of the Offer Price range)			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
			Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
	(USD in millions)					
Entities under the control of						
Hefei SASAC						
Hefei Jianhui	10.72	340,950	2.66%	0.24%	2.31%	0.23%
Xinyao Investment	9.75	309,950	2.41%	0.21%	2.10%	0.21%
Nexchip Semiconductor HK . .	7.80	247,950	1.93%	0.17%	1.68%	0.17%
JPMAMAPL	19.50	619,950	4.83%	0.43%	4.20%	0.42%
Victory Giant HK	19.50	619,950	4.83%	0.43%	4.20%	0.42%
CPE Chestnut	17.55	557,950	4.35%	0.39%	3.78%	0.38%
Lion Global	17.55	557,950	4.35%	0.39%	3.78%	0.38%
CICC FT (in connection with Greenwoods OTC Swaps) . . .	11.70	371,950	2.90%	0.26%	2.52%	0.25%
HHLR	11.70	371,950	2.90%	0.26%	2.52%	0.25%
Huadeng Victorious	10.24	325,450	2.53%	0.23%	2.20%	0.22%
Montage HK	9.75	309,950	2.41%	0.21%	2.10%	0.21%
Yonglian Investment	9.75	309,950	2.41%	0.21%	2.10%	0.21%
Monterey Park	9.27	294,750	2.30%	0.20%	2.00%	0.20%
Bosera International	6.82	216,950	1.69%	0.15%	1.47%	0.15%
China Universal (HK)	6.82	216,950	1.69%	0.15%	1.47%	0.15%
Fullgoal HK and Fullgoal Fund .	6.82	216,950	1.69%	0.15%	1.47%	0.15%
GF Fund	6.82	216,950	1.69%	0.15%	1.47%	0.15%
Ocean Fine Industrial	4.87	154,950	1.21%	0.11%	1.05%	0.11%
Sungrow Power HK	4.87	154,950	1.21%	0.11%	1.05%	0.11%
Total	201.81	6,416,350	49.98%	4.44%	43.46%	4.38%

CORNERSTONE INVESTORS

Cornerstone Investor	Subscription amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming an Offer Price of HK\$252.73 per Share (being the high-end of the Offer Price range)			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
			Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
Entities under the control of						
Hefei SASAC						
Hefei Jianhui.	11.00	340,950	2.66%	0.24%	2.31%	0.23%
Xinyao Investment	10.00	309,950	2.41%	0.21%	2.10%	0.21%
Nexchip Semiconductor HK . .	8.00	247,950	1.93%	0.17%	1.68%	0.17%
JPMAMAPL.	20.00	619,950	4.83%	0.43%	4.20%	0.42%
Victory Giant HK	20.00	619,950	4.83%	0.43%	4.20%	0.42%
CPE Chestnut.	18.00	557,950	4.35%	0.39%	3.78%	0.38%
Lion Global	18.00	557,950	4.35%	0.39%	3.78%	0.38%
CICC FT (in connection with Greenwoods OTC Swaps) . . .	12.00	371,950	2.90%	0.26%	2.52%	0.25%
HHLR.	12.00	371,950	2.90%	0.26%	2.52%	0.25%
Huadeng Victorious	10.50	325,450	2.53%	0.23%	2.20%	0.22%
Montage HK	10.00	309,950	2.41%	0.21%	2.10%	0.21%
Yonglian Investment	10.00	309,950	2.41%	0.21%	2.10%	0.21%
Monterey Park	9.51	294,750	2.30%	0.20%	2.00%	0.20%
Bosera International.	7.00	216,950	1.69%	0.15%	1.47%	0.15%
China Universal (HK)	7.00	216,950	1.69%	0.15%	1.47%	0.15%
Fullgoal HK and Fullgoal Fund .	7.00	216,950	1.69%	0.15%	1.47%	0.15%
GF Fund	7.00	216,950	1.69%	0.15%	1.47%	0.15%
Ocean Fine Industrial.	5.00	154,950	1.21%	0.11%	1.05%	0.11%
Sungrow Power HK.	5.00	154,950	1.21%	0.11%	1.05%	0.11%
Total	206.98	6,416,350	49.98%	4.44%	43.46%	4.38%

Notes:

- (1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, and to be converted to Hong Kong dollars based on the exchange rate as disclosed in this prospectus;
- (2) Subject to rounding down to the nearest whole board lot of 50 Offer Shares. Calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering — Currency Translations”.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

CORNERSTONE INVESTORS

Entities under the control of Hefei SASAC

Hefei Jianhui

Hefei Jianhui Zhanxin Cornerstone Investment Company Limited (“**Hefei Jianhui**”) is a limited company incorporated under the laws of Hong Kong, principally engaged in investment. It is wholly owned by Hefei Jianhui Zhanxin Equity Investment Fund Partnership Enterprise (Limited Partnership) (合肥建匯戰新股權投資基金合夥企業(有限合夥)). (“**Jianhui Fund**”).

Jianhui Fund is owned as to 0.1307% by Hefei Jiantou Capital Management Co., Ltd. (合肥建投資本管理有限公司), being a general partner of Jianhui Fund and actually controlled by the State-owned Assets Supervision and Administration Commission of Hefei Municipal People’s Government (合肥市人民政府國有資產監督管理委員會, “**Hefei SASAC**”). There is no limited partner holding 30% or more partnership interest in Jianhui Fund.

Xinyao Investment

Hong Kong Xinyao Investment Limited (“**Xinyao Investment**”) is a company incorporated in Hong Kong in April 2026 and is a wholly-owned subsidiary of Hefei Innovation Technology Venture Capital Co., Ltd. (合肥市創新科技風險投資有限公司) (“**Hefei Innovation VC**”). It is principally engaged in participating in cornerstone investments in Hong Kong IPOs and the trading of instrumentation and equipment.

Hefei Innovation VC is controlled by Hefei SASAC. It is principally engaged in venture capital investment, with a focus on hard technology sectors such as integrated circuits, advanced manufacturing and new energy, and primarily targets high-quality technology enterprises at the start-up, growth and pre-IPO stages.

Nexchip Semiconductor HK

Nexchip Semiconductor Hong Kong Corporation Limited (晶合集成香港有限公司, “**Nexchip Semiconductor HK**”) is a limited liability company incorporated under the laws of Hong Kong. It is a wholly-owned subsidiary of Nexchip Semiconductor Corporation (合肥晶合集成電路股份有限公司) (“**Nexchip**”).

Nexchip is an A-share listed company on the Shanghai Stock Exchange (stock code: 688249). It is a leading 12-inch wafer foundry service provider principally engaged in the provision of comprehensive wafer manufacturing services covering process nodes from 150nm to 40nm. Its core business focuses on 12-inch wafer foundry services and related supporting services for integrated circuits. As of the Latest Practicable Date, Hefei Construction Investment Holding (Group) Co., Ltd. (合肥市建設投資控股(集團)有限公司, “**Hefei Construction Investment**”) is the controlling shareholder of Nexchip. Hefei Construction Investment is a state-owned enterprise under the control and supervision of the Hefei SASAC. The Group does not have direct business relationship with Nexchip.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no other shareholder holds 30% or more of the equity interest in Nexchip Semiconductor HK.

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JPMAMAPL

JPMorgan Asset Management (Asia Pacific) Limited (“**JPMAMAPL**”), a company incorporated in Hong Kong in November 1974, has entered into a cornerstone investment agreement with the Company and the Sole Sponsor, in its capacity as the discretionary investment advisor or investment manager for and on behalf of the following fund(s): JPMorgan Funds-China A share Opportunities, JPMorgan China Pioneer-A, and JPMorgan China A share Opportunities. To the best of JPMAMAPL’s knowledge, no single ultimate beneficial owner holds 30% or more interest in those funds.

JPMAMAPL is a wholly owned subsidiary of JPMorgan Asset Management (Asia) Inc., an investment management company, which is ultimately wholly owned by JPMorgan Chase & Co. (“**JPMC**”), which is a company organized under United States, Delaware law as a corporation that has issued shares of common stock to investors. JPMC’s shares are listed on the New York Stock Exchange (stock code: JPM).

JPMAMAPL is licensed by the Securities and Futures Commission (SFC) Hong Kong and as of March 31, 2026 had asset under management of over USD173 billion.

Victory Giant HK

Victory Giant Technology Holdings (Hong Kong) Limited (勝宏科技集團(香港)有限公司, “**Victory Giant HK**”) is a substantial shareholder of Victory Giant Technology (HuiZhou) Co., Ltd. (勝宏科技(惠州)股份有限公司) (“**Victory Giant Technology**”), a leading PCB manufacturer in the PRC listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange (stock codes: 300476.SZ and 2476.HK). As of the Latest Practicable Date, Victory Giant HK held 131,432,001 A shares of Victory Giant Technology, representing approximately 13.37% of the total issued shares of Victory Giant Technology.

Victory Giant HK is one of the shareholding vehicles through which Mr. Chen Tao (陳濤), the actual controller and chairman of Victory Giant Technology, holds interests in Victory Giant Technology. Victory Giant HK is wholly owned by Huizhou Hongda Investment Development Co., Ltd. (惠州市宏大投資發展有限公司), which is held as to 70% by Mr. Chen Tao (陳濤) and 30% by Mr. He Lianqi (何連啟). During the Track Record Period, Victory Giant Technology is a customer of the Company and the Company mainly supplies Victory Giant Technology and/or its subsidiaries with PCB direct imaging equipment.

CPE CHESTNUT

CPE Chestnut Investment Limited (“**CPE Chestnut**”) is a business company incorporated under the laws of the BVI and its primary business activity is investment holding. It is a subsidiary of CPE Global Opportunities Fund II, L.P. (“**CPE GOF II**”), an exempted limited partnership formed under the laws of the Cayman Islands. CPE GOF II focuses on investments in companies with high growth potentials, such as healthcare, consumer, technology and industrial sectors across China. Apart from CPE GOF II, no other shareholder holds 30% or more interest in CPE Chestnut. The general partner of CPE GOF II is CPE GOF GP Limited, a company incorporated in the Cayman Islands with limited liability. CPE GOF GP Limited is directly and wholly owned by CPE Management International Limited, which is in turn wholly owned by CPE Management International II Limited, both of which are companies incorporated in the Cayman Islands with limited liability. CPE Management International II Limited is an investment holding company. CPE Management International II Limited is owned by a

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number of shareholders that are natural persons who are Independent Third Parties and none of whom holds 30% or more interest in CPE Management International II Limited. CPE GOF II's investor base comprises both corporate and entrepreneurial investors, and none of the limited partners hold 30% or more interest in CPE GOF II.

Lion Global

Established in Singapore since 1986, Lion Global Investors Limited ("**Lion Global**") is a homegrown and one of the leading asset management companies in Singapore dedicated to providing tailored investment solutions for the benefit of its investors. Working as One Group across ASEAN and Greater China, Lion Global embraces the philosophy of managing clients' assets for the long run and help investors grow their wealth through synergies with OCBC Group and Great Eastern. OCBC is the second largest financial services group in Southeast Asia by assets and Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. Backed by a strong local parentage and heritage, combined with the ability to leverage the resources and connectivity of the group of companies to which Lion Global belongs, Lion Global is uniquely positioned to deliver best-in-class Asian-centric solutions to the investors. As of March 31, 2026, the assets under management of Lion Global stands at Singapore dollar 74.5billion (US\$57.8billion). Lion Global is 70% owned by Great Eastern Holdings Limited and 30% owned by Orient Holdings Private Limited. Each of Great Eastern Holdings Limited, which is listed on the Singapore Exchange (SGX: G07), and Orient Holdings Private Limited is a subsidiary of Oversea-Chinese Banking Corporation Limited, which is listed on the Singapore Exchange (SGX: O39).

As confirmed by Lion Global, it has entered into the cornerstone investment agreement as principal on a discretionary investment basis as the investment manager for and on behalf of the following fund(s) and/or client(s) it manages: (i) the LionGlobal Asia Pacific Fund; (ii) the LionGlobal China Growth Fund; (iii) the LionGlobal Asia High Dividend Equity Fund and (iv) certain segregated accounts and mandates managed by Lion Global Investors Limited for and on behalf of The Great Eastern Life Assurance Company Limited and the Great Eastern Private Trust Limited. The ultimate beneficial owner of such segregated accounts and mandates is either The Great Eastern Life Assurance Company Limited or the Great Eastern Private Trust Limited. As of June 8, 2026, (i) no single investor other than the GreatLink Asia Pacific Equity Fund holds 30% or more interests in the LionGlobal Asia Pacific Fund; (ii) no single investor other than the GreatLink China Growth Fund holds 30% or more interests in the LionGlobal China Growth Fund; and (iii) no single investor other than the GreatLink Asia High Dividend Equity Fund holds 30% or more interests in the LionGlobal Asia High Dividend Equity Fund. The GreatLink Asia Pacific Equity Fund, the GreatLink China Growth Fund and the GreatLink Asia High Dividend Equity Fund are investment-linked policy (ILP) funds offered by The Great Eastern Life Assurance Company Limited. The ultimate beneficial owner for each of the GreatLink Asia Pacific Equity Fund, the GreatLink China Growth Fund and the GreatLink Asia High Dividend Equity Fund is The Great Eastern Life Assurance Company Limited. The Great Eastern Life Assurance Company Limited and the Great Eastern Private Trust Limited are wholly-owned subsidiaries of Great Eastern Holdings Limited.

CICC FT (in connection with Greenwood's OTC Swaps)

CICC Financial Trading Limited ("**CICC FT**") and China International Capital Corporation Limited will enter into a series of cross border delta-one OTC swap transactions (collectively, the "**Greenwood's OTC Swaps**") with each other and the ultimate clients (the "**CICC FT Ultimate Clients (Greenwoods)**"), pursuant to which CICC FT will hold the Offer Shares on a non-discretionary basis to

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hedge the Greenwoods OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the CICC FT Ultimate Clients (Greenwoods), subject to customary fees and commissions. The Greenwoods OTC Swaps will be fully funded by the CICC FT Ultimate Clients (Greenwoods). During the terms of the Greenwoods OTC Swaps, all economic returns of the Offer Shares subscribed by CICC FT will be passed to the CICC FT Ultimate Clients (Greenwoods) and all economic loss shall be borne by the CICC FT Ultimate Clients (Greenwoods) through the Greenwoods OTC Swaps, and CICC FT will not take part in any economic return or bear any economic loss in relation to the Offer Shares.

The Greenwoods OTC Swaps are linked to the Offer Shares and the CICC FT Ultimate Clients (Greenwoods) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into between CICC FT and the Company and ending on the date which is six months from the Listing Date, request to early terminate the Greenwoods OTC Swaps at their own discretions, upon which CICC FT may dispose of the Offer Shares and settle the Greenwoods OTC Swaps in cash in accordance with the terms and conditions of the Greenwoods OTC Swaps. Despite that CICC FT will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Greenwoods OTC Swaps according to its internal policy. To the best of CICC FT's knowledge having made all reasonable inquiries, each of the CICC FT Ultimate Clients (Greenwoods) is an independent third party of CICC FT, CICCHKS and the companies which are members of the same group of CICCHKS, and no single ultimate beneficial owner holds 30% or more interests in each of the CICC FT Ultimate Clients (Greenwoods).

CICC FT is a wholly-owned subsidiary of China International Capital Corporation Limited, of which its shares are listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 3908). CICC FT is a connected client (as defined under Appendix F1 to the Listing Rules) of CICCHKS, holding securities on a non-discretionary basis on behalf of independent third parties. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 5(1) of Appendix F1 to the Listing Rules to permit us to allocate the Offer Shares to CICC FT. See "Waivers from Strict Compliance with the Listing Rules — Consent in respect of the Proposed Subscription of H Shares by Certain Cornerstone Investor Who is a Connected Client."

The CICC FT Ultimate Clients (Greenwoods) are certain domestic private funds (including Greenwoods Harvest No. 3 Private Investment Fund (景林豐收3號私募基金), Greenwoods Global Fund (景林全球基金), Greenwoods Zhiyuan Private Investment Fund (景林致遠私募基金), Greenwoods Jingtai Harvest Private Securities Investment Fund (景林景泰豐收私募證券投資基金), Greenwoods Jingtai Global Private Securities Investment Fund (景林景泰全球私募證券投資基金), Greenwoods Harvest No. 2 Private Securities Investment Fund (景林豐收2號私募證券投資基金), and Greenwoods Harvest No. 6 Private Securities Investment Fund (景林豐收6號私募證券投資基金)) managed by Shanghai Greenwoods Asset Management Co., Ltd. (上海景林資產管理有限公司) ("**Shanghai Greenwoods**"). Shanghai Greenwoods is a private fund management company with the registration under Asset Management Association of China (中國證券投資基金業協會). Shanghai Greenwoods is one of the largest and earliest PRC domestic asset managers mainly specializing in investing into companies in the Greater China region. Shanghai Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds managed by Shanghai Greenwoods include institutional investors and high-net-worth individuals professional investors.

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Mr. Jiang Jinzhi is the Chairman and an ultimate beneficial owner of Shanghai Greenwoods. As confirmed by Shanghai Greenwoods, the subscription of the Offer Shares as cornerstone investor will be made by Shanghai Greenwoods in its capacity as the fund manager of domestic private funds through TRS mechanism.

HHLR

HHLR Advisors, Ltd. (“**HHLRA**”) is an exempted company incorporated in the Cayman Islands that acts as the investment manager of investment funds (collectively the “**HHLRA Funds**”), which are limited partnerships formed under the laws of the Cayman Islands. There is no individual limited partner investor who holds an economic interest of 30% or more in the HHLRA Funds.

HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across industrial, consumer, healthcare and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions. HHLRA is entering the Cornerstone Investment Agreement with the Company in its capacity as an investment manager and on behalf of the HHLRA Funds.

Huadeng Victorious

Huadeng Victorious Way Limited (“**Huadeng Victorious**”) is a company incorporated in the British Virgin Islands. Huadeng Victorious and its affiliates have a profound background in the semiconductor industry and investment. There is no shareholder holding 30% or more of the interests in Huadeng Victorious. During investor meetings arranged by the Sponsor Overall Coordinator, the Company became acquainted with Huadeng Victorious, in light of its investment experience in the semiconductor industry.

Montage HK

Montage Hong Kong Holdings Company Limited (“**Montage HK**”) is a company incorporated in Hong Kong and a wholly owned subsidiary of Montage Technology Co., Ltd. (“**Montage Technology**”), serving as the overseas investment arm of Montage Technology. Founded in 2004, Montage Technology is a globally leading fabless IC design company, dedicated to providing innovative, reliable and power-efficient interconnect solutions for cloud computing and AI infrastructure. Montage Technology has been listed on the STAR Market of the Shanghai Stock Exchange since July 2019 (stock code: 688008) and on the Main Board of the Hong Kong Stock Exchange since February 2026 (stock code: 6809). Montage Technology is a business partner of customers of the Company and does not have any direct business relationship with the Company.

Yonglian Investment

HK Yonglian Investment Development Co., Limited (“**Yonglian Investment**”) is an investment company incorporated in Hong Kong. Yonglian Investment is owned by Everrising Holdings Co., Ltd. (永卓控股有限公司), which is a large, diversified enterprise group since its establishment in 1984, taking industrial manufacturing as core business, with layouts covering new energy, new materials, industrial investment, artificial intelligence and other sectors. Everrising Holdings Co., Ltd. ranked 47th

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on the 2025 list of China's Top 500 Private Enterprises and 165th on the 2025 list of China's Top 500 Enterprises, with an operating income of RMB162 billion in 2025. Neither Everrising Holdings Co., Ltd. nor Yonglian Investment has any ultimate beneficial owner holding an equity interest of more than 30%.

Monterey Park

Monterey Park Finance Limited is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of Zhen Ding Technology Holding Limited (臻鼎科技控股股份有限公司, “**Zhen Ding**”), serving as its principal investment holding platform.

Zhen Ding is a company listed on the Taiwan Stock Exchange (stock code: 4958) and is principally engaged in the research and development, manufacture and sale of a wide range of printed circuit boards, which are widely used in applications such as information technology, consumer electronics, communication networks, automotive electronics, AI server high-performance computing and optical modules. Zhen Ding provides its customers with one-stop comprehensive solutions. During the Track Record Period, Zhen Ding is a customer of the Company and the Company mainly supplies Zhen Ding and/or its subsidiaries with PCB direct imaging equipment and semiconductor direct-writing lithography equipment.

Bosera International

Bosera Asset Management (International) Co., Limited (“**Bosera International**”) was incorporated in Hong Kong in 2010 and holds Type 1 (dealing in securities), Type 4 (advising on securities), and Type 9 (asset management) licenses issued by the Securities and Futures Commission. Bosera International is owned as to 55% by Bosera Asset Management Co., Limited and as to 45% by China Merchants Fund Management Co., Limited. Bosera Asset Management Co., Limited is owned as to 49% by China Merchants Securities Co., Ltd. (“**China Merchants Securities**”), a company listed on the Stock Exchange (stock code: 6099) and the Shanghai Stock Exchange (stock code: 600999), with no other single beneficial owner holding 30% or more interest in the company. China Merchants Fund Management Co., Limited is owned as to 55% by China Merchants Bank Co., Ltd., a company listed on the Stock Exchange (stock code: 3968) and the Shanghai Stock Exchange (stock code: 600036), with the remaining 45% interest held by China Merchants Securities. Bosera International has participated in the Global Offering in its capacity as the discretionary investment advisor or investment manager for and on behalf of certain funds.

China Universal (HK)

China Universal Asset Management (Hong Kong) Company Limited (“**China Universal (HK)**”), founded in November 2009, is a wholly owned subsidiary of China Universal Asset Management Co., Ltd. (匯添富基金管理股份有限公司). China Universal (HK) is among the first group of Chinese fund management company subsidiaries established outside of Mainland China. China Universal (HK) is licensed by the Hong Kong Securities and Futures Commission to carry on Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under Part V of the Securities and Futures Ordinance. China Universal (HK) manages investment funds, provides investment advisory services, and manages discretionary accounts. The subscription of the Offer Shares as a cornerstone investor will be made by China Universal (HK) in its capacity as the

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investment manager on a discretionary basis for and on behalf of CUAM Flexible Strategy Fund SP and discretionary accounts. To the best knowledge of China Universal (HK), there is no ultimate beneficial owner holding 30% or more interest in CUAM Flexible Strategy Fund SP.

Fullgoal HK and Fullgoal Fund

Fullgoal HK

Established in 2012 in Hong Kong, Fullgoal Asset Management (HK) Limited (“**Fullgoal HK**”) is a wholly owned subsidiary of Fullgoal Fund Management Co., Ltd. (“**Fullgoal Fund**”). Fullgoal HK has Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) licenses issued by the SFC. The subscription of the Offer Shares will be made by Fullgoal HK on a discretionary basis for funds managed by it (“**Fullgoal HK Managed Funds**”). No single ultimate beneficial owner holds 30% or more interest in each of Fullgoal HK Managed Funds. As of May 31, 2026, Fullgoal HK had asset under management of over HK\$15 billion.

Fullgoal Fund

Fullgoal Fund is a fund management company established in China in April 1999, and is one of the first ten fund management companies authorized by the CSRC and other regulatory authorities to obtain full licenses to provide asset management services in the PRC. Fullgoal Fund has a registered capital of RMB520 million and its main scope of business includes the provision of traditional fund management services, fund raising, fund sale and asset management solutions to both domestic and overseas clients. Fullgoal Fund is a QDII approved by the relevant PRC authority and is also the first fund management company with foreign equity participation among the first ten fund management companies in China. The relevant funds proposed to subscribe for the Offer Shares under the management of Fullgoal Fund on a discretionary basis are open-ended publicly raised securities investment funds registered with the CSRC and no single ultimate beneficial owner holds 30% or more interests in these funds. The shareholders of Fullgoal Fund include (i) Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司), listed on the Shanghai Stock Exchange (stock code: 601211) and the Stock Exchange (stock code: 2611), holding 27.775% in Fullgoal Fund; (ii) Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司), listed on the Shenzhen Stock Exchange (stock code: 000166) and the Stock Exchange (stock code: 6806), holding 27.775% in Fullgoal Fund; (iii) Bank of Montreal holding 27.775% in Fullgoal Fund, and (iv) Shandong Financial Asset Management Co., Ltd. (山東省金融資產管理股份有限公司), holding 16.675% in Fullgoal Fund.

GF Fund

GF Fund Management Co., Ltd. (“**GF Fund Management**”) and GF International Investment Management Limited (“**GF Fund HK**”, together with GF Fund Management, “**GF Fund**”) have respectively entered into cornerstone investment agreements with our Company.

GF Fund Management was established on August 5, 2003. As of December 31, 2025, its assets under management exceeded RMB 2 trillion. It offers a comprehensive range of product offerings, covering active equity, bonds, money market, overseas investments, passive investments, FOF, and quantitative hedging, among others, to meet the diversified investment needs of domestic and international clients. The controlling shareholder of GF Fund Management is GF Securities Co., Ltd. (“**GF Securities**”), a company limited by shares listed on The Stock Exchange of Hong Kong Limited

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(stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776), holding a 54.53% equity interest in GF Fund Management. Apart from GF Securities, no other shareholder holds 30% or more of the equity in GF Fund Management.

GF Fund HK is a wholly-owned subsidiary of GF Fund Management. GF Fund HK (central entity number of its Hong Kong Securities and Futures Commission license: AXL121) was incorporated in Hong Kong in December 2010. It is licensed by the SFC to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong. GF Fund HK serves as the global investment and business platform for its parent company, GF Fund Management. Acting as GF Fund Management's overseas window company, GF Fund HK strategically connects the Chinese and overseas markets. Leveraging the investment and research capabilities of GF Fund Management and its competitive advantages in the overseas market, GF Fund HK provides comprehensive and high-quality services to its clients.

GF Fund Management and GF Fund HK will subscribe for the Offer Shares as cornerstone investors in their capacity as the discretionary investment managers of certain funds under their management. To the best knowledge of GF Fund Management and GF Fund HK, each fund is an independent third party, and no ultimate beneficial owner holds 30% or more interest.

Ocean Fine Industrial

Ocean Fine Industrial Limited ("**Ocean Fine Industrial**") is a company incorporated in Hong Kong in 2003, principally engaged in the provision of import and export of semiconductor and electronic component testing services. It is a wholly owned subsidiary of Tongfu Microelectronics Co., Ltd. (通富微電子股份有限公司) ("**Tongfu**"), a company listed on Shenzhen Stock Exchange (stock code: 002156). Tongfu is an integrated circuit packaging and testing service provider, offering global customers a one-stop service from design simulation to packaging and testing. During the Track Record Period, Tongfu is a customer of the Company and the Company mainly supplies Tongfu and/or its subsidiaries with direct-writing lithography equipment.

Sungrow Power HK

Sungrow Power (Hong Kong) Co., Limited ("**Sungrow Power HK**") is a company incorporated in Hong Kong in March 2014, principally engaged in sale of photovoltaic (PV) inverter and energy storage systems. It is a wholly owned subsidiary of Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司) ("**Sungrow Power**"), a company listed on Shenzhen Stock Exchange (stock code: 300274). Sungrow Power specializes in R&D, production, sales and services of renewable energy equipment. Its product portfolio includes PV inverters, energy storage systems, wind converters and motor drivers, floating PV systems, motor controllers and on-board chargers for EV, EV charging equipment, renewable hydrogen production systems. The Company is also engaged in the investment and development of renewable energy power plants and has initiated AIDC power supply business. Sungrow Power and its subsidiaries are downstream customers within the Company's industry chain. The Group does not have direct business relationship with Sungrow Power.

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CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (a) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;
- (b) the Offer Price having been agreed upon between our Company and Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);
- (c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (d) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (e) the respective acknowledgements, representations, warranties, undertakings and confirmations of relevant Cornerstone Investor or our Company (as the case may be) under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor or our Company (as the case may be).

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that it will not, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

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You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to 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 the largest provider of PCB direct imaging equipment globally, delivering PCB direct imaging equipment and semiconductor direct-writing lithography equipment in the age of AI. We are dedicated to the manufacturing, sales and maintenance of direct imaging and direct-writing lithography equipment to customers worldwide, building on our established capabilities in the R&D of core high-precision micro-nano lithography technologies and in adapting our proprietary technologies to a diverse range of innovative applications. During the Track Record Period, we experienced robust growth in revenue and gross profit. Our revenue increased from RMB828.9 million in 2023 to RMB953.9 million in 2024 and further to RMB1,408.1 million, representing a CAGR of 30.3% from 2023 to 2025. Our gross profit decreased from RMB338.8 million in 2023 to RMB338.7 million in 2024 and further increased to RMB551.0 million, representing a CAGR of 27.5% from 2023 to 2025. In 2023, 2024 and 2025, we recorded net profits of RMB179.3 million, RMB160.7 million and RMB289.9 million, respectively.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Company Specific Factors

Our ability to retain existing customers and attract new customers

Our ability to retain existing customers and attract new customers in the semiconductor and PCB industries affects our results of operations. We generate revenue primarily from the sale of PCB direct imaging equipment and automation systems and semiconductor direct-writing lithography equipment and automation systems. Our growth therefore depends on expanding our customer base and strengthening ties with leading industry players.

To retain customers, we provide timely after-sales support and continuously improve products and services to meet evolving needs. We also maintain dedicated regional teams for localized assistance to boost satisfaction and foster long-term partnerships. At the same time, we attract new customers by

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diversifying sales channels and developing products for emerging semiconductor demands and high-end PCB applications. Drawing on our technology, product quality and customer service, we aim to grow our overseas presence, increase market share and build brand recognition. We pursue closer collaboration with leading enterprises, offer customized solutions for specialized requirements and monitor industry trends in demand and technology to deepen relationships and support market penetration.

A robust customer base drives order volume and revenue growth while enabling us to anticipate clients' production schedules, upgrades and needs. This supports efficient production planning, inventory management, cost control and demand-aligned product development to enhance operational reliability and efficiency.

Our ability to manage costs and expenses and improve operational efficiency

Our results of operations depend on our ability to manage costs and expenses effectively. Our cost of sales is primarily attributable to direct material costs, which are influenced by supplier reliability, production capacity, logistics conditions and broader market volatility. Direct material costs accounted for 93.3%, 89.6% and 92.1% of our total cost of sales in 2023, 2024 and 2025, respectively. We manage material and key component costs through rigorous supplier qualification and long-term partnerships with a select group of certified suppliers, complemented by in-house development and vertical integration of critical subsystems. Our modular platform and scalable software further improve cost efficiency through faster upgrades, higher yields and lower warranty costs.

Our ability to manage operating expenses also affects profitability. Our selling and marketing expenses amounted to RMB44.5 million, RMB49.2 million and RMB63.4 million in 2023, 2024 and 2025, respectively and our administrative expenses amounted to RMB36.6 million, RMB52.4 million and RMB51.6 million over the same years. As our business scales, we expect these expenses to increase in absolute terms but decline as a percentage of revenue due to economies of scale and improved operational efficiency. We have also enhanced expense management through detailed budgeting and performance monitoring to support long-term profitability.

Our investment in R&D

Research and development are crucial to our sustained business growth as our competitiveness depends on our ability to develop and implement new technologies and production techniques to address the evolving needs of our customers. We have established a comprehensive R&D framework supported by an integrated product development IPD system to improve standardization and efficiency. We use platform based development, matrix management and a layered design approach to integrate capabilities across optics, precision mechanics, electronics, software algorithms and system engineering, and to allocate resources to priority technologies. During the Track Record Period, we further optimized the IPD system by refining processes, methodologies, workflows and supporting tools.

While we expect R&D expenses to remain significant as we continue to pursue product enhancements and new product development, we aim to manage spending through prudent budgeting. In 2023, 2024 and 2025, our R&D expenses were RMB94.5 million, RMB97.7 million and RMB131.2 million, respectively, representing 11.4%, 10.2% and 9.3% of our total revenue for the corresponding years. Our ability to balance investment in R&D with control over operating expenses affects our results of operations.

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Our Product Portfolio

Our results of operations are influenced by the composition and performance of our product mix and the performance of products therein. We generate revenue primarily from PCB direct imaging equipment and automation systems, semiconductor direct-writing lithography equipment and automation systems, and other products and services. These product categories differ in market size, average selling price, cost structure, gross profit margin profile, production cycle and working capital requirements. Changes in the relative contribution of each category affect our revenue growth, gross profit margin and overall financial performance. Our pricing is influenced by procurement and production costs, product performance, technological differentiation, customer demand, supply chain conditions and targeted gross profit margin. Products with higher precision, speed, reliability or advanced features typically command higher prices, which contribute to higher margins when not offset by proportionately higher costs.

Different margin profiles across our product categories can affect our consolidated gross profit margin. For example, the gross profit margin of our semiconductor direct-writing lithography equipment and automation systems was 56.3%, 55.9% and 53.8% in 2023, 2024 and 2025, respectively, while the gross profit margin of our PCB direct imaging equipment and automation systems was 33.4%, 30.6% and 34.5% over the same years. Our overall gross profit margin was 40.9%, 35.5% and 39.1% during these respective years. The decline in overall gross profit margin in 2024 reflected a higher proportion of lower-margin PCB products, while the increase in the first half of 2024 was driven by higher sales of higher-margin advanced process and advanced packaging equipment. We focus on maintaining a balanced portfolio with an emphasis on higher margin categories to support profitability and long term growth.

General Factors

Our business and results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are beyond our control, including the following: (i) development of macroeconomic conditions; (ii) development trends and demand of downstream semiconductor and PCB industries; (iii) development and competitive landscape of direct-writing lithography equipment industry; (iv) government policies and regulations in relation to the direct-writing lithography equipment industry and the automotive industry; (v) international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions; and (vi) the purchasing behavior of our major customers, which may fluctuate due to changes in their internal production schedules and product development cycles, resulting in adjustments to their procurement plans and leading to non-recurring demand for our equipment.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued by the International Accounting Standards Board (“IASB”). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

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The Historical Financial Information has been prepared under the historical cost convention, except for trade and bills receivable and financial investments at fair value through profit or loss which has been measured at fair value.

MATERIAL ACCOUNTING POLICIES

For our material accounting policies and the estimates, assumptions and judgments that are important to understanding our financial condition and results of operations, see Notes 2.3 and 3 to the Accountants' Report in Appendix I to this prospectus.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our results of operations for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>					
Revenue	828,855	100.0	953,943	100.0	1,408,121	100.0
Cost of sales	(490,046)	(59.1)	(615,211)	(64.5)	(857,163)	(60.9)
Gross profit	338,809	40.9	338,732	35.5	550,958	39.1
Other income and gains, net . . .	56,860	6.9	53,035	5.6	43,987	3.1
Selling and marketing expenses .	(44,513)	(5.4)	(49,183)	(5.2)	(63,427)	(4.5)
Administrative expenses	(36,607)	(4.4)	(52,357)	(5.5)	(51,594)	(3.7)
Research and development expenses	(94,541)	(11.4)	(97,697)	(10.2)	(131,234)	(9.3)
Impairment losses on financial assets and contract assets, net .	(24,216)	(2.9)	(17,974)	(1.9)	(12,645)	(0.9)
Other expenses	(63)	(0.0)	(3,014)	(0.3)	(6,002)	(0.4)
Finance costs	(698)	(0.1)	(474)	(0.0)	(326)	(0.0)
Profit before tax	195,031	23.5	171,068	17.9	329,717	23.4
Income tax expense	(15,726)	(1.9)	(10,373)	(1.1)	(39,785)	(2.8)
Profit for the year	179,305	21.6	160,695	16.8	289,932	20.6

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DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, our revenue was primarily derived from the sale of PCB direct imaging equipment and automation systems, semiconductor direct-writing lithography equipment and automation systems and others. The following table sets forth a breakdown of our revenue by business segment both in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except percentages)</i>						
PCB direct imaging equipment and automation systems	589,811	71.2	772,887	81.0	1,079,928	76.7
Semiconductor direct-writing lithography equipment and automation systems	188,247	22.7	109,843	11.5	233,419	16.6
Others						
Equipment maintenance services	44,388	5.4	64,010	6.7	84,437	6.0
Rental income	6,142	0.7	6,408	0.7	7,685	0.5
Ancillary material sales	267	0.0	795	0.1	2,652	0.2
Total	828,855	100.0	953,943	100.0	1,408,121	100.0

The following table sets forth a breakdown of our revenue by geographic region, based on the final shipment destination, both in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except percentages)</i>						
Chinese Mainland	768,619	92.7	765,810	80.3	1,133,533	80.5
Overseas markets						
Thailand	—	—	115,992	12.2	140,343	10.0
Japan	17,575	2.1	21,211	2.2	56,508	4.0
Taiwan China	34,259	4.2	42,374	4.4	49,449	3.5
Other regions ⁽¹⁾	8,402	1.0	8,556	0.9	28,288	2.0
Total	828,855	100.0	953,943	100.0	1,408,121	100.0

Note:

(1) Other regions primarily include Hong Kong, Vietnam, South Korea and Malaysia.

We recorded revenue from Chinese Mainland and various overseas countries and regions. Chinese Mainland remained our largest geographic market during the Track Record Period. Our revenue from Chinese Mainland increased by 48.0% from RMB765.8 million in 2024 to RMB1,133.5 million in 2025,

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representing the majority of our revenue growth, primarily due to increased sales to domestic downstream customers, mainly driven by increased capital expenditure in AI server-related high-speed PCB, high-end HDI, IC substrates and advanced packaging, continued demand for domestic alternatives in PCB and semiconductor equipment, enhanced delivery capabilities and repeat purchases from major Chinese Mainland customers. During the Track Record Period, the proportion of revenue from overseas countries and regions increased, primarily driven by higher shipments to Southeast Asia following the commencement of deliveries to that region in 2023, amid a broader shift of certain assembly and down-stream production capacity to Southeast Asia, as well as our established presence in Taiwan China, Japan and South Korea.

The following table sets forth the details of the sales volume and average selling price (net of tax) of our products by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	<i>Unit</i>	<i>RMB'000/Unit</i>	<i>Unit</i>	<i>RMB'000/Unit</i>	<i>Unit</i>	<i>RMB'000/Unit</i>
PCB direct imaging equipment and Automation System.	280	2,106.5	378	2,044.7	475	2,273.5
Semiconductor direct-writing lithography equipment and Automation System.	54	3,486.1	27	4,068.3	61	3,826.5
Total/Overall.	334	2,329.5	405	2,179.6	536	2,450.3

During the Track Record Period, the sales volume of our PCB direct imaging equipment and automation systems increased from 280 units in 2023 to 378 units in 2024 and further to 475 units in 2025, primarily due to increased demand from downstream PCB manufacturers, mainly driven by growth in consumer electronics, automotive electronics, AI servers and data centers. The average selling price of such products remained relatively stable in 2023 and 2024, and increased to RMB2.3 million per unit in 2025, primarily due to changes in product mix, mainly driven by a higher sales contribution from high-end MAS series products.

The sales volume of our semiconductor direct-writing lithography equipment and automation systems decreased from 54 units in 2023 to 27 units in 2024, primarily due to the timing of customer procurement and delivery schedules following concentrated procurement demand from major customers in 2023, and increased to 61 units in 2025, primarily due to recovered customer demand and increased deliveries. The average selling price of such products increased from RMB3.5 million per unit in 2023 to RMB4.1 million per unit in 2024, primarily due to a higher sales contribution from WLP series products, and decreased to RMB3.8 million per unit in 2025, primarily due to changes in product mix, mainly driven by a higher sales contribution from relatively lower-priced IC substrate equipment and a lower relative contribution from higher-priced WLP series products.

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Cost of Sales

Our cost of sales amounted to RMB490.0 million, RMB615.2 million and RMB857.2 million in 2023, 2024 and 2025, respectively. During the Track Record Period, our cost of sales primarily consists of direct materials costs, direct labor costs, manufacturing overhead and write-down of inventories. The following table sets forth a breakdown of our cost of sales by nature both in absolute amounts and as percentages of our total cost of sales for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>					
Direct material costs	457,135	93.3	551,290	89.6	789,191	92.1
Direct labor costs	23,058	4.7	39,270	6.4	30,955	3.6
Manufacturing overhead	9,774	2.0	11,516	1.9	22,263	2.6
Write-down of inventories.	79	0.0	13,135	2.1	14,754	1.7
Total	490,046	100.0	615,211	100.0	857,163	100.0

The following table sets forth a breakdown of our cost of sales by business segment both in absolute amounts and as percentages of our cost of sales for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>					
PCB direct imaging equipment and automation systems	393,021	80.2	536,512	87.2	707,611	82.6
Semiconductor direct-writing lithography equipment and automation systems.	82,274	16.8	48,409	7.9	107,872	12.6
Others.	14,751	3.0	30,290	4.9	41,680	4.9
Total	490,046	100.0	615,211	100.0	857,163	100.0

Gross Profit and Gross Profit Margin

We recorded gross profit of RMB338.8 million, RMB338.7 million and RMB551.0 million in 2023, 2024 and 2025, respectively, representing gross profit margin of 40.9%, 35.5% and 39.1%, respectively, during the same years.

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The following table sets forth a breakdown of gross profit and gross profit margin by business segment for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
<i>(RMB in thousands, except percentages)</i>						
PCB direct imaging equipment and automation systems	196,790	33.4	236,374	30.6	372,316	34.5
Semiconductor direct-writing lithography equipment and automation systems	105,973	56.3	61,435	55.9	125,548	53.8
Others	36,046	71.0	40,923	57.5	53,094	56.0
Total	338,809	40.9	338,732	35.5	550,958	39.1

The following table sets forth a breakdown of gross profit and gross profit margin by geographic region, based on the final shipment destination, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
<i>(RMB in thousands, except percentages)</i>						
Chinese Mainland	306,281	39.8	263,916	34.5	424,711	37.5
Overseas						
Thailand	—		43,681	37.7	56,618	40.3
Japan	9,254	52.7	11,026	52.0	34,349	60.8
Taiwan China	19,920	58.1	16,691	39.4	22,947	46.4
Other regions ⁽¹⁾	3,354	39.9	3,418	39.9	12,333	43.6
Total	338,809	40.9	338,732	35.5	550,958	39.1

Note:

(1) Other regions primarily include Hong Kong, Vietnam, South Korea and Malaysia.

The gross profit margin of our sales in Chinese Mainland decreased from 39.8% in 2023 to 34.5% in 2024, primarily due to a change in customer mix, as sales to newly developed strategic customers generally had relatively lower gross margins. The gross profit margin of our sales in Chinese Mainland increased to 37.5% in 2025, primarily due to higher selling prices. The gross profit margin of our sales to Japan increased from 52.0% in 2024 to 60.8% in 2025, primarily due to the increase in the gross profit margin of our PCB direct imaging equipment and automation systems, which accounted for substantially all of our sales to Japan in 2025. The gross profit margin of our sales in Taiwan China decreased from 58.1% in 2023 to 39.4% in 2024, primarily due to the decrease in the sales amount of our higher-margin semiconductor direct-writing lithography equipment and automation systems. The gross profit margin of our sales in Taiwan China increased to 46.4% in 2025, primarily due to the increase in the gross profit margin of our PCB direct imaging equipment and automation systems sold in Taiwan China.

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The following table sets forth a breakdown of gross profit and gross profit margin by customer type, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>(RMB in thousands, except percentages)</i>					
Direct customers	326,876	40.6	327,706	35.1	516,538	38.3
Distributors	11,933	48.8	11,026	52.0	34,420	59.2
Total	338,809	40.9	338,732	35.5	550,958	39.1

The gross profit margin of sales to direct customers decreased from 40.6% in 2023 to 35.1% in 2024, primarily due to a change in customer mix, as sales to newly developed strategic customers generally had relatively lower gross margins. The gross profit margin of sales to direct customers increased from 35.1% in 2024 to 38.3% in 2025, primarily due to higher selling prices and improved cost absorption driven by increased sales volume. The gross profit margin of sales to distributors increased from 48.8% in 2023 to 52.0% in 2024 and further to 59.2% in 2025, primarily due to changes in product mix, as we sold a broader range of product categories and the newly added product categories generally had relatively higher gross margins.

Other Income and Gains, Net

The following table sets forth a breakdown of our other income and gains, net for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Other income			
Government grants	28,789	14,193	9,740
Bank interest income	2,524	2,931	3,467
Interest income arising from revenue contracts	2,799	3,544	4,058
Investment income	3,213	14,435	8,866
Value added tax deduction	7,127	12,194	13,059
Total other income	44,452	47,297	39,190
Other gains, net			
Foreign exchange differences, net	1,697	—	—
Gains on disposal of items of property, plant and equipment and termination of right-of-use assets	—	8	—
Fair value gains on financial investments at fair value through profit or loss	10,702	5,648	4,653
Others	9	82	144
Total other gains	12,408	5,738	4,797
Total other income and gains, net	56,860	53,035	43,987

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Government grants represent subsidies and other incentives provided by PRC local governments under prevailing supportive policies, primarily for research and development investment and technological upgrades. Such grants are subject to annual policy adjustments, administrative assessments and project acceptance procedures, and are generally non-recurring in nature. Bank interest income represents interest earned on our bank deposits during the Track Record Period. Investment income represents returns from our short-term wealth management products and other cash management investments, excluding bank deposit interest.

Additional VAT deduction represents the additional 15% deduction on eligible input value-added tax (“VAT”) from VAT payable granted to certain PRC subsidiaries under regulations of the Ministry of Finance and the State Administration of Taxation effective from January 1, 2023. The amount is recognized in profit or loss when the preferential tax treatment is utilized.

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses consist of (i) employee compensation; (ii) agency and consulting fees for sales agents and marketing service providers; (iii) business development expenses for activities that build and enhance relationships with customers; (iv) advertising and promotion expenses relating to exhibition booths, media advertising and publicity events; and (v) others. 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 years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>					
Employee compensation	23,186	52.1	17,146	34.9	25,664	40.5
Agency and consulting fees	9,444	21.2	18,400	37.4	23,859	37.6
Business development expenses . .	5,681	12.8	7,158	14.6	7,912	12.5
Advertising and promotion expenses	4,593	10.3	4,575	9.3	3,413	5.4
Others	1,609	3.6	1,904	3.9	2,579	4.1
Total	44,513	100.0	49,183	100.0	63,427	100.0

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Administrative Expenses

During the Track Record Period, our administrative expenses consist of (i) employee compensation; (ii) professional service fees for certain consulting services and information services to support our business operations; (iii) depreciation and amortization expenses in relation to property, plant and equipment used by the administrative department; (iv) property and facility expenses; (v) travel and business expenses; and (vi) others. 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 years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>					
Employee compensation	18,121	49.5	22,766	43.5	26,728	51.8
Professional service fees	4,024	11.0	9,193	17.6	7,930	15.4
Depreciation and amortization expenses	4,349	11.9	4,875	9.3	5,771	11.2
Property and facility expenses . .	6,356	17.4	7,494	14.3	6,292	12.2
Travel and business expenses . .	2,398	6.6	5,306	10.1	2,027	3.9
Others	1,359	3.7	2,723	5.2	2,846	5.5
Total	36,607	100.0	52,357	100.0	51,594	100.0

Research and Development Expenses

During the Track Record Period, our research and development expenses consist of (i) employee compensation; (ii) material expenses relating to R&D materials consumed during the R&D process; (iii) depreciation and amortization expenses in relation to property, plant and equipment used by the research and development department; (iv) outsourced development and design expenses; and (v) others. The following table sets forth a breakdown of our research and development expenses both in absolute amounts and as percentages of our total research and development expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>					
Employee compensation	50,926	53.9	60,255	61.7	71,905	54.8
Material expenses	25,911	27.4	15,911	16.3	38,478	29.3
Depreciation and amortization expenses	8,896	9.4	8,485	8.7	9,040	6.9
Outsourced development and design expenses	2,163	2.3	4,839	4.9	3,244	2.5
Others	6,645	7.0	8,207	8.4	8,567	6.5
Total	94,541	100.0	97,697	100.0	131,234	100.0

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Impairment Losses on Financial Assets and Contract Assets, Net

Our impairment losses on financial assets and contract assets, net, mainly relate to changes in loss allowances on trade receivables, bills receivable, other receivables and long-term receivables. During the Track Record Period, our impairment losses on financial assets and contract assets under ECL model, net amounted to RMB24.2 million, RMB18.0 million and RMB12.6 million in 2023, 2024 and 2025, respectively.

Other Expenses

Our other expenses primarily consist of (i) foreign exchange differences, net; (ii) losses on disposal of items of property, plant and equipment and termination of right-of-use assets; and (iii) others. For a breakdown of our other expenses, see Note 9 to the Accountants' Report in Appendix I to this prospectus.

Finance Costs

Our finance costs consist of interest expenses on loans, and lease liabilities. We recorded finance costs of RMB0.7 million, RMB0.5 million and RMB0.3 million in 2023, 2024 and 2025, respectively.

Income Tax Expense

Our income tax expenses consist of current income tax and deferred income tax. In 2023, 2024 and 2025, our income tax expenses amounted to RMB15.7 million, RMB10.4 million and RMB39.8 million, respectively.

Pursuant to the EIT law, entities located in the PRC are subject to a statutory income tax rate of 25.0%. During the Track Record Period, our Company was qualified as a “High and New Technology Enterprise” and was eligible for a preferential income tax rate of 15%.

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate. 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.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Comparisons Between Years Ended December 31, 2025 and 2024

Revenue

Our revenue increased by 47.6% from RMB953.9 million in 2024 to RMB1,408.1 million in 2025, primarily due to the following changes.

- Our revenue from PCB direct imaging equipment and automation system increased by 39.7% from RMB772.9 million in 2024 to RMB1,079.9 million in 2025, primarily due to an increase in sales volume from 378 units in 2024 to 475 units in 2025, as a result of strong demand from downstream PCB manufacturers driven by growth in consumer electronics, automotive electronics, AI servers and data centers.

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- Our revenue from semiconductor direct-writing lithography equipment and automation system increased by 112.5% from RMB109.8 million in 2024 to RMB233.4 million in 2025, primarily due to an increase in sales volume from 27 units in 2024 to 61 units in 2025, as customer demand recovered and deliveries increased during the year.
- Our revenue from others increased by 34.4% from RMB64.8 million in 2024 to RMB87.1 million in 2025, primarily due to an increase in the cumulative number of equipment products sold, which in turn led to an increase in maintenance and other value-added services revenue.

Cost of Sales

Our cost of sales increased by 39.3% from RMB615.2 million in 2024 to RMB857.2 million in 2025, primarily due to (i) an increase in direct material costs, which was generally in line with our growth in revenue; and (ii) the recognition of inventory write-downs of RMB14.8 million, primarily related to the obsolescence and reduction in net realizable value of raw materials as a result of technology and product upgrades.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 62.7% from RMB338.7 million in 2024 to RMB551.0 million in 2025. Our gross profit margin increased from 35.5% in 2024 to 39.1% in 2025, primarily due to (i) an increase in the gross profit margin of our PCB direct imaging equipment and automation systems, mainly attributable to an increase in higher-margin overseas orders in 2025; and (ii) a shift in revenue mix resulting from a higher revenue contribution from our semiconductor direct-writing lithography equipment and automation systems, which continued to record a higher gross profit margin than our PCB direct imaging equipment and automation systems.

Other Income and Gains, Net

Our other income and gains, net decreased by 17.1% from RMB53.0 million in 2024 to RMB44.0 million in 2025, primarily due to (i) a decrease in government grants as a result of a lower amount of income-related government grants recognized during the year and (ii) a decrease in investment income from financial investments at fair value through profit or loss.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 29.0% from RMB49.2 million in 2024 to RMB63.4 million in 2025, primarily due to (i) an increase in employee compensation as a result of the expansion of our sales team; and (ii) an increase in agency and consulting fees associated with customer development and market expansion efforts.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB52.4 million in 2024 and RMB51.6 million in 2025.

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Research and Development Expenses

Our research and development expenses increased by 34.3% from RMB97.7 million in 2024 to RMB131.2 million in 2025, primarily due to (i) an increase in employee compensation as we continued to expand our research and development team; and (ii) an increase in material expenses driven by the commencement of two new research and development projects in the second half of 2024.

Impairment Losses on Financial Assets and Contract Assets, Net

Our impairment losses on financial assets and contract assets, net decreased by 29.6% from RMB18.0 million in 2024 to RMB12.6 million in 2025, primarily due to an increase in year-end receivables and changes in the aging profile of certain receivables.

Other Expenses

Our other expenses increased by 99.1% from RMB3.0 million in 2024 to RMB6.0 million in 2025, primarily due to an increase in net foreign exchange losses.

Income Tax Expenses

Our income tax expenses increased significantly from RMB10.4 million in 2024 to RMB39.8 million in 2025, primarily due to an increase in our taxable income, which was in line with the growth of our business.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 80.4% from RMB160.7 million in 2024 to RMB289.9 million in 2025.

Comparisons Between Years Ended December 31, 2024 and 2023

Revenue

Our revenue increased by 15.1% from RMB828.9 million in 2023 to RMB953.9 million in 2024, primarily due to the following changes:

- Our revenue from PCB direct imaging equipment and automation system increased by 31.0% from RMB589.8 million in 2023 to RMB772.9 million in 2024, primarily due to an increase in sales volume from 280 units in 2023 to 378 units in 2024, as PCB manufacturers increased capital expenditure to upgrade to direct imaging technologies amid broader application in consumer electronics, automotive sectors, and AI servers and data centers.
- Our revenue from semiconductor direct-writing lithography equipment and automation system decreased by 41.7% from RMB188.2 million in 2023 to RMB109.8 million in 2024, primarily due to a decline in sales volume from 54 units in 2023 to 27 units in 2024 as the domestic semiconductor industry entered a relatively flat cycle in 2024 following concentrated procurement demand of major customers in 2023, partially offset by an increase in average selling price driven by the WLP series.

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- Our revenue from others increased by 40.2% from RMB50.8 million in 2023 to RMB71.2 million in 2024, primarily due to growth in maintenance and value-added services revenue as a larger number of previously delivered systems moved beyond their initial warranty periods.

Cost of Sales

Our cost of sales increased by 25.6% from RMB490.0 million in 2023 to RMB615.2 million in 2024, primarily due to (i) an increase in direct material costs and direct labor costs driven by higher sales and production volume as our overall business scale grew; and (ii) the recognition of inventory write-downs of RMB13.1 million in 2024, primarily comprising (a) approximately RMB8.8 million of raw materials that became redundant following technical upgrades to certain equipment, as these materials were no longer expected to be used in the production of upgraded products, and (b) approximately RMB4.3 million for certain customized equipment in finished goods and goods in transit, where the estimated net realizable value was lower than the carrying amount.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit remained relatively stable at RMB338.8 million in 2023 and RMB338.7 million in 2024. Our gross profit margin decreased from 40.9% in 2023 to 35.5% in 2024, primarily due to (i) a decrease in gross profit margin of our PCB direct imaging equipment as we provided longer warranty periods for newly launched models in order to provide customers more assurance with our new products, which led to an increase in warranty costs; and (ii) inventory write-down arising from the obsolescence and reduction in net realizable value of raw materials as a result of technology and product upgrades.

Other Income and Gains, Net

Our other income and gains, net decreased by 6.9% from RMB56.9 million in 2023 to RMB53.0 million in 2024, primarily due to (i) a decrease in government grants resulting from fewer projects receiving high-value grants; and (ii) a decrease in fair value gains on financial investments at fair value through profit or loss due to a lower average balance of invested funds, partially offset by (i) an increase in investment income due to realized investment gains in 2024; and (ii) an increase in additional VAT deduction, driven by higher eligible input VAT credits resulting from increased procurement.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 10.6% from RMB44.5 million in 2023 to RMB49.2 million in 2024, primarily due to an increase in agency and consulting fees driven by increased overseas order volume and the engagement of additional overseas sales agents, partially offset by a decrease in employee compensation resulting from lower accrual of performance-based bonuses in 2024.

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Administrative Expenses

Our administrative expenses increased by 43.2% from RMB36.6 million in 2023 to RMB52.4 million in 2024, primarily due to (i) an increase in employee compensation resulting from an increase in employee headcount to support our business expansion; (ii) an increase in professional service fees driven by additional consulting projects on improving our operational efficiency and on staff training; and (iii) an increase in business development expenses driven by an increase in the number of our internal meetings.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB94.5 million in 2023 and RMB97.7 million in 2024.

Impairment Losses on Financial Assets and Contract Assets, Net

We recorded impairment losses on financial assets and contract assets, net of RMB24.2 million in 2023 and RMB18.0 million in 2024, primarily due to an increase in year-end receivables and changes in the aging profile of certain receivables.

Other Expenses

Our other expenses increased significantly from RMB0.1 million in 2023 to RMB3.0 million in 2024, primarily due to the recognition of foreign exchange losses resulting from currency fluctuations and an increase in donations and other miscellaneous expenses.

Income Tax Expenses

Our income tax expenses decreased by 33.8% from RMB15.7 million in 2023 to RMB10.4 million in 2024, primarily due to a decrease in profit before tax and effective tax rate between 2023 and 2024.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 10.4% from RMB179.3 million in 2023 to RMB160.7 million in 2024.

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DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	175,022	242,029	297,297
Investment properties	34,789	38,045	33,426
Right-of-use assets	9,453	8,933	8,625
Other intangible assets	3,884	6,363	5,813
Contract assets	5,236	4,539	2,880
Financial investments at fair value through profit or loss	10,435	31,224	32,602
Trade and bills receivables	20,192	7,034	22,230
Prepayments, other receivables and other assets	3,062	491	20,720
Deferred tax assets	24,916	25,983	28,916
Total non-current assets	286,989	364,641	452,509
Total current assets	2,193,483	2,424,202	2,664,147
Total current liabilities	379,712	711,218	798,948
Non-current liabilities			
Deferred income	65,936	10,535	4,215
Provision	1,641	3,312	4,210
Lease liabilities	1,493	1,176	911
Total non-current liabilities	69,070	15,023	9,336

Inventories

Our inventories primarily consist of (i) raw materials; (ii) work in progress; (iii) finished goods; and (iv) goods in transit. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Raw materials	160,206	181,062	356,446
Work in progress	44,327	211,048	168,207
Finished goods	15,462	94,412	108,635
Goods in transit	88,615	104,370	164,181
	308,610	590,892	797,469
Provision for impairment losses on inventories	(79)	(13,135)	(26,313)
Total	308,531	577,757	771,156

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Our inventories increased by 87.3% from RMB308.5 million as of December 31, 2023 to RMB577.8 million as of December 31, 2024, primarily due to a significant rise in work in progress and finished goods driven by a surge in orders in the fourth quarter of 2024, partially offset by a provision for impairment losses of RMB13.1 million, which was mainly attributable to certain inventories being written down to their net realizable value following product performance upgrades in 2024. Our inventories further increased by 33.5% to RMB771.2 million as of December 31, 2025, primarily attributable to increases in raw materials and goods in transit, driven by strategic stocking and advance procurement in response to increased customer orders, new product launches and higher shipment volumes pending customer acceptance in 2025, partially offset by lower work in progress following deliveries during the year. Provision for impairment losses on inventories increased to RMB26.3 million as of December 31, 2025, mainly due to higher inventory balances and certain inventories being written down to their net realizable value following technology and product upgrades.

As at December 31, 2025, goods in transit amounted to RMB164.2 million, involving 126 units of PCB direct imaging equipment and semiconductor direct-writing lithography equipment in total. Based on the current production and delivery schedule, we expect goods in transit of approximately RMB136.3 million, involving 109 units of such equipment in total, to complete final customer acceptance by March 31, 2026, and the remaining goods in transit of approximately RMB27.8 million, involving 17 units of such equipment in total, to complete final customer acceptance by June 30, 2026. All goods in transit have passed or are expected to pass pre-acceptance in accordance with contractual arrangements, and there have been no significant delays in final acceptance by customers.

The following table sets forth an aging analysis of our inventories:

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Within 1 year	286,909	473,100	679,125
Between 1 year and 2 years	19,519	96,098	38,253
Over 2 years	2,103	8,559	53,778
Total	308,531	577,757	771,156

Inventories aged over two years increased from RMB8.6 million as of December 31, 2024 to RMB53.8 million as of December 31, 2025, primarily because certain externally procured raw materials that we had stocked in advance to manage procurement cost fluctuations and support production planning became aged over two years in 2025. Such inventories mainly consisted of raw materials used in our production process. These inventories remain usable and are being consumed progressively based on our production requirements. We regularly assess the net realizable value of our inventories, taking into account factors including inventory aging, expected usage, customer orders, production plans and technology and product upgrades, and make provisions where necessary.

Inventories turnover days for a year equals the average of the opening and closing balance of inventories divided by cost of sales for the same year and multiplied by 365 days. Inventory turnover days increased from 227.5 days in 2023 to 262.9 days in 2024, primarily due to higher work in progress and finished goods driven by increased customer orders, which required us to maintain more products under production and more completed products to support production scheduling, timely delivery and customer acceptance arrangements. Inventory turnover days further increased to 287.2 days in 2025, primarily due to (i) strategic stocking advance procurement of raw materials for increased customer

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orders and new product launches; and (ii) an increase in goods in transit pending acceptance. As our equipment products generally involve procurement, assembly, testing, system integration, delivery and customer acceptance, and certain customized products have relatively long production lead times, increased order volume, new product launches or higher shipment activity may extend the period during which relevant products remain recorded as inventories, thereby increasing our average inventory balance relative to cost of sales and lengthening our inventory turnover days.

As of April 30, 2026, RMB448.8 million, or 58.2% of our inventories as of December 31, 2025, had been used, consumed or sold.

Although our inventory turnover days were relatively long, primarily due to strategic stocking for new product launches and an increase in goods pending customer acceptance, we have conducted detailed impairment assessments. For raw materials, we reviewed future production plans and made sufficient provisions for any excess or obsolete items. For finished goods and goods in transit, which are generally produced against confirmed orders, we determined net realizable value based on contract prices and recorded write-downs where necessary. Based on these measures and subsequent utilization, we believe adequate provisions have been made and there are no material impairment issues with respect to our inventories.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade and bills receivables at amortized costs			
Trade receivables without significant financing component . . .	697,803	817,062	834,750
Trade receivables with significant financing component	164,181	210,573	261,082
Bank bills receivable	20,157	31,790	29,828
Commercial bills receivable	20,198	20,404	45,028
Less: Impairment provision	(59,991)	(75,707)	(87,987)
Total	<u>842,348</u>	<u>1,004,122</u>	<u>1,082,701</u>
Non-current portion	(20,192)	(7,034)	(22,230)
Current portion	<u>822,156</u>	<u>997,088</u>	<u>1,060,471</u>
Bills receivables at fair value through other comprehensive income			
Bank bills receivables	7,587	12,893	14,393
Total	<u>829,743</u>	<u>1,009,981</u>	<u>1,074,864</u>

Our trade receivables primarily consist of amounts due from customers for sales of goods under various business lines. We generally offer credit terms of six to 12 months, which may be extended to up to 24 months for certain major customers. We seek to maintain strict control over our outstanding receivables, and overdue balances are reviewed regularly by senior management. Our bills receivables

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primarily consist of bank acceptance bills and commercial acceptance bills. Our bills receivables are generally due within six months from the date of issuance. Impairment was recognized for our trade receivables under the expected credit loss model.

Our trade and bills receivables, net amounted to RMB849.9 million, RMB1,017.0 million and RMB1,097.1 million as of December 31, 2023, 2024 and 2025, respectively. The increase in the amount of trade and bills receivables over time was primarily due to the expansion of our business scale and growth in sales to an enlarged and diversified customer base.

The following table sets forth the aging analysis of trade and bills receivables, based on the goods or services acceptance date and net of allowance for expected credit losses, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 1 year	611,735	713,659	838,198
1 year to 2 years	218,040	274,133	216,697
2 years to 3 years	20,160	28,670	35,274
3 years to 4 years	—	553	6,767
4 years to 5 years	—	—	158
Total	849,935	1,017,015	1,097,094

Trade receivables turnover days for a year equals the average of the opening and closing trade receivables divided by revenue for the same year and multiplied by 365 days. Our trade receivables turnover days increased from 318.6 days in 2023 to 361.5 days in 2024, primarily due to the expansion of our customer base and an increase in the proportion of sales settled through installment payments to compete for customer orders. Subsequently, our trade receivables turnover days decreased to 275.2 days in 2025, primarily due to (i) tighter credit approval and installment limits as our bargaining power improved; (ii) enhanced collection efforts; and (iii) internal management measures.

As of April 30, 2026, RMB469.6 million, or 42.7% of our trade and bills receivables as of December 31, 2025, had been settled.

We do not believe there is any material recoverability issue with respect to our trade and bills receivables. The relatively long turnover days of our trade receivables primarily reflect our product characteristics, customer acceptance procedures and contractual payment arrangements, rather than elevated credit risk. For further details on the reasons for our relatively long trade receivables turnover days and our credit policy, see “— Liquidity Management — Trade Receivables Turnover and Credit Policy”.

During the Track Record Period, we adjusted our sales policy by increasing prepayment requirements from minimal levels to a mandatory proportion, while allowing relatively longer subsequent payment terms in order to maintain competitiveness and support customer relationships. This adjustment contributed to the extension of our trade receivables turnover days, which peaked at 361.5 days before moderating to 275.2 days as the policy stabilized. According to CIC, such payment arrangements are in line with industry practice. Based on our historical collection patterns, subsequent settlements, customer credit profiles and impairment assessment, we do not believe that such payment arrangements, in themselves, indicate elevated recoverability risk.

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We apply the simplified approach under IFRS 9 to measure expected credit losses, with loss rates reassessed quarterly and adjusted for forward-looking factors. Taking into account our historical collection patterns, subsequent settlements and impairment provisions, we believe the overall recoverability risk of our trade and bills receivables is low.

Financial Investments at Fair Value Through Profit or Loss

Our financial investments at fair value through profit or loss comprised certificates of deposit and wealth management products. The following table sets forth our financial investments at fair value through profit or loss as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Current			
Wealth management products	120,388	20,005	—
Certificates of deposit	699,816	466,779	288,806
Subtotal	820,204	486,784	288,806
Non-current			
Unlisted investments	10,435	31,224	32,602
Total	830,639	518,008	321,408

The financial investments at fair value through profit or loss decreased by 37.6% from RMB830.6 million as of December 31, 2023 to RMB518.0 million as of December 31, 2024, primarily due to partial redemptions of investments in wealth management products and certificates of deposit, together with a lower level of new subscriptions as we reallocated cash to working capital. The financial investments at fair value through profit or loss decreased by 38.0% from RMB518.0 million as of December 31, 2024 to RMB321.4 million as of December 31, 2025, primarily due to continued net redemptions of wealth management products and other financial investments. Our unlisted investments are classified within Level 3 of the fair value hierarchy based on the inputs used in the valuation techniques applied to estimate their fair value.

We have implemented a series of internal control policies and rules regarding investment to ensure that the purpose of investment is to preserve capital and liquidity, and we would only purchase financial products under limited circumstances. Our finance department is responsible for managing our investment activities, and investment decisions of our finance department are subject to review and approval of our management team. Our investment decisions are made on a case-by-case basis after due and careful consideration of our cash flow positions and future working capital requirements based on operational needs. To control our risk exposure, we mainly invest in financial products offered by reputable commercial banks or reputable financial institutions. After making an investment, we closely monitor its performance and fair value on a regular basis.

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In addition, we have established a tiered approval mechanism for our investment activities based on the amount and nature of the proposed investment. For example, proposed investments exceeding RMB1.0 million are subject to a feasibility assessment. Depending on the size and nature of the proposed investment and the applicable internal approval requirements, the relevant proposal is reviewed by the Audit Committee and submitted to the Board of Directors and, where applicable, the shareholders' meeting for approval. In 2025, for example, the Audit Committee reviewed, and the Board of Directors and the shareholders' meeting approved, the use of up to RMB400.0 million of temporarily idle proceeds and up to RMB300.0 million of self-owned funds for cash management, which was limited to low-risk, high-liquidity, principal-protected products.

Our Finance Department is responsible for preparing investment proposals, which are first reviewed by the Audit Committee, then submitted to the Board for approval, and finally to the shareholders' meeting for authorization. Once approved, the management team executes investments within the authorized limits and timeframe, and reports regularly to the Board on investment performance and compliance.

We do not maintain a dedicated investment management team. Instead, our investment activities are governed by a robust framework of internal controls, compliance protocols, and Board-level oversight to ensure prudent and disciplined decision-making. Upon completion of the Listing, our investment in wealth management products will be subject to compliance with Chapter 14 of the Listing Rules.

Contract Assets

Our contract assets primarily represent warranty retention amounts stipulated under customer contracts. The following table sets forth our contract assets as of the dates indicated:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Retention receivables	22,349	21,289	23,806
Less: Impairment	(1,218)	(1,317)	(1,388)
Net carrying amount	<u>21,131</u>	<u>19,972</u>	<u>22,418</u>

Our contract assets remained relatively stable at RMB21.1 million as of December 31, 2023 and RMB20.0 million as of December 31, 2024. Our contract assets increased to RMB22.4 million as of December 31, 2025, primarily due to business growth and a corresponding increase in retention amounts, including warranty retention amounts, under customer contracts.

As of April 30, 2026, RMB5.5 million, or 23.0% of our contract assets as of December 31, 2025, had been certified.

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Property, Plant and Equipment

Our property, plant and equipment mainly consisted of our (i) buildings; (ii) machinery; (iii) motor vehicles; (iv) electronic equipment and other equipment; and (v) construction in progress. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Buildings	127,548	128,088	215,297
Machinery	28,608	22,172	18,267
Motor vehicles	1,495	1,507	1,035
Electronics equipment and other equipment . .	2,247	2,735	2,249
Construction in progress	15,124	87,527	60,449
Total	175,022	242,029	297,297

The carrying amount of our property, plant and equipment increased from RMB175.0 million as of December 31, 2023 to RMB242.0 million as of December 31, 2024, primarily due to the increase in construction in progress attributable to the construction of our Phase I facilities in 2023 and the construction of our Phase II facilities which commenced in 2022. The carrying amount of our property, plant and equipment further increased to RMB297.3 million as of December 31, 2025, primarily due to continued capital expenditure and the transfer of completed Phase II facilities and related assets from construction in progress to buildings.

Right-of-Use Assets

Our right-of-use assets consist of land use rights and buildings. Our right-of-use assets decreased from RMB9.5 million as of December 31, 2023 to RMB8.9 million as of December 31, 2024, primarily due to depreciation. Our right-of-use assets remained relatively stable at RMB8.6 million as of December 31, 2025.

Trade and Bills Payables

Our trade and bills payables are non-interest bearing. The following table sets forth a breakdown of our trade and bills payable as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade payables	144,169	290,770	290,867
Bills payable	103,423	203,117	207,338
Total	247,592	493,887	498,205

Our trade and bills payables primarily included amounts due to suppliers of raw materials and key components.

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Our trade and bills payables increased by 99.5% from RMB247.6 million as of December 31, 2023 to RMB493.9 million as of December 31, 2024, primarily due to increased procurement of raw materials and components to support higher production volumes and more favorable payment periods. Our trade and bills payables remained relatively stable at RMB498.2 million as of December 31, 2025.

The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	141,830	284,819	281,985
1 to 2 years	1,481	4,920	5,263
2 to 3 years	543	226	2,687
Over 3 years	315	805	932
Total	144,169	290,770	290,867

Trade and bills payables turnover days for a year equals the average of the opening and closing trade payables divided by cost of sales for the same year and multiplied by 365 days. Our trade and bills payables turnover days increased from 199.5 days in 2023 to 220.0 days in 2024 primarily due to enhanced bargaining power with suppliers, which allowed us to have more favorable payment terms. Our trade and bills payables turnover days decreased to 211.2 days in 2025, primarily due to normal settlement timing.

As of April 30, 2026, RMB426.7 million, or 85.7% of our trade and bills payables as of December 31, 2025, had been settled.

Other Payables and Accruals

Our other payables and accruals increased from RMB69.7 million as of December 31, 2023 to RMB107.6 million as of December 31, 2024, primarily due to an increase in payables for purchase of property, plant and equipment attributable to higher accrued construction and equipment procurement liabilities related to the construction of our Phase II facilities and an increase in endorsed bills receivable that have not been derecognized attributable to our use of bills received from customers to settle payments to suppliers, which remained recognized as our payables as we retained the obligation to make payment if the bills were not settled. Our other payables and accruals increased to RMB152.3 million as of December 31, 2025, primarily due to an increase in payroll and welfare payables, reflecting higher headcount and compensation accruals, and the recognition of shares repurchase obligation in connection with our share incentive arrangements. For a breakdown of our other payables and accruals, see Note 30 to the Accountants' Report in Appendix I to this prospectus.

As of April 30, 2026, RMB93.2 million, or 61.2% of our other payables and accruals as of December 31, 2025, had been settled.

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Contract Liabilities

Our contract liabilities primarily represent advances received from customers under sales contracts. Contract liabilities increased significantly from RMB16.2 million as of December 31, 2023 to RMB41.2 million as of December 31, 2024, primarily driven by a substantial increase in customer orders. Our contract liabilities increased to RMB56.6 million as of December 31, 2025 due to continued order growth and the related increase in customer advances.

Deferred Income

Our deferred income mainly consists of government grants, including asset-related grants and subsidies for reimbursement of future expenses. Our deferred income amounted to RMB72.3 million, RMB65.9 million and RMB59.6 million as of December 31, 2023, 2024 and 2025, respectively. The decrease in our deferred income over time was primarily due to subsidies meeting acceptance conditions and the straight-line amortization of asset-related grants.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we had funded our cash requirements principally from cash generated from operations and equity and debt financing. After the Global Offering, we intend to finance our future capital requirements through cash generated from our business operations, and the net proceeds from the Global Offering. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB189.7 million, RMB244.9 million and RMB442.7 million, as of December 31, 2023, 2024 and 2025, respectively.

Current Assets and Current Liabilities

The following table sets forth a breakdown of our current assets and liabilities as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	April 30, 2026
	<i>(RMB in thousands)</i>			
Current assets				
Inventories	308,531	577,757	771,156	894,278
Trade and bills receivables	829,743	1,009,981	1,074,864	1,087,725
Contract assets	15,895	15,433	19,538	18,721
Prepayments, other receivables and other assets	20,619	47,822	35,102	41,534
Financial investments at fair value through profit or loss	820,204	486,784	288,806	469,852
Pledged deposits	8,773	41,542	29,679	25,430
Restricted cash	—	—	2,288	8
Cash and cash equivalents	189,718	244,883	442,714	322,553
Total current assets	2,193,483	2,424,202	2,664,147	2,860,101

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	As of December 31,			As of
	2023	2024	2025	April 30, 2026
	<i>(RMB in thousands)</i>			
Current liabilities				
Trade and bills payables	247,592	493,887	498,205	617,000
Contract liabilities	16,169	41,179	56,609	85,139
Other payables and accruals	69,710	107,559	152,286	155,429
Interest-bearing bank and other borrowings	16,523	3,186	9,127	4,573
Lease liabilities	397	387	488	475
Income tax payable	18,133	1,310	13,683	13,129
Deferred income	6,321	55,401	55,401	55,401
Provision	4,867	8,309	13,149	12,586
Total current liabilities	379,712	711,218	798,948	943,732
Net current assets	1,813,771	1,712,984	1,865,199	1,916,369

We had net current asset positions as of December 31, 2023, 2024 and 2025 and April 30, 2026.

Our net current assets increased from RMB1,713.0 million as of December 31, 2024 to RMB1,865.2 million as of December 31, 2025, primarily due to increases in (i) inventories of RMB193.4 million; and (ii) cash and cash equivalents of RMB197.8 million, which was partially offset by decreases in financial investments at fair value through profit or loss of RMB198.0 million, and an increase in other payables and accruals of RMB44.7 million.

Our net current assets decreased from RMB1,813.8 million as of December 31, 2023 to RMB1,713.0 million as of December 31, 2024, primarily due to (i) a decrease in financial investments at fair value through profit or loss of RMB333.4 million; and (ii) an increase in trade and bills payables of RMB246.3 million, partially offset by increases in inventories of RMB269.2 million, trade and bills receivables of RMB180.2 million and cash and cash equivalents of RMB55.2 million.

Cash Flow

The following table sets forth our cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net cash flows from/(used in) operating activities	(129,426)	(71,550)	91,864
Net cash flows from/(used in) investing activities	(834,163)	267,345	123,233
Net cash flows from/(used in) financing activities	799,219	(140,856)	(16,474)
Net increase/(decrease) in cash and cash equivalents	(164,370)	54,939	198,623
Cash and cash equivalents at the beginning of the year	354,490	189,718	244,883
Effect of foreign exchange rate changes, net	(402)	226	(792)
Cash and cash equivalents at the end of the year	189,718	244,883	442,714

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Net Cash Used in/Generated from Operating Activities

In 2025, the net cash generated from operating activities was RMB91.9 million, which was primarily attributable to our profit before tax of RMB329.7 million, as adjusted by (i) impairment losses on financial assets and contract assets, net of RMB12.6 million, depreciation of property, plant and equipment of RMB13.8 million and write-down of inventories to net realizable value of RMB14.8 million; and (ii) changes in working capital, which primarily comprised (a) an increase in inventories of RMB208.2 million, primarily due to strategic stocking and advance procurement in response to increased customer orders, new product launches and higher shipment volumes pending customer acceptance in 2025 (b) an increase in trade and bills receivables of RMB96.9 million primarily due to the expansion of our business scale and growth in sales to an enlarged and diversified customer base, partially offset by a decrease in prepayments, other receivables and other assets of RMB28.1 million, primarily due to a decrease in VAT recoverable as a result of increased output VAT driven by sales growth.

In 2024, the net cash used in operating activities was RMB71.6 million, which was primarily attributable to our profit before tax of RMB171.1 million, as adjusted by, (i) impairment loss recognized on financial assets and contract assets under ECL model, net of RMB18.0 million, depreciation of property, plant and equipment of RMB13.4 million, investment income of RMB14.4 million and interest income arising from revenue contracts of RMB3.5 million; and (ii) changes in working capital, which primarily comprised increases in (a) inventories of RMB282.4 million primarily due to a significant rise in work in progress and finished goods driven by a surge in orders in the fourth quarter of 2024; and (b) trade and bills receivables of RMB184.7 million primarily due to the expansion of our business scale and growth in sales to an enlarged and diversified customer base, partially offset by an increase in trade and bills payables of RMB246.3 million primarily due to improved supplier management, resulting in more favorable payment terms.

In 2023, the net cash used in operating activities was RMB129.4 million, which was primarily attributable to our profit before income tax of RMB195.0 million, as adjusted by (i) impairment loss recognized on financial assets and contract assets under ECL model, net of RMB24.2 million, depreciation of property, plant and equipment of RMB14.3 million and fair value gains on financial assets at fair value through profit or loss of RMB10.7 million; and (ii) changes in working capital, which primarily comprised (a) an increase in trade and bills receivables of RMB290.2 million primarily due to the expansion of our business scale and growth in sales to an enlarged and diversified customer base; and (b) a decrease in trade and bills payables of RMB40.5 million primarily due to higher prepayments to secure raw materials, partially offset by (a) an increase in other payables and accruals of RMB13.3 million and (b) a decrease in pledged deposits of RMB8.5 million.

Net Cash Used in/Generated from Investing Activities

In 2025, net cash generated from investing activities was RMB123.2 million, which was primarily attributable to disposals of financial investments at fair value through profit or loss of RMB353.3 million, partially offset by investments in financial investments at fair value through profit or loss of RMB152.0 million and purchases of items of property, plant and equipment of RMB85.3 million.

In 2024, net cash generated from investing activities was RMB267.3 million, which was primarily attributable to disposals of financial investments at fair value through profit or loss of RMB680.0 million, partially offset by (a) investments in financial investments at fair value through profit or loss of RMB361.7 million and (b) purchases of items of property, plant and equipment of RMB61.4 million.

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In 2023, net cash used in investing activities was RMB834.2 million, which was primarily attributable to investments in financial investments at fair value through profit or loss of RMB915.0 million, partially offset by disposals of financial investments at fair value through profit or loss of RMB105.0 million and purchases of items of property, plant and equipment of RMB25.3 million.

Net Cash Used in/Generated from Financing Activities

In 2025, net cash used in financing activities was RMB16.5 million, which was primarily attributable to dividends paid of RMB48.6 million, partially offset by proceeds from shares granted under share incentive plan of RMB36.1 million.

In 2024, our net cash used in financing activities was RMB140.9 million, which was primarily attributable to (a) dividends paid of RMB104.8 million and (b) share repurchase of RMB30.0 million and (c) repayments of interest-bearing bank and other borrowings of RMB16.5 million, partially offset by proceeds from issue of shares of RMB8.1 million.

In 2023, net cash generated from financing activities was RMB799.2 million, which was primarily attributable to (a) proceeds from issue of shares of RMB800.9 million and (b) proceeds of interest-bearing bank and other borrowings of RMB16.5 million, partially offset by (a) repayment of interest-bearing bank and other borrowings of RMB9.0 million and (b) share issue expenses of RMB8.3 million.

LIQUIDITY MANAGEMENT

Inventory Turnover and Impairment Assessment

Our relatively long inventory turnover days during the Track Record Period were primarily due to the nature of our production and delivery processes and customer acceptance requirements. The manufacturing of high-end semiconductor equipment, such as semiconductor direct-writing lithography equipment, involves complex procedures including precision assembly and multiple rounds of testing, resulting in a production cycle of approximately 90 to 120 days. Delivery typically takes two to three days for customers in China and around 15 days for overseas customers, while the acceptance process generally requires one to three months, delaying revenue recognition and inventory clearance. In addition, certain critical components, such as lasers and high-precision guide rails, are sourced from overseas suppliers, and their delivery schedules are subject to fluctuations in international logistics. To mitigate these risks, we maintain higher levels of safety stock. The extended production and acceptance cycles mean that goods shipped often remain in inventory until acceptance is completed, which lengthens inventory turnover days and temporarily increases working capital requirements, placing pressure on liquidity.

Trade Receivables Turnover and Credit Policy

Our trade receivables turnover days were relatively long during the Track Record Period primarily due to the relatively long production, delivery and customer acceptance cycle of our high-end equipment products and the milestone-based payment terms of our sales contracts. Our sales contracts typically provide for staged payments, including prepayments upon contract signing, delivery payments upon shipment, acceptance payments upon customer acceptance, and settlement of the remaining balance over an agreed credit period after acceptance, which extended our collection cycle.

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Our standard credit terms for settlement of the remaining balance generally range from six to 12 months. In limited cases, we grant longer credit terms of up to 20 to 24 months to certain major customers. According to CIC, credit terms of six to 12 months and longer credit terms of up to 20 to 24 months are consistent with industry practice, and our credit arrangements are in line with such industry norms.

We grant longer credit terms only selectively and on a case-by-case basis, primarily where this is necessary to compete with overseas vendors, accommodate customers' project schedules or funding arrangements, or support commercially important customer relationships. In determining whether to grant credit terms, including any longer credit terms, we consider factors such as the customer's background, creditworthiness, financial condition, payment history, years of cooperation and the importance of the relevant order. Proposals for longer credit terms are reviewed by our sales and finance departments and are subject to approval by senior management.

Measures to Improve Delivery Efficiency and Shorten Cash Conversion Cycle

We have implemented a comprehensive set of initiatives to improve delivery efficiency and shorten our cash conversion cycle, focusing on supply chain management, production process optimization, and customer engagement. On the supply chain front, we have digitized procurement workflows by integrating SRM and ERP systems, covering end-to-end processes from sourcing and tendering to delivery and payment. This enhances accuracy, visibility, and lead times while reducing errors. We have also established long-term strategic partnerships with core suppliers via annual framework agreements and just-in-time delivery models, shifting inventory burden upstream and reducing raw material inventory days. For large components, daily delivery scheduling minimizes on-site storage, lowers holding costs, and accelerates turnover.

For production process optimization, we have adopted lean manufacturing principles, using value stream mapping to identify and eliminate bottlenecks. Key measures include expanding critical workstations, modularizing semi-finished components for faster assembly, converting sequential operations to parallel ones and standardizing procedures for consistent workflows. We have also enhanced our ERP-based production planning and material readiness management, which helps improve coordination among procurement, production and delivery. These initiatives support more efficient management of work-in-progress inventory and safety stock and improve production-to-delivery coordination. To sustain these improvements, we provide employee training aimed at enhancing production flexibility and operational resilience.

In customer engagement, we have introduced a credit grading system requiring clients with terms over 90 days to increase prepayments to at least 30%, while aligning payment schedules with delivery milestones to reduce outstanding receivables. We also conduct proactive discussions on project timelines and financing needs to foster collaboration and mitigate liquidity risks. These measures are monitored via key metrics like inventory turnover, production cycle time, and receivables aging, ensuring measurable improvements in delivery efficiency and cash conversion cycle.

Impact of Prolonged Cycle and Liquidity Management Strategies

A prolonged cash conversion cycle increases working capital requirements and financing costs, as reflected in higher finance expenses in 2024, and may constrain capacity expansion and delay new project timelines. It also places pressure on operating cash flow and short-term liquidity, with our current ratio declining from 5.8 in 2023 to 3.3 as of December 31, 2025. To mitigate these risks, we

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monitor working capital through regular reviews of key metrics such as inventory turnover days, trade receivables turnover days and cash conversion cycle. Our liquidity management policy emphasizes value preservation and risk control. We are implementing targeted measures, including (i) strengthening supply chain and production efficiency, (ii) enhancing receivables management through credit tiering, higher prepayment requirements, and (iii) optimizing our financing structure by expanding supply chain financing solutions, initiating accounts receivable securitization, and using the net proceeds from the Global Offering to replenish working capital. As of the Latest Practicable Date, we had an aggregate credit facility of RMB609.7 million and no outstanding short-term borrowings, with financing primarily supported by equity. We are also adjusting our short-term investment strategy to prioritize liquidity by increasing allocations to low-risk, same-day redeemable products and limiting investments to large-denomination certificates of deposit and structured deposits in line with our treasury policy.

Payment Arrangements and Impact on Cash Flow

Our sales contracts typically adopt milestone-based payment terms. For example, certain major customers require (i) an upfront or delivery payment ranging from 20% to 50% of the contract amount, (ii) a significant portion, often 40% to 60%, payable upon customer acceptance, which is generally scheduled two to three months after delivery, and (iii) the remaining balance, typically 10%, payable within 12 to 24 months after acceptance, sometimes in multiple installments. In some cases, customers settle post-acceptance payments through commercial bills, which further extends the actual cash collection period.

The interval between delivery and final settlement can therefore exceed one year, as a substantial portion of the contract amount is tied to the acceptance stage and subsequent warranty period. These extended payment schedules, combined with the use of commercial bills, lengthen our cash conversion cycle and increase working capital requirements, placing pressure on operating cash flow and liquidity management. To mitigate these effects, we closely monitor collection progress, implement credit tiering and prepayment requirements for customers with longer payment terms, and utilize financing solutions such as accounts receivable securitization and supply chain financing.

Customer Payment Performance and Credit Control

We have not experienced any material delays or defaults in payments from customers during the Track Record Period and up to the Latest Practicable Date. Our credit control framework includes a customer risk management register, periodic monitoring of customers' financial conditions, and an early-warning and credit management system.

Measures to Improve Operating Cash Flow

We recorded net cash outflows from operating activities of RMB129.4 million and RMB71.6 million in 2023 and 2024, respectively, primarily due to working capital outflows associated with business expansion, in particular increases in inventories and trade and bills receivables to support sales growth and order fulfillment. To improve our operating cash flow position, we have adopted measures to strengthen working capital management, including enhancing customer credit assessment and receivables collection procedures, improving inventory and production planning to better align procurement and delivery schedules, optimizing product mix and improving profitability of our principal products, and maintaining disciplined cost and expense control through improved operating efficiency and tighter management of discretionary expenses. Our operating cash flow position improved significantly in 2025, and we recorded net cash inflows from operating activities of RMB91.9

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million for the year ended December 31, 2025, primarily attributable to improved operating performance and more effective working capital management. Going forward, we intend to continue implementing these measures to further enhance working capital efficiency and support our operating cash flow position.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	April 30, 2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current				
Interest-bearing bank and other borrowings	16,523	3,186	9,127	4,573
Lease liabilities	397	387	488	475
	16,920	3,573	9,615	5,048
Non-current				
Lease liabilities	1,493	1,176	911	801
Total	<u>18,413</u>	<u>4,749</u>	<u>10,526</u>	<u>5,849</u>

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, except for bank loans, we did not have plans for other material external debt financing.

Interest-Bearing Bank and Other Borrowings

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we had interest-bearing bank and other borrowings of RMB16.5 million, RMB3.2 million, RMB9.1 million and RMB4.6 million, respectively, mainly representing bank loans secured by pledges of our patent rights, unsecured bank loans and bank borrowings resulting from discounted unmatured bills primarily to supplement our working capital. The effective interest rate on our interest-bearing bank and other borrowings and discounted unmatured bills ranged from 2.20% to 3.00% during the Track Record Period. All of our bank and other borrowings will be due within one year.

As of the Latest Practicable Date, our unutilized banking facilities amounted to RMB395.8 million.

Our Directors confirm that there was no material covenant on any of our outstanding debt as of the Latest Practicable Date, and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

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Lease Liabilities

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our total lease liabilities (including current and non-current portions) amounted to RMB1.9 million, RMB1.6 million, RMB1.4 million and RMB1.3 million respectively. Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, we use incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

Our total lease liabilities decreased by 15.8% from RMB1.9 million as of December 31, 2023 to RMB1.6 million as of December 31, 2024 and further decreased by 10.5% to RMB1.4 million as of December 31, 2025 mainly due to the scheduled repayment of lease liabilities, partially offset by interest accretion and the recognition of new lease liabilities, including new leases in Thailand in 2024 and additional leases entered into in 2025.

Indebtedness Statement

Except as disclosed above, as of April 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors confirm that there is no material change in our indebtedness since April 30, 2026 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we did not have any material contingent liabilities.

KEY FINANCIAL RATIOS

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

	For the year ended/As of December 31,		
	2023	2024	2025
Revenue growth (%)	27.1	15.1	47.6
Current ratio ⁽¹⁾	5.8	3.4	3.3
Quick ratio ⁽²⁾	5.0	2.6	2.4
Gearing ratio (%) ⁽³⁾	0.8	0.2	0.4

Notes:

- (1) Current ratio equals current assets divided by current liabilities as of the end of the year.
- (2) Quick ratio equals current assets less inventories and divided by current liabilities as of the end of the year.
- (3) Gearing ratio equals total borrowings divided by total equity as of the end of the year and multiplied by 100%.

Our current ratio decreased from 5.8 times as of December 31, 2023 to 3.4 times as of December 31, 2024, primarily due to an increase in current liabilities mainly in relation to an increase in trade and bills payables.

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Our quick ratio decreased from 2.6 times as of December 31, 2024 to 2.4 times as of December 31, 2025, primarily due to an increase in inventories. Our quick ratio decreased from 5.0 times as of December 31, 2023 to 2.6 times as of December 31, 2024, primarily due to an increase in current liabilities mainly in relation to an increase in trade and bills payables.

Our gearing ratio increased from 0.2% as of December 31, 2024 to 0.4% as of December 31, 2025, primarily due to an increase in interest-bearing bank and other borrowings, mainly attributable to an increase in discounted bills recognized as short-term borrowings in 2025. Our gearing ratio decreased from 0.8% as of December 31, 2023 to 0.2% as of December 31, 2024, primarily due to a significant decrease in interest-bearing bank and other borrowings in 2024.

CAPITAL COMMITMENTS

The following table sets forth our capital commitments as of the dates indicated:

	As of December 31,		
	2023	2024	2025
Property, plant and equipment	221	999	2,731
Intangible assets	1,105	190	—
Construction in progress	79,920	2,671	5,651
Total	81,246	3,860	8,382

CAPITAL EXPENDITURES

Our capital expenditures in 2023, 2024 and 2025 were RMB27.4 million, RMB65.5 million and RMB86.9 million, respectively, primarily attributable to purchases of items of property, plant and equipment, additions to other intangible assets and additions to land use rights. We funded our capital expenditure requirements during the Track Record Period mainly from equity financing. We intend to fund our future capital expenditures and long-term investments with a combination of operating cashflow, equity and debt financing and net proceeds received from the Global Offering. See “Future Plans and Use of Proceeds.” We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any off-balance sheet arrangements.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details about our related party transactions during the Track Record Period, see Note 39 of Appendix I to this prospectus. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm’s length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

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FINANCIAL RISK DISCLOSURE

See Note 42 to the Accountants' Report in Appendix I to this prospectus.

DIVIDEND AND DIVIDEND POLICY

After the completion of the Global Offering, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory and regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Our Shareholders may approve any declaration of dividends.

Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval in our Shareholders' meeting. Pursuant to our dividend policy under our Articles of Association, the amount of the dividends distributed in every three years should be at least 30% of our profits for these three years that are available for distribution, subject to certain specified conditions. Save for the general dividend provisions set out in our Articles of Association, we have not adopted any separate formal dividend policy or pre-determined dividend payout ratio.

In 2023, 2024 and 2025, we declared dividends of nil, RMB104.8 million and RMB48.6 million in respect of the years ended December 31, 2022, 2023 and 2024, respectively. As of the Latest Practicable Date, we had paid these dividends in full. In April 2025, the Board proposed a dividend of RMB48.6 million with respect to the year ended December 31, 2024, which was approved by the Shareholders in May 2025. As of June 18, 2025, the dividends for the year ended December 31, 2024 have been fully paid to our Shareholders.

As confirmed by our PRC Legal Adviser, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit 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 net profit to our statutory common reserve fund as described above.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents, the available banking facilities and the estimated net proceeds from the Global Offering, our directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had approximately RMB737.9 million of retained profits available for distribution to our Shareholders.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We expect to incur listing expenses of approximately HK\$90.3 million (based on the mid-point of the indicative Offer Price range and assuming the Over-allotment

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Option is not exercised), which accounts for approximately 2.9% of the gross proceeds from the Global Offering. We estimate the listing expenses to consist of approximately HK\$53.8 million in underwriting fees and approximately HK\$36.5 million in non-underwriting fees (which consist of fees and expenses of legal advisors and our Reporting Accountant of approximately HK\$21.9 million and other fees and expenses of approximately HK\$14.6 million). Among the total listing expenses, approximately HK\$84.3 million will be directly attributable to the issue of our Shares, which will be deducted from equity upon the completion of the Global Offering, and the remaining approximately HK\$5.9 million will be expensed in our consolidated statements of comprehensive income. We did not incur any listing expenses in 2023 and 2024. In 2025, we incurred listing expenses of RMB16.2 million, of which RMB0.6 million was expensed in our consolidated statements of profit or loss.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See “Appendix II – Unaudited Pro Forma Financial Information.”

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

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

We are a public company listed on the Shanghai Stock Exchange and we published our quarterly report on April 30, 2026, containing our unaudited consolidated financial statements as of and for the three months ended March 31, 2026, prepared under PRC GAAP. As a result, we have included our unaudited interim consolidated financial statements in Appendix IA to this prospectus. Our unaudited interim consolidated financial statements have been prepared in accordance with the applicable International Accounting Standard issued by the International Accounting Standard Board and reviewed by our Reporting Accountants in accordance with Hong Kong Standard on Review Engagements 2410. See “Appendix IA — Unaudited Interim Consolidated Financial Information.”

Summary of Consolidated Statements of Profit or Loss

The following table summarizes our results of operations for the periods indicated:

	Three months ended March 31,	
	2025	2026
	<i>(RMB in thousands)</i>	
	<i>(Unaudited)</i>	
Revenue	242,243	514,722
Cost of sales	(142,062)	(307,516)
Gross profit	100,181	207,206
Other income and gains, net	7,592	11,404
Selling and marketing expenses	(15,381)	(25,413)
Administrative expenses	(8,314)	(20,110)
Research and development expenses	(23,027)	(36,023)
Impairment losses on financial assets and contract assets, net	(4,196)	(6,033)
Other expenses	(237)	(8,055)
Finance costs	(1)	(16)
Profit before income tax	56,617	122,960
Income tax expense	(4,750)	(14,567)
Profit for the period	51,867	108,393

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Our revenue increased significantly from RMB242.2 million in the three months ended March 31, 2025 to RMB514.7 million in the three months ended March 31, 2026, primarily attributable to (i) an increase in revenue from our PCB direct imaging equipment and automation systems, driven by higher sales volume and average selling prices and supported by demand from downstream PCB manufacturers serving AI servers and data centers; and (ii) an increase in revenue from our semiconductor direct-writing lithography equipment and automation systems, driven by higher sales volume, reflecting increased customer demand and our ability to fulfill more customer orders following the ramp-up of production capacity. Our cost of sales increased significantly from RMB142.1 million in the three months ended March 31, 2025 to RMB307.5 million in the three months ended March 31, 2026, primarily due to an increase in direct material costs, which was generally in line with the growth in our revenue.

As a result of the foregoing, our gross profit increased significantly from RMB100.2 million in the three months ended March 31, 2025 to RMB207.2 million in the three months ended March 31, 2026. Our gross profit margin remained relatively stable at 41.4% in the three months ended March 31, 2025 and 40.3% in the three months ended March 31, 2026.

Our selling and marketing expenses increased by 65.2% from RMB15.4 million in the three months ended March 31, 2025 to RMB25.4 million in the three months ended March 31, 2026, primarily due to increases in employee compensation and business development expenses as we continued to expand our sales and service coverage, particularly in overseas markets. Our administrative expenses increased significantly from RMB8.3 million in the three months ended March 31, 2025 to RMB20.1 million in the three months ended March 31, 2026, primarily due to an increase in share-based payment expenses recognized during the period. Our research and development expenses increased by 56.4% from RMB23.0 million in the three months ended March 31, 2025 to RMB36.0 million in the three months ended March 31, 2026, primarily due to increases in employee compensation and material expenses as we undertook additional research and development projects in connection with our product development and technology upgrade initiatives.

As a result of the foregoing, our profit before tax increased significantly from RMB56.6 million in the three months ended March 31, 2025 to RMB123.0 million in the three months ended March 31, 2026.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,	As of March 31,
	2025	2026
	(RMB in thousands)	
	(Unaudited)	
Total non-current assets	452,509	469,546
Total current assets	2,664,147	2,942,812
Total assets	3,116,656	3,412,358
Total non-current liabilities	9,336	8,096
Total current liabilities	798,948	985,382
Net current assets	1,865,199	1,957,430
Total liabilities	808,284	993,478
Net assets	2,308,372	2,418,880
Total equity	2,308,372	2,418,880

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Our net current assets increased from RMB1,865.2 million as of December 31, 2025 to RMB1,957.4 million as of March 31, 2026, mainly attributable to (i) an increase in trade and bills receivables primarily due to the growth in sales and the timing of customer settlements; (ii) an increase in cash and cash equivalents primarily reflecting net cash generated from operating activities during the period; and (iii) an increase in financial investments at fair value through profit or loss primarily reflecting treasury management of available funds through certificates of deposit and wealth management products, partially offset by increases in trade and bills payables and contract liabilities primarily reflecting procurement, production and customer order arrangements.

Our net assets increased from RMB2,308.4 million as of December 31, 2025 to RMB2,418.9 million as of March 31, 2026, primarily due to profit for the period of RMB108.4 million and share-based payments of RMB4.8 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information from our consolidated cash flow statements for the periods indicated:

	Three months ended March 31,	
	2025	2026
	<i>(RMB in thousands)</i>	
	<i>(Unaudited)</i>	
Net cash (used in)/from operating activities	(31,315)	164,561
Net cash from/(used in) investing activities	25,974	(75,368)
Net cash used in financing activities	—	(108)
Net (decrease)/increase in cash and cash equivalents.	(5,341)	89,085
Cash and cash equivalents at beginning of year	244,883	442,714
Effect of foreign exchange rate changes on cash and cash equivalents	960	(2,649)
Cash and cash equivalents at end of year	240,502	529,150

In the three months ended March 31, 2026, our net cash flows from operating activities were RMB164.6 million, which was primarily attributable to our profit before tax of RMB123.0 million, as adjusted by (i) impairment loss recognized on financial assets and contract assets of RMB6.0 million, depreciation and amortization of RMB4.9 million, fair value losses on financial liabilities at fair value through profit or loss of RMB4.3 million and share-based payment compensation of RMB3.5 million; and (ii) changes in working capital, which primarily comprised (a) an increase in trade and bills payables of RMB83.0 million, primarily due to increased procurement of raw materials and components to support production and delivery schedules, and (b) an increase in contract liabilities of RMB61.9 million, primarily due to an increase in advances received from customers under sales contracts, partially offset by an increase in trade and bills receivables of RMB129.7 million, primarily due to the growth in sales and the timing of customer settlements.

In the three months ended March 31, 2026, our net cash used in investing activities amounted to RMB75.4 million, primarily attributable to investments in financial investments at fair value through profit or loss of RMB173.9 million and purchases of items of property, plant and equipment of RMB29.0 million, partially offset by proceeds from disposal of financial investments at fair value through profit or loss of RMB120.5 million.

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In the three months ended March 31, 2026, our net cash used in financing activities amounted to RMB108 thousand, representing the principal portion of lease payments.

No Material Adverse Change

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the years reported in Appendix I to this prospectus, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business — Our Strategies” in this Prospectus for a detailed description of our future plans.

USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$246.41 per Share (being the mid-point of the indicative Offer Price range of HK\$240.09 and HK\$252.73), we estimate that we will receive net proceeds of approximately HK\$3,073.3 million from the Global Offering. We intend to use the proceeds from the Global Offering to strengthen our research and development capabilities, expand our overall production capacity, pursue strategic investments and/or acquisitions, expand our global sales presence and overseas sales and service network, and for working capital and other general corporate purposes, details of which are set forth below.

The following table sets forth the expected implementation timeline for the use of proceeds by year for each major category:

Major category (% of net proceeds)	2026	2027	2028	2029	2030	Total
<i>(HK\$ in millions)</i>						
Strengthen research and development capabilities (25%)	25.0	65.2	165.2	214.9	298.1	768.3
Expand overall production capacity (18%)	152.8	61.1	66.1	122.2	151.0	553.2
Strategic investments and/or acquisitions (27%)	113.2	113.2	302.3	301.1	—	829.8
Expand international sales presence and overseas sales and service network (20%)	6.3	30.1	104.4	196.3	277.6	614.7
Working capital and other general corporate purposes (10%)	307.3	—	—	—	—	307.3
Total	604.7	269.6	638.0	834.6	726.7	3,073.3

Approximately 25% of the net proceeds, or HK\$768.3 million, will be used to strengthen our research and development capabilities, which are central to our long-term innovation strategy. During the Track Record Period, our R&D expenses remained stable as a percentage of revenue, demonstrating our commitment to innovation without materially impacting profitability. Our direct-writing lithography equipment requires integrated expertise in optics, mechanics, electronics, computing, and software, and sustained investment in talent and technology is essential for systematic upgrades and maintaining our competitive edge. These investments will enable product upgrades toward higher lithography precision, development of efficient and compact equipment to meet customer needs, and early deployment of next-generation products aligned with industry trends. We plan to achieve breakthrough advancements in direct-writing lithography technologies, recruit and retain top-tier R&D talent, and optimize and domestically produce critical components. We aim to accelerate product development, expand into emerging application areas, utilize AI technologies and build a scalable, platform-based technology

FUTURE PLANS AND USE OF PROCEEDS

foundation that supports sustainable growth and expansion overseas. While increasing R&D costs which may impact our overall financial performance in the near term, these initiatives are expected to improve our business operations by differentiating our products, improving our products' profit margins, and reinforcing our leadership in advanced lithography technologies.

- approximately 10% of the net proceeds, or HK\$307.3 million, will be used for the research and development of manufacturing equipment for more advanced production processes of high-end PCB and advanced packaging, IC substrates, and other semiconductor sub-sectors, with a particular focus on high-resolution, high-precision, and high-efficiency direct-writing lithography technologies. We also intend to explore and incubate new applications of direct-writing lithography technology in emerging industries.
- approximately 8% of the net proceeds, or HK\$245.9 million, will be used to build and strengthen our domestic and international R&D talent teams. We plan to recruit top-tier experts in core technology domains and establish long-term partnerships with overseas talent to ensure alignment with our long-term growth strategy. We intend to recruit approximately 30 to 40 R&D personnel both in China and overseas with an annual salary range of RMB800,000 to RMB3.0 million. Their primary responsibilities will include product design and development, and technical research and innovation. Candidates are expected to hold a bachelor's degree or above in a relevant field and possess at least eight years of industry experience in the direct-writing lithography equipment sector. In addition, we plan to recruit approximately 22 to 30 prototype production and process validation specialists in China with an annual salary range of RMB140,000 to RMB200,000 to support prototype production, process testing and reliability validation for our R&D projects. We also plan to recruit approximately five to eight technical application specialists with R&D and process validation functions in China and overseas markets with an annual salary range of RMB600,000 to RMB1.8 million. These technical application specialists will form part of our R&D support functions and will focus on collecting and analyzing front-end technical requirements, support process validation and product introduction, and provide technical feedback to our R&D teams for future technology and process upgrades. We further plan to recruit approximately eight to 15 R&D project management and technical operations personnel in China and overseas locations with an annual salary range of RMB180,000 to RMB300,000 to support R&D project execution and cross-border technical collaboration. These personnel will be part of our R&D department, and their compensation will be recorded under employee compensation within our research and development expenses.
- approximately 7% of the net proceeds, or HK\$215.1 million, will be used to optimize and domestically produce key components. Specifically, we will advance the development and upgrade of critical subsystems such as light source systems and precision motion platforms, with the goal of reducing supply chain dependency and developing domestically produced alternatives. We also plan to integrate AI algorithms into our equipment systems to enable real-time optimization of system parameters, predictive maintenance and intelligent fault detection. By using AI, we aim to address key issues such as alignment speed, substrate warping and RDL misalignment, which will help improve production yields. AI-enabled predictive maintenance and intelligent fault diagnosis will also enhance equipment efficiency and reduce repair times, ensuring that our customers' production lines operate smoothly and reliably. This will support the development of a scalable, platform-based technology architecture that can adapt to diverse application scenarios and accelerate product innovation.

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Approximately 18% of the net proceeds, or HK\$553.2 million, will be used to expand our overall production capacity. We plan to strategically invest in our key facilities in Southeast Asia and upgrade our production infrastructure through digital transformation and AI. We believe that these expansions and enhancements will elevate our expertise and capabilities, which will help us improve product quality and strengthen our ability to fulfill growing customer demand globally.

- approximately 10% of the net proceeds, or HK\$307.3 million, will be used to expand our production capacity in Thailand. We selected Thailand for our overseas production capacity expansion after considering, among other factors, its industry clustering effect, investment environment, geographic location, customer layout and our prior operating experience in Thailand. In particular, Thailand has attracted a growing number of PCB and electronics manufacturers, which has contributed to the development of a more established industry ecosystem, supplier network and customer base. Establishing new production facilities in Thailand is expected to enable us to be closer to customers and industry participants with manufacturing operations in Southeast Asia, better support the delivery of overseas orders, respond more promptly to customer requirements in rapidly growing sectors such as artificial intelligence and automotive electronics, and strengthen our regional manufacturing footprint. Thailand's geographic location also enables us to coordinate production and customer service activities for neighboring Southeast Asian markets. In addition, our existing subsidiary in Thailand has provided us with initial local operating experience and execution capability, which we believe will support the implementation of our planned capacity expansion.

Southeast Asia has become a major hub for the global electronics industry, supported by its geographic advantages, abundant labor supply, and cost-efficient manufacturing environment. According to the China Printed Circuit Association (CPCA), more than 30 of the world's top 40 PCB manufacturers have announced plans to establish production bases in Thailand, Vietnam or Malaysia by 2026. The Thailand Board of Investment (BOI) reported that approved investments in the PCB industry grew from approximately RMB815.3 million in 2020 to RMB13,745.1 million in 2024, representing a CAGR of 102.6%. According to CIC, Thailand's PCB output value will increase from approximately RMB25.0 billion in 2024 to RMB40.1 billion in 2030, reflecting a CAGR of about 8.0%, which exceeds the global growth rate for the same period. We believe this strong industry growth and customer demand support our planned capacity expansion in Thailand.

We plan to enhance the production capabilities of our subsidiary in Thailand by acquiring land, acquiring factory premises, carrying out construction or renovation works and procuring production equipment and supporting facilities. This expansion will add one new production line dedicated to expanding the capacity of our existing PCB products, providing an expected incremental capacity of 50 to 100 units with an anticipated utilization rate of approximately 80% to 90%. The planned allocation includes HK\$35.1 million for land costs, HK\$45.1 million for factory acquisition, HK\$50.1 million for renovation works, HK\$23.3 million for equipment procurement and digitalization upgrades, HK\$15.5 million for auxiliary tools, and HK\$138.2 million for daily operating expenses, including wages, intermediary fees and working capital.

- approximately 8% of the net proceeds, or HK\$245.9 million, will be used to digitally upgrade and integrate AI into our production lines. We aim to establish a fully integrated equipment manufacturing environment that enables end-to-end production visualization, namely the real-time digital monitoring and centralized display of key production data across

FUTURE PLANS AND USE OF PROCEEDS

each stage of our manufacturing workflow, including equipment status, process parameters, production progress and quality control results. This will help us optimize our processes, production efficiency and enhance traceability and quality control. These upgrades are expected to reduce labor requirements by approximately 20%, improve overall work efficiency by about 10%, measured by the reduction in average integration and commissioning time per unit and lower equipment failure rates by around 30% through enhanced management and predictive maintenance.

Approximately 27% of the net proceeds, or HK\$829.8 million, will be used for strategic investments and/or acquisitions aimed at strengthening our position across the industry value chain. We plan to pursue both horizontal and vertical expansion opportunities to enhance our technological capabilities, secure critical upstream resources, and drive long-term sustainable growth. As of the Latest Practicable Date, we had not identified any acquisition targets.

- approximately 20% of the net proceeds, or HK\$614.7 million, will be used to pursue strategic investments in, or acquisitions of, equipment companies within the industry value chain. By identifying and investing in, or acquiring, early-stage or growth-stage companies with advanced core technologies and key talent, we aim to achieve synergistic technological integration through equitable collaboration and to enhance our overall technical capabilities. In selecting potential acquisition targets, we will consider the following factors: (i) possession of proprietary or advanced core technologies that are synergistic with our existing capabilities and can enhance our technical competitiveness; (ii) a strong team of technical personnel, particularly those with expertise in equipment design, systems integration, and innovation management; (iii) an operating history of approximately at least five years; (iv) a strong compliance record, with no material breaches of applicable laws and regulations since establishment; and (v) a transparent shareholding structure, free from material litigation, arbitration, or ownership disputes, and with all necessary licenses, permits, and approvals in place for lawful operation. In addition, our acquisition strategy contemplates a timeframe between 2026 and 2029, with a focus on acquiring majority interests in target companies. For equipment manufacturers, we expect to target one to two companies with annual sales of up to RMB100.0 million, primarily in laser processing and optical inspection equipment. For critical component manufacturers, including lenses, lasers, core control systems, and optical modules, we will prioritize companies with annual revenue exceeding RMB30.0 million. The number of component manufacturer targets will not be limited. The geographic scope will be global, excluding jurisdictions subject to international sanctions or trade restrictions. We will also prioritize companies with scalable infrastructure, strong market relevance and the potential to contribute meaningfully to our long-term strategic objectives through collaborative integration and technological synergy. According to CIC, there are adequate acquisition targets meeting our criteria in the market. As a result, our Directors believe that acquisition targets meeting our selection criteria are available in the market and that our acquisition plans are feasible.
- approximately 7% of the net proceeds, or HK\$215.1 million, will be used for vertical integration through the acquisition of upstream key component suppliers in the LDI equipment value chain. Through these acquisitions, we intend to strengthen supply chain stability and improve the interchangeability of critical raw materials.

Approximately 20% of the net proceeds, or HK\$614.7 million, will be used to expand our international sales presence and develop our overseas sales and service network. Our planned overseas sales and service network expansion is intended to support our international business development

FUTURE PLANS AND USE OF PROCEEDS

through a combination of localized sales coverage, technical service capabilities and brand and channel marketing initiatives. Local technical support is particularly important for equipment sales in the PCB and electronics industries, as customers typically require timely installation, maintenance, troubleshooting and process support to maintain production continuity and equipment reliability.

- approximately 10% of the net proceeds, or HK\$307.3 million, will be used to establish overseas technical service centers. We plan to set up multiple service hubs in key international markets, staffed with professional after-sales engineers and equipped with comprehensive maintenance capabilities. These centers will enable us to deliver timely, high-quality equipment servicing and technical support, which will enhance customer satisfaction and operational reliability.

The planned locations of our technical service centers were determined after considering customer demand, the development of regional PCB and electronics manufacturing clusters, and the overseas expansion plans of certain existing and target customers. In particular, the global PCB and electronics manufacturing supply chain has continued to regionalize, with increasing production capacity being established in Southeast Asia, including Malaysia and Vietnam. Taiwan China and Japan are existing overseas markets where we have accumulated customer relationships and service experience. Malaysia, Vietnam and South Korea are markets where we intend to further expand our sales and service coverage. Although we have not generated revenue of significant scale in certain of these markets, we have developed relevant market knowledge through our customer relationships, industry engagement and experience in serving customers with overseas production needs. We believe the planned technical service centers will support customer servicing and business development in local and surrounding markets. The following table provides an overview of our planned overseas technical service centers, including key implementation details:

Location	Implementation	Number of Staff to be Hired	Salary range (RMB/year)	Initial Investment (RMB'000)	Annual Operating Cost (RMB'000)	Expected 3-year Revenue Contribution (RMB'000)
Taiwan China. . . .	By end of 2027	12	300,000–600,000	2,000	10,500	64,800
Malaysia.	By end of 2028	8	250,000–500,000	1,500	7,000	43,200
Vietnam	By end of 2027	10	250,000–500,000	1,500	8,750	54,000
Japan.	By end of 2027	6	400,000–700,000	2,000	5,250	32,400
South Korea	By end of 2027	5	400,000–700,000	2,000	4,400	27,000

- approximately 7% of the net proceeds, or HK\$215.1 million, will be used to build and expand our overseas sales network. We intend to deploy dedicated sales teams in strategic regions including Europe, the United States, Southeast Asia, Japan, South Korea, and Taiwan China. In Southeast Asia, we plan to deploy dedicated sales teams primarily in Thailand, Vietnam and Malaysia, with Thailand serving as our regional operating hub for coordinating sales activities in Southeast Asia. Europe and the United States are also markets where we intend to further expand our overseas sales coverage, supported by their established semiconductor, automotive electronics, industrial electronics and advanced manufacturing sectors. We intend to develop our overseas sales coverage in a prudent and phased manner

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by leveraging our industry experience, customer engagement and localized sales capabilities. These teams will focus on promoting our product portfolio, deepening market penetration and increasing brand visibility and market share.

- approximately 3% of the net proceeds, or HK\$92.2 million, will be used for brand building and channel marketing initiatives. We will participate in leading global semiconductor exhibitions (such as SEMICON), launch targeted advertising campaigns in industry media and execute integrated marketing programs to enhance our brand recognition and influence in overseas markets.

Approximately 10% of the net proceeds, or HK\$307.3 million, will be used for working capital and other general corporate purposes.

In the event that the Offer Price is set at the maximum Offer Price or the minimum Offer Price of the indicative Offer Price range, the net proceeds of the Global Offering will increase or decrease by approximately HK\$79.8 million, respectively. To the extent that the net proceeds from the Global Offering (including the net proceeds from the exercise of the Over-allotment Option) are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

UNDERWRITING

HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited
CMB International Capital Limited
Guoyuan Securities Brokerage (Hong Kong) Limited
BOCI Asia Limited
Futu Securities International (Hong Kong) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 1,283,900 Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus at the Offer Price.

Subject to the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed to severally (and not jointly or jointly and severally) to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Sole Sponsor and the Sponsor-OC (for itself and on behalf of the Hong Kong Underwriters) shall, in their sole and absolute discretion, be entitled by notice (in writing) to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to 8:00 a.m. on the Listing Date:

- (a) there shall develop, occur, exist or come into effect:
 - (i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore, or other jurisdictions relevant to our Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or

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- (ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or
- (iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or
- (iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of our Company listed or quoted on a stock exchange or an over-the-counter market; or
- (v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (vii) other than with the prior written consent of the Overall Coordinator, the issue or requirement to issue by our Company of a supplement or amendment to the Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or

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- (viii) the commencement by any Authority or other regulatory or political body or organization of any public action or investigation against a Group Company or a director or a senior management member of any Group Company or announcing an intention to take any such action; or
- (ix) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any Group Company or any member of the Controlling Shareholders Group or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (x) any valid demand by creditors for payment or repayment of indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or
- (xi) any non-compliance of the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or
- (xii) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of our Group or any member of the Controlling Shareholders Group or any Director or senior management members as named in the Prospectus; or
- (xiii) any contravention by any Group Company or any Director of the Listing Rules or applicable Laws; or
- (xiv) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in the Prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Sponsor-OC (for itself and on behalf of the Hong Kong Underwriters):

- A. has or will or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders’ equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Company or our Group as a whole;
- B. has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or
- C. makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents; or

UNDERWRITING

- D. has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (b) there has come to the notice of the Sole Sponsor and the Sponsor-OC (for itself and on behalf of the Hong Kong Underwriters) that:
- (i) any statement contained in any of the Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the “**Global Offering Documents**”) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or
 - (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any Global Offering Document; or
 - (iii) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by our Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
 - (iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties pursuant to the indemnities in the Hong Kong Underwriting Agreement; or
 - (v) any breach of any of the obligations or undertakings imposed upon our Company or any cornerstone investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or
 - (vi) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect; or
 - (vii) that the Chairman of the Board, any Director or any member of senior management of our Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office; or
 - (viii) any Director or any member of senior management of our Company named in the Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or
 - (ix) our Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

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- (x) that the approval by the Listing Committee of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (xi) any person (other than any of the Sole Sponsor) has withdrawn its consent to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (xii) any prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (xiii) any person (other than the Sole Sponsor and the Overall Coordinator) has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents or to the issue of any of the Offering Documents; or
- (xiv) an order or petition is presented for the winding-up or liquidation of any member of our Group, or any member of our Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group; or
- (xv) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Overall Coordinator, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws; or
- (xvi) that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise,

then, in each case, the Sponsor-OC (for itself and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

UNDERWRITING

Undertakings to the Stock Exchange Pursuant to the Listing Rules

Undertakings by our Company

In accordance with Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that no further shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued or sold or transferred out of treasury or form the subject of any agreement to such an issue, or sale or transfer out of treasury within six months from the date on which securities of our Company first commence dealing on the Stock Exchange (whether or not such issue of shares or securities, or sale or transfer of treasury shares will be completed within six months from the commencement of dealing), except for the issue of shares or securities pursuant to the Global Offering (including the exercise of the Over-allotment Option) or for circumstances permitted under Rule 10.08 of the Listing Rules.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Our Company has undertaken to the Sole Sponsor, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager, the Capital Market Intermediaries, the Hong Kong Underwriters and each of them not to (save for the issue, offer or sale of the Offer Shares by our Company pursuant to the Global Offering, including pursuant to any exercise of the Over-allotment Option), without the prior written consent of the Sole Sponsor and the Overall Coordinator (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the last date of the six months after the Listing Date (the “**First Six-Month Period**”):

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, assign, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in the share capital or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of our Company, as applicable), or deposit any share capital or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company, as applicable); or

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- (c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) or (b) above; or
- (d) offer to or contract to or agree to announce, or publicly disclose any intention to effect any transaction described in paragraphs (a), (b) or (c) above,

in each case, whether any such transaction described in paragraphs (a), (b) or (c) above is to be settled by delivery of share capital or such other securities of our Company, in cash or otherwise, in cash or otherwise (whether or not the issue of such share capital or other securities of our Company will be completed within the First Six-Month Period), provided that the foregoing restrictions shall not apply to the issue of the H Shares by our Company pursuant to the Global Offering.

In the event that, at any time during the period of six months immediately following the expiration of the First Six-Month Period (the “**Second Six-Month Period**”), our Company enters into any of the transactions specified above or offers or agrees or contracts to, or announces, or publicly discloses, any intention to, enter into any such transactions, our Company will take all reasonable steps to ensure that it will not create a disorderly or false market in the Shares or other securities of our Company.

Indemnity

Each of our Company and the Controlling Shareholders Group has agreed to indemnify, among others, the Sole Sponsor, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer, including, amongst others, losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by them, respectively of the Hong Kong Underwriting Agreement or certain provisions thereof.

Sole Sponsor’ Fee

The sponsor fee payable to the Sole Sponsor in connection with the Listing by our Company is US\$0.3 million.

The International Offering

In connection with the International Offering, it is expected that our Company will enter into the International Underwriting Agreement with, among others, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally and not jointly, agree to procure subscribers or purchasers for the International Offer Shares (excluding, for the avoidance of doubt, the Offer Shares which are subject to the Over-allotment Option), failing which they agree to subscribe for or purchase their respective proportions of the International Offer Shares which are not taken up under the International Offering.

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinator on behalf of the International Underwriters at any time from the date of the International Underwriting Agreement until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot up to an aggregate of 1,925,750 additional Offer Shares representing no more than 15.00% of the initial Offer Shares, at the same price per Offer Share under the International Offering to cover, among other things, over-allocations (if any) in the International Offering.

UNDERWRITING

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed.

Total Commission and Expenses

The Capital Market Intermediaries and the Underwriters will receive an underwriting commission (the “**Fixed Fees**”) equals to 1.2% of the aggregate sale proceeds from the Global Offering (including any proceeds arising from the exercise of any Over-allotment Option) (collectively the “**Gross Proceeds**”). Our Company may, at our sole and absolute discretion, pay to one or more Capital Market Intermediaries or Underwriters an incentive fee up to 0.5% of the Gross Proceeds (the “**Discretionary Fees**”). Assuming the Discretionary Fees are paid in full, the ratio of Fixed Fees and Discretionary Fees payable to all Underwriters is 71:29. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

Assuming the Over-allotment Option is not exercised and based on an Offer Price of HK\$246.41 (being the mid-point of the stated range of the Offer Price between HK\$240.09 and HK\$252.73), the aggregate commissions and fees, together with listing fees, SFC transaction levy, AFRC transaction levy, Stock Exchange trading fee, legal and other professional fees and other expenses, payable by our Company relating to the Global Offering are estimated to be approximately HK\$90.27 million in total.

Activities by Syndicate Members

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering (together, referred to as “**Syndicate Members**”) and their affiliates may each individually undertake and (as further described below) which do not form part of the underwriting or the stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group’s loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving,

UNDERWRITING

directly or indirectly, buying and selling the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described in “— Over-allotment Option” and “— Stabilization” in the section headed “Structure of the Global Offering” in this prospectus. These activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilizing Manager, its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Hong Kong Underwriters’ Interests in our Company

Save as otherwise disclosed in this prospectus and save for its obligations under the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding interests in our Company or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Underwriting Agreements.

Other Services to our Company

The Overall Coordinator and certain of the Underwriters or their respective affiliates have, from time to time, provided and expect to provide in the future investment banking and other services to our Company and our respective affiliates, for which such Overall Coordinator, Underwriters or their respective affiliates have received or will receive customary fees and commissions.

UNDERWRITING

Other Services Provided by the Underwriters

The Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager and the Underwriters may in their ordinary course of business provide financing to investors subscribing for the Offer Shares offered by this prospectus. Such Overall Coordinator, Global Coordinator, Bookrunner, Lead Manager and Underwriters may enter into hedges and/or dispose of such Offer Shares in relation to the financing which may have a negative impact on the trading price of our H Shares.

Over-allotment Option and Stabilization

Details of the arrangements relating to the Over-allotment Option and the stabilization are set forth in “— Over-allotment Option” and “— Stabilization” in the section headed “Structure of the Global Offering” in this prospectus.

Independence of the Sole Sponsor

The Sole Sponsor satisfied the independence criteria set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. China International Capital Corporation Hong Kong Securities Limited, CMB International Capital Limited and Guoyuan Securities Brokerage (Hong Kong) Limited are the Overall Coordinator of the Global Offering.

The Listing is sponsored by the Sole Sponsor. The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued or sold pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option).

12,838,650 Offer Shares will initially be made available under the Global Offering comprising:

- the Hong Kong Public Offering of 1,283,900 H Shares (subject to reallocation) in Hong Kong as described in “— The Hong Kong Public Offering” in this section below; and
- the International Offering of 11,554,750 H Shares (subject to reallocation and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in “— The International Offering” in this section below.

Investors may either (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or (ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 8.88% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering, assuming the Over-allotment Option are not exercised. If the Over-allotment Option is exercised in full, the Offer Shares (including H Shares issued pursuant to the full exercise of the Over-allotment Option) will represent approximately 10.08% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-allotment Option.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

Our Company is initially offering 1,283,900 Offer Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.00% of the total number of Offer Shares initially available under the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

STRUCTURE OF THE GLOBAL OFFERING

Completion of the Hong Kong Public Offering is subject to the conditions set out in the paragraph headed “— Conditions of the Global Offering” below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A and pool B (with any odd lots being allocated to pool A). The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the “price” for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 641,950 Hong Kong Offer Shares (being approximately 50% of the 1,283,900 Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The Offer Shares to be offered under the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Offer Shares are not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as it deems appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

STRUCTURE OF THE GLOBAL OFFERING

In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 641,850 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 1,925,750 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering. Where both the International Offer Shares and the Hong Kong Offer Shares are undersubscribed, the Global Offering will not proceed and will lapse, unless the shortfall is taken up by the Underwriters.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the allotment results announcement, which is expected to be published on Thursday, June 25, 2026.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channel), the maximum Offer Price in addition to the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$12,763.94 for one board lot of 50 Offer Shares. If the Offer Price, as finally determined in the manner described in “— Pricing and Allocation” in this section below, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. Please refer to the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies” in this prospectus for details.

STRUCTURE OF THE GLOBAL OFFERING

THE INTERNATIONAL OFFERING

Number of Offer Shares Offered

Subject to reallocation, the International Offering will consist of an offering of initially 11,554,750 H Shares, representing 90% of the Offer Shares initially available under the Global Offering (assuming the Over-allotment Option is not exercised).

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in “— Pricing and Allocation” in this section below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares and/or hold or sell its Offer Shares after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Group and the Shareholders as a whole.

The Overall Coordinator (for itself and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinator so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of reallocation as described in “— The Hong Kong Public Offering — Reallocation” above.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinator (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinator (on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require us to issue up to an aggregate of 1,925,750 additional H Shares (representing not more than 15.00% of the Offer Shares initially available under the Global Offering) at the Offer Price, to cover over-allocations in the International Offering, if any.

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If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 1.31% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

EMPLOYEE PREFERENTIAL OFFERING

Of the 11,554,750 Offer Shares initially being offered under the International Offering, based on maximum Offer Price of HK\$252.73, no more than 313,600 Offer Shares, representing approximately 2.44% of the Offer Shares initially available for subscription under the International Offering, are available for subscription as Employee Reserved Shares by the 11 Eligible Employees on a preferential basis under the Employee Preferential Offering according to Rule 10.01 of the Listing Rules.

The Eligible Employees are selected by the Company by taking into consideration, among others, their seniority, current position as well as contribution made to the Group. Since all Eligible Employees are PRC residents and could not directly participate in the Employee Preferential Offering according to relevant applicable PRC laws and regulations, the Company intends to place certain Employee Reserved Shares to CICC FT, a connected client of CICCHKs, to facilitate the Eligible Employees in participating in the economic exposure to the Global Offering of the Company through OTC Swaps (as defined below) under the Employee Preferential Offering. The allocation basis of the Employee Preferential Offering will be determined on a fair basis in accordance with Practice Note 20 of the Listing Rules. See “Waivers and Exemption — Consent in respect of allocations to connected client under the Employee Preferential Offering.”

CICC FT and China International Capital Corporation Limited have entered into a series of cross-border delta-one OTC swap transactions with each other and with the privately-offered investment fund subscribed by the Eligible Employees (“**OTC Swaps**”). Accordingly, CICC FT will hold the Employee Reserved Shares on a non-discretionary basis for and on behalf of such privately-offered investment fund subscribed by the Eligible Employees to hedge the OTC Swaps while the economic risks and returns of the underlying H Shares will be passed to such Eligible Employees ultimately, subject to customary fees and commissions in accordance with terms of the OTC Swaps. To the best knowledge of the Company and after due and careful enquiry, among the Eligible Employees: (a) Mr. Shen Yicheng (沈一程), who is Ms. Cheng’s adult child and an employee, intends to subscribe for the Employee Reserved Shares through the OTC Swaps using RMB6 million of his own funds; and (b) Mr. He Shaofeng (何少鋒), who is an employee and an existing shareholder of the Company, and who, as of the Latest Practicable Date, held 820,000 A Shares (representing 0.62% of the total shares of the Company) and a 5.29% limited partnership interest in Yage Venture Capital (which in turn held 7.17% of the total issued capital of the Company), intends to subscribe for the Employee Reserved Shares through the OTC Swaps using RMB8 million of his own funds.

As of the Latest Practicable Date, all Eligible Employees held an aggregate indirect interest in the Company representing approximately 0.79% of the total issued shares of the Company as of the Latest Practicable Date, which is calculated based on (i) the equity interest held by each relevant Eligible Employee in Yage Venture Capital multiplied by the shareholding of Yage Venture Capital in the Company; plus (ii) the equity interest held by each relevant Eligible Employee in He Photolithography multiplied by the shareholding of He Photolithography in the Company; plus (iii) the equity interest held by each relevant Eligible Employee in Na Photolithography multiplied by the shareholding of Na Photolithography in the Company; plus (iv) the restricted shares granted to each relevant Eligible Employee under the 2025 Employee Stock Ownership Scheme, divided by the Company’s total issued

STRUCTURE OF THE GLOBAL OFFERING

shares as of the Latest Practicable Date. In aggregate, the total direct and indirect shareholding of the Eligible Employees in the Company as of the Latest Practicable Date was approximately 1.41% of the total issued shares of the Company.

The maximum number of H Shares that any individual Eligible Employee may indirectly apply for under the Employee Preferential Offering will be limited to 38,178 H Shares, representing approximately 12% of the Offer Shares available for subscription under the Employee Preferential Offering and approximately 0.25% of the Offer Shares initially available for subscription under the Global Offering (assuming the Over-allotment Option is not exercised). Such measures will help to ensure that no single Eligible Employee would hold an excessively large number of H Shares under the Employee Preferential Offering to the disadvantage of the other Eligible Employees.

Each Eligible Employee will also confirm that he/she:

- (a) is and remains an employee as of the date of this Prospectus;
- (b) is not a core connected person of the Company;
- (c) is not any person whose acquisition of securities will be financed directly or indirectly by the Company or a core connected person;
- (d) is not any person who is accustomed to take instructions from the Company or a core connected person in relation to the acquisition, disposal, voting or other disposition of securities of the Company registered in his/her name or otherwise held by him/her;
- (e) is outside the U.S. and not a U.S. person (as defined in Rule 902 of Regulation S); and
- (f) will only participate in the Global Offering through the subscription of the Employee Reserved Shares under the Employee Preferential Offering and will not subscribe for the Company's H Shares in the Global Offering through any other channels.

Any Employee Reserved Shares not subscribed for by the Eligible Employees will be available for subscription by other investors in the International Offering after the reallocation as described in “—The Hong Kong Public Offering” in this Prospectus.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may make purchases, over-allocate or effect transactions in the market or otherwise take such stabilizing action(s) with a view to supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date.

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However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (i) will be conducted at the sole and absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company, (ii) may be discontinued at any time and (iii) is required to be brought to an end within 30 days after the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (ii) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (iii) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in clauses (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;
- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;
- liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;
- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Thursday, July 23, 2026, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;
- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In effecting stabilization actions, the Stabilizing Manager (or any person acting for it) may arrange cover up to an aggregate of 1,925,750 additional H Shares (representing not more than 15.00% of the Offer Shares initially available under the Global Offering), through delayed delivery arrangements with investors who have been offered Offer Shares under the International Offering. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend

STRUCTURE OF THE GLOBAL OFFERING

on whether sufficient number of H Shares will be made available under delayed delivery arrangements. There will be no stabilization actions and no exercise of the Over-allotment Option should no investors be willing to enter into such delayed delivery arrangements.

Our Company will ensure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

PRICING AND ALLOCATION

Determining the Pricing of the Offer Shares

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be determined on the Price Determination Date, which is expected to be on or before Wednesday, June 24, 2026 and, in any event, no later than 12:00 noon on Wednesday, June 24, 2026, by agreement between the Overall Coordinator (for itself and on behalf of the Underwriters) and our Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK\$252.73 per Offer Share and is expected to be not less than HK\$240.09 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channel), the maximum Offer Price plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$12,763.94 for one board lot of 50 Offer Shares. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus.**

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinator (for themselves and on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of our Company, reduce the number of Offer Shares offered below and/or the Offer Price range as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Stock Exchange at <https://www.cfmeecn> and www.hkexnews.hk, respectively, notices of the reduction. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer

STRUCTURE OF THE GLOBAL OFFERING

Price range will be final and conclusive and the Offer Price, if agreed upon by the Overall Coordinator (for itself and on behalf of the Underwriters) and our Company, will be fixed within such revised Offer Price range.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Overall Coordinator (for itself and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Announcement of Final Pricing of the Offer Shares

The final pricing of the Offer Shares, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed “How to Apply for Hong Kong Offer Shares — B. Publication of Results” in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Overall Coordinator (for itself and on behalf of the Underwriters) and our Company agreeing on the Offer Price.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed “Underwriting” in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option), on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;
- the pricing of the Offer Shares having been agreed between the Overall Coordinator (for itself and on behalf of the Underwriters) and our Company;

STRUCTURE OF THE GLOBAL OFFERING

- the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and
- the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Overall Coordinator (for itself and on behalf of the Underwriters) and our Company by 12:00 noon on Wednesday, June 24, 2026, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of our Company and the Stock Exchange at <https://www.cfmeecn> and www.hkexnews.hk, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies” in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Friday, June 26, 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, June 26, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, June 26, 2026.

The H Shares will be traded in board lots of 50 H Shares each and the stock code of the H Shares will be 9630.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “HKEXnews > New Listings > New Listing Information” section, and our website at www.cfmeecn.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address (*for the **HK eIPO White Form** service only*); and
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director or a Supervisor, or any of his/her close associates.

HOW TO APPLY FOR HONG KONG OFFER SHARES

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Wednesday, June 17, 2026 and end at 12:00 noon on Tuesday, June 23, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Applicants who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Wednesday, June 17, 2026 to 11:30 a.m. on Tuesday, June 23, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, June 23, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instructions on your behalf through HKSCC's FINI system in accordance with your instruction	Applicants who would <u>not</u> like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian .

The **HK eIPO White Form** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
<ul style="list-style-type: none">• Full name(s)² as shown on your identity document• Identity document's issuing country or jurisdiction• Identity document type, with order of priority:<ul style="list-style-type: none">i. Hong Kong identity ("HKID") card; orii. National identification document; oriii. Passport; and• Identity document number	<ul style="list-style-type: none">• Full name(s)² as shown on your identity document• Identity document's issuing country or jurisdiction• Identity document type, with order of priority:<ul style="list-style-type: none">i. LEI registration document; orii. Certificate of incorporation; oriii. Business registration certificate; oriv. Other equivalent document; and• Identity document number

HOW TO APPLY FOR HONG KONG OFFER SHARES

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
4. The maximum number of joint applicants on FINI is capped at four in accordance with market practice.
5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

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- (1) Subject to change, if the Articles of Association and applicable company law prescribe a lower cap.

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinator, as our agent, have discretion to consider whether to accept it on any conditions we or they think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 50 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK\$252.73 per Offer Share.

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

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your **broker** or **custodian**.

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

HOW TO APPLY FOR HONG KONG OFFER SHARES

No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/successful allotment
	HK\$		HK\$		HK\$		HK\$
50	12,763.94	900	229,750.90	9,000	2,297,509.03	400,000	102,111,512.82
100	25,527.88	1,000	255,278.78	10,000	2,552,787.82	500,000	127,639,391.03
150	38,291.82	1,500	382,918.18	20,000	5,105,575.63	641,950 ⁽¹⁾	163,876,214.14
200	51,055.76	2,000	510,557.57	30,000	7,658,363.46		
250	63,819.70	2,500	638,196.96	40,000	10,211,151.28		
300	76,583.63	3,000	765,836.35	50,000	12,763,939.10		
350	89,347.58	3,500	893,475.74	60,000	15,316,726.92		
400	102,111.51	4,000	1,021,115.13	70,000	17,869,514.75		
450	114,875.46	4,500	1,148,754.53	80,000	20,422,302.57		
500	127,639.39	5,000	1,276,393.92	90,000	22,975,090.38		
600	153,167.27	6,000	1,531,672.69	100,000	25,527,878.20		
700	178,695.16	7,000	1,786,951.47	200,000	51,055,756.41		
800	204,223.02	8,000	2,042,230.25	300,000	76,583,634.61		

Notes:

- (1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **Hong Kong eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any Offer Shares.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications (“**Best Practice Note**”) issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification documents numbers displayed are redacted.

HOW TO APPLY FOR HONG KONG OFFER SHARES

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinator (or its agents or nominees), as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;
- (ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your **broker** or **custodian**), and agree to be bound by them;
- (iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your **broker** or **custodian** and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (iv) confirm that you are aware of the restrictions on the Global Offering set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (vi) agree that the Sole Sponsor, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Underwriters, their or our Company's respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering (the "**Relevant Persons**"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;
- (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes" and "— G. Personal Data — 4. Transfer of Personal Data" in this section;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— B. Publication of Results” in this section;
- (x) confirm that you are aware of the situations specified in the paragraph headed “— C. Circumstances in which you will not be allocated Hong Kong Offer Shares” in this section;
- (xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by our Company, any of the Directors, Supervisors, chief executives of our Company, substantial Shareholder(s) or existing Shareholder(s) or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from our Company, any of the Directors, Supervisors, chief executives of our Company, substantial Shareholder(s) or existing Shareholder(s) or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;
- (xiv) warrant that the information you have provided is true and accurate;
- (xv) confirm that you understand that we and the Overall Coordinator will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and the **HK eIPO White Form** Service Provider; and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/Time
Applying through the HK eIPO White Form service or HKSCC EIPO channel:	
Website. From the “Allotment Results” page at www.hkeipo.hk/IPOResult (or www.tricor.com.hk/ipo/result) with a “search by ID” function.	24 hours, from 11:00 p.m. on Thursday, June 25, 2026 to 12:00 midnight on Wednesday, July 1, 2026 (Hong Kong time)
The full list of (i) wholly or partially successful applicants using the HK eIPO White Form service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipo/result .	
The Stock Exchange’s website at www.hkexnews.hk and our website at www.cfmeecn which will provide links to the abovementioned websites of the H Share Registrar.	No later than 11:00 p.m. on Thursday, June 25, 2026 (Hong Kong time).
Telephone +852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar	Between 9:00 a.m. and 6:00 p.m., from Friday, June 26, 2026 to Thursday, July 2, 2026 (Hong Kong time) on a business day.

For those applying through **HKSCC EIPO** channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Wednesday, June 24, 2026 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, June 24, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at www.hkexnews.hk and our website at www.cfmeecn by no later than 11:00 p.m. on Thursday, June 25, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinator, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinator believes that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Friday, June 26, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of H Share certificate¹		
For application of 500,000 Hong Kong Offer Shares or more	<p>Collection in person at the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.</p> <p>Time: 9:00 a.m. to 1:00 p.m. on Friday, June 26, 2026 (Hong Kong time).</p> <p>If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.</p> <p>Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.</p> <p><i>Note:</i> If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.</p>	<p>H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account.</p> <p>No action by you is required.</p>
For application of less than 500,000 Hong Kong Offer Shares . . .	<p>Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.</p> <p>Date: Thursday, June 25, 2026.</p>	
Refund mechanism for surplus application monies paid by you		
Date	Friday, June 26, 2026.	Subject to the arrangement between you and your broker or custodian .
Responsible party	H Share Registrar.	Your broker or custodian .
Application monies paid through single bank account	HK eIPO White Form e-Auto Refund payment instructions to your designated bank account.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement Application monies paid between you and it.

HOW TO APPLY FOR HONG KONG OFFER SHARES

	HK eIPO White Form service	HKSCC EIPO channel
Application monies paid between you and it through multiple bank accounts	Refund check(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

Note:

1. Except in the event of any of the Severe Weather Signals (as defined below) in the morning on Thursday, June 25, 2026 rendering it impossible for the relevant H Share certificates to be despatched to HKSCC in a timely manner, our Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to the paragraph headed “— E. Severe Weather Arrangements” in this section.

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, June 23, 2026 if, there is/are:

- a No. 8 typhoon warning signal or above;
- a black rainstorm warning signal; and/or
- Extreme Conditions

(collectively, “**Severe Weather Signals**”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, June 23, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the Listing Date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made and published on the Stock Exchange’s website at www.hkexnews.hk and our website at www.cfmeecn of the revised timetable.

If a Severe Weather Signal is hoisted on Thursday, June 25, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Friday, June 26, 2026.

If a Severe Weather Signal is hoisted on Thursday, June 25, 2026, for application of less than 500,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Thursday, June 25, 2026 or on Friday, June 26, 2026).

HOW TO APPLY FOR HONG KONG OFFER SHARES

If a Severe Weather Signal is hoisted on Friday, June 26, 2026, for application of 500,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar's office after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Friday, June 26, 2026 or on Monday, June 29, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by our Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to our Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of our Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform our Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund check and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of our Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from our Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable our Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. Transfer of personal data

Personal data held by our Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisors, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

Our Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CIRCUIT FABOLOGY MICROELECTRONICS EQUIPMENT CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Circuit Fabology Microelectronics Equipment Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-89, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-89 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 17 June 2026 (the “**Prospectus**”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

Ernst & Young*Certified Public Accountants*

Hong Kong

17 June 2026

I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
REVENUE	Notes 5	828,855	953,943	1,408,121
Cost of sales		(490,046)	(615,211)	(857,163)
Gross profit		338,809	338,732	550,958
Other income and gains, net	6	56,860	53,035	43,987
Selling and marketing expenses		(44,513)	(49,183)	(63,427)
Administrative expenses		(36,607)	(52,357)	(51,594)
Research and development expenses		(94,541)	(97,697)	(131,234)
Impairment losses on financial assets and contract assets, net.		(24,216)	(17,974)	(12,645)
Other expenses	9	(63)	(3,014)	(6,002)
Finance costs	8	(698)	(474)	(326)
PROFIT BEFORE TAX		195,031	171,068	329,717
Income tax expense	12	(15,726)	(10,373)	(39,785)
PROFIT FOR THE YEAR		179,305	160,695	289,932
Attributable to:				
Owners of the parent		179,305	160,695	289,932
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic (RMB per share)	14	1.43	1.23	2.21
Diluted (RMB per share)	14	1.43	1.23	2.21

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PROFIT FOR THE YEAR	179,305	160,695	289,932
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations.	—	1,417	997
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	—	1,417	997
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	179,305	162,112	290,929
Attributable to:			
Owners of the parent.	179,305	162,112	290,929

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
	Notes			
NON-CURRENT ASSETS				
Property, plant and equipment	15	175,022	242,029	297,297
Investment properties	16	34,789	38,045	33,426
Right-of-use assets	17(a)	9,453	8,933	8,625
Other intangible assets	18	3,884	6,363	5,813
Contract assets	23	5,236	4,539	2,880
Financial investments at fair value through profit or loss	19	10,435	31,224	32,602
Trade and bills receivables	21	20,192	7,034	22,230
Prepayments, other receivables and other assets	22	3,062	491	20,720
Deferred tax assets	32	24,916	25,983	28,916
Total non-current assets		286,989	364,641	452,509
CURRENT ASSETS				
Inventories	20	308,531	577,757	771,156
Trade and bills receivables	21	829,743	1,009,981	1,074,864
Contract assets	23	15,895	15,433	19,538
Prepayments, other receivables and other assets	22	20,619	47,822	35,102
Financial investments at fair value through profit or loss	19	820,204	486,784	288,806
Pledged deposits	25	8,773	41,542	29,679
Restricted cash	25	—	—	2,288
Cash and cash equivalents	25	189,718	244,883	442,714
Total current assets		2,193,483	2,424,202	2,664,147
CURRENT LIABILITIES				
Trade and bills payables	26	247,592	493,887	498,205
Contract liabilities	27	16,169	41,179	56,609
Other payables and accruals	30	69,710	107,559	152,286
Interest bearing bank and other borrowings	31	16,523	3,186	9,127
Lease liabilities	17(b)	397	387	488
Income tax payable		18,133	1,310	13,683
Deferred income	28	6,321	55,401	55,401
Provision	29	4,867	8,309	13,149
Total current liabilities		379,712	711,218	798,948
NET CURRENT ASSETS		1,813,771	1,712,984	1,865,199

		As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
TOTAL ASSETS LESS CURRENT	<i>Notes</i>			
LIABILITIES		2,100,760	2,077,625	2,317,708
NON-CURRENT LIABILITIES				
Deferred income	28	65,936	10,535	4,215
Provision	29	1,641	3,312	4,210
Lease liabilities	17(b)	1,493	1,176	911
Total non-current liabilities		69,070	15,023	9,336
Net assets		2,031,690	2,062,602	2,308,372
EQUITY				
Equity attributable to owners				
of the parent				
Share capital	33	131,419	131,741	131,741
Treasury shares	33	—	(30,017)	(36,133)
Reserves	35	1,900,271	1,960,878	2,212,764
Total equity		2,031,690	2,062,602	2,308,372

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent					Total equity
	Share capital	Share premium*	Share-based payment reserve*	Statutory reserve*	Retained profits*	
	RMB'000 (note 33)	RMB'000	RMB'000	RMB'000 (note 35(a))	RMB'000	RMB'000
At 1 January 2023	120,800	595,541	5,570	35,175	292,019	1,049,105
Profit for the year	—	—	—	—	179,305	179,305
Total comprehensive income for the year. . .	—	—	—	—	179,305	179,305
Issue of shares, net of share issue expenses .	10,497	778,866	—	—	—	789,363
Exercise of share options	122	5,410	(1,841)	—	—	3,691
Share-based payments.	—	—	10,226	—	—	10,226
Transfer from retained profits	—	—	—	17,951	(17,951)	—
At 31 December 2023.	131,419	1,379,817	13,955	53,126	453,373	2,031,690

Year ended 31 December 2024

	Attributable to owners of the parent							Total equity
	Share capital	Treasury shares	Share premium*	Share-based payment reserve*	Translation reserve*	Statutory reserve*	Retained profits*	
	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (note 35(a))	RMB'000	RMB'000
At 1 January 2024.	131,419	—	1,379,817	13,955	—	53,126	453,373	2,031,690
Profit for the year	—	—	—	—	—	—	160,695	160,695
Other comprehensive income for the year:								
Exchange differences on translation of foreign operations	—	—	—	—	1,417	—	—	1,417
Total comprehensive income for the year.	—	—	—	—	1,417	—	160,695	162,112
Dividends declared	—	—	—	—	—	—	(104,753)	(104,753)
Shares repurchased	—	(30,017)	—	—	—	—	—	(30,017)
Exercise of share options.	322	—	17,203	(8,655)	—	—	—	8,870
Share-based payments	—	—	—	(5,300)	—	—	—	(5,300)
Transfer from retained profits.	—	—	—	—	—	12,745	(12,745)	—
At 31 December 2024	131,741	(30,017)	1,397,020	—	1,417	65,871	496,570	2,062,602

Year ended 31 December 2025

	Attributable to owners of the parent							Total equity
	Share capital	Treasury shares	Share premium*	Share-based payment reserve*	Translation reserve*	Statutory reserve*	Retained profits*	
	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (note 35(a))	RMB'000	RMB'000
At 1 January 2025	131,741	(30,017)	1,397,020	—	1,417	65,871	496,570	2,062,602
Profit for the year	—	—	—	—	—	—	289,932	289,932
Other comprehensive income for the year:								
Exchange differences on translation of foreign operations	—	—	—	—	997	—	—	997
Total comprehensive income for the year .	—	—	—	—	997	—	289,932	290,929
Dividends declared	—	—	—	—	—	—	(48,567)	(48,567)
Shares repurchase obligation recognised .	—	(36,133)	—	—	—	—	—	(36,133)
Shares granted under the share incentive plan	—	30,017	6,116	—	—	—	—	36,133
Share-based payments	—	—	—	3,408	—	—	—	3,408
At 31 December 2025	<u>131,741</u>	<u>(36,133)</u>	<u>1,403,136</u>	<u>3,408</u>	<u>2,414</u>	<u>65,871</u>	<u>737,935</u>	<u>2,308,372</u>

* These reserve accounts comprise total the consolidated reserves of RMB1,900,271,000, RMB1,960,878,000 and RMB2,212,764,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		195,031	171,068	329,717
Adjustments for:				
Finance costs	8	698	474	326
Investment income from financial investments at fair value through profit or loss.	6	(3,213)	(14,435)	(8,866)
Bank interest income	6	(2,524)	(2,931)	(3,467)
Interest income arising from revenue contracts	6	(2,799)	(3,544)	(4,058)
Losses/(gains) on disposal of items of property, plant and equipment and termination of right-of-use assets	7	8	(8)	241
Fair value gains on financial investments at fair value through profit or loss . . .	7	(10,702)	(5,648)	(4,653)
Depreciation of property, plant and equipment	7	14,320	13,382	13,800
Depreciation of right-of-use assets	7	460	573	581
Amortisation of other intangible assets . .	7	891	1,686	2,146
Depreciation of investment properties . . .	7	924	971	986
Write-down of inventories to net realisable value	7	79	13,135	14,754
Impairment losses on financial assets and contract assets, net.	7	24,216	17,974	12,645
Share-based payments expense	7	9,497	(2,980)	3,347
Foreign exchange differences, net.		402	1,190	1,789
		227,288	190,907	359,288
Increase in inventories		(6,131)	(282,361)	(208,153)
Increase in trade and bills receivables		(290,172)	(184,727)	(96,907)
(Increase)/decrease in contract assets		(5,510)	1,060	(2,517)
Decrease/(increase) in prepayments, other receivables and other assets		5,827	(27,066)	28,077
Increase in restricted cash		—	—	(2,288)
Decrease/(increase) in pledged deposits . . .		8,490	(32,769)	11,863
(Decrease)/increase in trade and bills payables		(40,521)	246,295	4,318
Increase in other payables and accruals . . .		13,341	16,641	6,094
(Decrease)/increase in contract liabilities . .		(17,219)	25,010	15,430
Decrease in deferred income		(12,930)	(6,321)	(6,320)
Increase in provision.		1,739	5,113	5,738
Cash generated (used in)/from operations. . .		(115,798)	(48,218)	114,623
Interest received		5,323	6,475	7,525
Income tax paid		(18,951)	(29,807)	(30,284)
Net cash flows (used in)/from operating activities.		(129,426)	(71,550)	91,864

		Year ended 31 December			
		2023	2024	2025	
		RMB'000	RMB'000	RMB'000	
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of items of property, plant and equipment		(25,333)	(61,352)	(85,299)	
Additions to other intangible assets		(2,071)	(4,165)	(1,596)	
Proceeds from disposal of items of property, plant and equipment		28	148	10	
Disposal of financial investments at fair value through profit or loss		105,000	680,000	353,252	
Investments in financial investments at fair value through profit or loss		(915,000)	(361,721)	(152,000)	
Investment income from financial investments at fair value through profit or loss		3,213	14,435	8,866	
Net cash flows (used in)/from investing activities.		(834,163)	267,345	123,233	
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		800,850	8,095	—	
Proceeds from shares granted under share incentive plan		—	—	36,133	
Share issue expenses.		(8,323)	—	—	
Payment of listing expenses		—	—	(13,786)	
Proceeds from interest bearing bank and other borrowings		16,523	3,186	10,493	
Repayment of interest bearing bank and other borrowings		(9,000)	(16,523)	—	
Interest paid		(643)	(395)	(263)	
Principal portion of lease payments		(188)	(449)	(484)	
Shares repurchase		—	(30,017)	—	
Dividends paid		—	(104,753)	(48,567)	
Net cash flows from/(used in) financing activities.		799,219	(140,856)	(16,474)	
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(164,370)	54,939	198,623	
Cash and cash equivalents at beginning of year.		354,490	189,718	244,883	
Effect of foreign exchange rate changes, net. . .		(402)	226	(792)	
CASH AND CASH EQUIVALENTS AT END OF YEAR		189,718	244,883	442,714	
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	25	198,491	286,425	474,681	
Less: Restricted cash	25	—	—	(2,288)	
Pledged deposits.	25	(8,773)	(41,542)	(29,679)	
Cash and cash equivalents as stated in the statements of cash flows and statements of financial position		25	189,718	244,883	442,714

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
	Notes			
NON-CURRENT ASSETS				
Property, plant and equipment	15	175,022	241,603	296,997
Investment properties	16	34,789	38,045	33,426
Right-of-use assets	17(a)	9,386	8,864	8,342
Other intangible assets	18	3,884	6,363	5,813
Contract assets	23	5,236	4,539	2,880
Investments in subsidiaries	24	1,000	21,000	49,092
Financial investments at fair value through profit or loss	19	10,435	31,224	32,602
Trade and bills receivables	21	20,192	7,034	22,230
Prepayments, other receivables and other assets	22	3,062	491	250
Deferred tax assets	32	24,916	25,983	28,916
Total non-current assets		287,922	385,146	480,548
CURRENT ASSETS				
Inventories	20	308,531	577,757	771,156
Trade and bills receivables	21	829,743	1,009,981	1,074,864
Contract assets	23	15,895	15,433	19,538
Prepayments, other receivables and other assets	22	20,587	48,441	40,035
Financial investments at fair value through profit or loss	19	820,204	486,784	288,806
Pledged deposits	25	8,773	41,542	29,679
Restricted cash	25	—	—	2,288
Cash and cash equivalents	25	189,423	223,659	414,747
Total current assets		2,193,156	2,403,597	2,641,113
CURRENT LIABILITIES				
Trade and bills payables	26	247,592	493,759	498,205
Contract liabilities	27	16,169	41,179	56,609
Other payables and accruals	30	69,783	107,559	149,330
Interest bearing bank and other borrowings .	31	16,523	3,186	9,127
Lease liabilities	17(b)	338	335	395
Income tax payable		18,133	1,310	13,683
Deferred income	28	6,321	55,401	55,401
Provision	29	4,867	8,309	13,149
Total current liabilities		379,726	711,038	795,899
NET CURRENT ASSETS		1,813,430	1,692,559	1,845,214

		As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
TOTAL ASSETS LESS CURRENT	<i>Notes</i>			
LIABILITIES		2,101,352	2,077,705	2,325,762
NON-CURRENT LIABILITIES				
Deferred income	28	65,936	10,535	4,215
Provision	29	1,641	3,312	4,210
Lease liabilities	17(b)	1,493	1,176	763
Total non-current liabilities		69,070	15,023	9,188
Net assets		2,032,282	2,062,682	2,316,574
EQUITY				
Equity attributable to owners of the parent				
Share capital	33	131,419	131,741	131,741
Treasury shares	33	—	(30,017)	(36,133)
Reserves	35	1,900,863	1,960,958	2,220,966
Total equity		2,032,282	2,062,682	2,316,574

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was established in the People's Republic of China ("PRC") and was converted into a joint stock company on 15 October 2019. The registered office of the Company is located at Building 1, No.789 Changning Avenue, High-tech Zone, Hefei City, Anhui Province China.

During the Relevant Periods, the Company and its subsidiaries (collectively, the "Group") were mainly involved in the manufacturing, sales and maintenance of printed circuit board ("PCB") direct imaging equipment and automation system and semiconductor direct-writing lithography equipment and automation system.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
芯碁合微(蘇州)集成電路科技有限公司 XinQi Hewei (Suzhou) Integrated Circuit Technology Co., Ltd.* (note (i)).	PRC/Chinese mainland 22 July 2020	RMB1,000,000	100%	—	Trade of direct-writing lithography equipment
Xin Qi Technology (Thailand) Co., Ltd. (note (ii))	Thailand/Thailand 21 May 2024	THB735,000,000	99%	1%	Trade of direct-writing lithography equipment

Note:

* The English name of the above company registered in the Chinese mainland represent the best efforts made by the directors of the Company in directly translating the Chinese name of the company as no English name have been registered.

- (i) As at the date of this report, no audited financial statements have been prepared for this entity for the years ended 31 December 2023, 2024 and 2025 as this entity was not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of incorporation.
- (ii) The statutory financial statements of this entity for the year ended 31 December 2024 was audited by YUWANONT AUDIT COMPANY LIMITED, a certified public accountants registered in Thailand.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for trade and bills receivables at fair value through other comprehensive income and financial investments at fair value through profit or loss which has been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in accounting policies and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated.

A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a

major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.43%
Machinery	19.4%
Motor vehicles	19.4% to 32.33%
Electronic equipment and other equipment	19.4% to 32.33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of the Relevant Periods.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less any impairment losses and are amortised to their residual value on the straight-line basis over their estimated useful lives of 40 years.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of the Relevant Periods.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets are as follows:

Categories	Estimated useful lives
Software	3 to 5 years
Licenses	18 months to 3 years

The estimated useful lives of intangible assets are determined by considering the period of the economic benefits to the Group, as well as by referring to the industry practice.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land use rights	50 years
Buildings	16 months to 6 years

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investments and other financial assets***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial investments at fair value through profit or loss

Financial investments at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals and interest bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and interest bearing bank and other borrowings)

After initial recognition, trade and other payables, and interest bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised monthly.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of industrial products

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally at the time of the completion of installation and commissioning of the goods as agreed in the sales contracts subsequent to the delivery of goods, and upon obtaining the customer's acceptance report for the products.

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) Provision of maintenance services

The Group provides repair and maintenance services to customers. Revenue from repair and maintenance services is recognised on a straight-line basis over the contract period.

Revenue from other sources***Rental income***

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share-based payment scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using Black Scholes Model, further details of which are given in note 34 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits***Pension scheme***

The employees of the Company and the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund and other social insurances — Chinese mainland

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the Chinese mainland. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each of the reporting period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For

non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the Historical Financial Information. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currency of an overseas subsidiary is currency other than the RMB. As at the end of each of the reporting period, the assets and liabilities of this subsidiary are translated into RMB at the exchange rate prevailing at the end of each of the reporting period and its statement of profit or loss is translated into RMB at the exchange rate that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiary is translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiary which arise throughout the year/period are translated into RMB at the weighted average exchange rates for the year/period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised in respect of deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered. Further details on deferred taxes are disclosed in note 32 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables, other receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on aging analysis of groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables, other receivables and contract assets is disclosed in note 21, note 22 and note 23 to the Historical Financial Information, respectively.

Inventory provision determined on net realisable value

According to the inventory accounting policy, the Group measures inventory at the lower of cost and net realisable value, and makes inventory provision for the obsolete inventory, slow-moving inventory and the inventory of which the cost is higher than this net realisable value. At the end of each reporting period, the Group reviews whether individual inventory items are obsolete or stagnant and whether their net realisable value is lower than their cost. The impairment of inventory is based on the assessment of the inventory's merchantability and its net realisable value. Identification of inventory impairment requires management to make judgements and estimates based on solid evidence and factors such as the purpose of holding the inventory and the impact of events after the end of each reporting period. The difference between the actual result and the original estimate will affect the carrying amount of inventories and the accrual or reversal of inventory provision during the period in which the estimate is changed.

Estimation of provision for warranty claims

The warranty period is generally 1 to 2 years after the control of goods is transferred to the customers. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trend that might suggest that past information about cost may differ from future claims.

Estimated fair value of investments measured at fair value

The fair value of financial investments that are not traded in an active market, such as unlisted investments measured at fair value is determined using valuation techniques. The Group uses its judgement to select methods and make assumptions that are consistent with the characteristics of the assets considered by market participants in the transactions of related assets. The Group uses the relevant observable inputs as much as possible and uses unobservable input values if the relevant observable inputs cannot be obtained or are not feasible, such as estimation of liquidity adjustments. The key assumptions adopted in the valuation methodologies are set out in note 41 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in one single operating segment, i.e., research, manufacture and trade of direct-writing lithography equipment. Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no operating segment information is presented.

Geographical information**(a) Revenue from external customers**

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese mainland	768,619	765,810	1,133,533
Other regions	60,236	188,133	274,588
Total	828,855	953,943	1,408,121

(b) Non-current assets

The geographical information of non-current assets is not presented as more than 90% of the non-current assets of the Group are located in Chinese mainland.

Information about major customers

Revenue from major customers which amounted to 10% or more of the Group's revenue is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	N/A*	N/A*	192,624
Customer B	N/A*	N/A*	188,632

* N/A — Not applicable. The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	822,713	947,535	1,400,436
Revenue from other sources			
Rental income	6,142	6,408	7,685
Total	828,855	953,943	1,408,121

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods or services			
PCB direct imaging equipment and automation system	589,811	772,887	1,079,928
Semiconductor direct-writing lithography equipment and automation system	188,247	109,843	233,419
Others	44,655	64,805	87,089
Total	822,713	947,535	1,400,436
Geographical markets			
Chinese mainland	762,477	759,402	1,125,848
Other regions	60,236	188,133	274,588
Total	822,713	947,535	1,400,436
Timing of revenue recognition			
Goods transferred at a point in time	778,325	883,525	1,315,999
Services transferred over time	44,388	64,010	84,437
Total	822,713	947,535	1,400,436

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of the each of the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the Relevant Periods:	33,388	16,169	41,179

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products, completion of installation and customer acceptance, and payment is generally due in instalments upon completion of installation and commissioning and customer acceptance, except for certain customers, where payment in advance is normally required.

Maintenance services

The performance obligation is satisfied over time as services are rendered. Maintenance service contracts are normally for one year, and are billed on a quarterly or monthly basis subject to the terms stipulated in service agreements.

All the amounts of transaction prices allocated to the performance obligations are expected to be recognised as revenue within one year. The Group elected to apply the practical expedient not to disclose the remaining performance obligations.

6. OTHER INCOME AND GAINS, NET

An analysis of other income and gains, net, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other income			
Government grants*	28,789	14,193	9,740
Bank interest income	2,524	2,931	3,467
Interest income arising from revenue contracts	2,799	3,544	4,058
Investment income from financial investments at fair value through profit or loss	3,213	14,435	8,866
Value added tax deduction**	7,127	12,194	13,059
Total other income	44,452	47,297	39,190
Other gains, net			
Foreign exchange differences, net	1,697	—	—
Gains on disposal of items of property, plant and equipment and termination of right-of-use assets	—	8	—
Fair value gains on financial investments at fair value through profit or loss	10,702	5,648	4,653
Others	9	82	144
Total other gains	12,408	5,738	4,797
Total other income and gains, net	56,860	53,035	43,987

* Government grants related to income that is received as compensation for the Group's expenses already incurred or for the financial support to the Group with no future costs or expenses to be incurred. There are no unfulfilled conditions or contingencies relating to these grants. The Group has received certain government grants relating to purchases of items of property, plant and equipment. These grants were amortised and recognised in profit or loss over the useful lives of the relevant assets.

** According to the regulations of the Ministry of Finance and the State Administration of Taxation of Chinese mainland, a certain entity within the Group is eligible to enjoy an additional 15% deduction on the input value-added tax ("VAT") recognised since 1 January 2023. The amount of additional deduction was recognised in profit or loss.

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold		457,135	551,290	789,191
Depreciation of investment properties	16	924	971	986
Depreciation of property, plant and equipment*	15	14,320	13,382	13,800
Depreciation of right-of-use assets*	17	460	573	581
Amortisation of other intangible assets*	18	891	1,686	2,146
Research and development costs		94,541	97,697	131,234
Expense relating to short-term leases and leases of low-value assets	17	896	1,378	1,431
Auditor's remuneration		765	795	800
Employee benefit expense:				
Wages and salaries		100,302	121,688	147,535
Pension scheme contributions		8,394	10,652	16,333
Share-based payments expense	34	9,497	(2,980)	3,347
Foreign exchange differences, net		(1,697)	2,835	4,151
Impairment/(reversal of impairment provision) of financial and contract assets:				
Impairment of trade receivables and bills receivable	21	23,835	18,012	12,280
Impairment of contract assets	23	376	99	71
Impairment/(reversal of impairment provision) of financial assets included in prepayments, other receivables and other assets	22	5	(137)	294
Total		24,216	17,974	12,645
Write-down of inventories to net realisable value		79	13,135	14,754
Product warranty provision	29	11,671	40,087	45,967
Bank interest income	6	(2,524)	(2,931)	(3,467)
Interest income arising from revenue contracts	6	(2,799)	(3,544)	(4,058)
Investment income from financial investments at fair value through profit or loss	6	(3,213)	(14,435)	(8,866)
Fair value gains on financial investments at fair value through profit or loss	6	(10,702)	(5,648)	(4,653)
Losses/(gains) on disposal of items of property, plant and equipment and termination of right-of-use assets		8	(8)	241

* The depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of other intangible assets related to manufacturing for the Relevant Periods are included in “Depreciation of property, plant and equipment”, “Depreciation of right-of-use assets” and “Amortisation of other intangible assets”, respectively. The employee costs related to manufacturing for the Relevant Periods are included in “Employee benefit expense.”

8. FINANCE COSTS

An analysis of finance costs is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on loans and discounted bills	643	396	263
Interest on lease liabilities.	55	78	63
Total	698	474	326

9. OTHER EXPENSES

An analysis of other expenses is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Foreign exchange differences, net	—	2,835	4,151
Losses on disposal of items of property, plant and equipment and termination of right-of-use assets	8	—	241
Others	55	179	1,610
Total	63	3,014	6,002

10. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

The remuneration paid or payable to directors and supervisors of the Company during the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees.	300	300	300
Other emoluments:			
Salaries, allowances and benefits in kind . .	2,158	2,187	2,255
Performance related bonuses*	604	515	622
Share-based payment compensation	—	—	175
Pension scheme contributions.	129	163	183
Subtotal	2,891	2,865	3,235
Total	3,191	3,165	3,535

* Certain executive directors of the Company are entitled to bonus payments which are determined by key performance indicators.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mr. Yang Weisheng (i)	100	100	66
Ms. Hu Liufen (ii)	100	100	66
Mr. Chen Xiaojian (iii)	100	86	—
Mr. Zhong Qi (iv)	—	14	100
Mr. Wang Lede (v)	—	—	34
Ms. Zhou Yana (vi)	—	—	34
Total	300	300	300

- (i) Mr. Yang Weisheng was appointed as an independent non-executive director of the Company with effect from 15 November 2019 and resigned in 29 August 2025.
- (ii) Ms. Hu Liufen was appointed as an independent non-executive director of the Company with effect from 15 November 2019 and resigned in 29 August 2025.
- (iii) Mr. Chen Xiaojian was appointed as an independent non-executive director of the Company with effect from 30 January 2023 and resigned on 11 November 2024.
- (iv) Mr. Zhong Qi was appointed as an independent non-executive director of the Company with effect from 11 November 2024.
- (v) Mr. Wang Lede was appointed as an independent non-executive director of the Company with effect from 29 August 2025.
- (vi) Ms. Zhou Yana was appointed as an independent non-executive director of the Company with effect from 29 August 2025.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, non-executive directors and supervisors

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:				
Ms. Cheng Zhuo (i)	540	90	—	630
Mr. Fang Lin (ii).	542	180	39	761
Ms. Wei Yongzhen (iii)	460	170	39	669
Subtotal	1,542	440	78	2,060
Non-executive directors:				
Mr. Zhao Lingyun (iv)	—	—	—	—
Mr. Zhou ChiJun (v).	—	—	—	—
Mr. Hing Wong (vi)	—	—	—	—
Mr. Liu Feng (vii)	—	—	—	—
Supervisors:				
Mr. Dong Shuai (viii)	311	60	24	395
Mr. Liu Zhen (ix)	—	—	—	—
Mr. Xue Hui (x)	—	—	—	—
Ms. Zong Wenbo (xi)	305	104	27	436
Subtotal	616	164	51	831
Total.	2,158	604	129	2,891

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:				
Ms. Cheng Zhuo (i)	540	72	—	612
Mr. Fang Lin (ii).	542	162	66	770
Ms. Wei Yongzhen (iii)	481	145	37	663
Subtotal	1,563	379	103	2,045
Non-executive directors:				
Mr. Zhao Lingyun (iv)	—	—	—	—
Mr. Zhou ChiJun (v).	—	—	—	—
Mr. Liu Feng (vii)	—	—	—	—
Supervisors:				
Mr. Dong Shuai (viii)	315	43	26	384
Mr. Xue Hui (x)	—	—	—	—
Ms. Zong Wenbo (xi)	309	93	34	436
Subtotal	624	136	60	820
Total.	2,187	515	163	2,865

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment compensation	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Ms. Cheng Zhuo (i)	617	209	—	—	826
Mr. Fang Lin (ii)	620	209	—	80	909
Ms. Wei Yongzhen (iii)	593	204	140	51	988
Subtotal	1,830	622	140	131	2,723
Non-executive directors:					
Mr. Zhao Lingyun (iv)	—	—	—	—	—
Mr. Zhou ChiJun (v)	—	—	—	—	—
Mr. Liu Feng (vii)	—	—	—	—	—
Subtotal	—	—	—	—	—
Supervisors:					
Mr. Dong Shuai (viii)	215	—	—	23	238
Mr. Xue Hui (x)	—	—	—	—	—
Ms. Zong Wenbo (xi)	210	—	35	29	274
Subtotal	425	—	35	52	512
Total	2,255	622	175	183	3,235

- (i) Ms. Cheng Zhuo was appointed as an executive director and the chairman of the board of directors from 15 October 2019.
- (ii) Mr. Fang Lin was appointed as an executive director of the Company from 15 October 2019. Mr. Fang Lin was also serving as the chief executive of the Company from 15 October 2019.
- (iii) Ms. Wei Yongzhen was appointed as an executive director of the Company from 10 April 2020.
- (iv) Mr. Zhao Lingyun was appointed as a non-executive director of the Company with effect from 3 September 2021.
- (v) Mr. Zhou Chijun was appointed as a non-executive director of the Company with effect from 17 October 2022.
- (vi) Mr. Hing Wong was appointed as a non-executive director of the Company with effect from 15 October 2019 and resigned in 8 November 2023.
- (vii) Mr. Liu Feng was appointed as a non-executive director of the Company with effect from 8 November 2023.
- (viii) Mr. Dong Shuai was appointed as a supervisor of the Company with effect from 17 October 2022.
- (ix) Mr. Liu Zhen was appointed as a supervisor of the Company with effect from 15 October 2019 and resigned in 11 September 2023.
- (x) Mr. Xue Hui was appointed as a supervisor of the Company with effect from 11 September 2023.
- (xi) Ms. Zong Wenbo was appointed as a supervisor of the Company with effect from 6 August 2021.

Pursuant to a resolution of the shareholders' meeting in August 2025, the Company resolved to dissolve the board of supervisors.

No emoluments were paid by the Company to the directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office during the Relevant Periods. No compensation was paid to, or receivable by, any director, or former director for the loss of any other office in connection with the management of the affairs of any member of our Group.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024 and 2025 included nil, one and three directors and chief executives of the Company, respectively, details of whose remuneration are set out in note 10 to the Historical Financial Information above. Details of the remuneration of the remaining highest paid employees during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, allowances and benefits in kind	4,345	4,203	1,858
Pension scheme contributions	94	93	108
Total	4,439	4,296	1,966

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December		
	2023	2024	2025
Nil to HK\$1,000,000	4	1	—
HK\$1,000,000 to HK\$1,500,000	1	3	2
Total	5	4	2

12. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese mainland

Pursuant to the Law of Enterprise Income Tax and respective regulations, the Company and its subsidiary operating in Chinese mainland are subject to income tax at a rate of 25% on their respective taxable income, except for those subject to preferential tax.

The Company was qualified as a “High and New Technology Enterprise” and was therefore entitled to a preferential income tax rate of 15% during the Relevant Periods. The qualification is subject to review by the relevant tax authority in the Chinese mainland every three years.

Thailand

Under the tax regulations of Thailand, the statutory corporate income tax rate is 20%, as stipulated by local laws. No provision for profits tax in Thailand was made as the Group did not have any assessable income subject to profits tax in Thailand during the Relevant Periods.

The income tax expense of the Group for the Relevant Periods is analysed as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax	18,760	13,758	42,657
Deferred income tax	(3,034)	(3,385)	(2,872)
Total	15,726	10,373	39,785

A reconciliation of the tax expense applicable to profit before tax at the applicable rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before tax	195,031	171,068	329,717
Tax at the applicable tax rate	29,255	25,660	49,458
Effect of different tax rates of subsidiaries . . .	(20)	(57)	(795)
Adjustments in respect of current tax of previous periods	46	103	4,080
Expenses not deductible for tax	279	482	345
Additional deductible allowance	(13,885)	(16,056)	(15,465)
Unrecognised deductible temporary differences and tax losses	51	241	2,162
Tax charge at the Group's effective rate	15,726	10,373	39,785

13. DIVIDENDS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Final dividends in respect of the previous year, declared or paid during the year (tax inclusive)	—	104,753	48,567

The final dividends of Nil, RMB0.80 and RMB0.37 (inclusive of tax) for each ordinary share in respect of the years ended 31 December 2022, 2023 and 2024 were approved by the shareholders in the Company's annual general meeting of the Company.

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average numbers of share capital outstanding during the Relevant Periods.

The share options granted and the share granted under share incentive plan have a potential dilutive effect on the earnings per share. The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at adjusted consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares. The number of shares used to calculate the basic and diluted earnings per share has deducted the treasury shares.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December		
	2023	2024	2025
Earnings			
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (<i>RMB'000</i>)	179,305	160,695	289,932
Shares			
Weighted average number of ordinary shares outstanding during the year, used in the basic earnings per share calculation (<i>'000</i>) .	125,214	131,062	131,264
Effect of dilution — weighted average number of ordinary shares:			
Share options(<i>'000</i>)	235	117	—
Share granted under share incentive plan(<i>'000</i>)	—	—	2
Weighted average number of ordinary shares used in the diluted earnings per share calculation (<i>'000</i>)	<u>125,449</u>	<u>131,179</u>	<u>131,266</u>

15. PROPERTY, PLANT AND EQUIPMENT

The Group and The Company

	Buildings	Machinery	Motor vehicles	Electronic equipment and other equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023						
As at 1 January 2023:						
Cost.	132,090	45,661	3,293	4,708	—	185,752
Accumulated depreciation	(4,506)	(12,508)	(1,636)	(2,363)	—	(21,013)
Net carrying amount	<u>127,584</u>	<u>33,153</u>	<u>1,657</u>	<u>2,345</u>	<u>—</u>	<u>164,739</u>
At 1 January 2023, net of accumulated depreciation	127,584	33,153	1,657	2,345	—	164,739
Additions	—	4,697	485	1,067	18,390	24,639
Disposals	—	—	(28)	(8)	—	(36)
Depreciation provided during the year	(3,302)	(9,242)	(619)	(1,157)	—	(14,320)
Transfers	3,266	—	—	—	(3,266)	—
At 31 December 2023, net of accumulated depreciation	<u>127,548</u>	<u>28,608</u>	<u>1,495</u>	<u>2,247</u>	<u>15,124</u>	<u>175,022</u>
As at 31 December 2022						
Cost.	135,356	50,358	3,721	5,586	15,124	210,145
Accumulated depreciation	(7,808)	(21,750)	(2,226)	(3,339)	—	(35,123)
Net carrying amount	<u>127,548</u>	<u>28,608</u>	<u>1,495</u>	<u>2,247</u>	<u>15,124</u>	<u>175,022</u>

The Group

	Buildings	Machinery	Motor vehicles	Electronic equipment and other equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024						
As at 1 January 2024:						
Cost	135,356	50,358	3,721	5,586	15,124	210,145
Accumulated depreciation	(7,808)	(21,750)	(2,226)	(3,339)	—	(35,123)
Net carrying amount	<u>127,548</u>	<u>28,608</u>	<u>1,495</u>	<u>2,247</u>	<u>15,124</u>	<u>175,022</u>
At 1 January 2024, net of accumulated depreciation	127,548	28,608	1,495	2,247	15,124	175,022
Additions	—	2,332	490	1,782	80,527	85,131
Disposals	—	(547)	—	(15)	—	(562)
Depreciation provided during the year	(3,404)	(8,221)	(478)	(1,279)	—	(13,382)
Transfers	8,124	—	—	—	(8,124)	—
Transfer to investment properties	(4,180)	—	—	—	—	(4,180)
At 31 December 2024, net of accumulated depreciation	<u>128,088</u>	<u>22,172</u>	<u>1,507</u>	<u>2,735</u>	<u>87,527</u>	<u>242,029</u>
As at 31 December 2024						
Cost	138,886	51,798	4,211	7,325	87,527	289,747
Accumulated depreciation	(10,798)	(29,626)	(2,704)	(4,590)	—	(47,718)
Net carrying amount	<u>128,088</u>	<u>22,172</u>	<u>1,507</u>	<u>2,735</u>	<u>87,527</u>	<u>242,029</u>

The Company

	Buildings	Machinery	Motor vehicles	Electronic equipment and other equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024						
As at 1 January 2024:						
Cost	135,356	50,358	3,721	5,586	15,124	210,145
Accumulated depreciation	(7,808)	(21,750)	(2,226)	(3,339)	—	(35,123)
Net carrying amount	<u>127,548</u>	<u>28,608</u>	<u>1,495</u>	<u>2,247</u>	<u>15,124</u>	<u>175,022</u>
At 1 January 2024, net of accumulated depreciation	127,548	28,608	1,495	2,247	15,124	175,022
Additions	—	2,332	59	1,782	80,527	84,700
Disposals	—	(547)	—	(15)	—	(562)
Depreciation provided during the year	(3,404)	(8,221)	(473)	(1,279)	—	(13,377)
Transfers	8,124	—	—	—	(8,124)	—
Transfer to investment properties	(4,180)	—	—	—	—	(4,180)
At 31 December 2024, net of accumulated depreciation	<u>128,088</u>	<u>22,172</u>	<u>1,081</u>	<u>2,735</u>	<u>87,527</u>	<u>241,603</u>
As at 31 December 2024						
Cost	138,886	51,798	3,780	7,325	87,527	289,316
Accumulated depreciation	(10,798)	(29,626)	(2,699)	(4,590)	—	(47,713)
Net carrying amount	<u>128,088</u>	<u>22,172</u>	<u>1,081</u>	<u>2,735</u>	<u>87,527</u>	<u>241,603</u>

The Group

	Buildings	Machinery	Motor vehicles	Electronic equipment and other equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2025						
As at 1 January 2025:						
Cost	138,886	51,798	4,211	7,325	87,527	289,747
Accumulated depreciation	(10,798)	(29,626)	(2,704)	(4,590)	—	(47,718)
Net carrying amount	<u>128,088</u>	<u>22,172</u>	<u>1,507</u>	<u>2,735</u>	<u>87,527</u>	<u>242,029</u>
At 1 January 2025, net of accumulated depreciation	128,088	22,172	1,507	2,735	87,527	242,029
Additions	—	1,463	39	931	63,271	65,704
Disposals	—	(219)	(4)	(46)	—	(269)
Depreciation provided during the year	(3,905)	(8,017)	(507)	(1,371)	—	(13,800)
Transfers	87,481	2,868	—	—	(90,349)	—
Transfer from investment properties	<u>3,633</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,633</u>
At 31 December 2025, net of accumulated depreciation	<u>215,297</u>	<u>18,267</u>	<u>1,035</u>	<u>2,249</u>	<u>60,449</u>	<u>297,297</u>
As at 31 December 2025						
Cost	230,417	55,859	4,242	8,069	60,449	359,036
Accumulated depreciation	(15,120)	(37,592)	(3,207)	(5,820)	—	(61,739)
Net carrying amount	<u>215,297</u>	<u>18,267</u>	<u>1,035</u>	<u>2,249</u>	<u>60,449</u>	<u>297,297</u>

The Company

	Buildings	Machinery	Motor vehicles	Electronic equipment and other equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2025						
As at 1 January 2025:						
Cost	138,886	51,798	3,780	7,325	87,527	289,316
Accumulated depreciation	(10,798)	(29,626)	(2,699)	(4,590)	—	(47,713)
Net carrying amount	<u>128,088</u>	<u>22,172</u>	<u>1,081</u>	<u>2,735</u>	<u>87,527</u>	<u>241,603</u>
At 1 January 2025, net of accumulated depreciation	128,088	22,172	1,081	2,735	87,527	241,603
Additions	—	1,463	23	927	63,271	65,684
Disposals	—	(219)	(4)	(46)	—	(269)
Depreciation provided during the year	(3,905)	(8,017)	(391)	(1,341)	—	(13,654)
Transfers	87,481	2,868	—	—	(90,349)	—
Transfer from investment properties	<u>3,633</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,633</u>
At 31 December 2025, net of accumulated depreciation	<u>215,297</u>	<u>18,267</u>	<u>709</u>	<u>2,275</u>	<u>60,449</u>	<u>296,997</u>
As at 31 December 2025						
Cost	230,417	55,859	3,795	8,065	60,449	358,585
Accumulated depreciation	(15,120)	(37,592)	(3,086)	(5,790)	—	(61,588)
Net carrying amount	<u>215,297</u>	<u>18,267</u>	<u>709</u>	<u>2,275</u>	<u>60,449</u>	<u>296,997</u>

16. INVESTMENT PROPERTIES

The Group and The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year			
Cost.	38,109	38,109	42,336
Accumulated depreciation	(2,396)	(3,320)	(4,291)
Net carrying amount	35,713	34,789	38,045
At the beginning of the year, net of accumulated depreciation	35,713	34,789	38,045
Transfer from property, plant and equipment	—	4,227	—
Transfer to owner-occupied property	—	—	(3,633)
Depreciation provided during the year	(924)	(971)	(986)
At the end of the year, net of accumulated depreciation	34,789	38,045	33,426
At the end of the year			
Cost.	38,109	42,336	38,652
Accumulated depreciation	(3,320)	(4,291)	(5,226)
Net carrying amount	34,789	38,045	33,426

The Group's investment properties consist of four residential properties in Chinese mainland. The directors of the Company have determined that the investment properties are commercial based on the nature, characteristics and risks of the properties. The Group's investment properties were measured at cost. As at 31 December 2023, 2024 and 2025 the fair value of Investment properties was approximately RMB40 million, RMB42 million and RMB34 million. Investment properties were measured at fair value using significant unobservable inputs (Level 3). Income approach was used to evaluate the fair value of investment properties by using significant unobservable inputs of expected rental value (per square meter per day) and capitalisation rate.

The investment properties are leased to third parties and related parties under operating leases, further summary details of which are included in note 17 to the Historical Financial Information.

17. LEASES

The Group as a lessee

During the Relevant Periods, the Group entered into certain long-term lease contracts for buildings which generally have lease terms between 3 years and 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Land use rights	Buildings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	7,848	157	8,005
Additions	—	1,908	1,908
Depreciation provided during the year	(158)	(302)	(460)
As at 31 December 2023 and 1 January 2024	7,690	1,763	9,453
Additions	—	103	103
Termination	—	(50)	(50)
Depreciation provided during the year	(158)	(415)	(573)
As at 31 December 2024 and 1 January 2025	7,532	1,401	8,933
Additions	—	291	291
Termination	—	(18)	(18)
Depreciation provided during the year	(158)	(423)	(581)
As at 31 December 2025	<u>7,374</u>	<u>1,251</u>	<u>8,625</u>

The Company

	Land use rights	Buildings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	7,849	39	7,888
Additions	—	1,908	1,908
Depreciation provided during the year	(158)	(252)	(410)
As at 31 December 2023 and 1 January 2024	7,691	1,695	9,386
Depreciation provided during the year	(158)	(364)	(522)
As at 31 December 2024 and 1 January 2025	7,533	1,331	8,864
Depreciation provided during the year	(158)	(364)	(522)
As at 31 December 2025	<u>7,375</u>	<u>967</u>	<u>8,342</u>

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount at the beginning of the year.	115	1,890	1,563
New leases	1,908	103	291
Accretion of interest recognised during the year	55	78	63
Payments	(188)	(449)	(484)
Termination	—	(59)	(34)
Carrying amount at the end of the year	<u>1,890</u>	<u>1,563</u>	<u>1,399</u>
Analysed into:			
Current portion	397	387	488
Non-current portion	<u>1,493</u>	<u>1,176</u>	<u>911</u>

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount at the beginning of the year.	14	1,831	1,511
New leases	1,908	—	—
Accretion of interest recognised during the year	51	76	61
Payments	(142)	(396)	(414)
Carrying amount at the end of the year	<u>1,831</u>	<u>1,511</u>	<u>1,158</u>
Analysed into:			
Current portion	338	335	395
Non-current portion	<u>1,493</u>	<u>1,176</u>	<u>763</u>

The maturity analysis of lease liabilities is disclosed in note 42 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities.	55	78	63
Depreciation charge of right-of-use assets . . .	460	573	581
Expense relating to short-term leases and low-value assets	896	1,378	1,431
Total amount recognised in profit or loss . . .	1,411	2,029	2,075

(d) The total cash outflow for leases is set out in note 36 to the Historical Financial Information.

The Group as a lessor

The Group mainly leases its machinery and investment properties (note 16) consisting of four residential properties in Chinese mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions. Rental income recognised by the Group during the years ended 31 December 2023, 2024 and 2025 was RMB6,142,000, RMB6,408,000 and RMB7,685,000, respectively, details of which are included in note 5 to the Historical Financial Information.

At 31 December 2023, 2024 and 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	2,475	4,375	4,565
After one year but within two years.	629	3,813	2,241
After two years but within three years	262	1,396	244
Total	3,366	9,584	7,050

18. OTHER INTANGIBLE ASSETS

The Group and The Company

	Software	Licenses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023			
Cost at 1 January 2023, net of accumulated amortisation	2,704	—	2,704
Additions	2,071	—	2,071
Amortisation during the year	(891)	—	(891)
At 31 December 2023	<u>3,884</u>	<u>—</u>	<u>3,884</u>
At 31 December 2023:			
Cost	5,165	—	5,165
Accumulated amortisation	<u>(1,281)</u>	<u>—</u>	<u>(1,281)</u>
Net carrying amount	<u>3,884</u>	<u>—</u>	<u>3,884</u>
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	3,884	—	3,884
Additions	3,174	991	4,165
Amortisation during the year	(1,277)	(409)	(1,686)
At 31 December 2024	<u>5,781</u>	<u>582</u>	<u>6,363</u>
At 31 December 2024:			
Cost	8,339	991	9,330
Accumulated amortisation	<u>(2,558)</u>	<u>(409)</u>	<u>(2,967)</u>
Net carrying amount	<u>5,781</u>	<u>582</u>	<u>6,363</u>
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	5,781	582	6,363
Additions	918	678	1,596
Amortisation during the year	(1,442)	(704)	(2,146)
At 31 December 2025	<u>5,257</u>	<u>556</u>	<u>5,813</u>
At 31 December 2025:			
Cost	9,257	1,669	10,926
Accumulated amortisation	<u>(4,000)</u>	<u>(1,113)</u>	<u>(5,113)</u>
Net carrying amount	<u>5,257</u>	<u>556</u>	<u>5,813</u>

19. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Wealth management products	120,388	20,005	—
Certificates of deposit.	699,816	466,779	288,806
Subtotal	820,204	486,784	288,806
Non current			
Unlisted investments.	10,435	31,224	32,602
Total	830,639	518,008	321,408

The above unlisted investments were measured at fair value using significant unobservable inputs (Level 3). The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unlisted investments at fair value through profit or loss at 1 January	9,936	10,435	31,224
Additions	—	21,000	—
Total gains/(losses) recognised in the statement of profit or loss	499	(211)	2,378
Disposal.	—	—	(1,000)
Unlisted investments at fair value through profit or loss at 31 December.	10,435	31,224	32,602

20. INVENTORIES

The Group and Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	160,206	181,062	356,446
Work in progress	44,327	211,048	168,207
Finished goods	15,462	94,412	108,635
Goods in transit	88,615	104,370	164,181
	308,610	590,892	797,469
Provision for impairment losses on inventories	(79)	(13,135)	(26,313)
Total	308,531	577,757	771,156

21. TRADE AND BILLS RECEIVABLES

The Group and the Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills receivables at amortised cost			
Trade receivables without significant financing component	697,803	817,062	834,750
Trade receivables with significant financing component	164,181	210,573	261,082
Bank bills receivable	20,157	31,790	29,828
Commercial bills receivable	20,198	20,404	45,028
Subtotal	902,339	1,079,829	1,170,688
Impairment provision	(59,991)	(75,707)	(87,987)
Total	842,348	1,004,122	1,082,701
Less: Non-current portion	20,192	7,034	22,230
Current portion	822,156	997,088	1,060,471
Bills receivable at fair value through other comprehensive income	7,587	12,893	14,393
Total	829,743	1,009,981	1,074,864

The Group's and the Company's trading terms with its customers are mainly on credit. The credit period is generally six to twelve months, extending up to 24 months for certain major customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Credit risk concentration is managed on a customer-by-customer basis. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

Transfers of financial assets***Financial assets that are derecognised in their entirety******Bills receivable endorsed or discounted***

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese mainland (the “**Derecognised Bills**”) to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB27,382,000, RMB61,205,000 and RMB75,740,000 and discounted certain bills receivable to banks in Chinese mainland (the “**Derecognised Bills**”), with carrying amounts in aggregate of RMB25,000, nil and nil. The Derecognised Bills had a maturity of one to six months at the end of the Relevant Periods. In accordance with the Law of Negotiable Instruments of the Chinese mainland, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence. In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the acceptance banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables.

Financial assets that are not derecognised in their entirety***Bills receivable endorsed or discounted***

As part of its normal business, the Group discounted and endorsed certain bills receivable accepted by banks or commercial entities in Chinese mainland (the “**Discounted and Endorsed Bills**”) with carrying amounts of RMB21,924,000, RMB36,928,000 and RMB43,115,000 to certain banks and certain of its suppliers as at 31 December 2023, 2024 and 2025. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted and Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted and Endorsed Bills and recognised the associated borrowings or other payables. Subsequent to the discounting and endorsing, the Group did not retain any rights on the use of the Discounted and Endorsed Bills, including the sale, transfer or pledge of the Discounted Bills to any other third parties. The aggregate carrying amounts of the borrowings recognised were RMB3,523,000, RMB3,186,000 and RMB9,127,000 as at 31 December 2023, 2024 and 2025. The aggregate carrying amounts of the trade payables settled by the Endorsed Bills to which the suppliers had recourse were RMB18,400,000, RMB33,742,000 and RMB33,988,000 as at 31 December 2023, 2024 and 2025, respectively.

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the goods or services acceptance date and net of allowance for expected credit losses, is as follows:

The Group and the Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	611,735	713,659	838,198
1 year to 2 years	218,040	274,133	216,697
2 years to 3 years	20,160	28,670	35,274
3 years to 4 years	—	553	6,767
4 years to 5 years	—	—	158
Total	<u>849,935</u>	<u>1,017,015</u>	<u>1,097,094</u>

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

The Group and the Company

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	36,156	59,991	75,707
Impairment losses, net of reversal	23,835	18,012	12,280
Amount written off as uncollectible	—	(2,296)	—
At end of year	<u>59,991</u>	<u>75,707</u>	<u>87,987</u>

For trade and bills receivables accepted by commercial entities, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at an amount equal to lifetime ECLs. The Group determines the ECLs on these items by using a provision matrix, estimated based on the financial quality of the debtors and historical credit loss experience based on the ageing of the trade receivables without significant financing component or days past due of trade receivables containing a significant financing component for groupings of various customer segments with similar loss patterns, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

For certain customers with different credit risk characteristics, the Group has made individual loss allowances.

The following table details the risk profile of trade receivables without significant financing component and commercial bills receivable based on the ageing:

The Group and the Company

	As at 31 December 2023		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	536,295	5.0%	26,814
1 year to 2 years	152,786	10.0%	15,279
2 years to 3 years	25,084	30.0%	7,525
3 years to 4 years	—	50.0%	—
4 years to 5 years	—	80.0%	—
Over 5 years	—	100.0%	—
Subtotal	714,165	6.9%	49,618
Trade receivable balances with different credit risk characteristics and being assessed individually	3,836	100.0%	3,836
Total	718,001	7.4%	53,454

The Group and the Company

	As at 31 December 2024		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	611,302	5.0%	30,565
1 year to 2 years	179,983	10.0%	17,998
2 years to 3 years	39,499	30.0%	11,850
3 years to 4 years	1,105	50.0%	553
4 years to 5 years	—	80.0%	—
Over 5 years	—	100.0%	—
Subtotal	831,889	7.3%	60,966
Trade receivable balances with different credit risk characteristics and being assessed individually	5,577	100.0%	5,577
Total	837,466	7.9%	66,543

As at 31 December 2025			
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	<i>RMB'000</i>		<i>RMB'000</i>
Within 1 year	707,475	5.0%	35,373
1 year to 2 years	110,208	10.0%	11,020
2 years to 3 years	39,468	30.0%	11,841
3 years to 4 years	12,785	50.0%	6,392
4 years to 5 years	792	80.0%	634
Over 5 years	—	100.0%	—
Subtotal	870,728	7.5%	65,260
Trade receivable balances with different credit risk characteristics and being assessed individually	9,050	100.0%	9,050
Total	879,778	8.4%	74,310

The following table details the risk profile of trade receivables with significant financing component based on the days past due:

The Group and the Company

As at 31 December 2023			
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	<i>RMB'000</i>		<i>RMB'000</i>
Current	97,845	2.1%	2,019
Past due within one year	57,177	5.0%	2,859
Past due over one year	9,159	18.1%	1,659
Total	164,181	4.0%	6,537

As at 31 December 2024			
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	<i>RMB'000</i>		<i>RMB'000</i>
Current	99,526	2.1%	2,042
Past due within one year	85,479	5.0%	4,274
Past due over one year	25,568	11.1%	2,848
Total	210,573	4.4%	9,164

The Group and the Company

	As at 31 December 2025		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	<i>RMB'000</i>		<i>RMB'000</i>
Current	121,770	2.1%	2,505
Past due within one year	104,890	5.0%	5,245
Past due over one year	34,422	17.2%	5,927
Total	261,082	5.2%	13,677

The bank bills receivable were issued by reputable banks and with short-term maturity. Accordingly, the identified impairment loss is considered to be minimal.

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current portion			
Prepayments	15,524	16,396	4,762
Deposits	3,375	2,083	3,229
Listing expense	—	—	15,651
Value added tax recoverable	247	29,229	11,038
Other receivables	1,955	459	1,061
Subtotal	21,101	48,167	35,741
Less: Impairment losses	(482)	(345)	(639)
Total current portion	20,619	47,822	35,102
Non-current portion			
Prepayments	3,062	491	20,720
Total	23,681	48,313	55,822

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current portion			
Prepayments	15,509	16,362	4,224
Deposits	3,375	1,936	3,052
Listing expense	—	—	15,651
Value added tax recoverable	230	29,207	11,008
Other receivables	1,955	437	940
Amount due from a subsidiary	—	836	5,778
Subtotal	21,069	48,778	40,653
Less: Impairment losses	(482)	(337)	(618)
Total current portion	20,587	48,441	40,035
Non-current portion			
Prepayments	3,062	491	250
Total	23,649	48,932	40,285

The balances of other receivables are interest-free and unsecured.

Deposits mainly represent rental deposits and deposits with suppliers. At the end of each of the Relevant Periods, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant Periods.

23. CONTRACT ASSETS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Retention receivables	22,349	21,289	23,806
Less: Impairment	(1,218)	(1,317)	(1,388)
Net carrying amount	21,131	19,972	22,418

Contract assets are initially recognised for revenue earned from the sale of industrial products as the receipt of consideration is conditional on successful assurance during the warranty periods. When passing the warranty periods, the amounts recognised as contract assets are reclassified to trade receivables.

The expected timing of recovery or settlement for contract assets as at 31 December, is as follows:

The Group and the Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	15,895	15,433	19,538
After one year	5,236	4,539	2,880
Total	21,131	19,972	22,418

The movements in the loss allowance for impairment of contract assets are as follows:

The Group and the Company

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	842	1,218	1,317
Impairment losses, net	376	99	71
At the end of the year.	1,218	1,317	1,388

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade and bills receivables as the contract assets and the trade and bills receivables are from the same customer bases.

Set out below is the information about the credit risk exposure on contract assets using a provision matrix:

The Group and the Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Expected credit loss rate	5.45%	6.19%	5.83%
Gross carrying amount	22,349	21,289	23,806
Expected credit losses.	1,218	1,317	1,388

24. INVESTMENTS IN SUBSIDIARIES**The Company**

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investments in subsidiaries	1,000	21,000	49,092

25. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND PLEDGED DEPOSITS**The Group**

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances	198,491	286,425	474,681
Less: Pledged deposits	(8,773)	(41,542)	(29,679)
Restricted cash	—	—	(2,288)
Total cash and cash equivalents	189,718	244,883	442,714
Denominated in:			
United States Dollar (“USD”)	17,192	93,579	91,573
Japanese Yen (“JPY”)	7,103	19,033	10,536
Renminbi (“RMB”)	165,423	112,001	314,647
Thai Baht (“THB”)	—	20,270	25,958
Total cash and cash equivalents	189,718	244,883	442,714
Pledged deposits denominated in RMB	8,773	41,542	29,679
Restricted cash denominated in RMB	—	—	2,288

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances	198,196	265,201	446,714
Less: Pledged deposits	(8,773)	(41,542)	(29,679)
Restricted cash	—	—	(2,288)
Total cash and cash equivalents	<u>189,423</u>	<u>223,659</u>	<u>414,747</u>
Denominated in:			
United States Dollar (“USD”)	17,192	93,579	91,573
Japanese Yen (“JPY”)	7,103	19,033	10,536
Renminbi (“RMB”)	<u>165,128</u>	<u>111,047</u>	<u>312,638</u>
Total cash and cash equivalents	<u>189,423</u>	<u>223,659</u>	<u>414,747</u>
Pledged deposits denominated in RMB	<u>8,773</u>	<u>41,542</u>	<u>29,679</u>
Restricted cash denominated in RMB	<u>—</u>	<u>—</u>	<u>2,288</u>

As at 31 December 2023, 2024 and 2025, The Group and the Company had deposits of RMB8,773,000, RMB41,542,000 and RMB29,679,000, respectively, pledged for performance guarantee and bank bills payable.

As at 31 December 2025, restricted cash of RMB2,288,000 was frozen by the judicial authority in connection with a lawsuit. The frozen cash amount was released in February 2026.

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. As at 31 December 2023, 2024 and 2025, the Group and the Company assessed the credit risk of cash and cash equivalents, restricted cash and pledged deposits to be minimal as they were placed in reputable financial institutions.

The carrying amounts of the cash and cash equivalents approximated to their fair values due to their short-term maturities.

26. TRADE AND BILLS PAYABLES**The Group**

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	144,169	290,770	290,867
Bills payable	103,423	203,117	207,338
Total	<u>247,592</u>	<u>493,887</u>	<u>498,205</u>

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	144,169	290,642	290,867
Bills payable	103,423	203,117	207,338
Total	<u>247,592</u>	<u>493,759</u>	<u>498,205</u>

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	141,830	284,819	281,985
1 year to 2 years	1,481	4,920	5,263
2 years to 3 years	543	226	2,687
Over 3 years	315	805	932
Total	<u>144,169</u>	<u>290,770</u>	<u>290,867</u>

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	141,830	284,691	281,985
1 year to 2 years	1,481	4,920	5,263
2 years to 3 years	543	226	2,687
Over 3 years	315	805	932
Total	<u>144,169</u>	<u>290,642</u>	<u>290,867</u>

Trade and bills payables are non-interest-bearing and are normally settled within six months. As at the end of each of the Relevant Periods, the carrying amounts of trade and bills payables approximated to their fair values.

27. CONTRACT LIABILITIES

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sale of goods	16,169	41,179	56,609

Contract liabilities include advances received from customers for sale of equipment. The increase in contract liabilities was mainly due to the increase in advances received from customers for equipment sales.

28. DEFERRED INCOME

The Group and The Company

Government grants

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current			
Asset-related grants (a)	16,856	10,535	4,215
Reimbursement of future expenses (b)	49,080	—	—
	65,936	10,535	4,215
Current			
Asset-related grants (a)	6,321	6,321	6,321
Reimbursement of future expenses (b)	—	49,080	49,080
	6,321	55,401	55,401
Total	72,257	65,936	59,616

(a) *Asset-related grants*

The asset-related grants were the subsidies received from the government in relation to the Group's property, plant and equipment.

(b) *Reimbursement of future expenses*

Government grants as reimbursement of future expenses were subsidies received in relation to the Group's research and development activities.

29. PROVISION**The Group and the Company**

	Warranties
	<i>RMB'000</i>
At 1 January 2023	4,769
Additional provision	11,671
Amounts utilised during the year	(9,932)
At 31 December 2023	6,508
Portion classified as current liabilities	4,867
Non-current portion	1,641
At 1 January 2024	6,508
Additional provision	40,087
Amounts utilised during the year	(34,974)
At 31 December 2024	11,621
Portion classified as current liabilities	8,309
Non-current portion	3,312
At 1 January 2025	11,621
Additional provision	45,967
Amounts utilised during the year	(40,229)
At 31 December 2025	17,359
Portion classified as current liabilities	13,149
Non-current portion	4,210

The Group generally provides warranties from 12 months to 24 months to its customers on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

30. OTHER PAYABLES AND ACCRUALS**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payables for purchase of property, plant and equipment.	6,750	27,958	28,593
Payroll and welfare payables.	20,242	22,428	34,468
Endorsed bills receivable that have not been derecognised.	18,400	33,742	33,988
Other taxes payables.	16,452	4,610	5,639
Accrued listing expenses.	—	—	1,865
Deposits.	2,942	1,500	1,750
Accruals.	875	3,099	4,557
Grants received in advance*.	3,270	3,270	3,270
Shares repurchase obligation recognised.	—	—	36,133
Others	779	10,952	2,023
Total	<u>69,710</u>	<u>107,559</u>	<u>152,286</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payables for purchase of property, plant and equipment.	6,750	27,958	28,593
Payroll and welfare payables	20,242	22,428	31,513
Endorsed bills receivable that have not been derecognised.	18,400	33,742	33,988
Other taxes payables.	16,452	4,610	5,639
Accrued listing expenses.	—	—	1,865
Deposits.	2,942	1,500	1,750
Accruals.	875	3,099	4,557
Due to a subsidiary.	73	—	—
Grants received in advance*.	3,270	3,270	3,270
Shares repurchase obligation recognised.	—	—	36,133
Others	779	10,952	2,022
Total	<u>69,783</u>	<u>107,559</u>	<u>149,330</u>

* This grant shall be disbursed by the local government upon the fulfilment of specified prerequisites by the Group.

Other payables and accrual are unsecured, non-interest-bearing and repayable on demand.

31. INTEREST BEARING BANK AND OTHER BORROWINGS

The Group and the Company

As at 31 December 2023			
	<i>Effective interest rate</i>	<i>Maturity (year)</i>	<i>RMB'000</i>
Current			
Bank loans — secured	3.00%	2024	13,000
Discounted bills	2.20%	2024	3,523
Total			16,523

As at 31 December 2024			
	<i>Effective interest rate</i>	<i>Maturity (year)</i>	<i>RMB'000</i>
Current			
Discounted bills	2.20%	2025	3,186

As at 31 December 2025			
	<i>Effective interest rate</i>	<i>Maturity (year)</i>	<i>RMB'000</i>
Current			
Discounted bills	2.95%	2026	9,127

As at 31 December 2023, 2024 and 2025, the Group's and the Company's bank loans with amounts of RMB13,000,000, nil and nil, respectively, were secured by the pledges of the Group's patent rights.

An analysis of the maturity of borrowings is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Analysed into:			
Bank loans and other borrowings repayable:			
Within one year	16,523	3,186	9,127

The Group's bank loans are all denominated in RMB.

32. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets**The Group and the Company**

	Impairment of inventories	Impairment losses on financial assets	Impairment losses on contract assets	Share-based payments	Warranty	Accrued expenses	Deferred income	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	5,505	126	2,187	715	—	12,778	—	21,311
Deferred tax credited/(charged) to									
profit or loss	12	3,566	57	1,149	261	—	(1,942)	275	3,378
Deferred tax credited to equity.	—	—	—	729	—	—	—	—	729
Gross deferred tax assets at 31 December									
2023 and 1 January 2024	12	9,071	183	4,065	976	—	10,836	275	25,418
Deferred tax credited/(charged) to									
profit or loss	1,958	2,336	15	(1,747)	767	1,095	(946)	(48)	3,430
Deferred tax charged to equity.	—	—	—	(2,318)	—	—	—	—	(2,318)
Gross deferred tax assets at 31 December									
2024 and 1 January 2025	1,970	11,407	198	—	1,743	1,095	9,890	227	26,530
Deferred tax credited/(charged) to									
profit or loss	1,977	1,884	10	446	861	141	(948)	(53)	4,318
Deferred tax credited to equity.	—	—	—	61	—	—	—	—	61
Gross deferred tax assets at 31 December									
2025	3,947	13,291	208	507	2,604	1,236	8,942	174	30,909

Deferred tax liabilities

The Group and the Company

	Right-of-use assets	Fair value adjustments arising from financial investments	Depreciation allowance in excess of related depreciation	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	—	—	158	158
Deferred tax charged/(credited) to profit or loss	254	123	(33)	344
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	254	123	125	502
Deferred tax (credited)/charged to profit or loss	(54)	131	(32)	45
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	200	254	93	547
Deferred tax (credited)/charged to profit or loss	(55)	1,534	(33)	1,446
Gross deferred tax liabilities at 31 December 2025	145	1,788	60	1,993

For presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

The Group and the Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	24,916	25,983	28,916

As at 31 December 2023, 2024 and 2025, the Group had unutilised tax losses of approximately RMB591,000, RMB1,489,000 and RMB10,553,000, respectively, which will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

33. SHARE CAPITAL AND TREASURY SHARES

Share capital

The Group and the Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Issued and fully paid:			
Ordinary shares of RMB1.00 each	131,419	131,741	131,741

A summary of movements in the Company's share capital is as follows:

	<i>Notes</i>	Number of shares in issue	Share capital
			<i>RMB'000</i>
At 1 January 2023		120,800,000	120,800
Issue of shares	(a)	10,497,245	10,497
Exercise of share options	(b)	121,841	122
At 31 December 2023, 1 January 2024		131,419,086	131,419
Exercise of share options	(c)	321,630	322
At 31 December 2024, 1 January 2025 and 31 December 2025		131,740,716	131,741

Notes:

- (a) In July 2023, the Company issued 10,497,245 ordinary shares of RMB1.00 each for RMB75.99 per share for aggregate proceeds of RMB789,363,000, net of share issuance expenses. The difference between the par value and issue price amounting to RMB778,866,000 has been credited to the share premium account.
- (b) In August 2023, the Company issued 121,841 ordinary shares as a result of the exercise of share options under the Company share option scheme as set out in note 34 for an aggregate proceed of RMB3,164,000. The difference between the par value and issue price amounting to RMB3,042,000, a transfer of share base payment reserve of RMB1,841,000 and related tax effect of RMB527,000 have been credited to the share premium account.
- (c) In October 2024, the Company issued 321,630 ordinary shares as a result of the exercise of share options under the Company share option scheme as set out in note 34 for an aggregate proceed of RMB8,095,000. The difference between the par value and issue price amounting to RMB7,773,000, a transfer of share base payment reserve of RMB8,655,000 and related tax effect of RMB775,000 have been credited to the share premium account.

Treasury shares

The Group and the Company

	Notes	Number of shares in issue	Treasury shares RMB'000
At 1 January 2024		—	—
Share repurchase	(d)	477,322	30,017
At 31 December 2024, 1 January 2025		477,322	30,017
Shares granted under the share incentive plan	(e)	(477,322)	(30,017)
Shares repurchase obligation recognised.	(e)	477,322	36,133
At 31 December 2025		477,322	36,133

Notes:

- (d) In 2024, the Company repurchased an aggregate of 477,322 shares from open market for a total consideration of approximately RMB30,017,000.
- (e) In October 2025, the Company granted 477,322 treasury shares to certain employees under the share incentive plan (note 34) for RMB75.70 per share with an aggregate consideration of RMB36,133,000. The difference of RMB6,116,000 between the aggregate consideration received from employees and the repurchase costs of the granted treasury shares has been credited to the share premium account.

34. SHARE-BASED PAYMENTS

Equity-settled share-based payment arrangement

Share option

On 25 April 2022, pursuant to the resolution passed during the Company's extraordinary shareholders' meeting which authorised and approved the share option scheme with the purpose of incentivising the management members and core employees of the Group to further promote the development and recognise their contributions. Under this share option scheme, an aggregate 1,087,000 share options were granted to the participants under this share option scheme, at predetermined purchase prices the participants when vesting conditions have been met. The initial grant was 872,000 share options and 215,000 share options were reserved under the share option scheme.

On 27 April 2022, the Company granted 872,000 shares option to the Group's 206 employees with an exercise price of RMB26.17 per share. The share options granted would be vest in three tranches which were 20% after 1 year, 40% after 2 years, and the remaining 40% after 3 years from the grant date upon the fulfillments of the vesting conditions and employees' individual performance appraisals.

On 19 April 2023, the Company granted the remaining 215,000 share options to the Group's 45 employees with an exercise price of RMB25.97 per share. These share options granted would be vest in two tranches which were 50% after 1 year and 50% after 2 years from the grant date upon the fulfillments of the vesting conditions and employees' individual performance appraisals.

As a result of non-fulfillment of performance appraisals, an aggregate of 643,529 share options have not been vested.

A summary of activities of the share option scheme is presented as follows:

	2023		2024	
	Weighted average exercise price per share	Number of options	Weighted average exercise price per share	Number of options
	<i>RMB per share</i>		<i>RMB per share</i>	
At 1 January	25.97	723,363	25.17	694,230
Granted during the year	25.97	215,000	25.17	—
Forfeited during the year	25.97	(122,292)	25.17	(372,600)
Exercised during the year	25.97	(121,841)	25.17	(321,630)
At 31 December	25.97	694,230	—	—

The exercise prices and exercise periods of the share-based payments outstanding as at 31 December 2023 is as follows:

As at 31 December 2023

Number of options	Exercise price	Exercise period
	<i>RMB per share</i>	
244,905	25.97	April 2024 to April 2025
255,312	25.97	April 2025 to April 2026
93,013	25.97	April 2025 to April 2026
101,000	25.97	April 2026 to April 2027
694,230		

The fair value of the share options granted during the year ended 31 December 2023 was RMB11,545,000.

The fair value of the share options at the grant date is independently determined using the Black Scholes Model, taking into account the terms and conditions under which the options were granted. The following table lists the inputs to the model used:

	Granted in 2022	Granted in 2023
Exercise price per share at grant date	26.17	25.97
Share price at grant date per share	41.30	86.30
Expected volatility of the Company's shares	23.05%–23.81%	22.13%–22.98%
Expected dividend yield	1.19%	1.21%
Risk-free interest rate	1.50%–2.75%	1.50%–2.10%

Share incentive plan

On 14 October 2025, the Company adopted a share incentive plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The shares granted under this shares incentive plan would be vested in three tranches of 40%, 30%, 30% upon the first, second and third anniversaries of the vesting commencement date, respectively, on condition that employees remain in service and certain non-market performance criteria are met. The performance criteria were determined by the Company. Evaluations are made as of each reporting period to assess the likelihood of performance criteria being met.

Under this share incentive plan the Company granted 477,322 treasury shares to 125 employees at a grant price of RMB75.70 per share.

The fair value of the granted shares was valued by reference to the market price of the Company's shares at the grant date.

There was no forfeited shares under this share incentive plan during year ended 31 December 2025.

35. RESERVES**The Group**

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Statutory reserve

In accordance with the Company Law of the Chinese mainland, companies registered in the Chinese mainland are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of their registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant Chinese mainland authorities. The statutory surplus reserve is not available for dividend distribution to equity holders of such companies.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Share premium	Share-based payment reserve	Statutory reserve	Retained profits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	595,541	5,570	35,175	292,408	928,694
Profit for the year	—	—	—	179,508	179,508
Total comprehensive income for the year . .	—	—	—	179,508	179,508
Issue of shares	778,866	—	—	—	778,866
Exercise of share options	5,410	(1,841)	—	—	3,569
Share-based payments	—	10,226	—	—	10,226
Transfer from retained profits	—	—	17,951	(17,951)	—
At 31 December 2023 and 1 January 2024.	1,379,817	13,955	53,126	453,965	1,900,863
Profit for the year	—	—	—	161,600	161,600
Total comprehensive income for the year . .	—	—	—	161,600	161,600
Dividends declared.	—	—	—	(104,753)	(104,753)
Exercise of share options	17,203	(8,655)	—	—	8,548
Share-based payments	—	(5,300)	—	—	(5,300)
Transfer from retained profits	—	—	12,745	(12,745)	—
At 31 December 2024 and 1 January 2025.	1,397,020	—	65,871	498,067	1,960,958
Profit for the year	—	—	—	299,051	299,051
Total comprehensive income for the year . .	—	—	—	299,051	299,051
Dividends declared.	—	—	—	(48,567)	(48,567)
Shares granted under the share incentive plan	6,116	—	—	—	6,116
Share-based payments	—	3,408	—	—	3,408
At 31 December 2025	<u>1,403,136</u>	<u>3,408</u>	<u>65,871</u>	<u>748,551</u>	<u>2,220,966</u>

36. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS**(a) Major non-cash transactions**

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets of RMB1,908,000, RMB103,000, and RMB291,000 and non-cash additions to lease liabilities of RMB1,908,000, RMB103,000, and RMB291,000, respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

	Interest bearing bank and other borrowings	Lease liabilities	Payable for listing expenses
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	9,000	115	—
Changes from financing cash flows	6,880	(188)	—
New lease	—	1,908	—
Accretion of interest	643	55	—
At 31 December 2023 and 1 January 2024	16,523	1,890	—
Changes from financing cash flows	(13,732)	(449)	—
New lease	—	103	—
Accretion of interest	395	78	—
Lease termination	—	(59)	—
At 31 December 2024 and 1 January 2025	3,186	1,563	—
Changes from financing cash flows	10,230	(484)	(13,786)
Addition	—	—	15,651
Derecognition of discounted bills receivable upon their maturity	(4,552)	—	—
New lease	—	291	—
Accretion of interest	263	63	—
Lease termination	—	(34)	—
At 31 December 2025	9,127	1,399	1,865

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities	896	1,378	1,431
Within financing activities	188	449	484
Total	1,084	1,827	1,915

37. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans and performance guarantee and bank bills payable are included in note 25 and note 31 to the Historical Financial Information.

38. COMMITMENTS

The Group had the following contractual commitments at the end of the each of Relevant Periods:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Acquisition of property, plant and equipment and other non-current assets.	81,246	3,860	8,382

39. RELATED PARTY TRANSACTIONS**(a) Significant related party transactions:**

The Group had the following material related party transactions during the Relevant Periods:

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Related company of which a Company's director is an equity holder			
Purchase of goods			
Hefei Jiuchuan Intelligent Equipment Co., Ltd.	—	479	298
Rental Income from industrial plants			
Hefei Jiuchuan Intelligent Equipment Co., Ltd.	758	1,010	1,180
A company of which a Company's supervisor is a director			
Purchase of goods			
Shenzhen Newway Mask Optoelectronics Co., Ltd.	272	—	—

The directors of the Company are of the opinion that the above transactions with related companies were conducted in the ordinary course of business with terms agreed mutually.

(b) Outstanding balances with related parties:**The Group**

The Group had the following outstanding balances with related parties:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade related			
Other payables			
Hefei Jiuchuan Intelligent Equipment Co., Ltd.	214	286	301
Trade related			
Trade payables			
Shenzhen Newway Mask Optoelectronics Co., Ltd.	63	—	—

These balances were interest-free, unsecured and repayable on demand.

(c) Compensation of key management personnel of the Group:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, bonuses, allowances and benefits in kind	2,458	2,487	2,555
Performance related bonuses	604	515	622
Share-based payments	—	—	175
Pension scheme contributions	129	163	183
Total compensation paid to key management personnel	3,191	3,165	3,535

Further details of directors' and the chief executive's emoluments are included in note 10 to the Historical Financial Information.

40. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets at fair value through other comprehensive income:			
Trade and bills receivables	7,587	12,893	14,393
Financial assets at fair value through profit or loss :			
Financial investments at fair value through profit or loss	830,639	518,008	321,408
Financial assets at amortised cost:			
Trade and bills receivables	842,348	1,004,122	1,082,701
Financial assets included in prepayments, other receivables and other assets	4,848	2,197	3,651
Pledged deposits	8,773	41,542	29,679
Cash and cash equivalents	189,718	244,883	442,714
Restricted cash	—	—	2,288
Total	1,053,274	1,305,637	1,575,426
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and bills payables	247,592	493,887	498,205
Financial liabilities included in other payables and accruals	32,141	77,422	105,757
Interest bearing bank and other borrowings	16,523	3,186	9,127
Total	296,256	574,495	613,089

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

As at 31 December 2023

	Carrying amounts	Fair values
	RMB'000	RMB'000
Financial assets		
Trade and bills receivables measured at fair value through other comprehensive income	7,587	7,587
Financial investments measured at fair value through profit or loss	830,639	830,639
Total	838,226	838,226

As at 31 December 2024

	Carrying amounts	Fair values
	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets		
Trade and bills receivables measured at fair value through other comprehensive income	12,893	12,893
Financial investments measured at fair value through profit or loss	518,008	518,008
Total	<u>530,901</u>	<u>530,901</u>

As at 31 December 2025

	Carrying amounts	Fair values
	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets		
Trade and bills receivables measured at fair value through other comprehensive income	14,393	14,393
Financial investments measured at fair value through profit or loss	321,408	321,408
Total	<u>335,801</u>	<u>335,801</u>

Management has assessed that the fair values of cash and cash equivalents, restricted cash, pledged deposits, trade and bills receivables at amortised cost, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the financial director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in financial investments at fair value through profit or loss, which represent wealth management products issued by banks in Chinese mainland and the fair value is determined using net asset value method at the end of each of the Relevant Periods.

The Group classifies certificates of deposit issued by banks in Chinese mainland as financial assets at fair value through profit or loss and the fair value of these certificates of deposit is determined using a discounted cash flow valuation model based on observable market interest rates for instruments with similar terms and risk characteristics. There is no significant unobservable inputs to the valuation of financial instruments as at 31 December 2023, 2024 and 2025.

The financial instruments in bills receivable are the bank bills receivable with high credit, and the Group's management model aims at both collecting the contractual cash flow and selling the financial assets. The Group has estimated the fair value of these bank bills receivable by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. There are no significant unobservable inputs to the valuation of financial instruments as at 31 December 2023, 2024 and 2025.

The fair values of unlisted investments measured at fair value through profit or loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to book ("**P/B**") multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023, 2024 and 2025:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Financial investments at fair value through profit or loss				
Unlisted investments	Market approach	Discounts for lack of marketability (" DLOM ")	31 December 2023: 25.65% to 33.47%	10% increase/(decrease) in DLOM would result in (decrease)/ increase in fair value by (RMB139,000)/ RMB139,000
			31 December 2024: 22.36% to 33.47%	10% increase/(decrease) in DLOM would result in (decrease)/ increase in fair value by (RMB151,000)/ RMB151,000
			31 December 2025: 25.65% to 30.76%	10% increase/(decrease) in DLOM would result in (decrease)/ increase in fair value by (RMB78,000)/ RMB78,000

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Financial instruments measured at fair value:

As at 31 December 2023

	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			Total
Financial assets			
Trade and bills receivables measured at fair value through other comprehensive income.	—	7,587	—
Financial investments measured at fair value through profit or loss	—	820,204	10,435
Total	—	827,791	10,435
			838,226

As at 31 December 2024

	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			Total
Financial assets			
Trade and bills receivables measured at fair value through other comprehensive income.	—	12,893	—
Financial investments measured at fair value through profit or loss	—	486,784	31,224
Total	—	499,677	31,224
			530,901

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets				
Trade and bills receivables measured at fair value through other comprehensive income.	—	14,393	—	14,393
Financial investments measured at fair value through profit or loss	—	288,806	32,602	321,408
Total	—	303,199	32,602	335,801

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted cash, pledged deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, time deposits, financial liabilities included in other payables and accruals, interest bearing bank and other borrowings and lease liabilities. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the translated value of monetary assets and liabilities).

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in profit before tax
	%	RMB '000
Year ended 31 December 2023		
If RMB strengthens against USD	5	(1,736)
If RMB weakens against USD	(5)	1,736
If RMB strengthens against JPY	5	(683)
If RMB weakens against JPY	(5)	683
Year ended 31 December 2024		
If RMB strengthens against USD	5	(6,327)
If RMB weakens against USD	(5)	6,327
If RMB strengthens against JPY	5	(1,602)
If RMB weakens against JPY	(5)	1,602
If RMB strengthens against THB	5	(1,016)
If RMB weakens against THB	(5)	1,016
Year ended 31 December 2025		
If RMB strengthens against USD	5	(8,973)
If RMB weakens against USD	(5)	8,973
If RMB strengthens against JPY	5	(527)
If RMB weakens against JPY	(5)	527
If RMB strengthens against THB	5	(1,311)
If RMB weakens against THB	(5)	1,311

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

For other receivables and contract assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging as at 31 December 2023, 2024 and 2025

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

APPENDIX I

ACCOUNTANTS' REPORT

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	—	—	—	909,926	909,926
Financial assets included in prepayments, other receivables and other assets					
— Normal**	5,330	—	—	—	5,330
Pledged deposits	8,773	—	—	—	8,773
Cash and cash equivalents	189,718	—	—	—	189,718
	<u>203,821</u>	<u>—</u>	<u>—</u>	<u>909,926</u>	<u>1,113,747</u>

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	—	—	—	1,092,722	1,092,722
Financial assets included in prepayments, other receivables and other assets					
— Normal**	2,542	—	—	—	2,542
Pledged deposits	41,542	—	—	—	41,542
Cash and cash equivalents	244,883	—	—	—	244,883
	<u>288,967</u>	<u>—</u>	<u>—</u>	<u>1,092,722</u>	<u>1,381,689</u>

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	—	—	—	1,185,081	1,185,081
Financial assets included in prepayments, other receivables and other assets					
— Normal**	4,290	—	—	—	4,290
Pledged deposits	29,679	—	—	—	29,679
Restricted cash	2,288	—	—	—	2,288
Cash and cash equivalents	442,714	—	—	—	442,714
	<u>478,971</u>	<u>—</u>	<u>—</u>	<u>1,185,081</u>	<u>1,664,052</u>

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful.”

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables and contract assets are disclosed in notes 21 and 23 to the Historical Financial Information.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. As at 31 December 2023, 2024 and 2025, the Group had certain concentrations of credit risk as 6.62%, 9.02% and 4.77% of the Group's trade and bills receivables and contract assets were due from the Group's largest customer, 16.7%, 22.4% and 37.0% of the Group's trade and bills receivables and contract assets were due from five largest customers, respectively.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The Group's objective is to maintain continuity of funding. The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

As at 31 December 2023					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables.	247,592	—	—	—	247,592
Financial liabilities included in other payables and accruals.	32,141	—	—	—	32,141
Lease liabilities.	456	396	1,249	—	2,101
Interest bearing bank and other borrowings.	16,903	—	—	—	16,903
	<u>297,092</u>	<u>396</u>	<u>1,249</u>	<u>—</u>	<u>298,737</u>
As at 31 December 2024					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables.	493,887	—	—	—	493,887
Financial liabilities included in other payables and accruals.	77,422	—	—	—	77,422
Lease liabilities.	450	396	854	—	1,700
Interest bearing bank and other borrowings.	3,266	—	—	—	3,266
	<u>575,025</u>	<u>396</u>	<u>854</u>	<u>—</u>	<u>576,275</u>

As at 31 December 2025					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables.	498,205	—	—	—	498,205
Financial liabilities included in other payables and accruals.	105,757	—	—	—	105,757
Lease liabilities.	542	557	392	—	1,491
Interest bearing bank and other borrowings.	9,127	—	—	—	9,127
	<u>613,631</u>	<u>557</u>	<u>392</u>	<u>—</u>	<u>614,580</u>

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The asset-liability ratios as at the end of each of the Relevant Periods were as follows:

As at 31 December			
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total liabilities.	448,782	726,241	808,284
Total assets.	2,480,472	2,788,843	3,116,656
Gearing ratios.	<u>18%</u>	<u>26%</u>	<u>26%</u>

43. EVENTS AFTER THE RELEVANT PERIODS

There were no significant events subsequent to the end of the Relevant Periods.

44. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

The following is the text of a report set out on pages IA-1 to IA-2, received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document. The information set out below is the unaudited interim condensed consolidated financial information of the Group for the three months ended 31 March 2026 and does not form part of the Accountant's Report from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, as set out in Appendix I to this document, and is included herein for information purpose only.



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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF
CIRCUIT FABOLOGY MICROELECTRONICS EQUIPMENT CO., LTD.**

(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages IA-3 to IA-23, which comprises the condensed consolidated statement of financial position of Circuit Fabology Microelectronics Equipment Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) as at 31 March 2026 and the related condensed consolidated statements of profit or loss, statements of comprehensive income, changes in equity and cash flows for the three months period then ended, and explanatory notes (the “**Interim Financial Information**”). The Interim Financial Information has been prepared by the directors of the Company solely for the purpose of inclusion in the prospectus of the Company dated 17 June 2026 (the “**Prospectus**”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“**IAS 34**”). Our responsibility is to express a conclusion on the Interim Financial Information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with IAS 34.

Other Matter

The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as at 31 December 2025. The comparative information for the interim condensed consolidated statements of profit or loss, statements of comprehensive income, changes in equity and cash flows, and related explanatory notes, for the three months ended 31 March 2025 has not been audited or reviewed.

Ernst & Young

Certified Public Accountants

Hong Kong

17 June 2026

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	<i>Notes</i>	Three months ended 31 March	
		2026	2025
		<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
REVENUE	4	514,722	242,243
Cost of sales		(307,516)	(142,062)
Gross profit.		207,206	100,181
Other income and gains, net	5	11,404	7,592
Selling and marketing expenses		(25,413)	(15,381)
Administrative expenses		(20,110)	(8,314)
Research and development expenses		(36,023)	(23,027)
Impairment losses on financial assets and contract assets, net.		(6,033)	(4,196)
Other expenses		(8,055)	(237)
Finance costs		(16)	(1)
PROFIT BEFORE TAX	6	122,960	56,617
Income tax expense	7	(14,567)	(4,750)
PROFIT FOR THE PERIOD		108,393	51,867
Attributable to:			
Owners of the parent		108,393	51,867
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB per share)	9	0.83	0.40
Diluted (RMB per share).	9	0.82	0.40

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended 31 March	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	108,393	51,867
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations. . .	(2,644)	—
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX.	(2,644)	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD . .	105,749	51,867
Attributable to:		
Owners of the parent.	105,749	51,867

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 March	As at 31 December
		2026	2025
		<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	336,746	297,297
Investment properties		33,191	33,426
Right-of-use assets		8,471	8,625
Other intangible assets		5,358	5,813
Contract assets		1,800	2,880
Financial investments at fair value through profit or loss	11	37,602	32,602
Trade and bills receivables	13	13,590	22,230
Prepayments, other receivables and other assets	14	322	20,720
Deferred tax assets	18	32,466	28,916
Total non-current assets		469,546	452,509
CURRENT ASSETS			
Inventories	12	778,089	771,156
Trade and bills receivables	13	1,204,537	1,074,864
Contract assets		19,471	19,538
Prepayments, other receivables and other assets	14	43,979	35,102
Financial investments at fair value through profit or loss	11	332,933	288,806
Pledged deposits		34,645	29,679
Restricted cash		8	2,288
Cash and cash equivalents		529,150	442,714
Total current assets		2,942,812	2,664,147
CURRENT LIABILITIES			
Trade and bills payables	15	581,202	498,205
Contract liabilities	16	118,482	56,609
Other payables and accruals	17	179,265	152,286
Interest bearing bank and other borrowings		6,515	9,127
Lease liabilities		475	488
Income tax payable		30,542	13,683
Deferred income		55,401	55,401
Provision		13,500	13,149
Total current liabilities		985,382	798,948
NET CURRENT ASSETS		1,957,430	1,865,199
TOTAL ASSETS LESS CURRENT LIABILITIES.		2,426,976	2,317,708

APPENDIX IA UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	<i>Notes</i>	As at 31 March	As at 31 December
		2026	2025
		<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(audited)
NON-CURRENT LIABILITIES			
Deferred income		2,634	4,215
Provision		4,631	4,210
Lease liabilities		831	911
Total non-current liabilities		8,096	9,336
Net assets		2,418,880	2,308,372
EQUITY			
Equity attributable to owners of the parent			
Share capital	19	131,741	131,741
Treasury shares.	19	(36,133)	(36,133)
Reserves		2,323,272	2,212,764
Total equity		2,418,880	2,308,372

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Three months ended 31 March 2026 (unaudited)

	Attributable to owners of the parent							Total equity
	Share capital	Treasury shares	Share premium*	Share-based payment reserve*	Translation reserve*	Statutory reserve*	Retained profits*	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2026.	131,741	(36,133)	1,403,136	3,408	2,414	65,871	737,935	2,308,372
Profit for the period	—	—	—	—	—	—	108,393	108,393
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations	—	—	—	—	(2,644)	—	—	(2,644)
Total comprehensive income for the period	—	—	—	—	(2,644)	—	108,393	105,749
Share-based payments	—	—	—	4,759	—	—	—	4,759
As at 31 March 2026	131,741	(36,133)	1,403,136	8,167	(230)	65,871	846,328	2,418,880

Three months ended 31 March 2025 (unaudited)

	Attributable to owners of the parent						Total equity
	Share capital	Treasury shares	Share premium	Translation reserve	Statutory reserve	Retained profits	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2025	131,741	(30,017)	1,397,020	1,417	65,871	496,570	2,062,602
Profit for the period	—	—	—	—	—	51,867	51,867
Total comprehensive income for the period	—	—	—	—	—	51,867	51,867
As at 31 March 2025	131,741	(30,017)	1,397,020	1,417	65,871	548,437	2,114,469

* These reserve accounts comprise total the consolidated reserves of RMB2,323,272,000 in the consolidated statements of financial position as at 31 March 2026.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended 31 March	
	2026	2025
	RMB'000 (unaudited)	RMB'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from/(used in) operations	162,452	(31,505)
Interest received	2,109	2,193
Income tax paid	—	(2,003)
Net cash flows from/(used in) operating activities	164,561	(31,315)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(29,041)	(15,094)
Additions to other intangible assets	(136)	(185)
Disposal of financial investments at fair value through profit or loss	120,469	51,000
Investments in financial investments at fair value through profit or loss	(173,886)	(10,000)
Investment income from financial investments at fair value through profit or loss	7,226	253
Net cash flows (used in)/from investing activities	(75,368)	25,974
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease payments	(108)	—
Net cash flows used in financing activities	(108)	—
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	89,085	(5,341)
Cash and cash equivalents at beginning of year	442,714	244,883
Effect of foreign exchange rate changes, net	(2,649)	960
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	529,150	240,502
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	563,803	266,059
Less: Restricted cash	(8)	—
Pledged deposits	(34,645)	(25,557)
Cash and cash equivalents as stated in the statements of cash flows and statements of financial position	529,150	240,502

II NOTES TO THE INTERIM FINANCIAL INFORMATION**1. CORPORATE INFORMATION AND BASIS OF PREPARATION****1.1 CORPORATE INFORMATION**

The Company was established in the People's Republic of China ("PRC") and was converted into a joint stock company on 15 October 2019. The registered office of the Company is located at Building 1, No.789 Changning Avenue, High-tech Zone, Hefei City, Anhui Province China.

The Company and its subsidiaries (collectively, the "Group") were mainly involved in the manufacturing, sales and maintenance of printed circuit board ("PCB") direct imaging equipment and automation system and semiconductor direct-writing lithography equipment and automation system.

1.2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the three months ended 31 March 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required for a complete set of financial statements prepared in accordance with the IFRS Accounting Standards, and should be read in conjunction with the Group's consolidated financial statements as set out in the accountants' report (the "Accountants' Report") included in Appendix I to the Company's prospectus dated 17 June 2026 (the "Prospectus") in connection with the initial public offering of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

This interim condensed consolidated financial information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's Accountants' Report, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in one single operating segment, i.e., research, manufacture and trade of direct-writing lithography equipment. Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no operating segment information is presented.

4. REVENUE

An analysis of revenue is as follows:

	Three months ended 31 March	
	2026	2025
	RMB'000 (unaudited)	RMB'000 (unaudited)
Revenue from contracts with customers	513,172	241,020
Rental income	1,550	1,223
Total	<u>514,722</u>	<u>242,243</u>
Types of goods or services		
PCB direct imaging equipment and automation system	436,950	161,065
Semiconductor direct-writing lithography equipment and automation system.	51,964	59,771
Others	24,258	20,184
Total	<u>513,172</u>	<u>241,020</u>
Geographical markets		
Chinese mainland	422,166	196,346
Other regions	91,006	44,674
Total	<u>513,172</u>	<u>241,020</u>
Timing of revenue recognition		
Goods transferred at a point in time.	490,109	220,870
Services transferred over time	23,063	20,150
Total	<u>513,172</u>	<u>241,020</u>

5. OTHER INCOME AND GAINS, NET

An analysis of other income and gains, net, is as follows:

	Three months ended 31 March	
	2026	2025
	RMB'000 (unaudited)	RMB'000 (unaudited)
Other income		
Government grants*	2,010	1,580
Bank interest income	855	1,212
Interest income arising from revenue contracts	1,254	981
Investment income from financial investments at fair value through profit or loss.	7,226	2,312
Total other income	11,345	6,085
Other gains		
Foreign exchange differences, net	—	266
Fair value gains on financial investments at fair value through profit or loss.	—	1,182
Others	59	59
Total other gains.	59	1,507
Total other income and gains, net	11,404	7,592

* Government grants related to income that is received as compensation for the Group's expenses already incurred or for the financial support to the Group with no future costs or expenses to be incurred. There are no unfulfilled conditions or contingencies relating to these grants. The Group has received certain government grants relating to purchases of items of property, plant and equipment. These grants were amortised and recognised in profit or loss over the useful lives of the relevant assets.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Three months ended 31 March	
	2026	2025
	RMB'000 (unaudited)	RMB'000 (unaudited)
Cost of inventories sold	266,506	127,360
Depreciation of investment properties	234	234
Depreciation of property, plant and equipment*	3,887	3,223
Depreciation of right-of-use assets*	155	143
Amortisation of other intangible assets*	591	572
Foreign exchange differences, net	3,765	(266)
Impairment/(reversal of impairment provision) of financial and contract assets:		
Impairment of trade receivables and bills receivable	6,097	4,307
Reversal of impairment provision of contract assets	(171)	(102)
Impairment/(reversal of impairment provision) of financial assets included in prepayments, other receivables and other assets	107	(9)
Write-down of inventories to net realisable value	698	—
Losses on disposal of items of property, plant and equipment and termination of right-of-use assets	—	237
	<u> </u>	<u> </u>

* The depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of other intangible assets related to manufacturing for the period are included in "Depreciation of property, plant and equipment", "Depreciation of right-of-use assets" and "Amortisation of other intangible assets", respectively.

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Chinese mainland

Pursuant to the Law of Enterprise Income Tax and respective regulations, the Company and its subsidiary operating in Chinese mainland are subject to income tax at a rate of 25% on their respective taxable income, except for those subject to preferential tax.

The Company was qualified as a "High and New Technology Enterprise" and was therefore entitled to a preferential income tax rate of 15% during the period. The qualification is subject to review by the relevant tax authority in the Chinese mainland every three years.

Thailand

Under the tax regulations of Thailand, the statutory corporate income tax rate is 20%, as stipulated by local laws. No provision for profits tax in Thailand was made as the Group did not have any assessable income subject to profits tax in Thailand during the period.

APPENDIX IA UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The income tax expense of the Group for the period is analysed as follows:

	Three months ended 31 March	
	2026	2025
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Current income tax	16,859	5,120
Deferred income tax	(2,292)	(370)
Total	<u>14,567</u>	<u>4,750</u>

8. DIVIDENDS

	Three months ended 31 March	
	2026	2025
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Final dividends in respect of the previous period, declared or paid during the period (tax inclusive)	<u>—</u>	<u>—</u>

In March 2026, the Board proposed the cash dividend of RMB92,219,000 to holders of the Company's A shares on the relevant record date, which was approved by shareholders of the Company on 3 April 2026.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average numbers of share capital outstanding during the period.

The share granted under share incentive plan have a potential dilutive effect on the earnings per share. The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at adjusted consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares. The number of shares used to calculate the basic and diluted earnings per share has deducted the treasury shares.

APPENDIX IA UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The calculations of basic and diluted earnings per share are based on:

	Three months ended 31 March	
	2026	2025
	(unaudited)	(unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	108,393	51,867
Shares		
Weighted average number of ordinary shares outstanding during the period, used in the basic earnings per share calculation ('000).	131,264	131,264
Effect of dilution — weighted average number of ordinary shares:		
Share granted under share incentive plan ('000)	169	—
Weighted average number of ordinary shares used in the diluted earnings per share calculation ('000)	131,433	131,264

10. PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2026, the Group acquired items of property, plant and equipment with a cost of RMB44,961,000 (three months ended 31 March 2025: RMB7,417,000).

There was no disposal of items of property, plant and equipment with a net book value by the Group during the three months ended 31 March 2026 (three months ended 31 March 2025: RMB237,000), resulting in no losses on disposal (three months ended 31 March 2025: net losses on disposal of RMB237,000).

11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March	As at 31 December
	2026	2025
	RMB'000 (unaudited)	RMB'000 (audited)
Current		
Wealth management products	10,027	—
Certificates of deposit.	322,906	288,806
Subtotal	332,933	288,806
Non current		
Unlisted investments.	37,602	32,602
Total	370,535	321,408

12. INVENTORIES

	As at 31 March	As at 31 December
	2026	2025
	RMB'000 (unaudited)	RMB'000 (audited)
Raw materials	358,545	356,446
Work in progress	180,509	168,207
Finished goods	119,904	108,635
Goods in transit	146,142	164,181
	805,100	797,469
Provision for impairment losses on inventories	(27,011)	(26,313)
Total	778,089	771,156

13. TRADE AND BILLS RECEIVABLES

	As at 31 March	As at 31 December
	2026	2025
	RMB'000 (unaudited)	RMB'000 (audited)
Trade and bills receivables at amortised cost		
Trade receivables without significant financing component . . .	986,255	834,750
Trade receivables with significant financing component	243,073	261,082
Bank bills receivable	28,184	29,828
Commercial bills receivable	48,706	45,028
Subtotal	1,306,218	1,170,688
Impairment provision	(94,084)	(87,987)
Total	1,212,134	1,082,701
Less : Non-current portion	13,590	22,230
Current portion	1,198,544	1,060,471
Bills receivable at fair value through other comprehensive income	5,993	14,393
Total	1,204,537	1,074,864

The Group's and the Company's trading terms with its customers are mainly on credit. The credit period is generally six to twelve months, extending up to 24 months for certain major customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Credit risk concentration is managed on a customer-by-customer basis. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

APPENDIX IA UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the goods or services acceptance date and net of allowance for expected credit losses, is as follows:

	As at 31 March	As at 31 December
	2026	2025
	RMB'000 (unaudited)	RMB'000 (audited)
Within 1 year	964,114	838,198
1 year to 2 years	215,198	216,697
2 years to 3 years	31,609	35,274
3 years to 4 years	6,903	6,767
4 years to 5 years	303	158
Total	1,218,127	1,097,094

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	As at 31 March	As at 31 December
	2026	2025
	RMB'000 (unaudited)	RMB'000 (audited)
At beginning of year	87,987	75,707
Impairment losses, net of reversal	6,097	12,280
At end of period/year	94,084	87,987

The bank bills receivable were issued by reputable banks and with short-term maturity. Accordingly, the identified impairment loss is considered to be minimal.

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 March	As at 31 December
	2026	2025
	RMB'000 (unaudited)	RMB'000 (audited)
Current portion		
Prepayments	17,964	4,762
Deposits	4,675	3,229
Listing expense	19,805	15,651
Value added tax recoverable	528	11,038
Other receivables	1,753	1,061
Subtotal	44,725	35,741
Less: Impairment losses	(746)	(639)
Total current portion	43,979	35,102
Non-current portion		
Prepayments	322	20,720
Total	44,301	55,822

The balances of other receivables are interest-free and unsecured.

Deposits mainly represent rental deposits and deposits with suppliers. At the end of the reporting period, the expected credit losses of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of the reporting period.

15. TRADE AND BILLS PAYABLES

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Trade payables	419,908	290,867
Bills payable	161,294	207,338
Total	<u>581,202</u>	<u>498,205</u>

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Within 1 year	414,927	281,985
1 year to 2 years	3,069	5,263
2 years to 3 years	1,007	2,687
Over 3 years	905	932
Total	<u>419,908</u>	<u>290,867</u>

16. CONTRACT LIABILITIES

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Sale of goods	<u>118,482</u>	<u>56,609</u>

Contract liabilities include advances received from customers for sale of equipment. The increase in contract liabilities was mainly due to the increase in advances received from customers for equipment sales.

17. OTHER PAYABLES AND ACCRUALS

	As at 31 March	As at 31 December
	2026	2025
	RMB'000 (unaudited)	RMB'000 (audited)
Payables for purchase of property, plant and equipment	24,116	28,593
Payroll and welfare payables	19,772	34,468
Endorsed bills receivable that have not been derecognised	37,776	33,988
Other taxes payables	46,532	5,639
Accrued listing expenses	6,019	1,865
Deposits	907	1,750
Accruals	2,616	4,557
Grants received in advance*	3,270	3,270
Shares repurchase obligation recognised	36,133	36,133
Others	2,124	2,023
Total	179,265	152,286

* This grant shall be disbursed by the local government upon the fulfilment of specified prerequisites by the Group.

Other payables and accrual are unsecured, non-interest-bearing and repayable on demand.

18. DEFERRED TAX

The movements in deferred tax assets and liabilities during the period are as follows:

Deferred tax assets

	Impairment of inventories	Impairment losses on financial assets	Impairment losses on contract assets	Share-based payments	Warranty	Accrued expenses	Deferred income	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 (audited)	1,970	11,407	198	—	1,743	1,095	9,890	227	26,530
Deferred tax credited/(charged) to profit or loss (audited)	1,977	1,884	10	446	861	141	(948)	(53)	4,318
Deferred tax credited to equity (audited)	—	—	—	61	—	—	—	—	61
Gross deferred tax assets at 31 December 2025 and 1 January 2026 (audited)	3,947	13,291	208	507	2,604	1,236	8,942	174	30,909
Deferred tax credited/(charged) to profit or loss (unaudited)	105	931	(25)	467	116	792	(237)	(72)	2,077
Deferred tax credited to equity (unaudited)	—	—	—	1,258	—	—	—	—	1,258
Gross deferred tax assets at 31 March 2026 (unaudited)	4,052	14,222	183	2,232	2,720	2,028	8,705	102	34,244

APPENDIX IA UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Deferred tax liabilities

	Right-of-use assets	Fair value adjustments arising from financial investments	Depreciation allowance in excess of related depreciation	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025 (audited)	200	254	93	547
Deferred tax (credited)/charged to profit or loss (audited)	(55)	1,534	(33)	1,446
Gross deferred tax liabilities at 31 December 2025 and 1 January 2026 (audited)	145	1,788	60	1,993
Deferred tax credited to profit or loss (unaudited)	(13)	(194)	(8)	(215)
Gross deferred tax liabilities at 31 March 2026 (unaudited)	132	1,594	52	1,778

For presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 March 2026	As at 31 December 2025
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
Net deferred tax assets recognised in the consolidated statement of financial position	32,466	28,916

19. SHARE CAPITAL AND TREASURY SHARES

Share capital

	As at 31 March 2026	As at 31 December 2025
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
Issued and fully paid: Ordinary shares of RMB1.00 each	131,741	131,741

APPENDIX IA UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital <i>RMB'000</i>
At 1 January 2025, 31 December 2025 (audited) and 31 March 2026 (unaudited)	131,740,716	131,741

Treasury shares

	Number of shares in issue	Treasury shares <i>RMB'000</i>
At 1 January 2025 (audited)	477,322	30,017
Shares granted under the share incentive plan (audited)	(477,322)	(30,017)
Shares repurchase obligation recognised (audited).	477,322	36,133
At 31 December 2025 and 1 January 2026 (audited).	477,322	36,133
At 31 December 2025, 1 January 2026 (audited) and 31 March 2026 (unaudited)	477,322	36,133

20. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	As at 31 March 2026 <i>RMB'000</i> (unaudited)	As at 31 December 2025 <i>RMB'000</i> (audited)
Acquisition of property, plant and equipment and other non-current assets	6,116	8,382

21. RELATED PARTY TRANSACTIONS

(a) Significant related party transactions:

The Group had the following material related party transactions during the period:

The Group

	Three months ended 31 March	
	2026 <i>RMB'000</i> (unaudited)	2025 <i>RMB'000</i> (unaudited)
Rental income		
Hefei Jiuchuan Intelligent Equipment Co., Ltd.*	301	293

* Related company of which a Company's director is an equity holder.

The directors of the Company are of the opinion that the above transaction with related company was conducted in the ordinary course of business with terms agreed mutually.

(b) Outstanding balances with related parties:

The Group

The Group had the following outstanding balances with related parties:

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Trade related		
Other payables		
Hefei Jiuchuan Intelligent Equipment Co., Ltd.	301	301

These balances were interest-free, unsecured and repayable on demand.

(c) Compensation of key management personnel of the Group:

	<u>Three months ended 31 March</u>	
	<u>2026</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Salaries, bonuses, allowances and benefits in kind	580	623
Performance related bonuses	168	169
Share-based payments	147	—
Pension scheme contributions	32	42
Total compensation paid to key management personnel	927	834

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, pledged deposits, trade and bills receivables at amortised cost, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the financial director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

APPENDIX IA UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in financial investments at fair value through profit or loss, which represent wealth management products issued by banks in Chinese mainland and the fair value is determined using net asset value method at the end of each of the reporting period.

The Group classifies certificates of deposit issued by banks in Chinese mainland as financial assets at fair value through profit or loss and the fair value of these certificates of deposit is determined using a discounted cash flow valuation model based on observable market interest rates for instruments with similar terms and risk characteristics. There is no significant unobservable inputs to the valuation of financial instruments as at 31 March 2026 and 31 December 2025.

The financial instruments in bills receivable are the bank bills receivable with high credit, and the Group's management model aims at both collecting the contractual cash flow and selling the financial assets. The Group has estimated the fair value of these bank bills receivable by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. There are no significant unobservable inputs to the valuation of financial instruments as at 31 March 2026 and 31 December 2025.

The fair values of unlisted investments measured at fair value through profit or loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to book ("P/B") multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 March 2026 and 31 December 2025:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Financial investments at fair value through profit or loss				
Unlisted investments	Market approach	Discounts for lack of marketability ("DLOM")	31 March 2026: 25.65% to 30.76%	10% increase/(decrease) in DLOM would result in (decrease)/ increase in fair value by (RMB78,000)/RMB78,000
			31 December 2025: 25.65% to 30.76%	10% increase/(decrease) in DLOM would result in (decrease)/ increase in fair value by (RMB78,000)/RMB78,000

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Financial instruments measured at fair value:

As at 31 March 2026 (unaudited)

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Trade and bills receivables measured at fair value through other comprehensive income.	—	5,993	—	5,993
Financial investments measured at fair value through profit or loss	—	332,933	37,602	370,535
Total	—	338,926	37,602	376,528

As at 31 December 2025 (audited)

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Trade and bills receivables measured at fair value through other comprehensive income.	—	14,393	—	14,393
Financial investments measured at fair value through profit or loss	—	288,806	32,602	321,408
Total	—	303,199	32,602	335,801

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

23. EVENTS AFTER 31 MARCH 2026

In March 2026, the Board of Directors approved the proposed profit distribution for the year 2025, based on the Company's outstanding 131,740,716 A shares, to distribute cash dividends with the amount of RMB7.00 per 10 shares (including tax). The aforesaid matter was approved at the general meeting on 3 April 2026. A cash dividend of RMB92,219,000 was subsequently distributed to shareholders on 22 April 2026.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with "Financial Information" and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets attributable to the owners of the Company has been prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the parent as of 31 December 2025 as if it had taken place on 31 December 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets attributable to owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the parent had the Global Offering been completed as of 31 December 2025 or as at any future dates.

	Consolidated net tangible assets attributable to owners of the Company as at 31 December 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share	
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000	RMB (Note 3)	HK\$ (Note 4)
Based on an Offer Price Of					
HK\$240.09 per Share	2,302,559	2,606,407	4,908,966	33.95	39.01
Based on an Offer Price Of					
HK\$246.41 per Share	2,302,559	2,675,831	4,978,390	34.43	39.56
Based on an Offer Price Of					
HK\$252.73 per Share	2,302,559	2,745,254	5,047,813	34.91	40.11

Notes:

- (1) The consolidated net tangible assets attributable to owners of the Company as at 31 December 2025 is extracted from the Accountants' Report, which is based on the audited consolidated total equity of the Company as at 31 December 2025 of RMB2,308,372,000. The amount of audited consolidated net tangible assets attributable to the owners of the Company as at 31 December 2025 exclude other intangible assets of RMB5,813,000.
- (2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$240.09 per Share or HK\$246.41 per Share or HK\$252.73 per Share, after deduction of the underwriting fees and other related expenses payable by the Company (excluding the listing expense that have been charged to profit or loss during the Relevant Period) and does not take into account of any Shares which may be issued upon the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK\$1.0 to RMB0.87048.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated based on total 144,579,366 Shares in issue after the completion of the Global Offering, representing the aggregate of the 12,838,650 H Shares to be issued pursuant to the Global Offering and excluding the impact of the subsequent events: On 22 April 2026, the Company announced a cash dividend of RMB92,219,000 to be distributed. Including the impact of subsequent events, the unaudited pro forma adjusted consolidated net tangible assets per Share as at 31 December 2025 would be HK\$38.27, HK\$38.82 and HK\$39.38, based on an Offer Price of HK\$240.09, HK\$246.41 and HK\$252.73 per Share, respectively.
- (4) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at an exchange rate of HK\$1.0 to RMB0.87048. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.
- (5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2025.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



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To the Directors of Circuit Fabology Microelectronics Equipment Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Circuit Fabology Microelectronics Equipment Co., Ltd. (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2025, and related notes as set out on pages II-1 and II-2 of the prospectus dated 17 June 2026 (the “**Prospectus**”) issued by the Company (the “**Unaudited Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 December 2025 as if the transaction had taken place at 31 December 2025. As part of this process, information about the Group's financial position, has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong
17 June 2026

TAXATION FOR SECURITIES HOLDERS

The income tax and capital gains tax for holders of H Shares are subject to the laws and practices of the PRC and the jurisdiction where the holders of H Shares are resident for tax purposes or are otherwise subject to tax. The following summary of certain relevant tax provisions is based on current laws and practices, does not take into account any expected changes or amendments to the relevant laws or policies, and does not constitute any opinion or recommendation. This discussion does not address all possible tax implications relating to the H Shares, nor does it consider the specific circumstances of any particular investor, some of which may be subject to special rules. You should therefore consult your tax advisors on the tax implications of the H Shares. This discussion is based on the laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retroactive effect.

This discussion does not address any aspect of PRC taxation other than income tax, value-added tax (“VAT”), stamp duty and estate duty. Prospective investors should consult their financial advisors on the PRC and other tax implications of owning and disposing of the H Shares.

Chinese Mainland Taxation***Taxation on Dividends******Individual Investors***

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “**IIT Law**”), as most recently amended on August 31, 2018 and effective from January 1, 2019, and the Implementation Regulations for the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), as most recently amended on December 18, 2018 and effective from January 1, 2019, dividends distributed by PRC enterprises are subject to individual income tax at a flat rate of 20%.

Foreign individuals who are not PRC residents are generally subject to individual income tax at a rate of 20% on dividends received from PRC enterprises, unless specially exempted by the tax authority of the State Council or reduced under an applicable tax treaty. According to the Circular on Certain Policy Issues Concerning Individual Income Tax (Cai Shui Zi [1994] No. 20) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]20號)), promulgated by the Ministry of Finance (the “**MOF**”) and the State Taxation Administration (the “**SAT**”) on and effective from May 13, 1994, income from dividends or bonuses obtained by foreign individuals from foreign-invested enterprises is temporarily exempt from individual income tax. According to the Circular of the State Council on Forwarding the Opinions of the National Development and Reform Commission and Other Departments on Deepening the Reform of the Income Distribution System (Guo Fa [2013] No. 6) (《國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知》(國發[2013]6號)), promulgated by the State Council on February 3, 2013, dividends or bonuses received by foreign individuals from foreign-invested enterprises are no longer exempt from individual income tax.

Pursuant to the Circular of the State Taxation Administration on Issues Concerning the Administration and Collection of Individual Income Tax after the Repeal of the Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), issued by the SAT on June 28, 2011, dividends received by individual H Share holders who are not residents of Chinese Mainland are generally subject to PRC

individual income tax at a withholding tax rate of 10%. Under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷稅漏稅的安排》) (the “**Arrangement**”), the PRC government may tax dividends paid by a PRC company to Hong Kong residents (including individuals and legal persons), but the tax so charged shall not exceed 10% of the gross amount of such dividends. If a Hong Kong resident directly holds 25% or more of the equity in a PRC company, and is the beneficial owner of the dividends and satisfies other conditions, the relevant tax shall not exceed 5% of the gross amount of the dividends paid by the PRC company. The Fifth Protocol to the Arrangement (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》), promulgated by the SAT and effective from December 6, 2019, provides that such provisions shall not apply to an arrangement or transaction of which one of the principal purposes is to obtain such tax benefits.

Corporate Investors

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) (the “**EIT Law**”), as amended by the Standing Committee of the NPC and effective from December 29, 2018, and the Implementation Regulations for the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》), as amended by the State Council and effective from January 20, 2025, the enterprise income tax (“**EIT**”) rate is 25%. A non-resident enterprise which does not have an establishment or place of business in the PRC, or which has an establishment or place of business in the PRC but the income derived from the PRC is not effectively connected with such establishment or place of business, shall be subject to EIT at the rate of 10% on its income derived from the PRC (including dividends paid by a PRC resident enterprise whose shares are issued and listed in Hong Kong). Such income tax payable by a non-resident enterprise shall be withheld at source, with the payer acting as the withholding agent. The tax shall be withheld by the withholding agent from the amount of each payment made or due to be paid. Such withholding tax may be reduced or exempted in accordance with applicable double taxation avoidance treaties.

According to the Circular on Issues Concerning the Withholding of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Non-resident Enterprise Holders 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稅有關問題的通知》), issued by the SAT and effective from November 6, 2008, when a PRC resident enterprise distributes dividends for 2008 and subsequent years to its non-resident enterprise H Share holders, it shall withhold EIT at a uniform rate of 10%. The above tax rate may be subject to further change under any applicable tax treaty or agreement entered into between the PRC and the relevant country or region.

Under the Arrangement, the PRC government may tax dividends paid by a PRC company to Hong Kong residents (including individuals and legal entities), but the tax so charged shall not exceed 10% of the gross amount of such dividends. If a Hong Kong resident directly holds at least 25% of the equity in a PRC company, and is the beneficial owner of the dividends and satisfies other conditions, the tax so charged shall not exceed 5% of the gross amount of the dividends paid by the PRC company. The Fifth Protocol provides that these provisions shall not apply to an arrangement or transaction of which one of the principal purposes is to obtain such tax benefits.

Tax Treaties

Non-resident investors residing in jurisdictions that have entered into double taxation avoidance treaties or arrangements with the PRC may be entitled to a reduction in PRC EIT on dividends received from PRC companies. The PRC currently has double taxation avoidance treaties or arrangements with various countries and regions, including but not limited to the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States. Non-PRC resident enterprises that are entitled to preferential tax rates under relevant tax treaties or arrangements must apply to the PRC tax authorities for a refund of any EIT paid in excess of the treaty rate, and such refund application is subject to the approval of the PRC tax authorities.

*Taxation on Gains from the Transfer of Shares**Individual Investors*

According to the IIT Law and its implementation regulations, gains realized from the sale of equity in a PRC resident enterprise are subject to a 20% individual income tax. According to the Circular on the Continued Temporary Exemption of Individual Income Tax on Income from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), issued by the MOF and the SAT and effective from March 30, 1998, income derived by individuals from the transfer of shares of listed companies continues to be temporarily exempt from individual income tax, with effect from January 1, 1997. According to the Circular on Issues Concerning the Levy of Individual Income Tax on Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), jointly promulgated by the MOF, the SAT and the CSRC on and effective from December 31, 2009, income derived from the transfer of listed shares obtained through public offerings of listed companies or from the Shanghai Stock Exchange and the Shenzhen Stock Exchange will continue to be exempt from individual income tax, with the exception of relevant restricted shares as stipulated in the aforesaid circular and the Supplementary Circular on Issues Concerning the Levy of Individual Income Tax on Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》), jointly issued and implemented by the MOF, the SAT and the CSRC on November 10, 2010. As of the Latest Practicable Date, the aforesaid provisions have not expressly stipulated whether to levy individual income tax on the transfer of shares of PRC resident enterprises listed on overseas securities exchanges by non-PRC resident individuals.

Corporate Investors

According to the EIT Law and its implementation regulations, if a non-PRC resident enterprise has no establishment or place of business in the PRC, or has an establishment or place of business in the PRC but its income derived from the PRC is not effectively connected with such establishment or place of business, it is generally subject to EIT at a rate of 10% on its income derived from PRC sources (including gains from the sale of equity in PRC resident enterprises). The aforesaid income tax payable by non-PRC resident enterprises shall be withheld at source, and the payer shall be the withholding agent. The withholding agent must withhold the income tax from each payment made or due to be paid. Such withholding tax may be reduced or exempted under relevant tax treaties or double taxation avoidance agreements.

Tax Policies for Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

On October 31, 2014 and November 5, 2016, the Ministry of Finance, the SAT, and the CSRC jointly promulgated the Circular on Tax Policies concerning the Pilot Program of the Shanghai-Hong Kong Stock Market Trading Interconnection Mechanism (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) and the Circular on Tax Policies concerning the Pilot Program of the Shenzhen-Hong Kong Stock Market Trading Interconnection Mechanism (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), pursuant to which, the gains from the transfer of shares and income from dividends and bonuses obtained by PRC enterprise investors from investing in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to EIT in accordance with the law. Among which, income from dividends and bonuses received by PRC resident enterprises from continuously holding H Shares for at least 12 months is exempt from EIT by law. H Share companies are not required to withhold and pay taxes on the income from dividends and bonuses for PRC enterprise investors. The taxable amount shall be declared and paid by the enterprises themselves.

For dividends and bonuses received by individual PRC investors from investing in H Shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the H Share company shall apply to China Securities Depository and Clearing Corporation Limited (“ChinaClear”), and ChinaClear shall provide a list of individual PRC investors to the H Share company, which shall then withhold and pay individual income tax at a rate of 20%. Individual investors who have already paid withholding tax outside the PRC may apply to the competent tax authority of ChinaClear for a tax credit upon presentation of a valid tax reduction certificate. For income from dividends and bonuses obtained by PRC securities investment funds from investing in stocks listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, individual income tax shall be levied in accordance with the above provisions.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), promulgated on June 10, 2021 and effective from July 1, 2022, the disposal of H Shares outside the PRC by non-Chinese Mainland investors is not subject to the provisions of the Stamp Duty Law of the PRC.

Estate Duty

Under PRC law, our Company is not subject to estate duty in the PRC.

MAJOR TAXES OF OUR COMPANY IN THE PRC**EIT**

According to the EIT Law, enterprises and other organizations that derive income (collectively “enterprises”) are taxpayers of EIT and shall pay EIT in accordance with the provisions of the EIT Law. The EIT rate is 25%. High and new technology enterprises that are encouraged by the State are subject to a reduced EIT rate of 15%.

Enterprises are classified as resident enterprises and non-resident enterprises. For a non-resident enterprise that has not set up an establishment or place of business in the PRC, or has set up an establishment or place of business in the PRC but the income derived from the PRC is not effectively connected with such establishment or place of business, it shall pay EIT on its income derived from the PRC, which shall be withheld at source with the payer acting as the withholding agent, and the tax shall be withheld by the withholding agent from each payment made or due to be paid. At the same time, any gains realized by such investors from the transfer of shares are subject to EIT, which shall be withheld at source if such gains are deemed to be income from the transfer of property within the PRC.

VAT

Pursuant to the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), promulgated by the NPCSC on 25 December 2024 and effective from 1 January 2026, which simultaneously repeals the Provisional Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值稅暫行條例》), all entities and individuals (including private enterprises or individual industrial and commercial households) selling goods, services, intangible assets, real estate and importing goods within the PRC are VAT taxpayers and shall pay VAT. Unless otherwise provided, the tax rate for the sales of goods, processing, repair and maintenance services, and leasing services of tangible movables is 13%; the tax rate for the sales of transportation, postal, basic telecommunications, construction, immovables leasing services, sales of immovables, transfer of land use rights, and sales or imports of goods prescribed by law is 9%; the tax rate for the sales of services and intangible assets is 6%; the tax rate for exported goods is zero, except where otherwise provided by the State Council.

Foreign Exchange

Renminbi is the legal tender in the PRC and is currently subject to foreign exchange controls and is not fully freely convertible into foreign currencies. Authorized by the People's Bank of China, the State Administration of Foreign Exchange (the "SAFE") is empowered to administer all matters relating to foreign exchange, including the implementation of foreign exchange administration regulations.

The Regulations of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), promulgated on January 29, 1996 and most recently amended and became effective on August 5, 2008, classify all international payments and transfers into current account items and capital account items. Current account items are subject to reasonable review by financial institutions engaged in foreign exchange settlement and sales businesses for the authenticity of transaction documents and their consistency with foreign exchange receipts and payments, and are subject to supervision and inspection by foreign exchange administration authorities. For capital account items, foreign institutions and individuals making direct investments in the PRC shall register with the foreign exchange administration authorities after obtaining approval from the relevant competent authorities. Foreign exchange income received from abroad may be repatriated to the PRC or held abroad; Capital account foreign exchange and funds from foreign exchange settlement shall be used in accordance with the purposes approved by the relevant competent authorities and foreign exchange administration authorities. When a serious imbalance occurs or may occur in the balance of payments, or a serious crisis occurs or may occur in the national economy, the state may adopt necessary safeguard and control measures for the balance of payments.

According to the Announcement on Reforming the Renminbi Exchange Rate Regime (《關於完善人民幣匯率形成機制改革的公告》), promulgated and implemented by the People's Bank of China on July 21, 2005, the PRC began to implement a managed floating exchange rate system based on market

supply and demand with reference to a basket of currencies starting from July 21, 2005. Therefore, the Renminbi is no longer pegged solely to the U.S. dollar. After the market closes on each business day, the People's Bank of China announces the closing price of the Renminbi against trading currencies such as the U.S. dollar in the inter-bank foreign exchange market, which serves as the central parity rate for the trading of such currency pairs against the Renminbi on the following business day.

According to relevant PRC laws and regulations, when PRC enterprises (including foreign-invested enterprises) require foreign exchange for current account transactions, they may make payments by opening a foreign exchange account with a designated foreign exchange bank without the approval of foreign exchange administration authorities, provided that valid transaction receipts and vouchers are presented. Foreign-invested enterprises that need foreign exchange to distribute profits to shareholders, and PRC enterprises that need to pay dividends to shareholders in foreign exchange in accordance with relevant regulations, may make payments from their foreign exchange accounts opened with designated foreign exchange banks or convert and make payments at designated foreign exchange banks, in accordance with the resolutions of their Board of Directors or shareholders' general meetings regarding profit distribution.

The Decision of the State Council on Canceling and Adjusting a Batch of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》), promulgated by the State Council on October 23, 2014, has canceled the approval requirement from the SAFE and its branches for the conversion and settlement of funds raised from overseas listing of shares into domestic Renminbi accounts.

Pursuant to the Notice of the PBOC and the SAFE on Issues Concerning the Management of Funds from Overseas Listings of Domestic Enterprises (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), issued by the SAFE on 24 December 2025 and effective from 1 April 2026, a domestic enterprise listing overseas shall, within 30 working days from the first trading day of its overseas listing or after the completion of the over-allotment, apply to a bank within the provincial/sub-provincial city region of its place of registration with relevant materials to handle its overseas listing registration; Funds raised by a domestic enterprise from its overseas listing should, in principle, be promptly repatriated to the PRC; If the funds are to be retained offshore for businesses such as outbound direct investment, overseas securities investment, or outbound lending, approval or filing documents must be obtained from the competent business authorities before the completion of the overseas listing and issuance or the over-allotment, and the relevant regulations on cross-border fund management shall be complied with; Funds obtained by domestic shareholders from the reduction or transfer of overseas shares of domestic enterprises should, in principle, be promptly repatriated to the PRC.

According to the Circular of the SAFE on Further Simplifying and Improving Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), promulgated on February 13, 2015 and most recently amended and effective immediately on December 30, 2019, the foreign exchange registration under domestic direct investment and overseas direct investment will be directly reviewed and handled by banks. The SAFE and its branches shall implement indirect supervision over foreign exchange registration for direct investment through banks.

According to the Circular of the SAFE on Reforming and Standardizing the Administration Policies for the Settlement of Foreign Exchange under Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), issued on June 9, 2016 and most recently amended and effective

immediately on December 4, 2023, discretionary settlement applies to foreign exchange capital. The discretionary settlement ratio for foreign exchange income under the capital account of domestic institutions is provisionally set at 100%, and the SAFE may adjust this ratio in a timely manner based on the balance of payments situation.

On January 26, 2017, the SAFE promulgated the Circular of the SAFE on Further Promoting Foreign Exchange Administration Reform and Improving Authenticity and Compliance Review (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》), which further expanded the scope of settlement for domestic foreign exchange loans with a background in goods trade exports; allows for the repatriation of funds under domestic guarantees for foreign loans for domestic use; allows foreign institutions within free trade pilot zones to settle their domestic foreign exchange accounts; and implements comprehensive management of cross-border lending in both domestic and foreign currencies, whereby the aggregate outstanding balance of cross-border loans in domestic and foreign currencies made by a domestic institution shall not exceed 30% of its owner's equity as stated in its audited financial statements for the preceding year.

On October 23, 2019, the SAFE promulgated the Circular of the SAFE on Further Promoting the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (amended and effective immediately on December 4, 2023). This circular cancels the restrictions on domestic equity investment using the capital of non-investment foreign-invested enterprises. In addition, it cancels the restrictions on the settlement and use of funds in domestic asset realization accounts and relaxes the restrictions on the use and settlement of margin deposits by foreign investors. Eligible enterprises in pilot areas are allowed to use income under capital accounts, such as capital, foreign debt and proceeds from overseas listing, for domestic payments without providing authenticity-proving materials to the bank on a transaction-by-transaction basis in advance, provided that their use of funds is authentic and compliant and is in conformity with the prevailing administrative regulations on the use of capital account income.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

This Appendix summarises certain aspects of the PRC laws and regulations relating to the operations and business of our Company. The laws and regulations in relation to PRC taxation are discussed separately in Appendix III “Taxation and Foreign Exchange” to this document. This Appendix also outlines certain legal and regulatory provisions under the PRC Company Law. The purpose of this summary is to provide prospective investors with an overview of the principal legal and regulatory provisions applicable to our Company. This summary is not intended to set out all the information that may be material to prospective investors. For a discussion of the laws and regulations relating to the business of our Company, please refer to the section headed “Regulatory Overview” for details.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the People’s Republic of China (《中華人民共和國憲法》) (the “**Constitution**”) and consists of written laws, administrative regulations, local regulations, separate regulations, departmental rules of the State Council, local government rules, autonomous regulations, separate regulations of autonomous regions, laws of the Special Administrative Regions, international treaties signed by the government of the PRC and other regulatory documents. Court judgements do not form binding precedents, but may be used for judicial reference and guidance.

According to the Constitution and the Legislation Law of the People’s Republic of China (《中華人民共和國立法法》) (the “**Legislation Law**”), as amended by the NPC on March 13, 2023 and effective from March 15, 2023, the NPC and its Standing Committee (“**NPCSC**”) are empowered to exercise the state power of legislation. The NPC has the power to formulate and amend basic laws governing criminal matters, civil matters, State organs and other matters. The NPCSC has the power to formulate and amend laws other than those which shall be enacted by the NPC. When the NPC is not in session, its Standing Committee may supplement and amend parts of laws enacted by the NPC, provided that no such supplements and amendments may contravene the basic principles of such laws.

The State Council is the highest state administrative organ and formulates administrative regulations in accordance with the Constitution and laws. The people’s congresses of provinces, autonomous regions and municipalities directly under the central government and their respective standing committees may formulate local regulations in light of the specific circumstances and actual needs of their respective administrative regions, provided that such local regulations shall not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities divided into districts and their standing committees may, in light of the specific conditions and actual needs of their respective cities, formulate local regulations on matters such as urban and rural construction and management, environmental protection, and historical and cultural preservation, provided that they do not contravene any provisions of the Constitution, laws, administrative regulations, and the local regulations of the provinces and autonomous regions. Where the law provides otherwise for matters on which cities divided into districts may formulate local regulations, such provisions shall prevail. The local regulations of cities where autonomous districts are located shall be implemented after being reported for approval.

The standing committees of the people’s congresses of provinces and autonomous regions shall conduct a legality review of the local regulations submitted for approval and shall approve them within four months if they do not conflict with the Constitution, laws, administrative regulations, and the local regulations of the province or autonomous region. The people’s congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic, and cultural characteristics of the local ethnic groups. The various ministries and commissions of the State Council, the People’s Bank of China, the National Audit Office, and public

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

institutions with administrative functions directly under the State Council may, in accordance with laws and the administrative regulations, decisions, and orders of the State Council, formulate rules within the scope of their respective powers.

The Constitution has the highest legal authority, and no law, administrative regulation, local regulation, autonomous regulation and separate regulation, or rule may contravene the Constitution. The authority of laws is higher than that of administrative regulations, local regulations and rules. The authority of administrative regulations is higher than that of local regulations and rules. The authority of rules formulated by the people's governments of provinces and autonomous regions is higher than that of rules formulated by the people's governments of cities divided into districts within their respective administrative areas.

The NPC has the power to alter or annul inappropriate laws enacted by its Standing Committee and has the power to annul autonomous regulations and separate regulations that have been approved by the NPCSC but contravene the Constitution and the Legislation Law. The NPCSC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate regulations that have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions and municipalities directly under the central government but contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul inappropriate departmental rules and local government rules. The people's congresses of provinces, autonomous regions and municipalities directly under the central government have the power to alter or annul inappropriate local regulations formulated or approved by their respective standing committees. The standing committees of local people's congresses have the power to annul inappropriate rules formulated by the people's government at the same level. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules formulated by the people's governments at lower levels.

According to the Constitution and the Legislation Law, the power of interpretation of laws belongs to the NPCSC. According to the Resolution of the Standing Committee of the National People's Congress on Strengthening the Work of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》), adopted by the NPCSC and effective from June 10, 1981, the Supreme People's Court has the power to interpret questions concerning the specific application of laws and decrees in judicial work of the courts. Questions concerning the specific application of laws and decrees in procuratorial work are to be interpreted by the Supreme People's Procuratorate. Questions concerning the specific application of laws and decrees that are not related to judicial and procuratorial work are to be interpreted by the State Council and the competent departments concerned.

Where the scope of a local regulation needs to be further defined or supplementary provisions need to be made, it shall be interpreted or provided for by the standing committee of the people's congress of the province, autonomous region or municipality directly under the central government that formulated the regulation. Interpretations of questions concerning the specific application of local regulations shall be the responsibility of the competent departments of the people's governments of provinces, autonomous regions and municipalities directly under the central government.

THE PRC JUDICIAL SYSTEM

According to the Constitution and the Organic Law of the People's Courts of the People's Republic of China (《中華人民共和國人民法院組織法》), as amended by the NPCSC on October 26, 2018 and effective from January 1, 2019, the People's Courts of the PRC are composed of the Supreme People's Court, the local people's courts at various levels and other special people's courts. The local people's courts are divided into three levels, namely, the basic people's courts, the intermediate people's courts and the higher people's courts. Basic people's courts may establish a number of people's tribunals according to the region, population and case situation. The Supreme People's Court is the highest judicial organ of the state. The Supreme People's Court supervises the exercise of judicial power by the local people's courts at all levels and by the special people's courts. People's courts at higher levels supervise the judicial work of people's courts at lower levels.

According to the Constitution and the Organic Law of the People's Procuratorates of the People's Republic of China (《中華人民共和國人民檢察院組織法》), as amended by the NPCSC on October 26, 2018 and effective from January 1, 2019, the people's procuratorates are the state organs for legal supervision. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of the local people's procuratorates at all levels and of the special people's procuratorates, and people's procuratorates at higher levels direct the work of those at lower levels.

The people's courts adopt a two-instance system for final judgment, and a second-instance judgment or ruling of a people's court is the final judgment or ruling. A party who disagrees with a first-instance judgment or ruling of a local people's court may file an appeal. A people's procuratorate may, in accordance with the procedures prescribed by law, lodge a protest with the people's court at the next higher level. If a party does not appeal within the prescribed time limit and the people's procuratorate does not protest, the judgment or ruling of the people's court shall be the final judgment or ruling. The second-instance judgments and rulings of intermediate people's courts, higher people's courts and the Supreme People's Court, as well as the first-instance judgments and rulings of the Supreme People's Court, are final judgments and rulings. However, if the Supreme People's Court or a people's court at a higher level finds that a legally effective final judgment or ruling of a lower people's court is indeed erroneous, or if the president of a people's court at any level finds that a legally effective final judgment or ruling of the court at the same level is indeed erroneous, a retrial may be conducted in accordance with the judicial supervision procedures.

The Civil Procedure Law of the People's Republic of China (2023 Amendment) (《中華人民共和國民事訴訟法(2023年修正)》) (the **"PRC Civil Procedure Law"**), adopted by the NPCSC on September 1, 2023 and effective from January 1, 2024, sets out the requirements for initiating a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcing a civil judgment or order. All parties to civil proceedings conducted within the territory of the People's Republic of China must comply with the PRC Civil Procedure Law. Civil cases are generally tried by the court in the place where the defendant is located. The court of jurisdiction for a civil action may be expressly agreed upon by the parties, provided that the court must be located in a place with a practical connection to the dispute, such as the domicile of the plaintiff or defendant, the place of performance or conclusion of the contract, or the location of the subject matter of the action. However, in no event shall the choice of court conflict with the provisions of different jurisdictions and exclusive jurisdictions.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Foreign individuals, stateless persons, foreign-invested enterprises or foreign organisations who initiate or defend an action in a people's court shall have the same litigation rights and obligations as PRC citizens, legal persons or other organisations. If a foreign court restricts the litigation rights of PRC citizens and enterprises, a PRC court may apply the same restrictions to the citizens and enterprises of that foreign country. Foreign individuals, stateless persons, foreign-invested enterprises or foreign organisations who need to retain a lawyer when initiating or defending an action in a people's court must retain a PRC lawyer. In accordance with international treaties concluded or acceded to by the People's Republic of China or on the principle of reciprocity, people's courts and foreign courts may request each other to serve documents, conduct investigations and take evidence, and take other actions on their behalf. A people's court shall refuse a request from a foreign court if it may result in an infringement of the sovereignty, security or public interest of the People's Republic of China.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or ruling made by a people's court of the People's Republic of China or an award made by an arbitral tribunal, the other party may apply to the people's court for enforcement within two years. The suspension or interruption of the time limit for applying for enforcement shall be governed by the provisions of the applicable law regarding the suspension or interruption of the statute of limitations.

A party applying to a people's court for enforcement of an effective judgment or ruling made by a people's court against a party not domiciled within the territory of the PRC or whose property is not located within the territory of the PRC may apply to a foreign court with appropriate jurisdiction for recognition and enforcement of the judgment or ruling. A people's court may also recognise and enforce a foreign judgment or ruling in accordance with the PRC enforcement procedures if an international treaty concluded or acceded to by the PRC and the foreign country provides for such recognition and enforcement, or if the judgment or ruling is reviewed by the court and found to be eligible under the principle of reciprocity, unless, among other exceptions, the people's court considers that recognition and enforcement of the judgment or ruling would result in a violation of the fundamental legal principles of the PRC, its sovereignty or security, or for reasons of social and public interest.

THE PRC COMPANY LAW, THE TRIAL MEASURES AND THE ARTICLES OF ASSOCIATION GUIDELINES

A joint stock limited company incorporated in the PRC seeking a listing on The Stock Exchange of Hong Kong Limited is primarily governed by the following PRC laws and regulations.

The PRC Company Law (《中華人民共和國公司法》) was adopted at the 5th Session of the Standing Committee of the 8th NPC on December 29, 1993, became effective on July 1, 1994, and was subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The latest amended PRC Company Law became effective on July 1, 2024.

The Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and the relevant filing rules promulgated by the CSRC on February 17, 2023 became effective on March 31, 2023, which apply to the direct and indirect overseas offering and listing of securities by domestic companies.

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According to the Trial Measures and their explanatory guidelines, domestic companies directly issuing and listing shares overseas shall formulate their articles of association in accordance with the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Articles of Association Guidelines**”), which replace the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas, which ceased to be applicable from March 31, 2023. The Articles of Association Guidelines were promulgated by the CSRC on December 16, 1997, and were most recently amended on March 28, 2025.

Set out below is a summary of the principal provisions of the PRC Company Law, the Trial Measures and the Articles of Association Guidelines applicable to our Company.

General Provisions

A “joint stock limited company” is a corporate legal person established in accordance with the PRC Company Law, whose registered capital is divided into shares of equal par value, with shareholders bearing liability limited to their respective shareholdings and the company bearing liability for its debts with all of its assets.

A company must abide by laws and social and business ethics in its business activities. A company may invest in other companies with limited liability. The company’s liability in respect of such investee companies is limited to the amount of its capital contribution. Unless otherwise provided by law, a company may not become a contributor that bears joint and several liability for the debts of the companies in which it invests.

Incorporation

A joint stock limited company may be incorporated by means of promotion or public offer. A joint stock limited company may be incorporated by at least one but not more than 200 promoters, of which at least half of the promoters must be domiciled within the territory of the PRC.

The promoters shall convene an inaugural meeting within 30 days after the share capital has been fully paid up, and shall notify all subscribers of the date of the meeting 15 days prior to the meeting or issue an announcement to that effect. An inaugural meeting can only be held if it is attended by the promoters and subscribers holding more than 50% of the total number of shares. The powers exercised by the inaugural meeting include but are not limited to adopting the articles of association and electing members of the board of directors and board of supervisors of the company. The above matters shall be adopted by more than 50% of the votes of the subscribers present at the meeting.

Within 30 days of the conclusion of the inaugural meeting, the board of directors shall authorise a representative to apply for registration of incorporation with the company registration authority. The company is formally established and has legal personality upon the issuance of a business licence by the relevant registration authority.

Registered Shares

According to the PRC Company Law, shareholders may make capital contributions in cash, or in non-monetary assets that can be valued in monetary terms and transferred according to law, such as physical objects, intellectual property, land use rights, equity or creditor’s rights.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The Trial Measures provide that a domestic enterprise listing overseas may raise funds and distribute dividends in foreign currency or Renminbi.

According to the PRC Company Law, a joint stock limited company must maintain a register of shareholders detailing the following information: (i) the name or title and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of the shares (if issued in paper form); and (iv) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All share issues by a joint stock limited company shall follow the principles of equality and fairness. Shares of the same class must enjoy the same rights. Shares of the same class issued at the same time must be issued on the same terms and at the same price. A joint stock limited company may issue shares at par or at a premium, but not below par.

A domestic enterprise issuing and listing shares overseas shall, in accordance with the provisions of the Trial Measures, file with the CSRC and submit the filing report, legal opinion and other relevant materials, and truthfully, accurately and completely state the shareholder information and other circumstances. Where a domestic enterprise directly issues and lists shares overseas, the issuer shall file with the CSRC. Where a domestic enterprise indirectly lists shares overseas, the issuer shall designate a principal domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

According to the PRC Company Law, when a joint stock limited company issues new shares, the shareholders' general meeting shall resolve on the class and number of new shares, the issue price of the new shares, the start and end dates of the new share issue, and the class and number of new shares to be issued to existing shareholders (if any). In addition, if a company intends to make a public offer of shares, it shall be registered with the securities regulatory authority of the State Council and announce this document.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures stipulated in the PRC Company Law:

- (i) prepare a balance sheet and a list of assets;
- (ii) the company makes a resolution at a shareholders' general meeting to reduce its registered capital;
- (iii) the company shall notify its creditors within 10 days of the approval of the resolution to reduce its registered capital, and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days;
- (iv) a creditor shall have the right to demand repayment of the debt or provision of a corresponding guarantee from the company within 30 days of receipt of the notice, and if the creditor has not received the notice, he shall have the right to demand repayment of the debt or provision of a corresponding guarantee within 45 days of the announcement;

- (v) when the company reduces its registered capital, it shall apply for change of registration with the company registration authority in accordance with the law.

When a company reduces its registered capital, it shall reduce the amount of capital contributions or shares in proportion to the capital contributions made or shares held by the shareholders, unless otherwise provided by law, otherwise agreed by all shareholders of a limited liability company, or otherwise provided in the articles of association of a joint stock limited company.

Share Repurchase

According to the PRC Company Law, a company may not purchase its own shares. Except in the following circumstances:

- (i) to reduce its registered capital;
- (ii) to merge with other companies holding its shares;
- (iii) to use the shares for an employee stock ownership plan or equity incentives;
- (iv) shareholders who vote against a resolution of the shareholders' general meeting on the merger or division of the company shall have the right to demand that the company acquire the shares held by them;
- (v) to use the shares for the conversion of convertible corporate bonds issued by the company;
- (vi) as necessary to safeguard the corporate value and shareholder rights and interests of a listed company.

The purchase of the company's shares for the reasons set out in (i) to (ii) above shall be approved by a resolution of the general meeting; The purchase of the company's shares for the reasons set out in (iii), (v) and (vi) above shall be approved by a resolution of a meeting of the board of directors attended by more than two-thirds of the directors or authorised by the general meeting in accordance with the provisions of the articles of association.

After a company repurchases its own shares in accordance with the above provisions, if the case falls under circumstance (i) above, the shares shall be cancelled within 10 days from the date of repurchase; if the case falls under circumstances (ii) and (iv) above, the shares shall be transferred or cancelled within six months; if the case falls under circumstances (iii), (v) and (vi) above, the total number of shares held by the company shall not exceed 10% of the total number of issued shares of the company, and the shares shall be transferred or cancelled within three years.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the law. According to the PRC Company Law, the transfer of shares by a shareholder shall be conducted on a legally established securities exchange or in other ways prescribed by the State Council. Registered shares shall be transferred by the shareholder by way of endorsement or by other means stipulated by laws and administrative regulations. After the transfer, a company shall record the name or title and domicile of the transferee in the register of shareholders. No change to the registration of shareholders in the

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register of shareholders as stipulated in the preceding paragraph shall be made within 20 days prior to the convening of a shareholders' general meeting or within 5 days prior to the record date set by the company for the distribution of dividends. Where laws, administrative regulations or the securities regulatory authority of the State Council have other provisions on the change of registration of the register of shareholders of a listed company, such provisions shall prevail.

Directors, supervisors and senior management of a company shall declare to the company the shares they hold and any changes thereto. During their term of office as determined at the time of their appointment, the number of shares transferred each year shall not exceed 25% of the total number of shares of the company held by them. Shares of the company held by directors, supervisors and senior management shall not be transferred within one year from the date on which the company's shares are listed for trading. The aforesaid persons shall not transfer the shares of the company held by them within six months after their departure from office.

Where shares are pledged within the restrictive transfer period stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge right within that period.

SHAREHOLDERS

According to the PRC Company Law and the Articles of Association Guidelines, the rights of a company's shareholders include:

- (i) to receive dividends and other forms of profit distribution in proportion to their shareholdings;
- (ii) to demand, convene, preside over, attend or appoint a shareholder's proxy to attend a general meeting in accordance with the law, and to exercise the corresponding voting rights;
- (iii) to supervise the company's business operations and to make suggestions or inquiries;
- (iv) to transfer, grant or pledge the company shares they hold in accordance with the provisions of laws, administrative regulations and the articles of association;
- (v) to inspect and copy the articles of association, the register of shareholders, minutes of general meetings, resolutions of board of directors meetings, resolutions of board of supervisors meetings and financial and accounting reports;
- (vi) shareholders holding, individually or in aggregate, 3% or more of the company's shares for 180 consecutive days or more may, in accordance with the law, inspect the company's accounting books and accounting vouchers;
- (vii) upon the cessation of business or liquidation of the company, to participate in the distribution of the company's remaining assets in proportion to their shareholdings;
- (viii) a shareholder who objects to a resolution of the general meeting on the merger or division of the company may demand that the company acquire his/her/its shares;
- (ix) other rights stipulated by the laws, administrative regulations, departmental rules, regulatory rules of the place where the company's shares are listed or the articles of association.

The obligations of the company's shareholders include:

- (i) to abide by laws, administrative regulations and the articles of association;
- (ii) to contribute to the share capital in accordance with the shares subscribed for and the method of capital contribution;
- (iii) not to withdraw their shares, unless otherwise provided for in laws and administrative regulations;
- (iv) not to abuse shareholder rights to the detriment of the interests of the company or other shareholders; not to abuse the company's independent legal personality and the limited liability of shareholders to the detriment of the interests of the company's creditors;
- (v) to perform other obligations stipulated by the laws, administrative regulations, departmental rules and securities regulatory rules of the place where the company's shares are listed.

SHAREHOLDERS' GENERAL MEETINGS

According to the PRC Company Law, the general meeting of a joint stock limited company shall be composed of all shareholders. The general meeting is the organ of power of the company and exercises the following powers and functions:

- (i) to elect and replace directors and supervisors, and to decide on their remuneration;
- (ii) to consider and approve the reports of the board of directors;
- (iii) to consider and approve the reports of the board of supervisors;
- (iv) to consider and approve the company's profit distribution plans and loss make-up plans;
- (v) to pass resolutions on the increase or decrease of the company's registered capital;
- (vi) to pass resolutions on the issue of corporate bonds;
- (vii) to pass resolutions on the merger, division, dissolution, liquidation or change of the company's form;
- (viii) to amend the articles of association; and
- (ix) other powers and functions stipulated by the articles of association.

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According to the PRC Company Law, an annual general meeting shall be held once every year. An extraordinary general meeting shall be convened within two months upon the occurrence of any of the following circumstances:

- (i) the number of directors is less than the number required by the PRC Company Law or less than two-thirds of the number specified in the articles of association;
- (ii) the company's unrecovered losses reach one-third of the amount of its share capital;
- (iii) upon the request of a shareholder or shareholders holding, individually or jointly, 10% or more of the company's shares;
- (iv) when the board of directors deems it necessary;
- (v) when the board of supervisors proposes to convene a meeting;
- (vi) other circumstances stipulated by the articles of association.

The general meeting shall be convened by the board of directors and presided over by the chairman of the Board; if the chairman is unable or fails to perform his duties, the meeting shall be presided over by the vice chairman; if the vice chairman is unable or fails to perform his duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

If the board of directors is unable or fails to perform its duty of convening a general meeting, the board of supervisors shall convene and preside over the meeting in a timely manner; If the board of supervisors does not convene and preside over the meeting, a shareholder or shareholders holding, individually or jointly, 10% or more of the company's shares for 90 consecutive days or more may convene and preside over the meeting on their own.

If shareholders holding, individually or in aggregate, 10% or more of the company's shares request to convene an extraordinary general meeting, the board of directors and the board of supervisors shall, within 10 days of receipt of the request, decide whether to convene the meeting and reply to the shareholders in writing.

For the convening of a general meeting, each shareholder shall be notified of the time and place of the meeting and the matters to be considered thereat 20 days before the meeting is held; For an extraordinary general meeting, each shareholder shall be notified 15 days before the meeting is held.

A shareholder or shareholders holding, individually or jointly, 1% or more of the company's shares may submit an extraordinary proposal in writing to the convener 10 days before the general meeting is held. The convener shall, within two days of receiving the proposal, issue a supplementary notice of the general meeting and announce the content of the extraordinary proposal.

According to the PRC Company Law, when a shareholder appoints a proxy to attend a general meeting, the matters to be acted on by the proxy, the scope of authority, and the term of validity shall be clearly specified. The proxy shall submit the shareholder's power of attorney to the company and exercise voting rights within the scope of authorization. The PRC Company Law does not contain specific provisions on the number of shareholders that constitutes a quorum for a general meeting.

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According to the PRC Company Law, each share held by a shareholder attending a general meeting shall have one vote, save for shareholders of class shares. However, the shares of the company held by the company itself have no voting rights.

When a general meeting elects directors or supervisors, a cumulative voting system may be implemented in accordance with the provisions of the articles of association or a resolution of the general meeting. Under the cumulative voting system, when a general meeting elects directors or supervisors, each share shall carry voting rights equal in number to the directors or supervisors to be elected, and the voting rights held by shareholders may be used cumulatively.

According to the PRC Company Law and the Articles of Association Guidelines, the passing of any resolution requires the affirmative votes of more than half of the voting rights held by the shareholders present at the general meeting. Matters concerning the company's merger, division or dissolution, increase or decrease of registered capital, change of corporate form or amendment to the articles of association must be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

DIRECTORS

According to the PRC Company Law, a joint stock limited company shall establish a board of directors, but a company with a smaller scale or fewer shareholders may choose not to establish a board of directors. The board of directors shall be composed of three or more members. The term of office of a director shall be stipulated in the articles of association, but each term shall not exceed three years. A director may serve consecutive terms if re-elected.

The board of directors shall hold meetings at least twice a year. A notice of each meeting shall be given to all directors and supervisors 10 days in advance. The board of directors shall exercise the following powers and functions:

- (i) to convene general meetings and to report on its work to the general meetings;
- (ii) to implement the resolutions of the general meetings;
- (iii) to decide on the company's business plans and investment proposals;
- (iv) to formulate the company's profit distribution plans and loss make-up plans;
- (v) to formulate plans for increasing or decreasing the company's registered capital and for issuing corporate bonds;
- (vi) to formulate plans for the company's merger, division, dissolution or change of corporate form;
- (vii) to decide on the establishment of the company's internal management structure;
- (viii) to decide on the appointment or dismissal of the company's general manager and on matters concerning his/her remuneration; based on the nomination of the general manager, to decide on the appointment or dismissal of the company's deputy general manager(s) and chief financial officer and on matters concerning their remuneration;

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- (ix) to formulate the basic management system of the company;
- (x) other powers and functions stipulated by the articles of association or granted by the general meeting.

A meeting of the board of directors may be held only if more than half of the directors are present. If a director is unable to attend a meeting for any reason, he/she may entrust another director in writing to attend on his/her behalf, and the power of attorney shall specify the scope of authorization. If a resolution of the board of directors violates laws, administrative regulations or the articles of association, causing serious losses to the company, the directors who participated in the resolution shall be liable for compensation to the company. However, a director may be exempted from such liability if it can be proven that he/she had expressed his/her objection during the vote and such objection was recorded in the minutes of the meeting.

According to the PRC Company Law, the following persons shall not serve as directors of a company:

- (i) persons with no or limited capacity for civil conduct;
- (ii) persons who have been sentenced to criminal penalties for corruption, bribery, embezzlement or misappropriation of property or disruption of the socialist market economic order, or have been deprived of political rights for committing a crime, where not more than five years have elapsed since the expiry of the enforcement period, or who have been given a suspended sentence, where not more than two years have elapsed since the expiry of the probation period;
- (iii) persons who served as a director or factory manager or general manager of a company or an enterprise which is under bankruptcy liquidation and are personally liable for the bankruptcy of such company or enterprise, where not more than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- (iv) persons who served as the legal representative of a company or an enterprise whose business license was revoked or which was ordered to close down for violation of law, and are personally liable therefor, where a period of three years has not elapsed since the date of such revocation or closing down; and
- (v) a “judgment debtor” in respect of a substantial amount of personal debt which is overdue and has been listed as a person subject to enforcement for breach of trust by a People’s Court;

The board of directors shall have one chairman, who shall be elected by more than half of the directors. The chairman of the Board shall exercise the following powers and functions (including but not limited to):

- (i) to preside over general meetings and to convene and preside over meetings of the board of directors;
- (ii) to inspect the implementation of the resolutions of the board of directors;
- (iii) to exercise other powers granted by the board of directors.

MANAGER AND SENIOR MANAGEMENT

According to the PRC Company Law, a company shall have a general manager, who shall be appointed or dismissed by the board of directors. The general manager shall be responsible to the board of directors and shall exercise his/her powers and functions in accordance with the provisions of the articles of association or as authorized by the board of directors. The general manager shall attend meetings of the board of directors as a non-voting member.

According to the PRC Company Law, senior management refer to the general manager, deputy general manager(s), chief financial officer, secretary to the board of directors of a listed company, and other personnel stipulated in the articles of association.

DUTIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The PRC Company Law requires that directors, supervisors, and senior management of a company shall abide by relevant laws, regulations, and the articles of association, and owe duties of loyalty and diligence to the company. Directors, supervisors, and senior management shall not use their positions to accept bribes or other illegal income, and shall not misappropriate the company's property.

Directors, supervisors and senior managements hall not engage in the following acts:

- (i) misappropriate the company's property or embezzle the company's funds;
- (ii) deposit the company's funds in an account opened in their own name or in the name of another individual;
- (iii) use their positions to solicit bribes or receive other illegal income;
- (iv) accept commissions from transactions with the company for their own benefit;
- (v) disclose the company's confidential business information without authorization; or
- (vi) other acts in violation of the duty of loyalty to the company.

Directors, supervisors, and senior management personnel, when directly or indirectly entering into contracts or conducting transactions with the company, shall report to the board of directors or the general meeting on matters related to the contract or transaction, which shall be approved by a resolution of the board of directors or the shareholders in accordance with the provisions of the articles of association.

The provisions of the preceding paragraph shall apply to close relatives of directors, supervisors, and senior management, enterprises directly or indirectly controlled by directors, supervisors, senior management or their close relatives, and other connected persons who have a connected relationship with directors, supervisors, and senior management personnel, when they enter into contracts or conduct transactions with the company.

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Directors, supervisors, and senior management shall not take advantage of their positions to seek for themselves or for others any business opportunity that belongs to the company. However, the following circumstances shall be exceptions:

- (i) report to the board of directors or the general meeting, and have the matter approved by a resolution of the board of directors or the general meeting in accordance with the provisions of the articles of association; or
- (ii) the company is unable to take advantage of such business opportunity in accordance with the provisions of laws, administrative regulations or the articles of association.

Without reporting to the board of directors or the general meeting and obtaining approval by a resolution of the board of directors or the general meeting in accordance with the provisions of the articles of association, a director, supervisor, or senior management member shall not engage in, for his/her own account or for another person, any business of the same type as that of the company in which he/she holds a position.

Where a director, supervisor or senior management member, in performing his/her duties for the company, violates the provisions of laws, administrative regulations or the articles of association and thereby causes losses to the company, he/she shall be liable for compensation.

FINANCE AND ACCOUNTING

According to the PRC Company Law, a company shall establish its financial and accounting systems in accordance with the provisions of laws, administrative regulations and the requirements of the finance organs under the State Council. A company shall, at the end of each fiscal year, prepare a financial and accounting report, which shall be audited by an accounting firm in accordance with the law. The financial and accounting report shall be prepared in accordance with the provisions of laws, administrative regulations and the requirements of the finance organs under the State Council.

The financial and accounting report of a joint stock limited company shall be made available at the company for shareholders' inspection 20 days prior to the convening of the annual general meeting; A joint stock limited company that has publicly issued shares must announce its financial and accounting reports.

When distributing its after-tax profits for the current year, the company shall set aside 10% of its profits for the company's statutory common reserve fund. If the accumulated amount of the company's statutory common reserve fund is more than 50% of the company's registered capital, no further appropriation may be made.

If the company's statutory common reserve fund is not sufficient to make up for the losses of previous years, the profits of the current year shall first be used to make up for the losses before the statutory common reserve fund is appropriated in accordance with the preceding paragraph. After appropriating the statutory common reserve fund from its after-tax profits, the company may, upon a resolution of the general meeting, also appropriate a discretionary common reserve fund from its after-tax profits.

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A joint stock limited company shall distribute profits in proportion to the shares held by its shareholders, unless the articles of association of the joint stock limited company provide for distribution not in proportion to shareholdings.

The premiums obtained by a joint stock limited company from the issuance of shares at a price exceeding their par value, the amount of income from the issuance of no-par value shares that is not included in the registered capital, and other income designated for the capital reserve fund by the finance organs under the State Council, shall be included in the company's capital reserve fund.

The company's common reserve fund shall be used to make up for the company's losses, expand the company's production and operation, or be converted into an increase in the company's capital. To make up for the company's losses with the common reserve fund, the discretionary common reserve fund and the statutory common reserve fund shall be used first; if they are still insufficient, the capital common reserve fund may be used in accordance with the regulations. When the statutory common reserve fund is converted to increase the registered capital, the remaining amount of such reserve fund shall not be less than 25% of the company's registered capital before the conversion.

The company shall not keep any other accounting books in addition to the statutory accounting books.

APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

According to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the company's audit shall be decided by the general meeting, the board of directors, or the board of supervisors in accordance with the provisions of the articles of association. When the general meeting, the board of directors, or the board of supervisors votes on the dismissal of an accounting firm, the accounting firm must be allowed to state its opinions.

The company must provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and shall not refuse, conceal or misrepresent them.

The Articles of Association Guidelines provide that the company shall guarantee to provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and shall not refuse, conceal or misrepresent them. The audit fees of the accounting firm shall be determined by the general meeting.

PROFIT DISTRIBUTION

If a company distributes profits to shareholders in violation of the provisions of the PRC Company Law, the shareholders shall return the profits distributed in violation of the provisions to the company; if losses are caused to the company, the shareholders and the responsible directors, supervisors and senior management shall be liable for compensation.

DISSOLUTION AND LIQUIDATION

According to the PRC Company Law, a company shall be dissolved for the following reasons:

- (i) the term of operation stipulated in the articles of association expires or other grounds for dissolution stipulated in the articles of association arise;
- (ii) a resolution for dissolution is passed by the general meeting;
- (iii) dissolution is required due to a merger or division of the company;
- (iv) its business license is revoked, it is ordered to close down or it is cancelled in accordance with the law;
- (v) if the company encounters serious difficulties in its operation and management, and its continued existence would cause substantial losses to the shareholders' interests, which cannot be resolved through other means, shareholders holding 10% or more of all the voting rights of the company may request a people's court to dissolve the company.

Where the grounds for dissolution stipulated in the preceding paragraph arise for the company, it shall, within ten days, publicise the grounds for dissolution through the National Enterprise Credit Information Publicity System.

Where the company is dissolved in accordance with paragraphs (i) and (ii) above and has not yet distributed its property to the shareholders, it may continue to exist by amending its articles of association or through a resolution of the general meeting, and the amendment to the articles of association must be passed by more than two-thirds of the voting rights held by the shareholders present at the general meeting. If the company is dissolved due to the provisions of paragraphs (i), (ii), (iv) or (v) above, it shall undergo liquidation. The directors are the persons responsible for the liquidation of the company and shall form a liquidation panel to carry out the liquidation within 15 days from the date on which the grounds for dissolution arise.

The liquidation panel shall be composed of directors, unless otherwise provided in the articles of association or other persons are elected by a resolution of the general meeting. If the persons responsible for liquidation fail to perform their liquidation obligations in a timely manner, causing losses to the company or its creditors, they shall be liable for compensation.

If a liquidation panel is not formed within the specified time limit to conduct liquidation or if the formed liquidation panel fails to conduct liquidation, an interested party may apply to a people's court to designate relevant personnel to form a liquidation panel to conduct the liquidation. The people's court shall accept the application and promptly organize a liquidation panel to conduct the liquidation.

The liquidation panel shall exercise the following powers during the liquidation period:

- (i) to clear up the company's assets and prepare a balance sheet and a list of assets respectively;
- (ii) to notify and make public announcements to creditors;
- (iii) to deal with the unfinished business of the company related to the liquidation;

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

- (iv) to pay off the taxes owed and the taxes incurred during the liquidation process;
- (v) to clear up claims and debts;
- (vi) to distribute the remaining assets of the company after repaying its debts;
- (vii) to represent the company in civil litigation activities.

The liquidation panel shall, within ten days from the date of its establishment, notify the company's creditors, and shall, within sixty days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation panel.

The remaining assets of the company, after paying, in sequence, the liquidation expenses, employees' wages, social insurance premiums and statutory compensation, the taxes owed, and repaying the company's debts, shall be distributed by the company to the shareholders in proportion to their respective shareholdings.

During the liquidation period, the company shall continue to exist, but it shall not carry out operating activities unrelated to the liquidation. The company's assets shall not be distributed to the shareholders before being used for repayment in accordance with the preceding paragraph.

After clearing up the company's assets and preparing the balance sheet and list of assets, if the liquidation panel discovers that the company's assets are insufficient to repay its debts, it shall apply to a people's court for bankruptcy liquidation. After the people's court has accepted the bankruptcy application, the liquidation panel shall hand over the liquidation affairs to the bankruptcy administrator designated by the people's court.

Upon the conclusion of the company's liquidation, the liquidation panel shall prepare a liquidation report, submit it to the general meeting or the people's court for confirmation, and submit it to the company registration authority to apply for the cancellation of the company's registration.

Members of the liquidation panel, in performing their liquidation duties, shall have the duties of loyalty and diligence. If members of the liquidation panel are negligent in performing their liquidation duties, causing losses to the company, they shall be liable for compensation; if they cause losses to creditors due to intent or gross negligence, they shall be liable for compensation.

Where the company's business license has been revoked, it has been ordered to close down or has been cancelled, and it has failed to apply to the company registration authority for deregistration for three years, the company registration authority may make an announcement through the National Enterprise Credit Information Publicity System for a period of not less than 60 days. After the announcement period expires, if no objection is raised, the company registration authority may deregister the company.

OVERSEAS LISTING

According to the Trial Measures, an issuer conducting an initial public offering or listing overseas shall file with the CSRC within 3 working days after submitting its application documents for overseas issuance and listing. After an issuer's overseas issuance and listing, if it issues securities in the same overseas market, it shall file with the CSRC within 3 working days after the completion of the issuance. After an issuer's overseas issuance and listing, if it issues and lists in other overseas markets, it shall file with the CSRC within 3 working days after submitting its application documents for overseas issuance and listing. In addition, if the filing materials are complete and comply with the regulations, the CSRC shall complete the filing within 20 working days from the date of receipt of the filing materials and publicize the filing information through its website. If the filing materials are incomplete or do not comply with the regulations, the CSRC shall inform the issuer of the materials that need to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

LOSS OF SHARE CERTIFICATES

If a registered share certificate is stolen, lost or destroyed, the shareholder may, in accordance with the public summons procedure stipulated in the PRC Civil Procedure Law, request a people's court to declare the share certificate invalid. After the people's court declares the share certificate invalid, the shareholder may apply to the company for a replacement share certificate.

SUSPENSION AND TERMINATION OF LISTING

The provisions concerning the suspension and termination of listing have been deleted from the PRC Company Law. The Securities Law (《證券法》) has also deleted the provisions concerning the suspension of listing. Where a listed security falls under the delisting circumstances stipulated by a stock exchange, the stock exchange shall terminate its listing and trading in accordance with its business rules.

According to the Trial Measures, if an issuer voluntarily or mandatorily terminates its listing, it shall report the specific circumstances to the CSRC within 3 working days from the date of the occurrence and announcement of the relevant matter.

SECURITIES LAWS AND REGULATIONS

In October 1992, the State Council established the Securities Commission and the China Securities Regulatory Commission (CSRC). The Securities Commission was responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of the securities market, guiding, coordinating and supervising all securities-related institutions in the PRC, and administering the CSRC. The CSRC was the regulatory arm of the Securities Commission, responsible for drafting regulatory rules for the securities market, supervising securities companies, regulating the public offering of securities by Chinese companies at home and abroad, standardizing securities trading, compiling securities-related statistics, and conducting relevant research and analysis. In April 1998, the State Council merged the two abovementioned bodies and restructured the CSRC.

The Provisional Regulations on the Administration of the Issuing and Trading of Shares (《股票發行與交易管理暫行條例》), promulgated by the State Council and effective from April 22, 1993, provide for the application and approval procedures for the public offering of shares, the trading of shares, the acquisition of listed companies, the custody, clearing and transfer of listed shares, the disclosure of information by listed companies, investigation and punishment, and the arbitration of disputes.

The Regulations of the State Council on Foreign-invested Shares Listed in China by Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), promulgated by the State Council and effective from December 25, 1995, mainly provide for the issuance, subscription, trading and dividend payment of foreign-invested shares listed in China, and the disclosure of information by joint stock limited companies that have foreign-invested shares listed in China.

The Securities Law includes a series of provisions that regulate, among other things, the issuance and trading of securities in the PRC, the acquisition of listed companies, the duties and responsibilities of stock exchanges, securities companies and the securities regulatory authority of the State Council, and comprehensively regulate the activities of the PRC securities market. The Securities Law provides that domestic enterprises that directly or indirectly issue securities or list their securities for trading overseas shall comply with the relevant provisions of the State Council. At present, the issuance and trading of shares issued overseas are mainly regulated by rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

According to the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the “**Arbitration Law**”), as revised by the Standing Committee of the NPC on September 12, 2025 and effective from March 1, 2026, the Arbitration Law applies to foreign-related economic disputes where the parties have entered into a written agreement to submit the matter to an arbitration commission formed in accordance with the Arbitration Law. Before the China Arbitration Association formulates arbitration rules, an arbitration committee may, in accordance with the relevant provisions of the Arbitration Law and the PRC Civil Procedure Law, formulate provisional arbitration rules. Where the parties have adopted arbitration to resolve a dispute and one party institutes legal proceedings in a People's Court, the People's Court shall not accept the case.

According to the Arbitration Law, the arbitration system is based on a single and final award, which is binding on all parties to the arbitration. If one party fails to comply with an award, the other party may apply to a People's Court for enforcement of the arbitral award in accordance with the PRC Civil Procedure Law. If the arbitration procedure is illegal (including if the composition of the arbitration committee violates the statutory procedure, the matter decided is outside the scope of the arbitration agreement or the arbitration committee has no power to arbitrate), a People's Court may rule not to enforce the arbitral award made by the arbitration committee. If a party seeks to enforce an arbitral award of a foreign-related arbitration committee against another party, and the person against whom enforcement is sought or his/her property is not within the territory of the PRC, the party shall directly apply to a foreign court with competent jurisdiction for recognition and enforcement. Similarly, a People's Court may, in accordance with the principle of reciprocity or any international treaty to which the PRC is a signatory or has acceded, recognize and enforce arbitral awards made by foreign arbitration institutions.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》), promulgated by the Supreme People's Court on January 24, 2000 and effective from February 1, 2000, and the Supplemental Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》), promulgated by the Supreme People's Court on November 26, 2020 and effective from November 27, 2020, awards made by arbitration institutions in Chinese Mainland may be enforced in Hong Kong, and Hong Kong arbitral awards may also be enforced in Chinese Mainland.

This appendix aims to provide potential investors with a summary of the Articles of Association. The following information is a summary only and does not contain all information that may be important to potential investors.

SHARES

Issue of Shares

The issue of the Company's shares shall adhere to the principles of openness, fairness and justice, and each share of the same class shall carry the same rights.

Shares of the same class issued at the same time shall be issued on the same terms and at the same price; Subscribers shall pay the same price for each share subscribed for.

Increase or Decrease and Repurchase of Shares

The Company may, in light of its operational and development needs and in accordance with the provisions of laws and regulations, increase its capital in the following ways, upon a resolution passed at a general meeting:

- (i) issuing shares to non-specified parties;
- (ii) issuing shares to specified parties;
- (iii) distributing bonus shares to existing shareholders;
- (iv) increasing the Share Capital by capitalization of reserves;
- (v) other means approved by laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed and the stock exchange.

The Company may reduce its registered capital. To reduce its registered capital, the Company shall follow the procedures stipulated in the Company Law of the People's Republic of China (the "**PRC Company Law**"), other relevant regulations and the Articles of Association.

The Company shall not acquire its own shares. However, the following circumstances shall be exceptions:

- (i) to reduce the Company's registered capital;
- (ii) to merge with another company that holds shares in the Company;
- (iii) to use the shares for employee stock ownership plans or equity incentives;
- (iv) where a shareholder objects to a resolution of the general meeting on the merger or division of the Company and requests that the Company acquire his/her/its shares;
- (v) to use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares;

- (vi) where it is necessary for the Company to safeguard its value and the rights and interests of its shareholders.

The Company's acquisition of its own shares, subject to compliance with the applicable securities regulatory rules of the place of its listing, may be conducted through public centralized trading or other methods recognized by laws, administrative regulations and the securities regulatory authorities and stock exchange of the place of its listing, and shall comply with the provisions of applicable laws and regulations and the securities regulatory rules of the place of its listing.

Subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are listed, if the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) of Article 24 of the Articles of Association, such acquisition shall be conducted through public centralized trading.

Where the Company acquires its own shares under the circumstances stipulated in items (i) and (ii) of Article 24 of the Articles of Association, a resolution shall be passed at a general meeting; Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) of the first paragraph of Article 24 of the Articles of Association, it may do so, in accordance with the provisions of the Articles of Association or as authorized by the general meeting, subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are listed, by a resolution passed at a Board meeting attended by more than two-thirds of the directors.

After the Company acquires its own shares in accordance with the provisions of the first paragraph of Article 24 of the Articles of Association, if the acquisition falls under item (i), the shares shall be cancelled within 10 days from the date of acquisition; if it falls under items (ii) and (iv), the shares shall be transferred or cancelled within 6 months; if it falls under items (iii), (v) and (vi), the total number of the Company's 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 cancelled within three years. Notwithstanding the foregoing provisions, if laws, regulations and the securities regulatory authorities of the place where the Company's shares are listed provide otherwise on matters related to share repurchase, the Company shall also comply with such relevant provisions. The repurchase of the Company's H Shares shall comply with the Hong Kong Listing Rules and other relevant laws, regulations and regulatory provisions of the place where the Company's H Shares are listed.

Where the Company, as a listed company, acquires its own shares, it shall perform its information disclosure obligations in accordance with the relevant provisions of the Securities Law and the securities regulatory rules of the place where its shares are listed.

Transfer of Shares

The Company's shares shall be transferable in accordance with the law. All transfers of H Shares shall be effected by an instrument of transfer in writing in the usual or common form or any other form which the Board of Directors may accept (including the standard transfer form or transfer sheet as prescribed by the Hong Kong Stock Exchange from time to time); and such instrument of transfer may be executed under hand only or, if the transferor or transferee is a company, under its valid seal. Where the transferor or transferee is a recognized clearing house or its nominee as defined in the relevant ordinances from time to time in force in Hong Kong, the instrument of transfer may be signed by hand or by machine-imprinted signature. All instruments of transfer shall be lodged at the legal address of the Company or at such other address as the Board of Directors may from time to time designate.

The Company does not accept its own shares as the subject of a pledge.

Shares issued by the Company before its public offering shall not be transferred within one year from the date on which the Company's shares are listed and traded on a stock exchange.

Directors and senior management of the Company shall declare to the Company the shares they hold in the Company and any changes thereto. During their term of office, the number of shares transferred by them annually shall not exceed 25% of the total number of shares of the same class they hold in the Company; the shares they hold in the Company shall not be transferred within one year from the date on which the Company's shares are listed and traded on a stock exchange. Within six months after their departure, the aforementioned persons shall not transfer the shares they hold in the Company. Directors and senior management members of the Company who resign before the expiry of their term of office shall, during their term of office as determined upon appointment and for six months after the expiry thereof, continue to comply with the requirements on shareholding reduction ratios stipulated by the Company Law and other relevant laws and regulations. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise for restrictions on the transfer of the Company's shares, such relevant provisions shall also be complied with.

Where shares are pledged during the restricted transfer period stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge right during such restricted transfer period.

Where a shareholder, director, or senior management member holding more than 5% of the Company's shares sells the Company's stock or other equity-like securities held by them within 6 months of purchase, or repurchases them within 6 months of selling, the proceeds therefrom shall belong to the Company, and the Company's Board of Directors shall recover such proceeds. However, an exception is made for a securities firm holding more than 5% of the shares as a result of purchasing unsubscribed shares in an underwriting, and for other circumstances stipulated by the CSRC and the regulatory rules of the place where the Company's shares are listed. The aforesaid shareholders holding more than 5% of the Company's shares shall not include the recognized clearing houses and their nominees as defined in the relevant ordinances from time to time in force in Hong Kong.

The stocks or other equity-like securities held by the directors, senior management, and natural person shareholders referred to in the preceding paragraph include stocks or other equity-like securities held by their spouses, parents, and children, and those held through others' accounts.

If the Company's Board of Directors fails to act in accordance with the provisions of the first paragraph of this article, shareholders have the right to demand that the Board of Directors do so within 30 days. If the Company's Board of Directors fails to act within the aforementioned period, shareholders have the right to file a lawsuit directly with a people's court in their own name for the benefit of the Company.

If the Company's Board of Directors fails to act in accordance with the provisions of the first paragraph of this article, the responsible directors shall bear joint and several liability in accordance with the law.

SHAREHOLDERS AND GENERAL MEETINGS**General Provisions for Shareholders**

Shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other forms of profit distribution in proportion to their shareholdings;
- (ii) to request, convene, preside over, attend or appoint a shareholder's proxy to attend a general meeting in accordance with the law, and to exercise the corresponding voting rights;
- (iii) to supervise the Company's operations and to make suggestions or inquiries;
- (iv) to transfer, gift or pledge the shares they hold in accordance with the provisions of laws, administrative regulations and the Articles of Association;
- (v) to inspect and copy the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of Board meetings, and financial and accounting reports, and shareholders who meet the prescribed conditions may inspect the Company's accounting books and vouchers;
- (vi) upon the termination or liquidation of the Company, to participate in the distribution of the Company's remaining assets in proportion to their shareholdings;
- (vii) a shareholder who objects to a resolution of the general meeting on the merger or division of the Company may demand that the Company acquire his/her/its shares;
- (viii) other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

If the content of a resolution of the Company's general meeting or Board of Directors violates laws or administrative regulations, shareholders have the right to request a people's court to declare it invalid.

If the convening procedures or voting methods of a general meeting or Board meeting violate laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, shareholders have the right, within 60 days from the date the resolution is made, to request a people's court to nullify it. However, this does not apply if the convening procedures or voting methods of the general meeting or Board meeting have only minor flaws that do not have a substantial impact on the resolution.

If there is a dispute among the Board of Directors, shareholders and other relevant parties regarding the validity of a resolution of a general meeting, a lawsuit shall be promptly filed with a people's court. Before a people's court makes a judgment or ruling to nullify a resolution, the relevant parties shall implement the resolution of the general meeting. The Company, its directors and senior management shall duly perform their duties to ensure the normal operation of the Company.

If a people's court makes a judgment or ruling on relevant matters, the Company shall perform its information disclosure obligations in accordance with the provisions of laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, fully explain the impact, and actively cooperate with the execution after the judgment or ruling becomes effective. Where the correction of prior period matters is involved, such matters shall be handled in a timely manner and the corresponding information disclosure obligations shall be fulfilled.

A resolution of the Company's general meeting or Board of Directors is not established if any of the following circumstances exists:

- (i) no general meeting or Board meeting was held to make the resolution;
- (ii) no vote was taken on the resolution matter at the general meeting or Board meeting;
- (iii) the number of attendees at the meeting or the number of voting rights they hold did not reach the threshold stipulated by the PRC Company Law or the Articles of Association;
- (iv) the number of persons who approved the resolution or the number of voting rights they hold did not reach the number or voting rights stipulated by the PRC Company Law or the Articles of Association.

Where a director (other than a member of the Audit Committee) or a senior management member, in the course of performing his/her duties for the Company, violates the provisions of any law, administrative regulation or the Articles of Association and thereby causes losses to the Company, any shareholder who has, individually or jointly, held 1% or more of the Company's shares for 180 consecutive days or more shall have the right to request in writing that the Audit Committee file a lawsuit with a people's court; if members of the Audit Committee, in performing their duties for the Company, violate the provisions of laws, administrative regulations, or the Articles of Association, causing losses to the Company, the aforesaid shareholders may request in writing that the Board of Directors file a lawsuit with a people's court.

If the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving the written request from a shareholder as stipulated in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and not filing a lawsuit immediately would cause irreparable harm to the Company's interests, the shareholder stipulated in the preceding paragraph has the right to file a lawsuit directly with a people's court in their own name for the benefit of the Company.

If others infringe upon the legal rights and interests of the Company, causing losses to the Company, the shareholder stipulated in the first paragraph of this article may file a lawsuit with a people's court in accordance with the provisions of the preceding two paragraphs.

Where a director, supervisor or senior management member of a wholly-owned subsidiary of the Company, in the performance of his/her duties, violates any law, administrative regulation or its articles of association and thereby causes losses to the wholly-owned subsidiary, or where a third party infringes upon the lawful rights and interests of a wholly-owned subsidiary of the Company and thereby causes losses, any shareholder who has, individually or jointly, held 1% or more of the Company's shares for 180 consecutive days or more may, in accordance with the provisions of the first three

paragraphs of Article 189 of the PRC Company Law, request in writing that the board of supervisors or the board of directors of the wholly-owned subsidiary file a lawsuit with a people's court, or file a lawsuit directly with a people's court in his/her/its own name.

If a director or senior management member violates the provisions of laws, administrative regulations, or the Articles of Association, thereby harming the interests of shareholders, the shareholders may file a lawsuit with a people's court.

Shareholders of the Company shall undertake the following obligations:

- (i) to abide by laws, administrative regulations and the Articles of Association;
- (ii) to pay for the shares subscribed for in accordance with the subscription method;
- (iii) not to withdraw their Share Capital, except in circumstances stipulated by laws and regulations;
- (iv) not to abuse their shareholder rights to the detriment of the interests of the Company or other shareholders; not to abuse the Company's independent legal personality and the limited liability of shareholders to the detriment of the interests of the Company's creditors;
- (v) other obligations that shall be undertaken as stipulated by laws, administrative regulations and the Articles of Association.

If a Company shareholder abuses their shareholder rights and causes losses to the Company or other shareholders, they shall be liable for compensation in accordance with the law. If a Company shareholder abuses the Company's independent legal personality and the limited liability of shareholders to evade debts and seriously harms the interests of the Company's creditors, they shall bear joint and several liability for the Company's debts.

Controlling shareholders and De Facto Controllers

The Company's Controlling shareholders and de facto controllers shall comply with the following provisions:

- (i) to exercise their shareholder rights in accordance with the law, and not to abuse their controlling power or use their connected relationships to harm the legal rights and interests of the Company or other shareholders;
- (ii) to strictly fulfill public statements and all commitments made, and not to alter or waive them without authorization;
- (iii) to strictly fulfill information disclosure obligations in accordance with relevant regulations, and to actively cooperate with the Company in its information disclosure, and to promptly inform the Company of any material events that have occurred or are proposed;
- (iv) not to occupy the Company's funds in any way;

- (v) not to compel, instruct, or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) not to use the Company's undisclosed material information to seek benefits, and not to disclose any undisclosed material information related to the Company in anyway, and not to engage in illegal activities such as insider trading, short-swing trading, or market manipulation;
- (vii) not to harm the legal rights and interests of the Company and other shareholders through any means such as unfair connected transactions, profit distribution, asset reorganisation, or external investments;
- (viii) to ensure the integrity of the Company's assets, the independence of its personnel, finances, organisation and business, and not to affect the Company's independence in any way;
- (ix) other provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the Company's controlling shareholder or de facto controller does not serve as a director of the Company but actually carries out the Company's affairs, the provisions of the Articles of Association regarding the directors' duties of loyalty and diligence shall apply.

If the Company's controlling shareholder or de facto controller instructs a director or senior management member to engage in acts that harm the interests of the Company or its shareholders, they shall bear joint and several liability with that director or senior management member.

General Provisions for General Meetings

The Company's general meeting shall be composed of all shareholders. The general meeting is the organ of authority of the Company and shall exercise the following powers in accordance with the law:

- (i) to elect and replace directors who are not employee representatives and to decide on matters concerning their remuneration;
- (ii) to consider and approve the reports of the Board of Directors;
- (iii) to consider and approve the Company's profit distribution plans and loss make-up plans;
- (iv) to pass resolutions on the increase or decrease of the Company's registered capital;
- (v) to pass resolutions on the issue of corporate bonds;
- (vi) to pass resolutions on the merger, division, dissolution, liquidation or change of the Company's form;
- (vii) to amend the Articles of Association;
- (viii) to pass resolutions on the appointment or dismissal of the accounting firm that undertakes the Company's audit business;

- (ix) to consider and approve matters in relation to guarantees as stipulated in the Articles of Association;
- (x) to consider matters concerning the purchase or sale of material assets by the Company within one year that exceed 30% of the Company's latest audited total assets;
- (xi) to consider and approve matters concerning changes in the use of proceeds;
- (xii) to consider equity incentive plans and employee stock ownership plans;
- (xiii) to consider other matters that are required to be decided by the general meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The general meeting may authorize the Board of Directors to pass resolutions on the issue of corporate bonds.

The following external guarantees to be provided by the Company shall be subject to consideration and approval by the general meeting:

- (i) any single guarantee with an amount exceeding 10% of the Company's latest audited net assets;
- (ii) any guarantee provided after the aggregate amount of external guarantees of the Company and its controlled subsidiaries exceeds 50% of the Company's latest audited net assets;
- (iii) any guarantee provided for a guaranteed party with an asset-liability ratio exceeding 70%;
- (iv) any guarantee provided by the Company to others, where the aggregate amount of guarantees calculated on a cumulative basis over any consecutive twelve-month period exceeds 30% of the Company's latest audited total assets;
- (v) any guarantee provided to the Company's shareholders, de facto controllers and their connected parties;
- (vi) any guarantee provided after the total amount of the Company's external guarantees exceeds 30% of the latest audited total assets;
- (vii) other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association that require a resolution of the general meeting.

If the Company provides a guarantee for a wholly-owned subsidiary, or provides a guarantee for a controlled subsidiary where other shareholders of the controlled subsidiary provide a guarantee in the same proportion according to the rights and interests they enjoy, and it does not harm the interests of the Company, the application of items (i) to (iii) of this article may be waived. The Company shall disclose a summary of the aforesaid guarantees in its annual and semi-annual reports.

For guarantee matters within the authority of the Board of Directors, in addition to being approved by a majority of all directors, they must also be approved by more than two-thirds of the directors present at the Board meeting; The guarantee in item (iv) of the first paragraph of this article must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting; For the guarantee in item (v) of the first paragraph of this article, the guaranteed shareholder shall abstain from voting at the general meeting.

When the general meeting considers a proposal for a guarantee to be provided to a shareholder, a controlling shareholder or their connected persons, such shareholder or other shareholders controlled by that controlling shareholder shall not participate in the voting on such item, and the resolution on such item shall be passed by more than half of the voting rights held by the other shareholders present at the general meeting. When the Company provides a guarantee for its controlling shareholder, de facto controller and their connected parties, the controlling shareholder, de facto controller and their connected parties shall provide a counter-guarantee. In case of violation of the approval authority for external guarantees by the general meeting and the Board of Directors as specified in the Articles of Association, the Company shall pursue the corresponding legal and economic responsibilities of the persons responsible.

Any transaction of the Company (excluding provision of guarantees and financial assistance) that meets one of the following criteria shall be submitted to the general meeting for consideration:

- (i) the total assets involved in the transaction (the higher of the book value and the appraised value shall prevail if both exist) account for more than 50% of the Company's latest audited total assets;
- (ii) the transaction amount accounts for more than 50% of the Company's market capitalisation;
- (iii) the net asset value of the subject matter of the transaction (e.g., equity) for the most recent financial year accounts for more than 50% of the Company's market capitalisation;
- (iv) the relevant operating revenue of the subject matter of the transaction (e.g., equity) for the most recent financial year accounts for more than 50% of the Company's audited operating revenue for the most recent financial year, and exceeds RMB50 million;
- (v) the profit generated from the transaction accounts for more than 50% of the Company's audited net profit for the most recent financial year, and exceeds RMB5 million;
- (vi) the relevant net profit of the subject matter of the transaction (e.g., equity) for the most recent financial year accounts for more than 50% of the Company's audited net profit for the most recent financial year, and exceeds RMB5 million.

The transaction amount refers to the amount paid and the debts and expenses assumed, etc. If a transaction arrangement involves consideration that may be paid or received in the future, does not involve a specific amount, or the amount is determined based on set conditions, the estimated maximum amount shall be the transaction amount. If the Company directly or indirectly waives the right of first refusal or pre-emptive right to the equity of a controlled subsidiary, resulting in the subsidiary no longer being included in the consolidated financial statements, the waived amount and the relevant financial indicators of the company corresponding to that equity shall be used as the basis for calculation.

Transactions in which the Company unilaterally benefits, including receiving donations of cash assets, obtaining debt relief, accepting guarantees and financial assistance, etc., may be exempted from the deliberation procedures of the general meeting.

Any transaction between the Company and a connected person (excluding the provision of guarantees) with an amount of more than 1% of the Company's latest audited total assets or market capitalisation, and exceeding RMB30 million, shall be subject to the consideration and approval of the general meeting. An appraisal or audit report shall be provided for such transaction (provided that connected transactions in the ordinary course of business may be exempted from audit or appraisal).

Any transaction between the Company and a connected person (excluding provision of guarantees) that meets one of the following criteria shall be subject to the deliberation procedures of the Board of Directors after being approved by a majority of all independent directors and disclosed in a timely manner:

- (i) a transaction with a connected natural person with a transaction amount of RMB300,000 or more;
- (ii) a transaction with a connected legal person with a transaction amount accounting for more than 0.1% of the Company's latest audited total assets or market capitalisation, and exceeding RMB3 million.

Connected transactions between the Company and a connected person that are below the aforesaid amount shall be approved by the Company's general manager.

General meetings are divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be held once a year and within 6 months after the end of the previous financial year.

The Company shall convene an extraordinary general meeting within 2 months from the date of the occurrence of any of the following circumstances:

- (i) when the number of directors is less than the number required by the PRC Company Law or less than 2/3 of the number specified in the Articles of Association;
- (ii) when the number of independent directors is less than the statutory minimum number;
- (iii) when the Company's unrecovered losses amount to 1/3 of the total Share Capital;
- (iv) upon the request of a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares;
- (v) when the Board of Directors deems it necessary;
- (vi) when the Audit Committee proposes to convene a meeting;
- (vii) other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Convening of General Meetings

The Board of Directors shall convene the general meeting on time within the prescribed period.

With the consent of more than half of all independent directors, the independent directors have the right to propose to the Board of Directors that an extraordinary general meeting be convened. In response to a proposal from independent directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response agreeing or disagreeing to convene the extraordinary general meeting within 10 days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board's resolution; if the Board of Directors disagrees to convene an extraordinary general meeting, it shall explain the reasons and make an announcement.

The Audit Committee shall propose to the Board of Directors in writing to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response agreeing or disagreeing to convene the extraordinary general meeting within 10 days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board's resolution, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the proposal, the Board of Directors shall be deemed unable or failing to perform its duty to convene the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

A shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares shall request the Board of Directors in writing to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response agreeing or disagreeing to convene the extraordinary general meeting within 10 days of receiving the request.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board's resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the request, a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares have the right to propose to the Audit Committee that an extraordinary general meeting be convened, and shall submit the request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of receiving the request, and 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 general meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene and preside over the general meeting, and a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on their own.

If the Audit Committee or shareholders decide to convene a general meeting on their own, they must notify the Board of Directors in writing and at the same time file a record with the Shanghai Stock Exchange.

Before the announcement of the resolution of the general meeting, the shareholding percentage of the convening shareholders shall not be less than 10%.

The Audit Committee or the convening shareholders shall submit relevant supporting documents to the Shanghai Stock Exchange when issuing the notice of the general meeting and the announcement of the resolution of the general meeting.

Proposals and Notices of General Meetings

When the Company convenes a general meeting, the Board of Directors, the Audit Committee, and shareholders holding, individually or jointly, 1% or more of the Company's shares have the right to submit proposals to the Company.

A shareholder or shareholders holding, individually or jointly, 1% or more of the Company's shares may submit an extraordinary proposal in writing to the convener 10 days before the general meeting is held. The convener shall, within 2 days of receiving the proposal, issue a supplementary notice of the general meeting to announce the content of the extraordinary proposal and submit such supplementary proposal to the general meeting for consideration. However, this does not apply if the extraordinary proposal violates the provisions of laws, administrative regulations, or the Company's Articles of Association, or if it falls outside the scope of the general meeting's powers. If a general meeting is required to be adjourned due to the issuance of a supplemental notice of general meeting under the securities regulatory rules of the place of the Company's listing, the convening of the general meeting shall be adjourned in accordance with such rules.

Except in the circumstances stipulated in the preceding paragraph, the convener shall not amend the proposals already listed in the notice of the general meeting or add new proposals after issuing the announcement of the notice of the general meeting.

Proposals not listed in the notice of the general meeting or not in compliance with the provisions of the Articles of Association shall not be voted on or resolved at the general meeting.

The convener shall give all shareholders not less than 21 days' prior notice of an annual general meeting in writing (including announcements), and not less than 15 days' prior notice of an extraordinary general meeting by way of announcement (in both cases excluding the day of the meeting).

The Company shall fully and completely disclose the specific content of the proposals for the general meeting in the notice and supplementary notice of the meeting, as well as all information or explanations necessary for shareholders to make a reasonable judgment on the matters to be discussed.

The notice of a general meeting shall include the following:

- (i) the time, place and duration of the meeting;
- (ii) the matters and proposals to be considered at the meeting;
- (iii) a clear statement that all shareholders have the right to attend the general meeting and may appoint a proxy in writing to attend the meeting and vote, and that such proxy need not be a shareholder of the Company;
- (iv) the share registration date for shareholders entitled to attend the general meeting;
- (v) the name and telephone number of the permanent contact person for meeting affairs;
- (vi) the time and procedures for voting by internet or other means;
- (vii) other requirements stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

If the general meeting intends to discuss the election of directors, the notice of the general meeting shall fully disclose the detailed information of the candidates for directorship, including at least the following:

- (i) personal information such as educational background, work experience, and concurrent positions;
- (ii) whether there is any related (connected) relationship with the Company or its controlling shareholder and de facto controller;
- (iii) the number of shares held in the Company;
- (iv) whether they have been subject to penalties from the CSRC and other relevant authorities or disciplinary actions from the stock exchange.

Except for the election of directors by cumulative voting, each candidate for directorship shall be proposed as a single proposal.

After the notice of a general meeting has been issued, the meeting shall not be postponed or cancelled without a valid reason, and the proposals listed in the notice of the general meeting shall not be cancelled. In the event of a postponement or cancellation, the convener shall make an announcement and explain the reasons at least 2 working days before the originally scheduled date of the meeting.

Convening of the General Meeting

All shareholders registered on the share registration date or their proxies have the right to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association.

A shareholder may attend the general meeting in person or entrust a proxy to attend and vote on their behalf.

An individual shareholder attending the meeting in person shall present their ID card or other valid documents or proof that can establish their identity; a proxy attending the meeting on behalf of a shareholder shall present his/her own valid identification document and the shareholder's power of attorney. Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (who need not be a shareholder) as his or her proxy to attend and vote on his or her behalf.

A corporate shareholder shall be represented at the meeting by its legal representative or a proxy entrusted by the legal representative. A legal representative attending the meeting shall present their ID card and valid proof of their status as a legal representative; a proxy attending the meeting shall present his/her own identification document and a written power of attorney duly issued by the legal representative of the corporate shareholder.

If the general meeting requires directors and senior management to attend the meeting, they shall attend and accept inquiries from shareholders. If a shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances from time to time in force in Hong Kong, such shareholder may authorize such person or persons as it thinks fit to act as its proxy or representative at any general meeting or any class meeting; However, if two or more persons are so authorized, the instrument of proxy or power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may, on behalf of the recognized clearing house (or its nominee), exercise rights (without producing evidence of holding of shares, a notarized power of attorney and/or further evidence to prove that such person is duly authorized), as if such person were an individual shareholder of the Company.

The general meeting shall be presided over by the chairman of the Board. If the chairman of the Board is unable or fails to perform his duties, if the Company has a vice chairman, the meeting shall be presided over by the vice chairman; if the Company has two or more vice chairmen, the meeting shall be presided over by a vice chairman jointly elected by more than half of the directors; if the Company does not have a vice chairman, or the vice chairman is unable or fails to perform his duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

A general meeting convened by the Audit Committee on its own initiative shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee.

A general meeting convened by shareholders on their own initiative shall be presided over by the convener or a representative elected by them.

When a general meeting is held, if the chairman of the meeting violates the rules of procedure, making it impossible for the general meeting to continue, the general meeting may, with the consent of shareholders present holding a majority of the voting rights, elect a person to act as the chairman of the meeting and continue the meeting.

Voting and Resolutions of the General Meeting

Resolutions of the general meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution of the general meeting shall be passed by more than half of the voting rights held by the shareholders present at the general meeting.

A special resolution of the general meeting shall be passed by two-thirds or more of the voting rights held by the shareholders present at the general meeting.

The following matters shall be passed by an ordinary resolution at a general meeting:

- (i) the work report of the Board of Directors;
- (ii) the profit distribution plans and loss recovery plans proposed by the Board of Directors;
- (iii) the appointment and removal of members of the Board of Directors and their remuneration and payment methods;
- (iv) other matters that are not required to be passed by a special resolution by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be passed by a special resolution at a general meeting:

- (i) the increase or reduction of the Company's registered capital;
- (ii) the division, spin-off, merger, dissolution and liquidation of the Company;
- (iii) amendments to the Articles of Association;
- (iv) any purchase or sale of material assets or provision of guarantee to others by the Company within one year where the amount exceeds thirty percent of the Company's latest audited total assets;
- (v) equity incentive plans;
- (vi) other matters which are required by laws, administrative regulations or the Articles of Association, or which are determined by the general meeting by an ordinary resolution to have a significant impact on the Company, to be passed by a special resolution.

A shareholder shall exercise his voting rights according to the number of voting shares he represents, with each share carrying one vote. A shareholder (including a proxy) entitled to two or more votes need not cast all of their votes in the same way, i.e., all for, all against or all as abstention.

When the general meeting considers material matters affecting the interests of minority and small investors, the votes of such minority and small investors shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.

The shares of the Company held by the Company itself shall have no voting rights and such shares shall not be included in the total number of voting shares represented at a general meeting.

Where a shareholder's purchase of the Company's voting shares violates the provisions of Article 63, paragraphs 1 and 2 of the Securities Law of the People's Republic of China (the "**Securities Law**"), the shares held in excess of the specified proportion shall not carry any voting rights for a period of thirty-six months from the date of purchase and shall not be counted towards the total number of voting shares represented at a general meeting.

The Company's Board of Directors, independent directors, shareholders holding more than one percent of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose information such as the specific voting intention to the persons being solicited. Soliciting shareholders' voting rights for consideration or in a disguised form for consideration is prohibited. Except under statutory conditions, the Company shall not impose a minimum shareholding requirement for the solicitation of voting rights.

When a general meeting considers matters concerning related party (connected) transactions, the related party (connected) shareholders shall not participate in the voting, and the number of voting shares they represent shall not be included in the total number of valid votes; the announcement of the resolution of the general meeting shall fully disclose the voting results of non-related party (connected) shareholders.

A shareholder who is related (connected) with the matter under consideration, or his authorised representative, may attend the general meeting and may, in accordance with the procedures of the meeting, explain his views to the shareholders attending the meeting, but must abstain from voting.

BOARD OF DIRECTORS

General Provisions for Directors

Directors of the Company shall be natural persons. No one shall serve as a director of the Company if any of the following circumstances exists:

- (i) being a person with no or limited capacity for civil conduct;
- (ii) having been sentenced to criminal penalties for corruption, bribery, embezzlement or misappropriation of property, or for disrupting the order of the socialist market economy, or having been deprived of political rights for a crime, where not more than 5 years have elapsed since the expiry of the enforcement period, or having been given a suspended sentence where not more than 2 years have elapsed since the expiry of the probation period;
- (iii) having served as a director or factory manager or general manager of a company or enterprise which is under bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, where not more than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

- (iv) having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down for violation of law, and being personally liable therefor, where a period of 3 years has not elapsed since the date of such revocation or closing down;
- (v) being a judgment debtor in respect of a substantial amount of personal debt which is overdue and has been listed as a person subject to enforcement for breach of trust by a People's Court;
- (vi) being subject to a securities market entry ban imposed by the CSRC, where the term of such ban has not expired;
- (vii) having been publicly identified by a stock exchange as unsuitable to serve as a director, senior management, etc., of a listed company, and the term of such unsuitability has not expired;
- (viii) other contents stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or departmental rules.

If a director is elected or appointed in violation of this article, such election, appointment or engagement shall be invalid. If a director falls under any of the circumstances stipulated in this article during his term of office, the Company shall remove him from his position and terminate his duties.

Directors are elected or replaced by the general meeting, and may be removed from office by the general meeting before the expiration of their term. The term of office for a director is 3 years, and a director may be re-elected upon expiration of the term.

The term of office of a director shall be calculated from the date of assumption of office until the expiration of the term of the current session of the Board of Directors. If a director is not re-elected in a timely manner upon the expiration of his term of office, the original Director shall continue to perform his duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Director takes office.

Directors may concurrently hold positions as senior management personnel, provided that the aggregate number of Directors who are also senior management personnel and Directors who are employee representatives shall not exceed one-half of the total number of Directors of the Company.

If the Company has three hundred or more employees, the members of the Board of Directors shall include an employee representative of the Company. The employee representative on the Board of Directors shall be democratically elected by the employees of the Company through the employee representative congress, the employee assembly or other forms, and need not be submitted to the general meeting for deliberation.

Directors shall comply with the provisions of laws, administrative regulations and the Articles of Association, owe a duty of loyalty to the Company, shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their position to seek improper benefits.

A director owes the following duties of loyalty to the Company:

- (i) shall not use his position to solicit bribes or receive other illegal income;
- (ii) shall not misappropriate the Company's property or embezzle the Company's funds;
- (iii) shall not deposit the Company's funds in an account opened in his own name or in the name of another individual;
- (iv) shall not, without reporting to the Board of Directors or the general meeting and having the matter passed by a resolution of the Board of Directors or the general meeting in accordance with the Articles of Association, directly or indirectly enter into a contract or conduct a transaction with the Company;
- (v) shall not take advantage of his position to seek for himself or for others any business opportunity that belongs to the Company, except where he has reported to the Board of Directors or the general meeting and the matter has been passed by a resolution of the general meeting, or where the Company is unable to take advantage of such business opportunity in accordance with laws, administrative regulations or the Articles of Association;
- (vi) shall not, without reporting to the Board of Directors or the general meeting and having the matter passed by a resolution of the general meeting, engage in for his own account or for another person any business of the same type as that of the Company;
- (vii) shall not accept for his own benefit any commission from a transaction of the Company with others;
- (viii) shall not disclose the Company's secrets without authorization;
- (ix) shall not use his connected relationship to harm the interests of the Company;
- (x) other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income obtained by a director in violation of this article shall belong to the Company; if any loss is caused to the Company, he shall be liable for compensation.

The provisions of paragraph 2, item (iv) of this article shall apply to close relatives of directors and senior management, enterprises directly or indirectly controlled by directors, senior management or their close relatives, and other connected persons who have a connected relationship with directors and senior management, when they enter into contracts or conduct transactions with the Company.

A director shall comply with laws, administrative regulations and the Articles of Association, owe a duty of diligence to the Company, and shall, in the performance of his duties, exercise the reasonable care ordinarily expected of a manager for the best interests of the Company.

A director owes the following duties of diligence to the Company:

- (i) shall exercise the rights granted by the Company prudently, conscientiously and diligently to ensure that the Company's business conduct complies with the requirements of national laws, administrative regulations and various national economic policies, and that its business activities do not exceed the scope of business specified in its business license;
- (ii) shall treat all shareholders fairly;
- (iii) shall keep abreast of the Company's business operations and management status;
- (iv) shall sign a written confirmation on the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate and complete;
- (v) shall provide relevant information and materials to the Audit Committee truthfully and shall not obstruct the Audit Committee from exercising its powers and functions;
- (vi) other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The duties of loyalty and diligence that the Company's directors shall also perform include:

- (i) safeguarding the interests of the Company and all shareholders, and not harming the interests of the Company for the benefit of shareholders, employees, oneself or any other third party;
- (ii) without the consent of the general meeting, not seeking business opportunities belonging to the Company for oneself and close relatives, and not engaging in or entrusting others to engage in the same type of business as the Company;
- (iii) keeping commercial secrets confidential, not disclosing material information that has not been made public, and not using inside information to obtain illicit gains, and fulfilling the non-competition obligations agreed with the Company after leaving office;
- (iv) ensuring that they have sufficient time and energy to participate in the Company's affairs and prudently assessing the potential risks and benefits of matters under consideration; in principle, they should attend Board meetings in person; if for any reason they authorise another director to attend on their behalf, they should choose the proxy prudently, the matters authorised and decision-making intentions should be specific and clear, and they shall not grant a general power of attorney;
- (v) paying attention to the Company's operating status and other matters, reporting relevant issues and risks to the Board of Directors in a timely manner, and not claiming exemption from liability on the grounds of not being familiar with the Company's business or not understanding the relevant matters;
- (vi) actively promoting the standardized operation of the Company, urging the Company to fulfill its information disclosure obligations, and promptly correcting and reporting the Company's violations, and supporting the Company in fulfilling its social responsibilities;

- (vii) other duties of loyalty and diligence stipulated by the Company Law, the Securities Law and other laws and regulations, relevant rules of the Shanghai Stock Exchange and the Articles of Association.

Board of Directors

The Board of Directors shall consist of nine directors. There shall be one chairman of the Board, and a vice chairman may be appointed. The chairman and vice chairman (if any) of the Board shall be elected by the Board of Directors with the affirmative vote of more than half of all directors. The Board of Directors of the Company shall include no fewer than 3 independent directors and no fewer than 1 employee representative.

The Board of Directors shall exercise the following powers and functions:

- (i) to convene general meetings and to report on its work to the general meetings;
- (ii) to implement the resolutions of the general meetings;
- (iii) to decide on the Company's business plans and investment proposals;
- (iv) to formulate the Company's profit distribution plans and loss recovery plans;
- (v) to formulate proposals for increasing or reducing the Company's registered capital, issuing bonds or other securities, and listing;
- (vi) to formulate proposals for major acquisitions, repurchase of the Company's shares, or merger, division, dissolution and change of corporate form of the Company;
- (vii) within the scope of authorization from the general meeting, to decide on the Company's external investments, acquisition or disposal of assets, mortgage of assets, external guarantees, entrusted wealth management, connected transactions, external donations and other matters;
- (viii) to decide on the establishment of the Company's internal management structure;
- (ix) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other senior management personnel, and to determine their remuneration, rewards and penalties; based on the nomination of the general manager, to decide on the appointment or dismissal of the Company's deputy general managers, chief financial officer and other senior management personnel, and to decide on their remuneration, rewards and penalties;
- (x) to formulate the Company's basic management system;
- (xi) to formulate proposals for amendments to the Articles of Association;
- (xii) to manage the Company's information disclosure matters;

- (xiii) to propose to the general meeting the appointment or replacement of the accounting firm for the Company's audit;
- (xiv) to hear the work reports of the Company's general manager and to inspect the general manager's work;
- (xv) other powers and functions granted by laws, administrative regulations, departmental rules, the Articles of Association or the general meeting.

Matters exceeding the scope of authorization granted by the general meeting shall be submitted to the general meeting for deliberation.

When the Board of Directors considers a guarantee matter, in addition to being passed by more than half of all directors, it must also be approved by more than two-thirds of the directors attending the Board meeting. External guarantees that require the approval of the general meeting must first be considered and passed by the Board of Directors before being submitted to the general meeting for approval.

When the Board of Directors makes a resolution on an external guarantee matter, the connected directors shall abstain from voting.

Transactions entered into by the Company (excluding the provision of guarantees and financial assistance) that meet any of the following criteria shall be submitted to the Board of Directors for deliberation and disclosed in a timely manner:

- (i) the total assets involved in the transaction (the higher of the book value and the appraised value shall prevail if both exist) account for more than 10% of the Company's latest audited total assets;
- (ii) the transaction amount accounts for more than 10% of the Company's market capitalisation;
- (iii) the net assets of the subject matter of the transaction (e.g., equity) for the most recent financial year account for more than 10% of the Company's market capitalisation;
- (iv) the relevant operating revenue of the subject matter of the transaction (e.g., equity) for the most recent financial year accounts for more than 10% of the Company's audited operating revenue for the most recent financial year, and exceeds RMB10 million;
- (v) the profit arising from the transaction accounts for more than 10% of the Company's audited net profit for the most recent financial year and exceeds RMB1 million;
- (vi) the relevant net profit of the subject matter of the transaction (e.g., equity) for the most recent financial year accounts for more than 10% of the Company's audited net profit for the most recent financial year, and exceeds RMB1 million.

If the figures involved in the above indicators are negative, their absolute values shall be used for calculation.

The Board of Directors shall determine the authority for external investments, acquisition or disposal of assets, mortgage of assets, external guarantees, entrusted wealth management, connected transactions, external donations, etc., and establish strict review and decision-making procedures; Major investment projects shall be reviewed by relevant experts and professionals, and be submitted to the general meeting for approval.

The chairman of the Board shall exercise the following powers and functions:

- (i) to preside over general meetings and to convene and preside over meetings of the Board of Directors;
- (ii) to supervise and inspect the implementation of resolutions of the Board of Directors;
- (iii) other powers and functions granted by the Board of Directors.

The Board of Directors shall hold at least 4 meetings each year, to be convened by the chairman of the Board, with written notice given to all directors 14 days before the date of the meeting (excluding the day of the meeting).

Shareholders representing 1/10 or more of the voting rights, 1/3 or more of the directors, or the Audit Committee may propose to convene an extraordinary meeting of the Board of Directors. The chairman of the Board shall convene and preside over a Board meeting within 10 days of receiving the proposal.

A meeting of the Board of Directors may be held only if more than half of the directors are present. A resolution of the Board of Directors must be passed by more than half of all directors.

Voting on resolutions of the Board of Directors shall be conducted on the basis of one vote per person.

If a director has a connected relationship with an enterprise or individual involved in a matter to be resolved at a Board meeting, the director shall promptly report this to the Board in writing. A connected director shall not exercise voting rights on such resolution, nor shall he act as a proxy for other directors to exercise voting rights. Such Board meeting may be held if attended by more than half of the non-connected directors, and any resolution made at the Board meeting must be passed by more than half of the non-connected directors. If the number of non-connected directors attending a Board meeting is less than 3, the matter shall be submitted to the general meeting for deliberation. If laws, regulations and the securities regulatory rules of the place where the Company's shares are listed impose any additional restrictions on the participation of directors in Board meetings and voting, such provisions shall prevail.

Independent Directors

Independent directors must maintain their independence. The following persons shall not serve as independent directors:

- (i) persons holding positions in the Company or its affiliated businesses, and their spouses, parents, children and principal social connections;

- (ii) a natural person shareholder who directly or indirectly holds one percent or more of the Company's issued shares or is one of the top ten shareholders of the Company, and their spouse, parents, and children;
- (iii) persons holding positions in a shareholder which directly or indirectly holds 5% or more of the Company's issued shares, or in any of the top five shareholders of the Company, and their spouses, parents and children;
- (iv) persons holding positions in an affiliated business of the Company's controlling shareholder or de facto controller, and their spouses, parents and children;
- (v) persons who have significant business dealings with the Company, its controlling shareholder, actual controller or their respective affiliated businesses, or persons holding positions in an entity that has significant business dealings with the Company, or in the controlling shareholder or de facto controller of such an entity;
- (vi) persons who provide financial, legal, consulting, sponsorship or other services to the Company, its controlling shareholder, de facto controller or their respective affiliated businesses, including but not limited to all members of the project team of the intermediary firm providing such services, reviewers at all levels, signatories of any report, partners, directors, senior management and key persons-in-charge;
- (vii) persons who have fallen under any of the circumstances listed in items (i) to (vi) within the last twelve months;
- (viii) other persons who lack independence as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The affiliated business of the Company's controlling shareholder or actual controller mentioned in items (iv) to (vi) of the preceding paragraph do not include enterprises that are controlled by the same state-owned asset management institution as the Company and do not constitute a connected relationship with the Company in accordance with relevant regulations.

Independent directors shall conduct an annual self-assessment of their independence and submit the self-assessment report to the Board of Directors. The Board of Directors shall annually assess the independence of the incumbent independent directors, issue a special opinion thereon, and disclose it together with the annual report.

To serve as an independent director of the Company, the following conditions shall be met:

- (i) possessing the qualifications to serve as a director of a listed company in accordance with laws, administrative regulations and other relevant provisions;
- (ii) meeting the independence requirements stipulated in the Articles of Association;
- (iii) possessing basic knowledge of the operations of a listed company and being familiar with relevant laws, regulations and rules;

- (iv) having more than five years of work experience in law, accounting, economics or other fields necessary for fulfilling the duties of an independent director;
- (v) having good personal character and no record of major dishonesty or other adverse records;
- (vi) other conditions stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

As members of the Board of Directors, independent directors owe duties of loyalty and diligence to the Company and all shareholders, and shall prudently perform the following duties:

- (i) participating in the decision-making of the Board of Directors and expressing clear opinions on the matters discussed;
- (ii) supervising potential material conflicts of interest between the Company and its controlling shareholder, actual controller, directors, and senior management, and protecting the legitimate rights and interests of minority and small shareholders;
- (iii) providing professional and objective advice on the Company's business development to promote and enhance the decision-making level of the Board of Directors;
- (iv) other duties stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Independent directors shall exercise the following special powers:

- (i) to independently engage intermediary agencies to audit, consult or investigate specific matters of the Company;
- (ii) to propose to the Board of Directors to convene an extraordinary general meeting;
- (iii) to propose to convene a Board meeting;
- (iv) to publicly solicit shareholder rights from shareholders in accordance with the law;
- (v) to express independent opinions on matters that may harm the rights and interests of the Company or minority and small shareholders;
- (vi) other powers and functions stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The exercise by independent directors of the powers and functions listed in items (i) to (iii) of the preceding paragraph shall be subject to the consent of more than half of all independent directors.

If an independent director exercises the powers and functions listed in the first paragraph, the Company shall make a timely disclosure. If the above powers and functions cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

The following matters shall be submitted to the Board of Directors for deliberation after being approved by more than half of all independent directors of the Company:

- (i) connected transactions that are subject to disclosure;
- (ii) proposals for the Company and relevant parties to change or waive undertakings;
- (iii) decisions made and measures taken by the Board of Directors in response to an acquisition when the Company is being acquired;
- (iv) other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Specialised Committees of the Board of Directors

The Company's Board of Directors shall establish an Audit Committee which shall exercise the powers and functions of a board of supervisors as stipulated in the PRC Company Law.

The Audit Committee shall comprise three members, all of whom shall be directors who do not hold any senior management position in the Company. Two of such members shall be independent directors, and the convener shall be an independent director with professional accounting qualifications or expertise.

The Company's Board of Directors shall establish other specialised committees such as nomination, remuneration and appraisal, and strategy and development, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals from the specialised committees shall be submitted to the Board of Directors for deliberation and decision. All members of the specialised committees shall be directors. The Nomination Committee and the Remuneration and Appraisal Committee shall each comprise a majority of independent directors, and be chaired by an independent director. The rules of procedure for the specialised committees shall be formulated by the Board of Directors.

Senior Management

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors.

The Company may have deputy general managers, who shall be appointed or dismissed by the Board of Directors.

The Company's general manager, deputy general managers, chief financial officer, secretary to the Board of Directors and other persons recognised by the Board of Directors shall be the senior management of the Company.

The general manager is responsible to the Board of Directors and exercises the following powers and functions:

- (i) to preside over the production, operation and management of the Company, to organise and implement the resolutions of the Board of Directors, and to report to the Board of Directors on his work;
- (ii) to organise and implement the Company's annual business plans and investment proposals;
- (iii) to formulate proposals for the establishment of the Company's internal management structure;
- (iv) to formulate the Company's basic management system;
- (v) to formulate the Company's specific rules and regulations;
- (vi) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general managers and chief financial officer;
- (vii) to decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board of Directors;
- (viii) other powers and functions granted by the Articles of Association or the Board of Directors. The general manager shall attend meetings of the Board of Directors as a non-voting member.

The Company shall have a secretary to the Board of Directors, who is responsible for the preparation of general meetings and Board meetings, the custody of documents, the management of the Company's shareholder information, and handling information disclosure and other matters.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and the provisions of relevant state departments.

The Company shall submit and disclose its annual report to the local office of the CSRC and the Shanghai Stock Exchange within 4 months from the end of each financial year, and submit and disclose its interim report to the local office of the CSRC and the Shanghai Stock Exchange within 2 months from the end of the first half of each financial year.

The aforementioned annual reports and interim reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and departmental rules.

The Company shall not keep any other accounting books in addition to the statutory accounting books. The assets of the Company shall not be deposited in an account opened in the name of any individual.

When distributing its after-tax profits for the current year, the Company shall set aside 10% of its profits for the Company's statutory common reserve fund. If the accumulated amount of the Company's statutory common reserve fund is more than 50% of the Company's registered capital, no further appropriation may be made.

If the Company's statutory common reserve fund is not sufficient to make up for the losses of previous years, the profits of the current year shall first be used to make up for the losses before the statutory common reserve fund is appropriated in accordance with the preceding paragraph.

After appropriating the statutory common reserve fund from its after-tax profits, the Company may, upon a resolution of the general meeting, also appropriate a discretionary common reserve fund from its after-tax profits.

The after-tax profit remaining after making up for the Company's losses and making appropriations to the reserve funds shall be distributed to the shareholders in proportion to their respective shareholdings, save as otherwise provided for in the Articles of Association.

Where the general meeting distributes profits to shareholders in violation of the PRC Company Law, such shareholders must return to the Company the profits so distributed; if losses are caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

The 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 the holders of its H Shares. The receiving agent(s) shall, on behalf of the relevant holders of H Shares, receive and hold in custody dividends and other amounts payable by the Company in respect of the H Shares, pending payment to such H Share holders. The receiving agent(s) appointed by the Company shall meet the requirements of the laws, regulations and securities regulatory rules of the place where the Company's shares are listed.

The Company's common reserve fund shall be used to make up for the Company's losses, expand the Company's production and operation, or be converted into an increase in the Company's registered capital.

To make up for the Company's losses with the common reserve fund, the discretionary common reserve fund and the statutory common reserve fund shall be used first; if they are still insufficient, the capital common reserve fund may be used in accordance with the regulations.

When the statutory common reserve fund is converted to increase the Company's registered capital, the remaining amount of such reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, duties and powers, staffing, funding guarantees, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented upon approval by the Board of Directors and disclosed to the public.

The internal audit department is responsible to the Board of Directors.

In the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit department shall accept the supervision and guidance of the Audit Committee. If the internal audit department discovers any relevant major issues or leads, it shall immediately report them directly to the Audit Committee.

Appointment of Accounting Firm

The Company shall engage an accounting firm that meets the requirements of the Securities Law and the laws, regulations and securities regulatory rules of the place where the Company's shares are listed to conduct business such as auditing financial statements, verifying net assets, and providing other related consulting services. The term of appointment is 1 year and is renewable.

The appointment and dismissal of an accounting firm by the Company must be decided by the general meeting. The Board of Directors shall not appoint an accounting firm before a decision is made by the general meeting.

The Company shall guarantee to provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and shall not refuse, conceal or misrepresent them.

The audit fees (remuneration) of the accounting firm or the method for determining such audit fees (remuneration) shall be determined by the general meeting.

When the Company dismisses or does not re-engage an accounting firm, it shall notify the accounting firm 10 days in advance. When the Company's general meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinion.

If an accounting firm proposes to resign, it shall explain to the general meeting whether there are any improprieties on the part of the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

A merger of the Company may take the form of a merger by absorption or a merger by new establishment.

A merger in which one company absorbs another is a merger by absorption, and the absorbed company is dissolved. A merger in which two or more companies merge to form a new company is a merger by new establishment, and the merging parties are dissolved.

A merger of the Company may be carried out without a resolution of the general meeting if the consideration paid therefor does not exceed 10% of the Company's net assets, save as otherwise provided in the Articles of Association.

If the Company merges in accordance with the preceding paragraph without a resolution of the general meeting, it shall be subject to a resolution of the Board of Directors.

For a merger of the Company, a merger agreement shall be signed by the merging parties, and a balance sheet and a list of assets shall be prepared. The Company shall, within 10 days from the date on which the merger resolution is made, notify its creditors, and shall, within 30 days, make a public announcement in the information disclosure media designated by the Company or on the National Enterprise Credit Information Publicity System and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk). Creditors may, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, demand the Company to repay its debts or provide a corresponding guarantee. If the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the Company shall also comply with such relevant provisions.

In the event of a merger of the Company, the claims and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

In the event of a division of the Company, its assets shall be divided accordingly.

For a division of the Company, a balance sheet and a list of assets shall be prepared. The Company shall, within 10 days from the date on which the division resolution is made, notify its creditors, and shall, within 30 days, make a public announcement in the information disclosure media designated by the Company or on the National Enterprise Credit Information Publicity System and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk).

The debts of the Company prior to the division shall be borne jointly and severally by the companies existing after the division. However, this shall not apply where a written agreement reached between the Company and its creditors regarding the repayment of debts prior to the division provides otherwise.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a list of assets.

The Company shall, within 10 days from the date on which the resolution for registered capital reduction is made by the general meeting, notify its creditors, and shall, within 30 days, make a public announcement in the information disclosure media designated by the Company or on the National Enterprise Credit Information Publicity System and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk). Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, have the right to demand the Company to repay its debts or provide a corresponding guarantee.

When the Company reduces its registered capital, it shall correspondingly reduce the capital contributions or shares of the shareholders in proportion to their respective shareholdings, unless otherwise provided by law or the Articles of Association.

When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive subscription rights, unless otherwise provided in the Articles of Association or it is resolved by the general meeting that shareholders shall have such rights.

In the event of a merger or division of the Company, if there is a change in the registered matters, an application for registration of such change shall be made to the company registration authority in accordance with the law; If the Company is dissolved, an application for cancellation of the Company's registration shall be made in accordance with the law; If a new company is established, an application for registration of the establishment of the company shall be made in accordance with the law.

If the Company increases or reduces its registered capital, an application for registration of such change shall be made to the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (i) the term of operation stipulated in the Articles of Association expires or other grounds for dissolution stipulated in the Articles of Association arise;
- (ii) a resolution for dissolution is passed by the general meeting;
- (iii) dissolution is required due to a merger or division of the Company;
- (iv) its business license is revoked, it is ordered to close down or it is cancelled in accordance with the law;
- (v) the Company encounters serious difficulties in its operation and management, and its continued existence will cause substantial losses to the shareholders' interests, which cannot be resolved through other means, shareholders holding 10% or more of the voting rights of the Company may request a people's court to dissolve the Company.

Where the grounds for dissolution stipulated in the preceding paragraph arise for the Company, it shall, within ten days, publicise the grounds for dissolution through the National Enterprise Credit Information Publicity System.

Where the Company is subject to the circumstances described in items (i) and (ii) above, and has not yet distributed its assets to the shareholders, it may continue to exist by amending the Articles of Association or through a resolution of the general meeting. The amendment of the Articles of Association in accordance with the above paragraph shall be subject to the approval by more than two-thirds of the voting rights held by the shareholders present at the general meeting. If the Company is dissolved due to the provisions of items (i), (ii), (iv) and (v) above, it shall be liquidated. The directors are the persons responsible for the liquidation of the Company and shall form a liquidation panel to carry out the liquidation within fifteen days from the date on which the grounds for dissolution arise.

The liquidation panel shall be composed of directors, unless otherwise provided in the Articles of Association or other persons are elected by a resolution of the general meeting.

If the persons responsible for liquidation fail to perform their liquidation obligations in a timely manner, causing losses to the Company or its creditors, they shall be liable for compensation.

The liquidation panel shall exercise the following powers during the liquidation period:

- (i) to clear up the Company's assets and prepare a balance sheet and a list of assets respectively;
- (ii) to notify and make public announcements to creditors;
- (iii) to deal with the unfinished business of the Company related to the liquidation;
- (iv) to pay off the taxes owed and the taxes incurred during the liquidation process;
- (v) to clear up claims and debts;
- (vi) to distribute the remaining assets of the Company after repaying its debts;
- (vii) to represent the Company in civil litigation activities.

The liquidation panel shall, within 10 days from the date of its establishment, notify the creditors, and shall, within 60 days, make a public announcement in the information disclosure media designated by the Company or on the National Enterprise Credit Information Publicity System and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk). Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation panel. If the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the Company shall also comply with such relevant provisions.

When declaring their claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation panel shall register the claims.

During the period for declaration of claims, the liquidation panel shall not make repayments to creditors.

After the liquidation panel has cleared up the Company's assets and prepared the balance sheet and the list of assets, it shall formulate a liquidation plan and submit it to the general meeting or the people's court for confirmation.

The remaining assets of the Company, after paying, in sequence, the liquidation expenses, employees' wages, social insurance premiums and statutory compensation, the taxes owed, and repaying the Company's debts, shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

During the liquidation period, the Company shall continue to exist, but it shall not carry out operating activities unrelated to the liquidation.

The Company's assets shall not be distributed to the shareholders before being used for repayment in accordance with the preceding paragraph.

After the liquidation panel has cleared up the Company's assets and prepared the balance sheet and the list of assets, if it discovers that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court has accepted the bankruptcy application, the liquidation panel shall hand over the liquidation affairs to the bankruptcy administrator designated by the people's court.

Upon the conclusion of the Company's liquidation, the liquidation panel shall prepare a liquidation report, submit it to the general meeting or the people's court for confirmation, and submit it to the company registration authority to apply for the cancellation of the Company's registration.

Members of the liquidation panel, in performing their liquidation duties, shall have the duties of loyalty and diligence.

If members of the liquidation panel are negligent in performing their liquidation duties, causing losses to the Company, they shall be liable for compensation; if they cause losses to creditors due to intent or gross negligence, they shall be liable for compensation.

If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

Amendment of Articles of Association

The Company shall amend its Articles of Association under any of the following circumstances:

- (i) after the Company Law or relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed are amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations or securities regulatory rules of the place where the Company's shares are listed;
- (ii) the circumstances of the Company have changed, such that they are inconsistent with the matters recorded in the Articles of Association;
- (iii) the general meeting resolves to amend the Articles of Association.

1. FURTHER INFORMATION ABOUT OUR COMPANY**A. Incorporation**

Our Company was established under the PRC laws under the name of Circuit Fabology Microelectronics Equipment Co., Ltd. (合肥芯碁微電子裝備有限公司) on June 30, 2015 and was converted from a limited liability company to a joint stock company while renamed as Circuit Fabology Microelectronics Equipment Co., Ltd. (合肥芯碁微電子裝備股份有限公司) in October 2019. Our Company was listed on the Shanghai Stock Exchange on April 1, 2021.

Our registered office is located at Building 1, 789, Changning Avenue, Hi-Tech District, Hefei, Anhui Province, PRC. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on September 11, 2025 and our principal place of business in Hong Kong is at Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Ms. Wei Yongzhen and Ms. Cheung Hin Kiu are the authorized representative of the Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in “Regulatory Overview” in this prospectus and Appendix IV and Appendix V to this prospectus respectively.

B. Changes in Share Capital of our Company

Save as disclosed below and in the section headed “History, Development and Corporate Structure”, there has been no other alteration in our total issued share capital within the two years immediately preceding the date of this prospectus.

On November 22, 2024, 321,630 A Shares were issued due to the second vesting period of the first grant of the 2022 Restricted Shares Incentive Plan and the first vesting period of the reserved grant of the restricted stock incentive plan to be listed and circulate. As such, our Company’s registered share capital was overall increased to RMB131,740,716 comprising 131,740,716 A Shares of nominal value of RMB1.00 each as of November 2024.

A repurchase mandate for the repurchase of A Shares for the purpose of our Company’s employee share incentive schemes was approved by our Board on February 23, 2024. The repurchase mandate was valid for 6 months from the date of approval of the repurchase mandate by the Board. Upon repurchase, the repurchased A Shares are held under our Company stock repurchase account and do not carry any shareholders’ rights, including but not limited to voting rights at the Shareholders’ meeting and dividend rights. According to the repurchase mandate, the amount could be used for the repurchase will be no more than RMB60 million and no less than RMB30 million. Calculating based on the maximum repurchase price of RMB76.0 per A Share, the amount of A Shares could be repurchased under the repurchase mandate will be between 394,736 and 789,473 A Shares. As of July 19, 2024, the repurchase of A Shares was completed under the repurchase mandate, with a total of 477,322 A Shares repurchased pursuant to transactions conducted between March 28, 2024 and July 19, 2024, with the price ranging from RMB58.44 to RMB67.09 per A Share. Upon repurchase, the repurchased A Shares were held under our Company stock repurchase account, and do not carry any shareholders’ rights,

including but not limited to voting rights at the Shareholders' meetings and dividend rights. Any repurchased A Shares not granted or transferred within 36 months after the completion of the repurchase shall be cancelled.

C. Changes in Share Capital of our Subsidiaries

On October 24, 2025, the registered share capital of Xin Qi Technology (Thailand) Co., Ltd. increased from 100million baht to 735million baht.

Save as disclosed above, no alterations in the registered capital of our subsidiaries have taken place within the two years preceding the date of this prospectus.

D. Resolutions Passed by Our Shareholders in Relation to the Global Offering

Pursuant to the Shareholders' meeting held on August 29, 2025 and as amended by the Shareholders' meeting held on November 14, 2025, the following resolutions, among other things, were (subject to the relevant regulatory approval, filing and registration) duly passed:

- (a) authorization of the Board or its authorized individual to commence the process of H Shares Listing and the related preliminary preparations.
- (b) the number of H Shares to be issued shall be no more than 25% of the total share capital of our Company upon completion of the Global Offering and before any exercise of the Over-allotment Option, and the grant of the Over-allotment Option in respect of no more than 15% of the number of H Shares initially issued pursuant to the Global Offering;
- (c) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the Global Offering, the issue of the H Shares and the Listing; and
- (d) subject to the completion of the Global Offering, the conditional adoption of the revised Articles of Association, which shall become effective on the Listing Date; 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.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this prospectus which are or may be material:

- (a). the cornerstone investment agreement dated June 12, 2026 entered into among our Company, Hong Kong Xinyao Investment Limited (香港芯耀投資有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$10,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);

- (b). the cornerstone investment agreement dated June 12, 2026 entered into among our Company, Nexchip Semiconductor Hong Kong Corporation Limited (晶合集成香港有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$8,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (c). the cornerstone investment agreement dated June 12, 2026 entered into among our Company, China Universal Asset Management (Hong Kong) Company Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$7,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (d). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Hefei Jianhui Zhanxin Cornerstone Investment Company Limited (合肥建匯戰新基石投資有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$11,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (e). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, JPMorgan Asset Management (Asia Pacific) Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$20,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (f). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Victory Giant Technology Holdings (Hong Kong) Limited (勝宏科技集團(香港)有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$20,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (g). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, CPE Chestnut Investment Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$18,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (h). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Lion Global Investors Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$18,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);




- (i). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, CICC FINANCIAL TRADING LIMITED and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$12,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (j). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, HHLR ADVISORS, LTD. and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$12,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (k). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Huadeng Victorious Way Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$10,500,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (l). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Montage Hong Kong Holdings Company Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$10,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (m). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, HK YONGLIAN INVESTMENT DEVELOPMENT CO., LIMITED and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$10,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (n). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Monterey Park Finance Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of HK\$74,500,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (o). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Bosera Asset Management (International) Co., Ltd. (博時基金(國際)有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$7,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (p). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, FULLGOAL FUND MANAGEMENT CO., LTD. and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$4,667,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);

- (q). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, FULLGOAL ASSET MANAGEMENT (HK) LIMITED and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$2,333,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (r). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, GF Management Co., Ltd. (廣發基金管理有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$4,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (s). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, GF International Investment Management Limited (廣發國際資產管理有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$3,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (t). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, OCEAN FINE INDUSTRIAL LIMITED and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$5,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy);
- (u). the cornerstone investment agreement dated June 15, 2026 entered into among our Company, Sungrow Power (HONG KONG) Co., Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of our Shares at the Offer Price in the aggregate amount of US\$5,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy); and
- (v). the Hong Kong Underwriting Agreement.

B. Our 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.	Registered owner	Trademark	Registration No.	Class	Valid through	Place of Registration
1.	the Company		37366567	9	2029.12.13	PRC
2.	the Company		37361570	37	2030.04.06	PRC
3.	the Company		37342631	7	2030.02.20	PRC
4.	the Company		18253425	42	2026.12.13	PRC
5.	the Company		18253172	9	2026.12.13	PRC
6.	the Company		18253064	37	2026.12.13	PRC
7.	the Company		18252869	7	2026.12.13	PRC

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

No.	Registered owner	Trademark	Registration No.	Class	Valid through	Place of Registration
8.	the Company		18252505	37	2026.12.13	PRC
9.	the Company		18252164	7	2027.02.20	PRC
10.	the Company		18252563	9	2028.01.13	PRC
11.	the Company		73005033	42	2034.02.27	PRC
12.	the Company		73003228	9	2034.02.27	PRC
13.	the Company	芯基微装	72988266	7	2034.01.20	PRC
14.	the Company	芯基微装	72988186	42	2034.01.20	PRC
15.	the Company	芯基微装	72985020	37	2034.01.20	PRC
16.	the Company		72979834	37	2034.02.27	PRC
17.	the Company	芯基微装	72979798	9	2034.01.27	PRC
18.	the Company		72979772	7	2034.02.27	PRC
19.	the Company		63670329	9	2033.12.06	PRC
20.	the Company		63668871	7	2034.03.06	PRC
21.	the Company	芯基微装	63666073	7	2032.10.13	PRC
22.	the Company		63661030	37	2032.10.06	PRC
23.	the Company	芯基微装	63659433	37	2032.10.06	PRC
24.	the Company	芯基微装	63659402	9	2032.10.06	PRC
25.	the Company	芯基微装	63657889	42	2032.10.13	PRC
26.	the Company	芯基微装	306469408	7, 9, 37, 42	2034.02.03	Hong Kong
27.	the Company		306469417	7, 9, 37, 42	2034.02.03	Hong Kong

*(b) Patents**(i) Registered Patents*

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent	Patent Number	Patentee	Place of Registration
1.	A dynamic flatness measurement method for a precision positioning platform (一種精密定位平台動態平面度測量方法) . .	201510570775.7	the Company	PRC
2.	Focusing device and focusing method for maskless lithography direct-writing system (一種用於無掩膜光刻直寫系統的調焦裝置及其調焦方法)	201510568711.3	the Company	PRC
3.	Two-dimensional stitching processing method for step-and-repeat exposure in tilted scanning lithography machine (傾斜掃描式光刻機在步進式曝光時的二維拼接處理方法)	201510662680.8	the Company	PRC
4.	Concave quadrilateral FPGA hardware filling method for pattern generator in direct-writing lithography machine (一種用於直寫式光刻機圖形發生器的凹四邊形FPGA硬件填充方法)	201510662716.2	the Company	PRC
5.	Multi-wavelength ultraviolet semiconductor laser for laser direct-writing exposure machine (一種用於激光直寫曝光機的多波長紫外半導體激光器)	201620782222.8	the Company	PRC
6.	High-power ultraviolet semiconductor laser for laser direct-writing exposure machine (一種用於激光直寫曝光機的高功率紫外半導體激光器)	201610586075.1	the Company	PRC

No.	Patent	Patent Number	Patentee	Place of Registration
7.	Bitwise compression method for image data in direct-writing lithography machine based on CUDA technology (一種基於CUDA技術的直寫式光刻機圖像數據按位壓縮方法).....	201610586053.5	the Company	PRC
8.	Alignment method based on overlay exposure in maskless direct-writing system (一種基於無掩膜直寫系統套刻曝光的定位方法).....	201610586051.6	the Company	PRC
9.	Grayscale and binary image dilation and erosion processing method based on FPGA (一種基於FPGA的灰度及二值圖像膨脹腐蝕處理方法).....	201810061135.7	the Company	PRC
10.	Exposure optimization method for 3D grayscale images in lithography machine based on DMD (一種基於DMD的光刻機3D灰度圖像曝光優化方法).....	201810060615.1	the Company	PRC
11.	Real-time observation device for patterns in direct-writing lithography equipment (一種用於直寫光刻設備圖形的實時觀測裝置).....	201820103841.9	the Company	PRC
12.	High-voltage control switch circuit for UVLED exposure machine (一種用於UVLED曝光機的強電控制開關電路)...	201821280383.2	the Company	PRC
13.	Method and system for searching alignment marks in lithography machine (一種光刻機搜索對位MARK的方法及系統).....	201811417252.9	the Company	PRC
14.	Light uniformity calibration method and system for direct-writing lithography machine (一種直寫式光刻機光均勻性標定方法及系統).....	201811417241.0	the Company	PRC
15.	Position synchronization method and system for direct-writing lithography equipment (一種直寫光刻設備的位置同步方法及系統).....	201811417217.7	the Company	PRC

No.	Patent	Patent Number	Patentee	Place of Registration
16.	Fast scanning exposure method based on DMD leveling state (一種基於DMD置平狀態的快速掃描曝光方法)	201811588156.0	the Company	PRC
17.	Detection method for front and back side imaging alignment error in laser direct imaging equipment (一種激光直接成像設備正反面成像對位誤差的檢測方法). .	201910100091.9	the Company	PRC
18.	Orthogonality debugging device and method for positioning motion platform in direct-writing lithography exposure equipment (直寫光刻曝光設備定位運動平台正交性調試裝置及方法)	201910229390.2	the Company	PRC
19.	Inner layer error prevention method under paneling mode of direct-writing lithography machine (一種基於直寫式光刻機拼板模式下內層防呆的方法) . .	201910590633.5	the Company	PRC
20.	Alignment method for inner layer substrate in laser direct imaging equipment (一種激光直寫成像設備內層基板的對準定位方法).	201910534147.1	the Company	PRC
21.	Marking method for front and back side imaging alignment in laser direct imaging equipment (一種用於激光直接成像設備正反面成像對位的打標方法). .	201910686270.5	the Company	PRC
22.	Parallel data processing method for direct-writing lithography machine based on GDSII format (一種基於GDSII格式的直寫式光刻機並行數據處理方法)	201910816827.2	the Company	PRC
23.	Exposure method for direct-writing lithography machine based on equal division factor (一種基於等分因子的直寫式光刻機曝光方法).	201910815567.7	the Company	PRC
24.	Exposure method for direct-writing lithography machine (一種直寫式光刻機曝光方法)	201910815604.4	the Company	PRC

No.	Patent	Patent Number	Patentee	Place of Registration
25.	High-speed transmission device and method for pattern data in direct-writing lithography equipment (一種直寫光刻設備圖形數據高速傳輸裝置及其傳輸方法)	201911236504.2	the Company	PRC
26.	Stitching misalignment compensation method for bidirectional scanning and maskless lithography equipment (雙向掃描的拼接錯位補償方法和無掩膜光刻設備).	202010260623.8	the Company	PRC
27.	Correction device, conveying device, and correction method for automatic wiring in exposure machine (用於曝光機自動連線的糾偏裝置、輸送裝置和糾偏方法)	202010214492.X	the Company	PRC
28.	Method for processing exposure pattern data, exposure control unit, and direct-writing exposure machine (處理曝光圖形數據的方法、曝光控制單元和直寫式曝光機).	202010188495.0	the Company	PRC
29.	Motor series-parallel system for direct-writing lithography machine (一種用於直寫光刻機的電機串併聯系統).	202022234271.7	the Company	PRC
30.	Pitch value measurement system and method for precision positioning platform (精密定位平台Pitch值的測量系統及方法)	202010658620.X	the Company	PRC
31.	Roll value measurement system and method for precision positioning platform (精密定位平台Roll值的測量系統及方法)	202010659306.3	the Company	PRC
32.	Control method for exposure system and the exposure system (曝光系統的控制方法和曝光系統)	202011428844.8	the Company	PRC
33.	Lens distortion compensation method, storage medium, and direct-writing lithography machine (鏡頭畸變補償方法、存儲介質以及直寫式光刻機)	202011635539.6	the Company	PRC

No.	Patent	Patent Number	Patentee	Place of Registration
34.	Mass-production laser direct-writing lithography machine and its control method (量產型激光直寫光刻機及其控制方法)	202110310281.0	the Company	PRC
35.	Mass-production double-sided laser direct-writing lithography machine and its control method (量產型雙面激光直寫光刻機及其控制方法)	202110310283.X	the Company	PRC
36.	Calibration method and device for exposure head in exposure machine (一種用於曝光機的曝光光頭標定及標定裝置)	202110043203.9	the Company	PRC
37.	Wafer-level chip fan-out packaging method (晶圓級芯片扇出封裝方法)	202110310266.6	the Company	PRC
38.	Leveling device for lithography machine and lithography machine with the device (光刻機整平裝置和具有其的光刻機)	202110236610.1	the Company	PRC
39.	Ultraviolet wide-spectrum maskless lithography imaging system and lithography machine (紫外寬光譜無掩膜光刻成像系統以及光刻機)	202110505623.4	the Company	PRC
40.	Ultraviolet wide-spectrum maskless lithography imaging system and lithography machine (紫外寬光譜無掩膜光刻成像系統以及光刻機)	202120990785.7	the Company	PRC
41.	Adsorption device (吸附裝置)	202110853043.4	the Company	PRC
42.	Adsorption device (吸附裝置)	202110851672.3	the Company	PRC
43.	Dual-band illumination system and maskless direct-writing lithography equipment with the system (雙波段照明系統及具有其的無掩模直寫光刻設備) .	202110858433.0	the Company	PRC
44.	Dual-band illumination system and maskless direct-writing lithography equipment with the system (雙波段照明系統及具有其的無掩模直寫光刻設備) .	202121756743.3	the Company	PRC

No.	Patent	Patent Number	Patentee	Place of Registration
45.	Control method for direct-writing lithography machine and the machine itself (控制直寫式光刻機的方法和直寫式光刻機)	202111235304.2	the Company	PRC
46.	Optical direct-writing imaging device (光學直寫成像裝置)	202111203672.9	the Company	PRC
47.	Suction cup and LDI equipment with the suction cup (吸盤及具有其的LDI設備) .	202122494481.4	the Company	PRC
48.	Correction alignment method for exposure process in direct-writing lithography machine (一種用於直寫光刻機曝光工序的糾偏對位方法)	202210158742.1	the Company	PRC
49.	Exposure system and exposure machine (曝光系統和曝光機)	202220988421.X	the Company	PRC
50.	Optical alignment system (光學對準系統) .	202220504425.6	the Company	PRC
51.	FPGA-based pattern filling device for direct-writing lithography and the lithography machine (基於FPGA的直寫光刻圖形填充裝置和直寫光刻機)	202221794516.4	the Company	PRC
52.	Laser direct-writing exposure machine (激光直寫曝光機)	202222132352.5	the Company	PRC
53.	Data transmission system for direct-writing lithography equipment (用於直寫光刻設備的數據傳輸系統) . . .	202222297064.5	the Company	PRC
54.	Direct-writing exposure equipment and its control method (直寫式曝光設備及其控制方法)	202211335604.2	the Company	PRC
55.	LDI positioning motion platform and exposure device (LDI定位運動平台及曝光裝置)	202223205103.0	the Company	PRC
56.	Tape support device and double-sided roll-to-roll exposure machine (料帶支撐裝置及雙面卷對卷曝光機)	202320018041.8	the Company	PRC
57.	Image capturing device for alignment system and alignment system (對準系統的採圖設備和對準系統)	202320202274.3	the Company	PRC

No.	Patent	Patent Number	Patentee	Place of Registration
58.	Exposure machine (曝光機)	202320267585.8	the Company	PRC
59.	Symmetrical double-telecentric large field-of-view imaging system and lithography equipment (對稱式雙遠心大視場成像系統及光刻設備)	202420072324.5	the Company	PRC
60.	Partitioned vacuum suction cup with built-in valve core (一種閥芯內置的分區域真空吸盤)	202420324967.4	the Company	PRC
61.	Integrated dust adhesion device for automatic exposure wiring (自動曝光連線的集成黏塵裝置)	202420978600.4	the Company	PRC
62.	Efficient single-machine double-sided exposure equipment (高效單機雙面曝光設備)	202422576617.X	the Company	PRC
63.	Calibration assembly and exposure device having the same (標定總成及其具有的曝光裝置)	202421971890.6	the Company	PRC
64.	Direct-write lithography equipment and its partitioned exposure method and device (直寫光刻設備及其的分區曝光方法及裝置)	202210242537.3	the Company	PRC
65.	Direct-write lithography equipment and exposure control method (直寫光刻設備和曝光控制方法)	202411056139.8	the Company	PRC
66.	Gripping device (夾取裝置)	202422891408.4	the Company	PRC
67.	Optical expansion module and optical system having the same (光學擴展模組和具有其的光學系統)	202410988612.X	the Company	PRC
68.	A pneumatic light-shielding device for LDI equipment (一種用於LDI設備的氣動遮光裝置)	202422670377.X	the Company	PRC
69.	A fan filter device capable of rapid filter replacement (一種能夠快速更換過濾器的風機過濾裝置)	202422675578.9	the Company	PRC
70.	A laser processing equipment with a visual camera device (一種具有視覺相機裝置的激光加工設備)	202421856554.7	the Company	PRC

No.	Patent	Patent Number	Patentee	Place of Registration
71.	Apparatus, method and lithography machine for increasing exposure power density of a maskless lithography machine (提高無掩膜光刻機曝光功率密度的裝置、方法及光刻機)	202411720670.0	the Company	PRC
72.	Optical expansion module and optical system having the same (光學擴展模組和具有其的光學系統).	202410988613.4	the Company	PRC
73.	Exposure device (曝光裝置).	202423309294.4	the Company	PRC
74.	Automatic loading and unloading device (自動上下料裝置)	202423178878.2	the Company	PRC
75.	A water cooling system for heat dissipation of a DMD chip (一種用於DMD芯片散熱的水冷系統).	202422670371.2	the Company	PRC
76.	A vacuum adsorption fixed wafer stage (一種真空吸附固定式晶圓載台)	202422718008.3	the Company	PRC
77.	Alignment method for LDI exposure machine and LDI exposure machine (LDI曝光機的對位方法和LDI曝光機)	202510225750.7	the Company	PRC
78.	Laser distance measuring device that accommodates both specular and diffuse reflection (兼顧鏡面反射與漫反射的激光測距裝置)	202423077269.8	the Company	PRC
79.	Clamping assembly and lithography apparatus having the same (夾緊總成及具有其的光刻裝置)	202422674996.6	the Company	PRC
80.	Adsorption component and exposure device having the same (吸附組件及具有其的曝光裝置)	202520372061.4	the Company	PRC
81.	Heat dissipation mechanism for optical head baseplate and its exposure machine (應用於光頭底板的散熱機構及其曝光機)	202423314307.7	the Company	PRC
82.	Manufacturing method of a suction cup and lithography equipment (吸盤的製作方法和光刻設備)	202210317501.7	the Company	PRC

No.	Patent	Patent Number	Patentee	Place of Registration
83.	A dithering panel-separating device (一種抖動分板裝置)	202520211748.X	the Company	PRC
84.	Laser housing and semiconductor spatial light laser (激光器外殼及半導體空間光激光器)	202520025368.7	the Company	PRC
85.	A dual-stage exposure machine (一種雙檯面曝光機)	202520171673.7	the Company	PRC
86.	An exposure surface dose correction system (一種曝光面劑量修正系統)	202520171669.0	the Company	PRC
87.	Maskless lithography machine (無掩模光刻機)	202210892945.3	the Company	PRC
88.	Motion exposure stage and exposure system having the same (運動曝光工作臺及其具有其的曝光系統)	202520160598.4	the Company	PRC
89.	Material tape support device, double-sided roll-to-roll exposure machine and exposure method (料帶支撐裝置、雙面卷對卷曝光機及曝光方法)	202310007185.8	the Company	PRC
90.	Double-sided roll-to-roll laser direct-write exposure machine (雙面卷對卷激光直寫曝光機)	202310007548.8	the Company	PRC
91.	Multi-AOM cascade equipment for independent dynamic control of laser drilling (激光鑽孔獨立動態調控的多AOM級聯設備)	202520083520.7	the Company	PRC
92.	Laser parallel processing equipment for beam splitting and control based on deflecting mirrors (基於偏轉鏡實現光束分束及調控的激光並行加工設備) . . .	202520083435.0	the Company	PRC
93.	Adjusting structure for exposure equipment and exposure equipment (用於曝光設備的調節結構和曝光設備) . . .	202211385650.3	the Company	PRC

(c) Domain Names

As of the Latest Practicable Date, we had registered the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1.	cfmee.cn	the Company	2026/09/21
2.	cfmee.com	the Company	2026/07/27

(d) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Registration No.	Registered Owner	Place of Registration
1.	CFMEE Semiconductor Direct-Writing Lithography Equipment Software V1.0 (芯碁微裝半導體直寫光刻設備軟件 V1.0).....	2016SR186775	The Company	PRC
2.	CFMEE Laser Direct Imaging Equipment Software V1.0 (芯碁微裝激光直接成像設備軟件V1.0).....	2016SR186835	The Company	PRC
3.	CFMEE TP Laser Direct Imaging Equipment Software V1.0.0.0 (芯碁微裝 TP激光直接成像設備軟件V1.0.0.0)....	2019SR1030555	The Company	PRC
4.	CFMEE CTS Laser Direct-Writing Screen Equipment System V1.0 (芯碁微裝CTS 激光直寫網版設備系統V1.0)	2019SR1033137	The Company	PRC
5.	CFMEE Camera Service Platform Software V1.0 (芯碁相機服務平台軟件 V1.0).....	2019SR1018984	The Company	PRC
6.	KS-D1 Series Laser Direct-Writing Equipment Software V1.0 (KS-D1系列 激光直寫設備軟件V1.0).....	2019SR1002420	The Company	PRC
7.	CFMEE RTR Laser Direct Imaging Equipment Software V1.4 (芯碁微裝 RTR激光直接成像設備軟件V1.4)	2019SR1009779	The Company	PRC
8.	KS-TPD1 Master Control System Software V1.0 (KS-TPD1總控系統軟件 V1.0).....	2019SR1012428	The Company	PRC

No.	Copyright	Registration No.	Registered Owner	Place of Registration
9.	CFMEE LDI Laser Direct Imaging Equipment Software V1.4 (芯碁微裝 LDI激光直接成像設備軟件V1.4)	2019SR1016515	The Company	PRC
10.	CFMEE 7X Laser Direct Imaging Equipment Software V1.0 (芯碁微裝7X 激光直接成像設備軟件V1.0)	2019SR1019284	The Company	PRC
11.	CFMEE CTS Part Number Creation Software System V1.1.0.200 (芯碁微裝 CTS料號製作軟件系統V1.1.0.200)	2019SR1037866	The Company	PRC
12.	PCIE DMA High-Speed Data Transmission Software (PCIE DMA高速數據傳輸軟件)	2020SR0331474	The Company	PRC
13.	Exposure Machine Data Processing and Analysis Software (曝光機數據處理分析軟件)	2020SR0331478	The Company	PRC
14.	CFMEE Part Number Software System V1.0 (芯碁集成料號軟件系統V1.0)	2021SR1045296	The Company	PRC
15.	CFMEE Final Assembly Workshop Reporting System V1.0 (芯碁總裝車間報工系統V1.0)	2022SR1502638	The Company	PRC
16.	CFMEE Texture Alignment Software V1.0 (芯碁紋理對位軟件V1.0)	2022SR1497222	The Company	PRC
17.	Laser Automatic Energy Analysis Tool Software V1.0 (激光器能量自動分析工具軟件V1.0)	2022SR1512593	The Company	PRC
18.	CFMEE After-Sales Management System V1.0 (芯碁售後管理系統V1.0)	2022SR1493014	The Company	PRC
19.	Assembly and Debugging Tool Software V1.0 (整機裝調工具軟件V1.0)	2022SR1512136	The Company	PRC
20.	Laser Automatic Energy Calibration Software V1.0 (激光器能量自動標定軟件V1.0)	2022SR1492405	The Company	PRC
21.	Alignment Target Error Calculation Tool Software V1.0 (對位靶標誤差計算工具軟件V1.0)	2022SR1478566	The Company	PRC

No.	Copyright	Registration No.	Registered Owner	Place of Registration
22.	CFMEE Log Upload Software V1.0 (芯碁 日誌上傳軟件V1.0)	2022SR1493013	The Company	PRC
23.	CFMEE Automated Line Server System V1.0 (芯碁自動綫服務端系統V1.0)	2022SR1511386	The Company	PRC
24.	LDW Automated Line Exposure Software (LDW自動線曝光軟件).	2022SR1502294	The Company	PRC
25.	WLP Automated Line Exposure Software V1.4.1.18175 (WLP自動線曝光軟件 V1.4.1.18175)	2022SR1493012	The Company	PRC
26.	General System Software for Semiconductor Lithography Equipment V1.0 (半導體光刻設備系統通用軟件 V1.0).	2022SR1478595	The Company	PRC
27.	Field Alignment Exposure Software for Chip Packaging (用於芯片封裝的Field 對位曝光軟件).	2022SR1511417	The Company	PRC
28.	Client-Side Algorithm Debugging Software V1.0 (客戶端算法調試軟件 V1.0).	2023SR0146126	The Company	PRC
29.	Algorithm Software for Platform Compensation and Abnormal Detection Analysis V1.0 (用於平台補償和檢測分 析異常的算法軟件V1.0)	2023SR0162757	The Company	PRC
30.	Scheduled Maintenance Management System (定時保養維護管理系統)	2023SR0672708	The Company	PRC
31.	Laser Direct-Writing Equipment Machine Adjustment Tool Software (激光直寫設 備調機工具軟件)	2023SR0672791	The Company	PRC
32.	Laser Direct-Writing Equipment Electrical Control Testing Tool Software V1.0 (激 光直寫設備電控測試工具軟件V1.0)	2023SR0672710	The Company	PRC
33.	CFMEE Smart Material Procurement Assistance System V1.0 (芯碁光刻設備 物料採購智能輔助系統V1.0)	2023SR0987630	The Company	PRC
34.	Xcam Image Conversion Software Toolkit V1.0 (Xcam轉圖軟件工具集軟件V1.0)	2023SR1245096	The Company	PRC

No.	Copyright	Registration No.	Registered Owner	Place of Registration
35.	Control Program Software for Packaging Substrate Automated Line V1.0 (封裝載板自動線控制程序軟件V1.0)	2023SR1254867	The Company	PRC
36.	Dynamic Capacity Analysis Monitoring System V1.0 (動態產能分析監測系統V1.0).	2023SR1548725	The Company	PRC
37.	CFMEE PV Laser Direct-Writing Equipment Software V1.0 (芯碁微裝PV激光直寫設備軟件V1.0)	2023SR1562971	The Company	PRC
38.	Laser Integrated Management Software V1.0 (激光器一體化管理軟件V1.0).	2023SR1657352	The Company	PRC
39.	CFMEE Integrated Part Number Software System V3.0 (芯碁集成料號軟件系統V3.0).	2023SR1651778	The Company	PRC
40.	Exposure Software Configuration Inspection Software V1.0 (曝光軟件配置巡檢軟件V1.0)	2023SR1675528	The Company	PRC
41.	Software Monitoring and Optimization Tool System V1.0 (軟件監控和優化工具系統V1.0)	2023SR1678984	The Company	PRC
42.	Digital Workshop Software V1.0 (數字車間軟件V1.0)	2023SR1651779	The Company	PRC
43.	CFMEE Wizard-Based Auto Adjustment Tool Software V1.0 (芯碁嚮導式自動調機工具軟件V1.0)	2023SR1702341	The Company	PRC
44.	Automated Line Server Software V2.0 (自動線服務端軟件V2.0).	2023SR1716830	The Company	PRC
45.	Substrate Deformation Prediction Tool (基板變形預測工具)	2024SR0286439	The Company	PRC
46.	General Testing Tool Software for Pan-Semiconductor Equipment (泛半導體設備通用測試工具軟件)	2024SR0292551	The Company	PRC
47.	Process Instruction Monitoring Software (進程指令監控軟件).	2025SR0042779	The Company	PRC

No.	Copyright	Registration No.	Registered Owner	Place of Registration
48.	CFMEE Smart Target Recognition Tool Software V1.0 (CFMEE智能靶標識別工具軟件V1.0)	2025SR0416989	The Company	PRC
49.	Full Board Scanning Test Software V1.0 (整板掃描測試軟件V1.0)	2025SR0433133	The Company	PRC
50.	Board-Level Wafer Inspection Software V1.0 (板級晶圓檢測軟件V1.0)	2025SR0540749	The Company	PRC
51.	UV Laser Drilling Control System Software V1.0 (UV激光鑽孔控制系統軟件V1.0)	2025SR0476121	The Company	PRC
52.	Deep Learning-Based Target Recognition Software V1.0 (基於深度學習的靶標識別軟件V1.0)	2025SR0481880	The Company	PRC
53.	CFMEE Marking and Edge Exposure Equipment System Software V1.0 (芯碁打碼曝邊設備系統軟件V1.0)	2025SR0455580	The Company	PRC
54.	Xcam-DXF Image Conversion Software V1.1.3.1 (Xcam-DXF轉圖軟件V1.1.3.1)	2025SR0576254	The Company	PRC

Save as disclosed above, 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.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Contracts and Appointment Letters

We have entered into a service contract or appointment letter with each of the Directors. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

B. Remuneration of Directors

Save as disclosed in the section headed “Directors and Senior Management”, no other payments have been made or are payable in respect of the years ended December 31, 2023, 2024 and 2025 by any member of our Group to any of our Directors, former Directors or the five highest paid individuals.

C. Disclosure of Interests**(a) Interests in the Shares of our Company**

For information on the persons (other than our Directors and senior management of our Company) who will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company, see “Substantial Shareholders” in this prospectus.

(b) Disclosure of Interests of Directors and Chief Executive

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), so far as our Directors are aware, the interest or short position of our Directors or chief executive in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, will be as follows:

Interests in our Company

Name of substantial Shareholder	Nature of interest	Description of Shares	Number of Shares directly or indirectly controlled	Approximate percentage of interest in the total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of interest in the total issued share capital of our Company after the Global Offering (assuming the Over-allotment Option is not exercised)
Ms. Cheng	Beneficial owner	A Shares	34,152,677	25.92%	23.62%
	Interest in controlled corporation ⁽¹⁾	A Shares	10,815,000	8.21%	7.48%
Mr. Fang Lin	Beneficial owner	A Shares	1,100,000	0.83%	0.76%
Ms. Wei Yongzhen	Beneficial interest ⁽²⁾	A Shares	20,000	0.02%	0.01%

Notes:

- (1) As of the Latest Practicable Date, Yage Venture Capital, Na Photolithography and He Photolithography were held by Ms. Cheng as to 31.11%, 10.78% and 27.73% respectively. As such, Ms. Cheng was deemed to be interested in the A shares held by the three companies for the purpose of Part XV of the SFO.
- (2) Ms. Wei Yongzhen is entitled to receive shares pursuant to the Stock Ownership Scheme subject to vesting conditions. See “Statutory and General Information — 4. Our Incentive Plans — Stock Ownership Scheme” for details.

D. Disclaimers

Save as disclosed herein:

- (a) none of our Directors or the chief executive of our Company has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed;
- (b) none of our Directors or any of the experts referred to under the paragraph headed “— 5. Other Information — G. Qualification of Experts” in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) so far as is known to our Directors, no person (not being a Director or chief executive of our Company or any member of our Group) will, immediately following the completion of the Global Offering, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and
- (f) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

4. OUR INCENTIVE PLANS

A. Restricted Shares Incentive Plan

In April 2022, following the approval of the shareholders' meeting, the Company adopted the 2022 Restricted Shares Incentive Plan of the Company (the "**Plan**"). The following is a summary of the principal terms of the Plan. Given the Plan was terminated and no further shares will be granted under the Plan after the Listing, the terms of the Plan are not subject to the provisions of Chapter 17 of the Listing Rules.

(i) Purpose and administration

The purpose of the Plan was to further improve the corporate governance structure of the Company, retain the Company's outstanding talents, enhance employee cohesion and company competitiveness, protect the interests of shareholders and promote the long-term, sustainable, and healthy development of the Company.

The Plan was maintained by the then Board of our Company. The Remuneration and Appraisal Committee nominated a list of core employees of the Company who met the conditions of the Plan. The list was then reviewed and confirmed by the Company's then supervisory committee. The details of the participants of the Plan were disclosed five days before the Company's shareholders meeting reviewed the Plan.

(ii) Participants and Shares Involved

The source of Shares for the Plan was 1,087,000 A Shares to be issued by the Company to the participants of the Plan, representing 0.9% of the Company's then total issued share capital. The Plan was divided into two tranches, the initial tranche and the reserved tranche. Among the total 1,087,000 A Shares, 872,000 shares were granted in the initial tranche, representing 0.72% of the Company's then total issued Shares. The remaining 215,000 shares were granted in the reserved tranche, representing 0.18% of the Company's then total issued share capital.

The restricted Shares granted to the participants in the initial and reserved tranches shall be vested in accordance with the following vesting schedule, subject to satisfaction of vesting conditions.

<u>Vesting Schedule</u>	<u>Vesting Period</u>	<u>Vesting Percentage</u>
First vesting of the initial tranche.	the period commencing on the first trading day following the 12-month anniversary of the grant date of the relevant restricted Shares and ending on the last trading day within 24 months from the same grant date.	20%
Second vesting of the initial tranche.	the period commencing on the first trading day following the 24-month anniversary of the grant date of the relevant restricted Shares and ending on the last trading day within 36 months from the same grant date.	40%

Vesting Schedule	Vesting Period	Vesting Percentage
Third vesting of the initial tranche	the period commencing on the first trading day following the 36-month anniversary of the grant date of the relevant restricted Shares and ending on the last trading day within 48 months from the same grant date.	40%

In April 2022, the 1,087,000 initial tranche restricted Shares were granted to 206 participants of the initial tranche of the Plan at the price of RMB26.17 per Share.

Had the reserved tranche of restricted Shares been granted prior to the disclosure of the Company's third-quarterly report for 2022, the vesting period and schedule would have been consistent with those of the initial tranche. However, considering the 215,000 reserved tranche restricted Shares were granted to 45 participants after the disclosure of the Company's third-quarterly report for 2022 in April 2023 at the price of RMB25.97 per Share (the price was adjusted as a result of profit distribution for 2022), its vesting schedule was as follows.

Vesting Schedule	Vesting Period	Vesting Percentage
First vesting of the reserved tranche	the period commencing on the first trading day following the 12-month anniversary of the grant date of the relevant restricted Shares and ending on the last trading day within 24 months from the same grant date.	50%
Second vesting of the reserved tranche	the period commencing on the first trading day following the 24-month anniversary of the grant date of the relevant restricted Shares and ending on the last trading day within 36 months from the same grant date.	50%

The participants of the Plan were the Company's core employees who were employed more than 12 months by the Company. Directors, senior management, foreign employees, shareholders with more than 5% of shareholdings in the Company, the Company's controlling shareholders and their family members were not allowed to participate. Participants who met the above conditions participated in this Incentive Plan were marked by the company-level performance and their individual performance to determine the number of restrictive shares received. The company-level performance was the operating revenue growth and net profit growth of the Company, while the individual performance was the employee's working performance.

In September 2023, 121,841 A Shares were issued because of the first vesting of the initial tranche of the Plan. In November 2024, 321,630 A Shares were issued because of the second vesting of the initial tranche and the first vesting of the reserved tranche of the Plan.

(iii) Duration of the Plan

The term of the Plan shall commence on the date of the grant of the initial tranche of the restricted Shares and shall continue until all restricted Shares granted to the participants has either fully vested or been forfeited or cancelled, provided that the maximum duration of the Plan shall not exceed 54 months.

(iv) Termination

The Plan was terminated in April 2025 due to the fact that the operating results of the Company for the year of 2024 did not satisfy the vesting requirements for the third vesting of the initial tranche and the second vesting of the reserved tranche of the Plan. Therefore, the granted but unvested 260,900 restricted Shares in the initial tranche of the Plan and granted but unvested 89,000 restricted Shares in the reserved tranche of the Plan were canceled and will not be issued.

B. Stock Ownership Scheme

In September 2025, following the approval of the shareholders' meeting, the Company adopted the Employee Stock Ownership Scheme (the “**Scheme**”) of the Company. The following is a summary of the principal terms of the Scheme. Given the Scheme does not involve issue of new Shares by our Company, the terms of the Scheme are not subject to the provisions of Chapter 17 of the Listing Rules regarding share schemes involving issue of new shares.

(i) Participants of the Scheme

The participants of the Stock Ownership Scheme include directors, senior management, key position personnel of our Company as set out in the Scheme.

(ii) Source of shares and participants' interest in the scheme

Our Company has repurchased the A Shares from the open market and such A Shares were transferred to the Stock Ownership Scheme at the purchase price.

(iii) Term of the scheme

The Scheme is valid for a period of five years commencing from the date of publication of announcement of our Company in respect of the last transfer of the relevant A Shares from the repurchase securities account of our Company to the Stock Ownership Scheme (the “**Announcement Date**”).

(iv) Administration of the scheme

The Scheme is subject to the approval of the Shareholders and is administered by a committee (the “**Scheme Management Committee**”), the members of which are elected by the participants of the Scheme. The Scheme Management Committees oversee the day-to-day management of the Stock Ownership Scheme and exercise shareholders' rights on behalf of the participants.

(v) Lock-up and vesting of the Awards

The A Shares underlying the Awards granted under the Stock Ownership Scheme are subject to a lock-up period of 12 months, commencing from the Announcement Date. After the expiry of the forgoing lock-up period, subject to attainment of performance targets and personal evaluation, the participants' entitlement to the corresponding portion of A Shares (together with the dividend) held by the Stock Ownership Scheme will be vested in three tranches in the proportion of 40%, 30% and 30% each. The A Shares underlying the vested Awards will be sold by the Scheme Management Committee and the proceeds will be distributed to the participants proportionately.

(vi) Total number of shares held by the Scheme

As of the Latest Practicable Date, the total number of A Shares held by the Scheme was 477,322, representing approximately 0.33% of the issued Shares immediately following the completion of the Listing (assuming no changes to our issued Shares between the Latest Practicable Date and the Listing Date), among 125 grantees.

The following table set forth the details of the grantees under the Scheme that are Directors of our Company as of the Latest Practicable Date:

Name of grantee	Position in our Company	A Shares held by the grantee under the Scheme as of the Latest Practicable Date	Approximate percentage of issued Shares as of the Latest Practicable Date	Approximate percentage of issued Shares immediately after completion of the Global Offering
Ms. WEI Yongzhen (魏永珍女士)	Executive Director, secretary to the Board and financial director	20,000	0.02%	0.01%

5. OTHER INFORMATION**A. Estate Duty**

We have been advised that no material liability for estate duty under PRC law is likely to fall upon the Group.

B. Litigation

During the Track Record Period and up to the Latest Practicable Date, so far as our Directors are aware, no litigation or claim of material importance (to our Group's financial condition or results of operation) is pending or threatened against any member of our Group.

C. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this prospectus. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Sole Sponsor in connection with the Listing payable by our Company is US\$300 thousand in aggregate.

D. Compliance Adviser

Our Company has appointed Rainbow Capital (HK) Limited as our compliance adviser in compliance with Rules 3A.19 of the Listing Rules.

E. Preliminary Expenses

We have not incurred any material preliminary expense.

F. Promoters

Please refer to the “History, Development and Corporate Structure” section for our promoters. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit have been paid, allotted or given or have been proposed to be paid, allotted or given to the above promoters in connection with the Global Offering or related transactions in this prospectus.

G. Qualification of Experts

The qualifications of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this prospectus, are as follows:

Name	Qualifications
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
DeHeng Law Offices.	Legal adviser to our Company as to PRC law
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
China Insights Industry Consultancy Limited.	Independent industry consultant
Ashurst Tokyo (Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo). .	International Trade Legal Adviser

H. Consents of Experts

Each of the experts as referred to in “— 5. Other Information — G. Qualification of Experts” in this Appendix has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

I. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

J. No Material Change

Our Directors confirm that, there has been no material change in our business, financial condition and results of operations since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountant's Report in Appendix I to this prospectus, and up to the date of this prospectus.

K. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

L. Restriction on Share Repurchases

For details of the restrictions on share repurchases by the Company, see "Summary of Articles of Association — Increase or Decrease and Repurchase of Shares" in Appendix V to this prospectus.

M. Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this prospectus. See Note 39 to the Accountant's Report in Appendix I to this prospectus.

N. Miscellaneous

Save as disclosed in the "History, Development and Corporate Structure" section to this prospectus:

- (a) within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;
 - (iii) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

- (b) no share or loan capital of our Company or any of our subsidiaries had been under option or agreed conditionally or unconditionally to be put under option;
- (c) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;
- (d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;
- (e) our Company has no outstanding convertible debt securities or debentures;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) save for the A Shares of our Company that are listed on the Shanghai Stock Exchange, and save for the H Shares to be issued in connection with the Global Offering, none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and
- (h) all necessary arrangements have been made to enable the H Shares to be admitted into CCASS for clearing and settlement.

O. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance on the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

- (i) a copy of each of the material contracts referred to in “Statutory and General Information — 2. Further Information about our Business — A. Summary of Material Contracts” in Appendix VI to this prospectus; and
- (ii) the written consents referred to in “Statutory and General Information — 5. Other Information — H. Consents of Experts” in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange’s website at www.hkexnews.hk and www.cfmeec.cn during a period of 14 days from the date of this prospectus:

- (a) the Articles of Association;
- (b) the accountant’s report from Ernst & Young, the text of which is set out in Appendix I to this prospectus;
- (c) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;
- (d) the report from Ernst & Young on review of the interim financial information of our Group for the three months ended March 31, 2026, the text of which is set out in Appendix IA to this prospectus;
- (e) the report from Ernst & Young on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;
- (f) the industry report issued by CIC referred to in “Industry Overview” in this prospectus;
- (g) the PRC legal opinion issued by DeHeng Law Offices, our PRC Legal Adviser, in respect of, among other things, certain general corporate matters and property interests matters of our Group;
- (h) the legal memorandums issued by Ashurst Tokyo, our International Trade Legal Adviser, in respect of certain International Sanctions, tariffs, and U.S. outbound investment restrictions matters of our Group;
- (i) the material contracts referred to in “Statutory and General Information — 2. Further Information about our Business — A. Summary of Material Contracts” in Appendix VI to this prospectus;
- (j) the written consents referred to in “Statutory and General Information — 5. Other Information — H. Consents of Experts” in Appendix VI to this prospectus;

- (k) the contracts and appointment letters referred to in “Statutory and General Information — 3. Further Information About Our Directors — A. Particulars of Directors’ Contracts and Appointment Letters” in Appendix VI to this prospectus; and
- (l) the PRC Company Law, Securities Law, and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.

CFMEE 芯碁微装

CIRCUIT FABOLOGY MICROELECTRONICS EQUIPMENT CO., LTD.

合肥芯碁微电子装备股份有限公司

