The following discussion and analysis should be read in conjunction with our consolidated financial statements in the Accountant's Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRSs. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis we make 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, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this document.

OVERVIEW

We are the world's leading PCB solution provider to the data communications sector. Our products are key components within these application sectors which have experienced continual growth. The proliferation of AI has driven significant demand for data centers, particularly for high-performance computing and data interconnectivity applications, which has become a primary driver of our revenue growth. In addition, the fast advancement of vehicle electrification, intelligence and connectivity contributes to our long-term growth in the smart vehicles sector.

We have demonstrated a solid financial performance during the Track Record Period, reflecting our dedicated focus on high-performance and high-reliability PCB, and our successful capitalization of the market opportunities brought by the data communications and smart vehicles sector expansion, driving sustained growth in our revenue, gross profit and net profit. For the years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026: (i) our revenue amounted to RMB8,938.3 million, RMB13,341.5 million, RMB18,945.2 million, RMB4,037.6 million and RMB6,214.2 million, respectively; (ii) our gross profit margin was 28.4%, 31.7%, 33.8%, 31.3% and 34.8%, respectively; (iii) our net profit attributable to owners of the company increased by 71.1% from RMB1,512.5 million in 2023 to RMB2,587.2 million in 2024, and by 47.7% to RMB3,822.3 million in 2025, and by 62.9% from RMB762.5 million for the three months ended March 31, 2025 to RMB1,242.1 million for the three months ended March 31, 2026; and (iv) our net profit margin was 16.9%, 19.4%, 20.2%, 18.9% and 20.0% in the same periods, respectively.

BASIS OF PRESENTATION

The historical financial information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board. All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The Historical Financial

Information has been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and liabilities at fair value through profit or loss or through other comprehensive income, which are carried at fair value. The preparation of the Historical Financial Information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the management to make judgments, estimates and assumptions in the process of applying our Group's accounting policies. Judgments made by the management in the application of IFRSs that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 4 to the Accountant's Report included in Appendix I to this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Demand from Customers

Our products are used in a broad range of application sectors, including data communications, smart vehicles, industrial control and others. The market size and dynamics of these industries have a significant impact on our business performance. To capture the market opportunities and meet evolving demands, we have continuously enhanced R&D capabilities and upgrade product portfolio towards high-performance, high-reliability and high-layer-count PCBs, addressing the increasingly stringent performance requirement in application sectors such as high-speed network switches and routers, AI servers and HPC and smart vehicles. Our performance remains subject to the volume and timing of customer orders for products that incorporate our PCBs. Our product success depends on external factors, including pricing, product positioning, regulatory developments, and macroeconomic conditions.

Customer Base Maintenance and Expansion

Our business growth is driven by ability to maintain relationship with existing customers and expand customer base. We have established collaborations with customers across data communications, smart vehicles and industrial control sectors. As customers demand higher performance and shorter lead times, our ability to deliver on quality, service, and reliability impacts customer collaboration. Our ability to align with customers' development timelines and specifications reinforces our position within their supply chains and contributes to business growth. Our financial performance also depends on ability to acquire and retain new customers. We seek to expand customer base across regions and application sectors by leveraging technology, production and sales capabilities and delivering advanced PCBs for applications with entry barriers to strengthen competitive positioning and resilience in a competitive market.

Impact of Our Product Mix on Overall Gross Profit Margin

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our gross profit margin was 28.4%, 31.7%, 33.8%, 31.3% and 34.8%, respectively. The improvement in our gross profit margin was primarily driven by a product mix shift towards products with higher margins, such as PCBs used in AI servers and HPC and high-speed network switches and routers, which are typically technology-intensive and advanced for complexity, functionality, and qualification thresholds. Increased sales of high-margin products drives gross profit margin growth. We focus on advancing product development through investments in higher-end technologies, maintaining product reliability, and enhancing customer collaboration. Our ability to manage product mix and align with customers' technology roadmaps, co-develop products for application requirements, and maintain technology leadership remains critical to enhancing profitability and competitiveness.

R&D Investment and Technological Capability

Our competitiveness and business growth hinge on ability to adapt to technology advancements and effectively carry out R&D activities. We have been investing and will continue to invest in R&D activities to strengthen technological capabilities and product innovation. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our R&D expenses amounted to RMB538.9 million, RMB789.6 million, RMB1,140.9 million, RMB212.8 million and RMB417.0 million, representing 6.0%, 5.9%, 6.0%, 5.3% and 6.7% of our total revenue in the same periods, respectively. Our R&D efforts have resulted in advanced core technologies that support high-performance PCB products across application scenarios. See "Business — Our Technologies" and "Business — Intellectual Property." We engage in early-stage collaboration with customers during the R&D phase to jointly develop tailored PCB products aligned with their technical requirements. Externally, we collaborate with supply chain partners to jointly enhance product performance and technological development. Internally, we improve coordination between R&D and production teams to accelerate development cycles and establish a response mechanism to translate customer requirements into mass production.

Raw Materials and Supply Chain Management

Our results of operations are influenced by the availability and pricing of key raw materials, including copper-clad laminates, prepregs, copper foil, copper anodes, gold salts, dry films and ink, which form the majority of our cost of sales. In 2023, 2024, 2025 and for the three months ended March 31, 2025 and 2026, cost of raw materials represented approximately 55.8%, 56.5%, 60.7%, 63.8% and 62.3% of our cost of sales respectively. Raw material cost is critical in determining our product pricing. Meanwhile, raw material prices are subject to fluctuations driven by various factors beyond our control. Our supply chain management system diversifies supply chain sources and mitigate risks related to raw material price fluctuation and supply shortage. We have established long-term cooperation with our key suppliers and identified new suppliers with competitive prices. We monitor market trends and conduct periodic price assessments to support procurement.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified accounting policies that are material to our financial information preparation. Some accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. Our management evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events deemed to be reasonable under the circumstances. See Notes to the Accountant's Report in Appendix I to this document. There has not been material deviation from our management's estimates or assumptions and actual results, and we have not made material changes to these estimates or assumptions during the Track Record Period. We do not expect material changes in these estimates and assumptions in the foreseeable future.

Fair Value Measurement

Assets and liabilities subject to Level 3 fair value measurement mainly include unlisted securities of other financial assets at FVPL and other financial assets at FVOCI. The judgment of Level 3 is based on the materiality of unobservable inputs towards calculation of whole fair value. During the Track Record Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3. Our Directors have (i) reviewed the terms of the relevant investments and (ii) reviewed the fair value measurement assessment of the relevant investments presented by our finance department and carefully considered all information available and various applicable valuation techniques and process in determining the valuation of the relevant investments, such as cost to investment and market approach method. Accordingly, our Directors are of the view that the valuation analysis is fair and reasonable, and our financial statements are properly prepared. For details, see Note 3.3(c) to the Accountant's Report in Appendix I to this document.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of comprehensive profit or loss and other comprehensive income for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Revenue	**8,938,309**	**100.0**	**13,341,541**	**100.0**	**18,945,221**	**100.0**	**4,037,627**	**100.0**	**6,214,156**	**100.0**
Cost of sales	(6,395,780)	(71.6)	(9,105,698)	(68.3)	(12,544,974)	(66.2)	(2,773,520)	(68.7)	(4,052,018)	(65.2)
Gross profit	**2,542,529**	**28.4**	**4,235,843**	**31.7**	**6,400,247**	**33.8**	**1,264,107**	**31.3**	**2,162,138**	**34.8**
Selling and marketing expenses	(264,924)	(3.0)	(365,727)	(2.7)	(531,026)	(2.8)	(113,638)	(2.8)	(164,769)	(2.7)
General and administrative expenses	(196,965)	(2.2)	(324,792)	(2.4)	(427,841)	(2.3)	(85,536)	(2.1)	(126,119)	(2.0)
Research and development expenses	(538,937)	(6.0)	(789,584)	(5.9)	(1,140,946)	(6.0)	(212,774)	(5.3)	(417,025)	(6.7)
Net impairment losses on financial assets	11,670	0.1	(16,590)	(0.1)	(43,486)	(0.2)	(4,131)	(0.1)	2,428	0.0
Other income	199,521	2.2	219,091	1.6	230,178	1.2	51,759	1.3	59,539	1.0

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Other gains/(losses)-net	4,326	0.1	101,145	0.8	(49,549)	(0.3)	4,958	0.1	(98,852)	(1.6)
Operating Profit	**1,757,220**	**19.7**	**3,059,386**	**22.9**	**4,437,577**	**23.4**	**904,745**	**22.4**	**1,417,340**	**22.8**
Finance income	51,004	0.6	62,284	0.5	64,154	0.4	17,995	0.5	8,633	0.2
Finance costs	(125,225)	(1.4)	(146,802)	(1.1)	(93,199)	(0.5)	(26,930)	(0.7)	(29,086)	(0.5)
Finance cost, net	**(74,221)**	**(0.8)**	**(84,518)**	**(0.6)**	**(29,045)**	**(0.1)**	**(8,935)**	**(0.2)**	**(20,453)**	**(0.3)**
Share of profit/(loss) of associates, net	22,337	0.2	(25,108)	(0.2)	(10,345)	(0.1)	(3,903)	(0.1)	(3,510)	(0.1)
Profit before income tax	**1,705,336**	**19.1**	**2,949,760**	**22.1**	**4,398,187**	**23.2**	**891,907**	**22.1**	**1,393,377**	**22.4**
Income tax expense	(215,818)	(2.4)	(383,445)	(2.9)	(579,514)	(3.0)	(131,930)	(3.3)	(151,938)	(2.4)
Profit for the year/period	**1,489,518**	**16.7**	**2,566,315**	**19.2**	**3,818,673**	**20.2**	**759,977**	**18.8**	**1,241,439**	**20.0**
Profit for the year/period attributable to:										
Owners of the Company	1,512,538	16.9	2,587,237	19.4	3,822,306	20.2	762,466	18.9	1,242,081	20.0
Non-controlling interests	(23,020)	(0.3)	(20,922)	(0.2)	(3,633)	(0.0)	(2,489)	(0.1)	(642)	(0.0)

Revenue

We generate revenues from (i) sales of PCBs and (ii) others, which comprises sales of recyclable offcut materials and revenue generated from property sales and leasing business. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue amounted to RMB8,938.3 million, RMB13,341.5 million, RMB18,945.2 million, RMB4,037.6 million and RMB6,214.2 million, respectively.

Revenue by Application of PCBs

The following table sets forth a breakdown of our revenue by application of PCBs, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Sales of PCB products										
Data Communications	**5,870,210**	**65.7**	**10,093,267**	**75.7**	**14,656,300**	**77.4**	**3,126,146**	**77.4**	**5,088,745**	**81.9**
High-speed network switches and routers	2,524,874	28.2	3,892,081	29.2	8,169,083	43.1	1,559,046	38.6	3,171,199	51.0
AI servers and HPC	1,240,089	13.9	2,975,303	22.3	3,006,250	15.9	733,924	18.2	794,555	12.8
General-purpose servers	1,606,556	18.0	1,960,641	14.7	2,540,451	13.4	512,951	12.7	972,829	15.7
Wireless telecommunication network and others[1]	498,691	5.6	1,265,242	9.5	940,516	5.0	320,225	7.9	150,162	2.4
Smart Vehicles	**2,158,009**	**24.1**	**2,408,447**	**18.1**	**3,044,579**	**16.1**	**655,388**	**16.2**	**734,923**	**11.8**
Automotive intelligence and electrification systems[2]	317,810	3.6	549,491	4.1	1,179,306	6.2	224,505	5.6	294,749	4.7
Safety systems and others[3]	1,840,199	20.5	1,858,956	14.0	1,865,273	9.9	430,883	10.6	440,174	7.1
Industrial Control and Others[4]	**543,654**	**6.1**	**337,273**	**2.5**	**442,429**	**2.3**	**100,935**	**2.6**	**99,008**	**1.6**
Subtotal	**8,571,873**	**95.9**	**12,838,987**	**96.3**	**18,143,308**	**95.8**	**3,882,469**	**96.2**	**5,922,676**	**95.3**
Others[5]	**366,436**	**4.1**	**502,554**	**3.7**	**801,913**	**4.2**	**155,158**	**3.8**	**291,480**	**4.7**
Total	**8,938,309**	**100.0**	**13,341,541**	**100.0**	**18,945,221**	**100.0**	**4,037,627**	**100.0**	**6,214,156**	**100.0**

Notes:

(1) Others primarily include testing applications in data communications, including design verification, product function verification, system-level testing and process reliability assessment.

(2) Automotive intelligence systems primarily include intelligent cockpits, ADAS systems, and intelligent body control. Electrification systems primarily include power management systems, inverters, and charging systems.

(3) Safety systems primarily include brakes, steering and airbag systems. Others primarily include engine and transmission control units, such as automotive lighting, body control systems, instrument panels and head-up displays.

(4) Industrial control systems primarily include motor control and industrial automation logic controllers. Others primarily include power supply equipment and control panels for medical equipment.

(5) Primarily include revenue generated from sales of recyclable offcut materials and from property sales and leasing business.

Revenue generated from our sales of PCBs for data communications accounted for a majority of our revenue during the Track Record Period. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, accounting for 65.7%, 75.7%, 77.4%, 77.4% and 81.9% of our revenue in the same periods, respectively.

Comparison between the three months ended March 31, 2026 and the three months ended March 31, 2025.

Our revenue increased by 53.9% from RMB4,037.6 million in the three months ended March 31, 2025 to RMB6,214.2 million in the three months ended March 31, 2026, primarily attributable to increased revenue generated from sales of PCB, as indicated by increased PCB sales volume from 669,626 m^2 to 781,903 m^2 in the same period.

Sales of PCB Products

Revenue generated from sales of PCBs for data communications increased by 62.8% from RMB3,126.1 million in the three months ended March 31, 2025 to RMB5,088.7 million in the three months ended March 31, 2026, primarily attributable to (i) the 103.4% revenue growth from sales of PCBs used in high-speed network switches and routers to RMB3,171.2 million in the same periods driven by increased sales of PCBs used in network switches, in line with the continued large-scale deployment of high-speed network switches and routers to support the accelerating build-out of AI-related infrastructure globally, and (ii) 89.7% revenue growth from sales of general-purpose servers from RMB513.0 million to RMB972.8 million in the same periods, primarily driven by the increased demand for general-purpose server build-out as a component of AI infrastructure.

Revenue generated from sales of PCBs for smart vehicles increased by 12.1% from RMB655.4 million in the three months ended March 31, 2025 to RMB734.9 million in the three months ended March 31, 2026, primarily attributable to the 31.3% revenue growth from sales of PCBs for automotive intelligence and electrification systems from RMB224.5 million to RMB294.7 million in the same periods, in line with acceleration of vehicle electrification and intelligentisation trends globally.

Revenue generated from sales of PCBs for industrial control and others decreased by 1.9% from RMB100.9 million in the three months ended March 31, 2025 to RMB99.0 million in the three months ended March 31, 2026, primarily attributable to varying customer demand patterns, characterized by small batch sizes and a wide variety of product types.

Others

Revenue generated from others increased by 87.9% from RMB155.2 million in the three months ended March 31, 2025 to RMB291.5 million in the three months ended March 31, 2026, primarily attributable to sales growth from recyclable offcut materials in line with PCB sales growth.

Comparison between 2025 and 2024

Our revenue increased by 42.0% from RMB13,341.5 million in 2024 to RMB18,945.2 million in 2025, primarily attributable to an increase in revenue generated from sales of PCBs for data communications, particularly as a result of strong demands from AI-related applications, which require our products to support intensive computing workloads and network demands.

Sales of PCB Products

Revenue generated from sales of PCBs for data communications increased by 45.2% from RMB10,093.3 million in 2024 to RMB14,656.3 million in 2025, primarily attributable to the 109.9% revenue growth from sales of PCBs used in high-speed network switches and routers from RMB3,892.1 million to RMB8,169.1 million in the same periods driven by (i) increased deployment of high-speed network switches and routers in response to the continued ramp-up of AI-related infrastructure deployment globally, in particular in countries and jurisdictions with concentrated data center activities, including the U.S., PRC, Europe and Japan, in particular increased sales of PCBs used in 800G network switches; and (ii) our enhanced technological and production capabilities, resulting from sustained R&D investment in PCB technologies, particularly for products with higher layer counts and/or better performances, which have enabled us to meet the demanding specifications of technologically advanced equipment for AI infrastructure.

Revenue generated from sales of PCBs for smart vehicles increased by 26.4% from RMB2,408.4 million in 2024 to RMB3,044.6 million in 2025, which was primarily attributable to the 114.6% revenue growth from sales of PCBs used in automotive intelligence and electrification systems from RMB549.5 million to RMB1,179.3 million in the same periods, primarily driven by the accelerating vehicle electrification and intelligence trend in China and globally levels, in particular rapid demand for power semiconductor embedded PCBs and increased demand for millimeter-wave radar.

Revenue generated from sales of PCBs for industrial control and others increased by 31.2% from RMB337.3 million in 2024 to RMB442.4 million in 2025. Our revenue in this sector is affected by varying customer demand patterns, where orders are characterized by small batch sizes and a wide variety of product types, leading to fluctuation in revenue.

Others

Revenue generated from others increased by 59.6% from RMB502.6 million in 2024 to RMB801.9 million in 2025, primarily due to sales growth from recyclable offcut materials in line with PCB sales growth.

Comparison between 2024 and 2023

Our revenue increased by 49.3% from RMB8,938.3 million in 2023 to RMB13,341.5 million in 2024, which was primarily attributable to increased revenue generated from sales of PCBs for data communications.

Sales of PCB Products

Revenue generated from sales of PCB products for data communications increased by 71.9% from RMB5,870.2 million in 2023 to RMB10,093.3 million in 2024, primarily attributable to (i) the 139.9% revenue growth from sales of PCBs for AI servers and HPC from RMB1,240.1 million to RMB2,975.3 million, driven by accelerated build-out of AI infrastructure and related equipment upgrades and rapid iteration of AI servers, and (ii) the 54.1% revenue growth from sales of PCBs for high-speed network switches and routers from RMB2,524.9 million to RMB3,892.1 million in the same periods, driven by large-scale deployment of high-speed network switches and routers in countries and jurisdictions with concentrated data center activities.

Revenue generated from sales of PCB products for smart vehicles sector increased by 11.6% from RMB2,158.0 million in 2023 to RMB2,408.4 million in 2024, primarily attributable to the 72.9% revenue growth from sales of PCBs for automotive intelligence and electrification systems from RMB317.8 million to RMB549.5 million in the same periods driven by (i) the mass production of our power semiconductor embedded PCBs used in the smart vehicles sector and (ii) higher sales of PCBs for millimeter-wave radar and automated driving.

Revenue generated from sales of PCBs for industrial control and others decreased by 38.0% from RMB543.7 million in 2023 to RMB337.3 million in 2024, primarily attributable to the variations in customer demand patterns as explained above.

Others

Revenue generated from others increased by 37.1% from RMB366.4 million in 2023 to RMB502.6 million in 2024, primarily due to sales growth from recyclable offcut materials in line with PCB sales growth.

Revenue by layers of PCB products

The following table sets forth a breakdown of our revenue by product category, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sales of PCB products										
32 layers and above	761,065	8.5	1,768,206	13.3	4,249,764	22.4	647,810	16.0	1,993,541	32.1
22 to 30 layers	2,675,294	29.9	5,331,494	40.0	6,163,209	32.5	1,533,490	38.0	1,695,039	27.3
10 to 20 layers	2,364,869	26.5	3,014,701	22.6	4,226,842	22.3	892,886	22.1	1,381,425	22.2
Eight layers and below	2,770,645	31.0	2,724,586	20.4	3,503,493	18.6	808,283	20.1	852,671	13.7
Subtotal	**8,571,873**	**95.9**	**12,838,987**	**96.3**	**18,143,308**	**95.8**	**3,882,469**	**96.2**	**5,922,676**	**95.3**
Others[1]	**366,436**	**4.1**	**502,554**	**3.7**	**801,913**	**4.2**	**155,158**	**3.8**	**291,480**	**4.7**
Total	**8,938,309**	**100.0**	**13,341,541**	**100.0**	**18,945,221**	**100.0**	**4,037,627**	**100.0**	**6,214,156**	**100.0**

Note:

(1) Comprise revenue generated from sales of recyclable offcut materials and revenue generated from property sales and leasing business.

The following table sets forth a breakdown of sales volume of our PCB products by layers for the periods indicated.

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	Sales Volume	Sales Volume	Sales Volume	Sales Volume	Sales Volume
	(m^2)	*(m^2)*	*(m^2)*	*(m^2)*	*(m^2)*
Sales of PCB products					
32 layers and above	16,095	32,348	66,220	10,644	30,233
22 to 30 layers	147,103	260,637	278,908	71,266	71,556
10 to 20 layers	402,600	468,541	697,959	135,518	219,693
Eight layers and below	1,840,761	1,877,035	1,942,092	452,198	460,421
Total	**2,406,559**	**2,638,561**	**2,985,179**	**669,626**	**781,903**

During the Track Record Period, we maintained a focus on high-layer-count, high-performance, and high-reliability PCBs. Revenue generated from sales of PCBs with 22 layers and above (especially PCBs with 32 layers and above) accounted for an increasing proportion during the Track Record Period and represented a majority of our revenue in 2024 and 2025. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we derived 38.4%, 53.3%, 54.9%, 54.0% and 59.4% of our total revenue from sales of PCBs with 22 layers and above, and 8.5%, 13.3%, 22.4%, 16.0% and 32.1% of our total revenue from sales of PCBs with 32 layers and above.

Comparison between the three months ended March 31, 2026 and the three months ended March 31, 2025.

Our revenue increased by 53.9% from RMB4,037.6 million in the three months ended March 31, 2025 to RMB6,214.2 million in the three months ended March 31, 2026, primarily attributable to an increase in revenue generated from sales of PCBs with 22 layers and above, as evidenced by increased sales volume from PCBs with 22 layers and above from 81,910 m^2 to 101,789 m^2 in the same period.

Sales of PCB Products

Revenue generated from sales of PCBs with 32 layers and above increased by 207.7% from RMB647.8 million in the three months ended March 31, 2025 to RMB1,993.5 million in the three months ended March 31, 2026, primarily attributable to sales growth for PCBs used in high-speed network switches and routers driven by continued scale-up of 800G network switch deployment.

Revenue generated from sales of PCBs with 22 to 30 layers increased by 10.5% from RMB1,533.5 million in the three months ended March 31, 2025 to RMB1,695.0 million in the three months ended March 31, 2026 primarily attributable to (i) sales growth for PCBs used in network switches and routers, such as PCBs for 400G network switches, and (ii) sales growth for PCBs used in AI servers and HPC.

Revenue generated from sales of PCBs with 10 to 20 layers increased by 54.7% from RMB892.9 million in the three months ended March 31, 2025 to RMB1,381.4 million in the three months ended March 31, 2026, primarily attributable to sales growth for PCBs used in general-purpose servers and PCBs used in network switches and routers.

Revenue generated from sales of PCBs with eight layers and below remained relatively stable at RMB808.3 million in the three months ended March 31, 2025 and RMB852.7 million in the three months ended March 31, 2026.

Comparison between 2025 and 2024

Our revenue increased by 42.0% from RMB13,341.5 million in 2024 to RMB18,945.2 million in 2025, primarily due to increased revenue from sales of PCBs with 22 layers and above.

Sales of PCB Products

Revenue generated from sales of PCBs with 32 layers and above increased by 140.3% from RMB1,768.2 million in 2024 to RMB4,249.8 million in 2025, primarily attributable to sales growth for PCBs used in high-speed network switches and routers, such as PCBs for 800G network switches and PCBs for AI servers and HPC.

Revenue generated from sales of PCBs with 22 to 30 layers increased by 15.6% from RMB5,331.5 million in 2024 to RMB6,163.2 million in 2025, primarily attributable to sales growth for PCBs used in high-speed network switches and routers, such as PCBs for 400G network switches.

Revenue generated from sales of PCBs with 10 to 20 layers increased by 40.2% from RMB3,014.7 million in 2024 to RMB4,226.8 million in 2025, primarily attributable to sales growth for PCBs used in network switches and routers and AI servers and HPC.

Revenue generated from sales of PCBs with eight layers and below increased by 28.6% from RMB2,724.6 million in 2024 to RMB3,503.5 million in 2025, primarily attributable to sales growth from PCBs used in the smart vehicles sector, particularly power semiconductor embedded PCBs.

Comparison between 2024 and 2023

Our revenue increased by 49.3% from RMB8,938.3 million in 2023 to RMB13,341.5 million in 2024, primarily attributable to increased revenue generated from sales of PCBs with 22 layers and above.

Sales of PCB Products

Revenue generated from sales of PCBs with 32 layers and above increased by 132.3% from RMB761.1 million in 2023 to RMB1,768.2 million in 2024, primarily attributable to sales growth of higher-layer-count PCBs used in high-speed network switches and routers and AI servers and HPC driven by the increased deployment of high-speed network switches and routers and accelerated build-out of AI infrastructure in regions with concentrated data center activities.

Revenue generated from sales of PCBs with 22 to 30 layers increased by 99.3% from RMB2,675.3 million in 2023 to RMB5,331.5 million in 2024, primarily attributable to sales growth for higher-layer-count PCBs used in AI servers and HPC and high-speed network switches and routers, driven by the same factors as discussed above.

Revenue generated from sales of PCBs with 10 to 20 layers increased by 27.5% from RMB2,364.9 million in 2023 to RMB3,014.7 million in 2024, primarily attributable to sales growth for PCBs used in general-purpose servers and AI servers and HPC.

Revenue generated from sales of PCBs with eight layers and below remained relatively stable at RMB2,770.6 million and RMB2,724.6 million in 2023 and 2024, respectively.

Cost of Sales

Our cost of sales includes (i) cost of raw materials, including copper-clad laminates, prepregs, copper foil, copper anodes, gold salts, dry films and ink, (ii) staff costs, (iii) production costs, (iv) warranty costs, (v) impairment losses and tax surcharges and (vi) others. The following table sets forth a breakdown of the components of our cost of sales, in absolute amount and as a percentage of our total cost of sales for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Raw materials	3,565,995	55.8	5,142,507	56.5	7,613,939	60.7	1,768,156	63.8	2,522,689	62.3
Production costs	1,422,120	22.2	1,943,306	21.3	2,376,600	18.9	478,183	17.2	769,422	19.0
Staff costs	801,272	12.5	1,115,528	12.3	1,442,066	11.5	320,177	11.5	428,281	10.6
Warranty costs	14,699	0.2	35,411	0.4	13,513	0.1	2,382	0.1	1,339	0.0
Others(1)	362,816	5.7	496,656	5.4	778,180	6.2	146,207	5.3	278,171	6.8
Subtotal	**6,166,902**	**96.4**	**8,733,408**	**95.9**	**12,224,298**	**97.4**	**2,715,105**	**97.9**	**3,999,902**	**98.7**
Impairment losses and tax surcharges	228,878	3.6	372,290	4.1	320,676	2.6	58,415	2.1	52,116	1.3
Total	**6,395,780**	**100.0**	**9,105,698**	**100.0**	**12,544,974**	**100.0**	**2,773,520**	**100.0**	**4,052,018**	**100.0**

Note:

(1) Comprise cost of sales in relation to sales of recyclable offcut materials and property sales and leasing.

Raw materials were the largest component of our cost of sales, accounting for 55.8%, 56.5%, 60.7%, 63.8% and 62.3% of our cost of sales in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Increased proportion of raw material costs against our cost of sales was driven by a shift towards higher-layer-count and more complex PCB products, which require the use of high-performance and more advanced materials. The increase in our cost of sales during the Track Record Period was primarily attributable to increases in cost of raw materials, production costs and staff costs in the same periods, which were in line with our sales growth and business expansion.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage. During the Track Record Period, our gross profit margin exhibited a stable upward trend, primarily driven by the continuous evolution of our product mix toward high-performance, high-reliability and higher-layer-count PCBs in response to increasingly advanced requirements in application sectors, particularly in high-speed network switches and routers and AI servers and HPC.

Gross Profit and Gross Profit Margin by Application of PCB

The following table sets forth a breakdown of our gross profit by application of PCB, in absolute amounts and gross profit margin, for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Sales of PCB products										
Data Communications	2,011,162	34.3	3,871,181	38.4	5,815,650	39.7	1,134,517	36.3	2,015,602	39.6
Smart Vehicles	553,514	25.6	588,922	24.5	695,285	22.8	145,710	22.2	143,817	19.6
Industrial control and others	203,112	37.4	142,132	42.1	186,255	42.1	33,344	33.0	41,525	41.9
Subtotal	**2,767,788**	**32.3**	**4,602,235**	**35.8**	**6,697,190**	**36.9**	**1,313,571**	**33.8**	**2,200,945**	**37.2**
Others	**3,619**	**1.0**	**5,898**	**1.2**	**23,733**	**3.0**	**8,951**	**5.8**	**13,309**	**4.6**
Subtotal	**2,771,407**	**31.0**	**4,608,133**	**34.5**	**6,720,923**	**35.5**	**1,322,522**	**32.8**	**2,214,254**	**35.6**
Impairment losses and tax surcharges	(228,878)		(372,290)		(320,676)		(58,415)		(52,116)	
Total	**2,542,529**	**28.4**	**4,235,843**	**31.7**	**6,400,247**	**33.8**	**1,264,107**	**31.3**	**2,162,138**	**34.8**

Comparison between the three months ended March 31, 2026 and the three months ended March 31, 2025.

Our gross profit increased by 71.0% from RMB1,264.1 million in the three months ended March 31, 2025 to RMB2,162.1 million in the three months ended March 31, 2026, and our gross profit margin increased from 31.3% to 34.8% in the same periods, primarily due to an increase in the gross profit from sales of PCBs for data communications.

Gross profit margin from sales of PCBs for data communications increased from 36.3% to 39.6% in the same periods, primarily due to a higher sales proportion from advanced PCBs, in particular PCBs used in high-speed network switches and routers, which generally carry higher gross profit margins and which have entered into large-scale mass production during the period.

Gross profit margin from sales of PCBs for smart vehicles decreased from 22.2% to 19.6% in the same periods, primarily due to (i) increased pricing pressure amid intensified market competition with the sector attracting a growing number of industry entrants seeking higher-growth opportunities, and (ii) increased cost of materials, in particular copper-related materials such as CCL and copper foil, due to market price fluctuations.

Gross profit margin from sales of PCBs for industrial control and others increased from 33.0% to 41.9% in the same periods, primarily due to varying customer demand patterns, characterized by small batch sizes and a wide variety of product types, leading to fluctuation in gross profit margin.

Comparison between 2025 and 2024.

Our gross profit increased by 51.1% from RMB4,235.8 million in 2024 to RMB6,400.2 million in 2025, and our gross profit margin increased from 31.7% to 33.8% in the same periods, primarily due to an increase in the gross profit from sales of PCBs for data communications.

Gross profit margin from sales of PCBs for data communications increased from 38.4% to 39.7% in the same periods, primarily due to (i) a shift in product mix in line with customers' demands towards high-performance and high-reliability PCBs which generally feature higher gross profit margins due to higher degree of technical know-how and manufacturing complexity, such as PCBs for high-speed network switches and routers; and (ii) our enhanced technology and production capabilities in the data communications sector.

Gross profit margin from sales of PCBs for smart vehicles decreased from 24.5% to 22.8% in the same periods, primarily due to (i) increased pricing pressure amid intensified market competition in the sector, and (ii) increased cost of materials, in particular copper-related materials such as CCL and copper foil, due to market price fluctuations.

Gross profit margin from sales of PCBs for industrial control and others remained stable at 42.1% in the same periods.

Comparison between 2024 and 2023

Our gross profit increased by 66.6% from RMB2,542.5 million in 2023 to RMB4,235.8 million in 2024, and our gross profit margin increased from 28.4% to 31.7% in the same periods, primarily due to an increase in the gross profit from sales of PCBs as applied in the data communications sector, which typically involved high-layer-count, high-performance and high-reliability PCBs.

Gross profit margin from sales of PCBs for data communications increased from 34.3% to 38.4% in the same periods, primarily due to a higher proportion of sales from more advanced PCBs, which typically carry relatively higher profit margin.

Gross profit margin from sales of PCBs for smart vehicles decreased from 25.6% to 24.5% in the same periods, primarily due to increased pricing pressure amid intensified market competition in the sector.

Gross profit margin from sales of PCBs for industrial control and others sector increased from 37.4% to 42.1% in the same periods. Our gross profit margin in this sector is affected by the varying customer demand patterns, where orders are generally characterized by small batch sizes and a wide variety of product types, leading to fluctuation in gross profit margin.

Selling and Marketing Expenses

Our selling and marketing expenses include (i) sales commissions relating to our sales agents for their services, (ii) staff costs, (iii) share-based payments, and (iv) others, including testing fees, product liability insurance expenses and travel expenses. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our selling and marketing expenses accounted for 3.0%, 2.7%, 2.8%, 2.8% and 2.7% of our total revenue, respectively. The following table sets forth a breakdown of our selling and marketing expenses, in absolute terms and as percentages of our total selling and marketing expenses, for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Sales commission	214,075	80.8	288,242	78.8	412,096	77.6	88,277	77.7	131,856	80.0
Staff costs	27,294	10.3	39,774	10.9	50,653	9.5	11,064	9.7	16,504	10.0
Share-based payments	2,828	1.1	7,838	2.1	26,062	4.9	6,515	5.7	6,515	4.0
Others[1]	20,727	7.8	29,873	8.2	42,215	8.0	7,782	6.9	9,894	6.0
Total	**264,924**	**100.0**	**365,727**	**100.0**	**531,026**	**100.0**	**113,638**	**100.0**	**164,769**	**100.0**

Note:

(1) Primarily include labor services fees, business development fees.

Our selling and marketing expenses increased by 38.0% from RMB264.9 million in 2023 to RMB365.7 million in 2024 and further by 45.2% to RMB531.0 million in 2025, and increased by 45.0% from RMB113.6 million for the three months ended March 31, 2025 to RMB164.8 million for the three months ended March 31, 2026, primarily attributable to (i) an increase in sales commission relating to our overseas sales agents, as a result of increased overseas sales of PCB products from RMB7,217.5 million in 2023 to RMB11,104.1 million in 2024 and further to RMB15,542.9 million in 2025, and from RMB3,330.5 million in the three months ended March 31, 2025 to RMB5,243.3 million in the three months ended March 31, 2026; during the Track Record Period, sales commission relating to sales agents was incurred to facilitate the local sales and customer communication; please see "Business — Sales and Marketing — Our Sales Model — Sales Agents"; (ii) increased staff cost, primarily due to the growth in the number of our sales and marketing personnel in line with our business expansion; and (iii) an increase in share-based payments due to the 2024 Share Option Incentive Plan.

General and Administrative Expenses

Our general and administrative expenses include (i) staff costs, (ii) depreciation and amortization, (iii) labor services fees, (iv) share-based payments, (v) travel expenses, (vi) property-related expenses, including repair and maintenance expenses, landscaping and cleaning expenses, and property insurance expenses, (vii) [**REDACTED**], and (viii) others. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our general and administrative expenses accounted for 2.2%, 2.4%, 2.3%, 2.1% and 2.0% of our total revenue, respectively. The following table sets forth a breakdown of our general and administrative expenses, in absolute terms and as percentages of our total general and administrative expenses, for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Staff costs	123,862	62.9	199,684	61.5	239,594	56.0	50,477	59.0	74,934	59.4
Depreciation and amortization	18,629	9.5	21,867	6.7	24,755	5.8	6,380	7.5	6,391	5.1
Labor services fees	10,461	5.3	16,807	5.2	14,094	3.3	2,040	2.4	5,771	4.6
Share-based payments	5,124	2.6	11,873	3.7	38,830	9.1	9,870	11.5	9,740	7.7
Travel expenses	5,636	2.9	9,112	2.8	17,208	4.0	3,062	3.6	7,234	5.7
Property-related expenses(1)	9,538	4.8	14,935	4.6	21,150	4.9	4,648	5.4	7,447	5.9
[REDACTED]	–	–	–	–	[REDACTED]	[REDACTED]	–	–	[REDACTED]	[REDACTED]
Others(2)	23,715	12.0	50,514	15.5	69,936	16.4	9,059	10.6	14,294	11.4
Total	**196,965**	**100.0**	**324,792**	**100.0**	**427,841**	**100.0**	**85,536**	**100.0**	**126,119**	**100.0**

Notes:

(1) Comprise repair and maintenance expenses, cleaning expenses and property insurance expenses.

(2) Comprise office expenses, employee dormitory and cafeteria related expense, production safety expense, utilities expense, business development expenses, tax expenses, miscellaneous purchases, audit and review fees, bank service expenses and testing expenses.

Our general and administrative expenses increased by 47.4% from RMB85.5 million for the three months ended March 31, 2025 to RMB126.1 million for the three months ended March 31, 2026, primarily attributable to increased staff costs due to growth in the number of our administrative personnel and increased employee remuneration in line with our business expansion. Our general and administrative expenses increased by 31.7% from RMB324.8 million in 2024 to RMB427.8 million in 2025, primarily attributable to (i) an increase in staff costs as a result of (a) growth in the number of our administrative personnel in line with our revenue growth and (b) increased cross-border staffing to support Thai production base operation; and (ii) increase in share-based payments due to the 2024 Share Option Incentive Plan. Our general and administrative expenses increased by 64.9% from RMB197.0 million in 2023 to RMB324.8 million in 2024, which was primarily attributable to increased staff costs as a result of growth in the number of our administrative personnel in line with our revenue growth.

Research and Development Expenses

Our research and development expenses include (i) testing fees, (ii) staff costs, (iii) depreciation and amortization, (iv) share-based payments, and (v) others. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses accounted for 6.0%, 5.9%, 6.0%, 5.3% and 6.7% of our total revenue, respectively. The following table sets forth a breakdown of our research and development expenses, in absolute terms and as percentages for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* *(Unaudited)*	*%*	*RMB'000*	*%*
Testing fees	246,251	45.7	384,020	48.6	571,797	50.1	86,764	40.8	233,567	56.0
Staff costs	238,847	44.3	336,118	42.6	437,535	38.3	95,336	44.8	146,040	35.0
Depreciation and amortization	25,844	4.8	25,819	3.3	40,400	3.5	7,318	3.4	12,900	3.1
Share-based payments	7,279	1.4	18,129	2.3	60,724	5.3	15,269	7.2	15,199	3.6
Others[(1)]	20,716	3.8	25,498	3.2	30,490	2.8	8,087	3.8	9,319	2.3
Total	**538,937**	**100.0**	**789,584**	**100.0**	**1,140,946**	**100.0**	**212,774**	**100.0**	**417,025**	**100.0**

Note:

(1) Primarily include miscellaneous purchases, maintenance expenses, labor service fees, travel expenses, utilities expenses, intellectual property expenses, insurance expenses, and office expenses.

Our research and development expenses increased by 46.5% from RMB538.9 million in 2023 to RMB789.6 million in 2024, and increased by 44.5% from RMB789.6 million in 2024 to RMB1,140.9 million in 2025, and further increased by 96.0% from RMB212.8 million for the three months ended March 31, 2025 to RMB417.0 million for the three months ended March 31, 2026. The increase in our R&D expenses during the Track Record Period was in line with our revenue growth and primarily attributable to increases in testing fees and staff costs driven by higher-grade materials for upgraded products and our expanded investment in R&D. The increase from 2023 to 2024 was primarily driven by expanded R&D projects in process and technology development, such as reliability research for high-speed HDI PCBs used in AI servers, R&D in 112 Gbps-based technologies and 51.2T switch, and R&D in millimeter-wave radar products in the smart vehicles sector. The increase from 2024 to 2025 was primarily driven by data communications R&D ramp-up, such as development for 1.6T network switch technologies, domestic computing platform PCB development, and higher build-up layer HDI PCB development. The increase from the three months ended March 31, 2025 to the same period in 2026 was primarily driven by new R&D projects, including product development for 1.6T network switch platforms and product and key technology development for 224Gbps AI server. See "Business — Research and Development — Key R&D Areas and Projects."

Impairment Losses on Financial Assets, Net

Our net reversal of/(provision for) impairment losses on financial assets represents expected credit losses on our financial assets, primarily including trade receivables. We recorded net impairment losses on financial assets of RMB16.6 million, RMB43.5 million and RMB4.1 million in 2024, 2025 and the three months ended March 31, 2025, respectively. We recorded net reversal of impairment losses on financial assets of RMB11.7 million and RMB2.4 million in 2023 and the three months ended March 31, 2026, respectively. Net impairment losses of financial assets or the reversal thereof during the Track Record Period were in line with our approach to measure expected credit losses ("**ECL**"), which uses a lifetime expected loss allowance for all trade and note receivables and trade and note receivables at FVOCI. We recorded net reversal of impairment losses in 2023 while we recorded net impairment losses on financial assets in 2024, and our net impairment loss on financial assets further increased from 2024 to 2025, primarily due to the increased credit exposure following intensified market competition in the smart vehicles sector. The change from net impairment losses on financial assets in the three months ended March 31, 2025 as compared to net reversal of impairment losses on financial assets in the three months ended March 31, 2026 was primarily due to changes in the composition of trade receivables towards customers with lower ECL rates in the same period in 2026.

Other Income

Our other income includes (i) interest income on term deposits with initial terms over three months, (ii) government grants, (iii) dividend income and (iv) others. The following table sets forth a breakdown of our other income, in absolute terms and as percentages of our total other income, for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
							(Unaudited)			
Interest income on term deposits with initial terms over three months	121,634	61.0	144,577	66.0	136,593	59.3	35,430	68.5	28,005	47.0
Government grants[(1)]	75,435	37.8	69,985	31.9	85,014	36.9	14,587	28.2	30,192	50.7
Dividend income	2,263	1.1	3,535	1.6	4,466	1.9	–	–	–	–
Others	189	0.1	994	0.5	4,105	1.9	1,742	3.3	1,342	2.3
Total	**199,521**	**100.0**	**219,091**	**100.0**	**230,178**	**100.0**	**51,759**	**100.0**	**59,539**	**100.0**

Note:

(1) During the Track Record Period, we received government grants from various PRC governmental authorities, the majority of which were asset-related, non-recurring and one-off in nature, and were not related to the acquisition or construction of long-term assets. The government grants we received were mainly intended to support technological innovation. The typical eligibility criteria and conditions attached to these grants included, among others, (i) maintaining substantive business operations within the relevant jurisdiction, (ii) conducting qualifying research and development or industrialization activities, (iii) meeting specified application, reporting or filing requirements, and (iv) using the grant proceeds for designated purposes consistent with the policy objectives of the granting authorities. We have fulfilled material conditions attached to the government grants received during the Track Record Period.

Our other income increased by 15.0% from RM51.8 million in the three months ended March 31, 2025 to RMB59.5 million in the three months ended March 31, 2026, primarily due to increased government grants received in the three months ended March 31, 2026 in relation to VAT tax super deduction and incentives for trade promotion. Our other income increased by 5.1% from RMB219.1 million in 2024 to RMB230.2 million in 2025, primarily due to increased government grants received in 2025 in relation to support and incentives for technological innovation. Our other income increased by 9.8% from RMB199.5 million in 2023 to RMB219.1 million in 2024, primarily due to an increase in interest income on term deposits with initial terms over three months in relation to our newly subscribed term deposits.

Other Gains/(Losses), Net

The following table sets forth a breakdown of our net other gains/(losses), in absolute amounts, for the periods indicated.

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Net gains/(losses) on financial instruments	(1,962)	(8,270)	12,887	9	–
Net (losses)/gains on disposal of property, plant and equipment	(17,367)	(9,529)	(23,938)	(482)	423
Net foreign exchange gains/(losses)	21,870	123,531	(31,901)	5,752	(147,147)
Gain from sale of subsidiary	–	–	–	–	47,301
Gain from bargain purchase	4,720	–	–	–	–
Others	(2,935)	(4,587)	(6,597)	(321)	571
Total	**4,326**	**101,145**	**(49,549)**	**4,958**	**(98,852)**

The fluctuations of our net other gains/(losses) during the Track Record Period was in line with changes in net foreign exchange gains or losses as a result of exchange rate fluctuations. We recorded net other gains in 2024 while we recorded net other losses in 2025, primarily due to (i) net foreign exchange losses recognized in 2025 due to exchange losses arising from the depreciation of the USD on our USD denominated assets, and (ii) increased losses on disposal of property, plant and equipment related to disposal of fixed assets from our production expansion and technological innovation projects. We recorded net other gains in the three months ended March 31, 2025 while we recorded net other losses in the three months ended March 31, 2026, primarily due to net foreign exchange losses of RMB147.1 million recognized in the three months ended March 31, 2026 as compared to net foreign exchange gains in the same period in 2025, driven by exchange losses on our USD-denominated assets resulting from the depreciation of USD against RMB in the same periods.

Finance Income

Our finance income represents interest income from cash and cash equivalents, including bank balances and term deposits with initial terms within three months. We recorded finance income of RMB51.0 million, RMB62.3 million, RMB64.2 million, RMB18.0 million and RMB8.6 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The changes in our finance income during the Track Record Period were attributable to changes in our bank deposits and interest rate fluctuations.

Finance Costs

Our finance costs comprise (i) interest expenses on bank borrowings, (ii) interest expenses on lease liabilities and (iii) net foreign exchange losses on borrowings. We recorded finance costs of RMB125.2 million, RMB146.8 million, RMB93.2 million, RMB26.9 million and RMB29.1 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The fluctuation in our finance costs during the Track Record Period was primarily attributable to (i) changes in interest expenses on bank borrowings, as a result of changes in borrowings levels and prevailing interest rates and (ii) changes in net foreign exchange losses on borrowings as a result of changes in the amount of bank borrowings denominated in foreign currency and foreign exchange rates.

Share of Profit/(Loss) of Associates, Net

Our net share of profit/(loss) of associates comprises our share of profit or loss generated from our associated companies. The following table sets forth a breakdown of our net share of profit/(loss) of associates, in absolute terms and as percentages of our total net share of profit/(loss) of associates, for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Jiangsu Schweizer	(10,699)	(47.9)	–	–	–	–	–	–	–	–
Schweizer	33,036	147.9	(25,108)	100.0	(10,345)	100.0	(3,903)	100.0	(3,510)	100.0
Total	**22,337**	**100.0**	**(25,108)**	**100.0**	**(10,345)**	**100.0**	**(3,903)**	**100.0**	**(3,510)**	**100.0**

We recorded net share of loss of associates of RMB25.1 million, RMB10.3 million, RMB3.9 million and RMB3.5 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. We recorded net share of profit of associates of RMB22.3 million in 2023. The fluctuations of our net share of profit/(loss) of associates were resulted from the profits and/or losses from the associates. We did not recognize net share of profit/(loss) of associates from Jiangsu Schweizer since May 2023, because Jiangsu Schweizer ceased to be one of our associates and became consolidated to our financial statement following the acquisition in 2023. Our net share of loss of associates decreased from 2024 to 2025, due to decreased losses from Schweizer in 2025. Our net share of loss of associates remained relatively stable at RMB3.9 million and RMB3.5 million in the three months ended March 31, 2025 and 2026.

Income Tax Expenses

Our income tax expense represents income tax payable by us at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction in which we operate or are domiciled. See Note 11 to the Accountant's Report in Appendix I to this document. The following table sets forth a breakdown of our income tax expenses, in absolute terms and as percentages of our total income tax expenses, for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Current income tax on profits for the year/period	195,385	90.5	446,716	116.5	666,505	115.0	146,840	111.3	228,554	150.4
Deferred income tax	20,433	9.5	(63,271)	(16.5)	(86,991)	(15.0)	(14,910)	(11.3)	(76,616)	(50.4)
Total	**215,818**	**100.0**	**383,445**	**100.0**	**579,514**	**100.0**	**131,930**	**100.0**	**151,938**	**100.0**

We recorded income tax expenses of RMB215.8 million, RMB383.4 million, RMB579.5 million, RMB131.9 million and RMB151.9 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our effective tax rate remained relatively stable at 12.7%, 13.0%, 13.2% in 2023, 2024 and 2025, while our effective tax rate decreased from 14.8% in the three months ended March 31, 2025 to 10.9% in the same period in 2026, primarily due to an increase in non-taxable income and an increase in deferred tax assets recognized on intra-group unrealized profits in the three months ended March 31, 2026 in China. As of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

Profit for the Year/Period

As a result of the foregoing, our profit for the year increased by 72.3% from RMB1,489.5 million in 2023 to RMB2,566.3 million in 2024, and by 48.8% to RMB3,818.7 million in 2025. Our profit for the period increased by 63.4% from RMB760.0 million in the three months ended March 31, 2025 to RMB1,241.4 million in the three months ended March 31, 2026.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirements mainly from cash generated from our operating activities and financing activities. After the [**REDACTED**], we intend to finance our future capital requirements through cash generated from our business operations, the net [**REDACTED**] from the [**REDACTED**], and other future equity or debt financings. We currently do not anticipate any material changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB2,097.9 million, RMB1,542.7 million, RMB2,579.1 million and RMB4,391.6 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively.

Working Capital Sufficiency

Taking into account the net [**REDACTED**] from the [**REDACTED**], cash and cash equivalents, cash flows from operating activities, and bank facilities available to us, our Directors are of the view that we have sufficient working capital to meet present needs and for the next twelve months from the date of this document. Our Directors confirm that we had no material defaults on trade and non-trade payables and borrowings, nor did we breach any covenants during the Track Record Period and up to the date of this document.

Cash Flows Analysis

The following table sets forth selected cash flow statements for the periods indicated.

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Net cash generated from operating activities	2,220,455	2,277,622	3,735,057	1,402,378	499,234
Net cash used in investing activities	(1,847,125)	(2,987,307)	(2,518,224)	(530,895)	(640,812)
Net cash generated from/(used in) financing activities	428,348	71,357	(209,741)	799,126	1,990,688
Net increase/(decrease) in cash and cash equivalents	**801,678**	**(638,328)**	**1,007,092**	**1,670,609**	**1,849,110**
Cash and cash equivalents at the beginning of the year/period	1,292,451	2,097,883	1,542,699	1,542,699	2,579,103
Exchange gains on cash and cash equivalents	3,754	83,144	29,312	19,543	(36,575)
Cash and cash equivalents at the end of the year/period	**2,097,883**	**1,542,699**	**2,579,103**	**3,232,851**	**4,391,638**

Net Cash Generated from Operating Activities

In the three months ended March 31, 2026, we had net cash generated from operating activities of RMB499.2 million, primarily attributable to our profit before income tax of RMB1,393.4 million, adjusted by (i) non-cash and non-operating items including (a) depreciation of property, plant and equipment, (b) share-based payment and (c) share of profit/(loss) of subsidiaries, net, and (ii) changes in working capital, primarily relating to (a) trade and note receivables, other receivables and prepayments, (b) trade and other payables, and (c) inventories.

In 2025, we had net cash generated from operating activities of RMB3,735.1 million, primarily attributable to our profit before income tax of RMB4,398.2 million, adjusted by (i) non-cash and non-operating items including (a) depreciation of property, plant and equipment,

(b) share-based payment and (c) provisions for impairment of inventories, and (ii) changes in working capital, primarily relating to (a) trade and other payables, (b) inventories and (c) trade and note receivables, other receivables and prepayments.

In 2024, we had net cash generated from operating activities of RMB2,277.6 million, primarily attributable to our profit before income tax of RMB2,949.8 million, adjusted by (i) non-cash and non-operating items including (a) depreciation of property, plant and equipment and (b) provisions for impairment of inventories, and (ii) changes in working capital, primarily relating to (a) trade and note receivables, other receivables and prepayments, (b) trade and other payables and (c) inventories.

In 2023, we had net cash generated from operating activities of RMB2,220.5 million, primarily attributable to our profit before income tax of RMB1,705.3 million, adjusted by (i) non-cash and non-operating items including (a) depreciation of property, plant and equipment and (b) provisions for impairment of inventories, and (ii) changes in working capital, primarily relating to (a) trade and other payables and (b) trade and note receivables, other receivables and prepayments.

Net Cash Used in Investing Activities

In the three months ended March 31, 2026, we had net cash used in investing activities of RMB640.8 million, primarily consisting of payments for purchase of property, plant and equipment, intangible assets and other non-current assets, partially offset by proceeds from maturity of term deposit. In 2025, we had net cash used in investing activities of RMB2,518.2 million, primarily consisting of (i) payments for purchase of property, plant and equipment, intangible assets and other non-current assets and (ii) payments for term deposits. In 2024, we had net cash used in investing activities of RMB2,987.3 million, primarily consisting of (i) payments for purchase of property, plant and equipment, intangible assets and other non-current assets and (ii) payments for term deposits. In 2023, we had net cash used in investing activities of RMB1,847.1 million, primarily consisting of (i) investments for term deposit, (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets.

Net Cash (Used in)/Generated from Financing Activities

In the three months ended March 31, 2026, we had net cash generated from financing activities of RMB1,990.7 million, which primarily consisted of proceeds from bank borrowings. In 2025, we had net cash used in financing activities of RMB209.7 million, which primarily consisted of (i) dividends paid and (ii) transaction with NCI. In 2024, we had net cash generated from financing activities of RMB71.4 million, which primarily consisted of (i) proceeds from bank borrowings, (ii) proceeds from shares issued for option exercise, partially offset by (i) repayments of bank borrowings and (ii) dividends paid. In 2023, we had net cash generated from financing activities of RMB428.3 million, which primarily consisted of (i) proceeds from bank borrowings and (ii) proceeds from shares issued for option exercise, as partially offset by (i) repayments of bank borrowings and (ii) dividends paid.

SELECTED BALANCE SHEET ITEMS

Current Assets/Liabilities

The following table sets out our current assets and liabilities as of the dates indicated.

	As of December 31,			As of March 31,	As of April 30,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)
Current Assets					
Inventories	1,548,394	2,274,285	4,091,725	4,913,409	5,036,210
Completed properties held for sale	148,063	108,937	102,004	–	–
Properties under development	52,766	52,881	52,211	–	–
Note receivables measured at fair value through other comprehensive income	1,084	73,448	58,147	75,141	43,412
Trade and note receivables	2,693,385	4,043,713	5,507,227	6,476,447	6,981,901
Prepayments, other receivables and other assets	112,105	660,805	749,421	715,126	494,560
Other financial assets at fair value through profit and loss – current	50,230	–	–	–	–
Restricted cash	4	4	4	3	3
Term bank deposit with initial terms over three months	1,136,953	920,899	2,835,332	2,190,559	2,776,011
Cash and cash equivalents	2,097,883	1,542,699	2,579,103	4,391,638	4,377,495
Total current assets	**7,840,867**	**9,677,671**	**15,975,174**	**18,762,323**	**19,709,592**
Current liabilities					
Borrowings – current	1,758,758	2,316,576	2,662,542	3,710,362	3,982,000
Trade and other payables	3,175,065	5,132,724	7,767,291	8,551,498	8,585,440
Contract liabilities	22,642	28,881	65,820	81,956	94,213
Income tax payable	66,220	98,396	220,865	287,007	96,190
Lease liabilities – current	88	–	7,552	7,596	7,611
Total current liabilities	**5,022,773**	**7,576,577**	**10,724,070**	**12,638,419**	**12,765,454**
Net current assets	**2,818,094**	**2,101,094**	**5,251,104**	**6,123,904**	**6,944,138**

Comparison between March 31, 2026 and April 30, 2026. Our net current assets increased from RMB6,123.9 million as of March 31, 2026 to RMB6,944.1 million as of April 30, 2026, primarily due to (i) an increase in current term bank deposit with initial terms over three months of RMB585.5 million, (ii) an increase in trade and note receivables of RMB505.5 million, partially offset by an increase in current borrowings of RMB271.6 million.

Comparison between December 31, 2025 and March 31, 2026. Our net current assets increased from RMB5,251.1 million as of December 31, 2025 to RMB6,123.9 million as of March 31, 2026, primarily due to (i) an increase in cash and cash equivalents of RMB1,812.5 million, (ii) an increase in trade and note receivables of RMB969.2 million, and (iii) an increase in inventories of RMB821.7 million, partially offset by an increase in current borrowings of RMB1,047.8 million.

Comparison between December 31, 2024 and December 31, 2025. Our net current assets increased from RMB2,101.1 million as of December 31, 2024 to RMB5,251.1 million as of December 31, 2025, primarily due to (i) an increase in current term bank deposit with initial terms over three months of RMB1,914.4 million and (ii) an increase in inventories of RMB1,817.4 million, (iii) an increase in trade and note receivables of RMB1,463.5 million, as partially offset by an increase in trade and other payables of RMB2,634.6 million.

Comparison between December 31, 2023 and December 31, 2024. Our net current assets decreased from RMB2,818.1 million as of December 31, 2023 to RMB2,101.1 million as of December 31, 2024, primarily due to (i) an increase in trade and other payables of RMB1,957.7 million and (ii) an increase in current borrowings of RMB557.8 million, as partially offset by an increase in trade and note receivables of RMB1,350.3 million.

Inventories

Our inventories consist of (i) raw materials, (ii) work-in-progress and (iii) finished goods. The following table sets forth our inventories as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	152,475	269,260	494,533	710,328
Work-in-progress	472,166	836,236	1,586,552	1,676,483
Finished goods	1,008,546	1,291,797	2,210,819	2,739,154
Less: provision for impairment of inventories	(84,793)	(123,008)	(200,179)	(212,556)
Total	**1,548,394**	**2,274,285**	**4,091,725**	**4,913,409**

Our inventories increased from December 31, 2023 to December 31, 2024 and to December 31, 2025 and further to March 31, 2026, primarily due to increases in finished goods, work-in-progress and raw materials, in line with our business expansion. We believe that by maintaining optimal inventory levels, we can meet our customer demand without compromising our liquidity. To this end, we have put in place policies and procedures. For details, see "Business — Our Supply Chain — Raw Materials."

Set forth below is an aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	1,545,210	2,272,889	4,089,151	4,909,856
– Within six months	1,469,153	2,222,306	3,993,162	4,822,506
– Six months to one year	76,057	50,583	95,989	87,350
One to two years	3,184	1,396	2,574	3,553
Total	**1,548,394**	**2,274,285**	**4,091,725**	**4,913,409**

The following table sets forth our inventory turnover days for the periods indicated.

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Inventory turnover days[(1)]	87	76	91	100

Note:

(1) Inventory turnover days are calculated based on the average of opening and closing balances of inventories of the relevant period, divided by cost of sales for the same period and multiplied by 360 days for 2023, 2024 and 2025 and by 90 days for the three months ended March 31, 2026.

Our inventory turnover days decreased from 2023 to 2024, primarily due to the faster inventory turnover driven by continuous improvement in operating efficiency, sales growth and our business expansion in line with increased market demand. Our inventory turnover days increased from 2024 to 2025 and further to the three months ended March 31, 2026, primarily due to (i) increased work-in-progress as a result of product mix shift towards higher-layer PCBs, (ii) increased finished goods and raw materials as we stockpile to meet higher customer demand amidst tighter raw material supply chains.

As of April 30, 2026, RMB1,771.1 million, or 34.6%, of our inventories as of March 31, 2026, had been subsequently utilized. As of December 31, 2023, 2024, 2025 and March 31, 2026, we conducted a comprehensive evaluation of inventories, tested the net realizable value and made a provision of RMB84.8 million, RMB123.0 million, RMB200.2 million, and RMB212.6 million for the decline in value of inventories based on the lower of the cost of inventories and the net realizable value. Considering that (i) based on such evaluation, and in accordance with our accounting policies, we have made sufficient provisions for inventories, (iii) a substantial part of the remaining inventories had already been allocated to our ongoing projects, there is no recoverability or obsolescence issue that would materially impact our financial position.

Completed Properties Held for Sale and Properties under Development

Our completed properties held for sale and properties under development are both related to our property sales and leasing business. In March 2026, we disposed of our property sales and leasing business. For further details, see "Business — Properties — Property Valuation."

Completed Properties Held for Sale

The following table sets forth the breakdown of our completed properties held for sale as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Completed properties held for sale	174,922	169,063	158,565	–
Less: write-down	(26,859)	(60,126)	(56,561)	–
Total	**148,063**	**108,937**	**102,004**	**–**

Our completed properties held for sale decreased by 26.4% from RMB148.1 million as of December 31, 2023 to RMB108.9 million as of December 31, 2024, and decreased by 6.4% to RMB102.0 million as of December 31, 2025, mainly due to sales of the completed properties during the periods. It further decreased from RMB102.0 million as of December 31, 2025 to nil as of March 31, 2026 due to the disposal of property sale and leasing business.

Properties under Development

Our properties under development consists of construction costs and land use rights. The following table sets forth the breakdown of our properties under development as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Construction costs	16,422	16,537	15,867	–
Land use rights	36,344	36,344	36,344	–
Total	**52,766**	**52,881**	**52,211**	**–**

Our properties under development remained relatively stable at RMB52.8 million, RMB52.9 million, RMB52.2 million as of December 31, 2023, 2024, and 2025. Our properties under development decreased to nil as of March 31, 2026, primarily due to the disposal of our property sales and leasing business.

Note Receivables Measured at Fair Value through Other Comprehensive Income

Our note receivables at FVOCI were mainly accounts receivable and bank acceptance notes transferred, discounted and endorsed for the purpose of daily treasury management and were qualified for derecognition. As of December 31, 2023, 2024, 2025 and March 31, 2026, our note receivables measured at fair value through other comprehensive income amounted to RMB1.1 million, RMB73.4 million, RMB58.1 million and RMB75.1 million. The fluctuations during the Track Record Period were in line with our cash management practices, primarily reflecting the timing and volume of note endorsements, discounting and settlements conducted in the ordinary course of business to optimize working capital and liquidity.

Trade and Note Receivables

As of December 31, 2023, 2024, 2025 and March 31, 2026, our trade and note receivables amounted to RMB2,693.4 million, RMB4,043.7 million, RMB5,507.2 million and RMB6,476.4 million, respectively. The increase in our trade and note receivables during the Track Record Period was in line with our sales growth and business expansion. The following table sets forth the breakdown of the trade and note receivables as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	2,717,747	4,092,600	5,599,268	6,566,125
Note receivables	6,252	300	66	–
Less: allowance for credit losses	(30,614)	(49,187)	(92,107)	(89,678)
Total	**2,693,385**	**4,043,713**	**5,507,227**	**6,476,447**

The following table sets forth the aging analysis of the trade receivables based on the invoices as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Not overdue	2,605,727	4,015,350	5,506,805	6,493,712
Past due by 1-90 days	94,191	71,346	87,427	69,979
Past due by 91-180 days	9,143	4,150	4,369	1,261
Over 180 days past due	8,686	1,754	667	1,173
Total	**2,717,747**	**4,092,600**	**5,599,268**	**6,566,125**

The following table sets forth our trade receivables turnover days during the periods indicated.

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Trade receivables turnover days(1)	99	91	91	87

Note:

(1) Trade receivables turnover days are calculated based on the average of opening and closing balance of trade receivables less allowance for credit losses for the relevant period, divided by revenue for the same period and multiplied by 360 days for 2023, 2024 and 2025 and by 90 days for the three months ended March 31, 2026.

Our trade receivables turnover days remained relatively stable from 2023 to 2025. Our trade receivables turnover days decreased from 2025 to the three months ended March 31, 2026, primarily because our revenue grew at a faster rate than our trade receivables balance during the period. During the Track Record Period, we did not experience significant losses associated with our trade receivables, and the fluctuation in our trade receivables did not have any material adverse impact on our liquidity or cash flows.

As of April 30, 2026, RMB2,068.7 million, or 31.5%, of our trade receivables as of March 31, 2026, had been settled. Our management team makes periodic assessments as well as individual assessments on the recoverability based on historical settlement records, past experience, as well as forward-looking information. As of December 31, 2023, 2024, 2025 and March 31, 2026, we recognized provisions for impairment of trade receivables of RMB30.6 million, RMB49.2 million, RMB92.1 million and RMB89.7 million, respectively. The provisions recognized during the Track Record Period reflect our assessment of expected credit losses on outstanding receivables at each balance sheet date. We consider that the provisions made are sufficient and that no material recoverability risk remains unaddressed as of each respective balance sheet date.

Prepayments, Other Receivables and Other Assets

The following table sets forth the current portion of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments and other assets				
Prepayments to suppliers	3,114	6,661	44,425	26,446
Prepaid expenses	13,252	34,460	69,063	63,249
Deductible value-added tax input	72,465	168,912	164,330	246,260
Prepayment for [**REDACTED**]	–	–	–	[**REDACTED**]
Prepayments for purchase of property, plant and equipment	99,998	442,685	1,179,023	1,455,998
	188,829	652,718	1,456,841	1,808,872
Less: non-current portion	(99,998)	(442,685)	(1,179,023)	(1,455,998)
	88,831	210,033	277,818	352,874
Other receivables				
Receivables of tax refund	151	34,404	39,868	50,708
Reverse repurchase agreement and interest(1)	1,003	391,134	406,307	257,736
Deposit for Guarantees	8,579	14,074	15,358	44,543
Advance to Employees	4,588	5,525	4,604	2,874
Others	8,953	5,635	5,466	6,391
	23,274	450,772	471,603	362,252
Prepayments, other receivables and other assets	**112,105**	**660,805**	**749,421**	**715,126**

Note:

(1) Reverse purchase arrangements represent bond-pledged reverse repurchase transactions conducted through securities exchanges, under which we provide funds and receive bonds as collateral, with a fixed right to receive the repurchase amount and yield at maturity. Each reverse purchase arrangement is executed through

standardized electronic trading systems of the securities companies, and no separate written agreement is entered into for each transaction. The parties to each reverse purchase arrangement comprise our Group as the purchaser, the securities company as intermediary, and the matched transaction counterparty. The principal amount, applicable yield and repurchase price of each reverse purchase arrangement are fixed and electronically confirmed at the time of execution.

The current portion of our prepayments, other receivables and other assets increased from RMB112.1 million as of December 31, 2023 to RMB660.8 million as of December 31, 2024, primarily due to an increase in reverse repurchase agreement and interest. The current portion of our prepayments, other receivables and other assets increased by 13.4% to RMB749.4 million as of December 31, 2025, primarily due to higher prepayments to suppliers and prepaid expenses driven by increased procurement for our business expansion. The current portion of our prepayments, other receivables and other assets decreased by 4.6% to RMB715.1 million as of March 31, 2026, primarily due to the decrease in reverse repurchase agreement and interest. The fluctuation of reverse repurchase agreement and interest during the Track Record Period was due to our subscription and redemption activities in line with capital management practices. We enter into reverse purchase arrangements as part of our capital management policy to utilize surplus cash at a fixed yield while retaining liquidity.

As of April 30, 2026, RMB746.4 million, or 34.4% of our prepayments, other receivables and other assets as of March 31, 2026 was subsequently settled.

Other Financial Assets at Fair Value through Profit and Loss ("FVPL")

Our current portion of other financial assets at fair value through profit and loss included structured deposits. Our non-current portion of other financial assets at fair value through profit or loss includes unlisted equity securities. As of December 31, 2023, 2024, 2025 and March 31, 2026, our other financial assets at fair value through profit or loss amounted to RMB118.0 million, RMB69.9 million, RMB85.0 million and RMB85.0 million, respectively. The decrease in our other financial assets at FVPL from December 31, 2023 to December 31, 2024, were primarily due to redemption of structured deposits in the same periods while the increase from December 31, 2024 to December 31, 2025 were primarily due to increase in the fair value of the equity securities as a result of their market price increase. Our other financial assets at FVTPL remained stable at RMB85.0 million as of December 31, 2025 and March 31, 2026.

We have adopted internal investment policies and guidelines to manage risks associated with our investments in structured deposits and equity securities, and our investment strategy aims to enhance returns on surplus funds while maintaining prudent risk limits and preserving liquidity for our operating needs. In line with this strategy, we purchase structured deposits from reputable commercial banks, conduct treasury repurchase transactions in government bonds through securities accounts, subscribe for yield certificates issued by qualified securities firms, and make equity securities investments on a selective basis, and we evaluate each proposed investment case-by-case with reference to, among other things, our liquidity position, the product or instrument features including tenor, underlying reference, return and downside terms, the issuer or counterparty's credit profile, prevailing market conditions and our overall risk exposure. We implement internal controls over such investments through segregation of duties, defined approval thresholds and ongoing monitoring. Our finance department identifies and preliminarily assesses investment opportunities and prepares an analysis covering key terms, risks, expected returns and liquidity impact, and we maintain internal records for execution, settlement and post-investment tracking. We monitor investment positions and risk exposure on an ongoing basis and report material movements and performance to management at regular intervals, and we review compliance with our internal limits and procedures.

Our Board oversees our investment activities and risk management approach, and we submit structured deposits and equity securities investments for review in accordance with our internal approval matrix. Where an investment exceeds our prescribed thresholds or involves heightened risk considerations, we require prior approval from the Board before we proceed. After the [**REDACTED**], we plan to continue to make structured deposits purchases and equity securities investments where we consider such investments to be in the interest of our Group and after completing the relevant internal evaluation and approval procedures, and we will ensure that any such transactions comply with all applicable laws and regulations, including the relevant requirements under Chapter 14 of the Listing Rules. See Note 28 to the Accountant's Report in Appendix I to this document for more details of our financial assets at fair value through profit or loss.

Term Deposits with Initial Terms over Three Months

As of December 31, 2023, 2024, 2025 and March 31, 2026, our current portion of term deposit with initial terms over three months amounted to RMB1,137.0 million, RMB920.9 million, RMB2,835.3 million and RMB2,190.6 million, respectively. Our non-current portion of term deposit with initial terms over three months was RMB3,015.9 million, RMB3,904.6 million, RMB1,578.2 million and RMB1,587.7 million, as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively.

Cash and Cash Equivalents

As of December 31, 2023, 2024, 2025 and March 31, 2026, our cash and cash equivalents amounted to RMB2,097.9 million, RMB1,542.7 million, RMB2,579.1 million and RMB4,391.6 million, respectively. The following table sets forth the breakdown of cash and cash equivalents as of the dates indicated.

	As of December 31,			**As of March 31,**
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents				
– Cash on hand	81	40	39	39
– Cash in banks	2,070,510	1,538,148	2,577,299	4,390,035

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Others	27,292	4,511	1,765	1,564
Total	**2,097,883**	**1,542,699**	**2,579,103**	**4,391,638**

The fluctuations of our cash and cash equivalents during the Track Record Period were in line with our own working capital management decisions.

Trade and Other Payables

As of December 31, 2023, 2024, 2025 and March 31, 2026, our trade and other payables amounted to RMB3,175.1 million, RMB5,132.7 million, RMB7,767.3 million and RMB8,551.5 million, respectively. The following table sets forth a breakdown of our trade and other payables as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payable	1,840,263	2,516,963	4,156,406	4,802,265
Notes payable	374,070	619,517	934,129	956,138
Payables for purchases of property, plant and equipment	307,824	971,304	1,363,484	1,367,450
Salaries, wages and benefits payable	296,544	477,140	530,246	527,653
Sale commissions	101,546	129,066	175,620	205,497
Deposits	55,305	99,726	154,906	197,223
Accrued expenses	151,385	261,867	371,870	390,083
Other taxes payable	26,049	38,061	53,291	48,274
Others[(1)]	22,079	19,080	27,339	56,915
Total	**3,175,065**	**5,132,724**	**7,767,291**	**8,551,498**

Note:

(1) Comprise service fee payables in relation to consulting and other professional services.

The increases in our trade and other payables during the Track Record Period was in line with our production expansion, sales growth and business expansion in the same periods. The aging of our trade payables as of December 31, 2023, 2024, 2025 and March 31, 2026 are all within one year. The following table sets forth our trade payables turnover days for the periods indicated.

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Trade payables turnover days[(1)]	85	86	96	99

Note:

(1) Trade payables turnover days are calculated based on the average of opening and closing balance of trade payables for the relevant period, divided by cost of sales for the same period and multiplied by 360 days for 2023, 2024 and 2025 and by 90 days for the three months ended March 31, 2026.

Our trade payables turnover days remained relatively stable in 2023 and 2024. Our trade payables turnover days increased from 2024 to 2025, and further to the three months ended March 31, 2026, primarily due to the larger increase in trade payables than that of cost of sales in the same period, in line with increased raw material procurement an our business expansion.

As of April 30, 2026, RMB2,492.4 million, or 51.9%, of our trade payables as of March 31, 2026, had been subsequently settled.

Contract Liabilities

Our contract liabilities mainly arise from the advance payments made by our customers in relation to our sales of recyclable offcut materials. As of December 31, 2023, 2024, 2025 and March 31, 2026, our contract liabilities amounted to RMB22.6 million, RMB28.9 million, RMB65.8 million and RMB82.0 million, respectively. The increase during the Track Record Period was in line with sales growth of recyclable offcut materials.

Income Tax Payable

As of December 31, 2023, 2024, 2025 and March 31, 2026, our income tax payable amounted to RMB66.2 million, RMB98.4 million, RMB220.9 million and RMB287.0 million, respectively. Our income tax payable increased by 48.6% from RMB66.2 million as of December 31, 2023 to RMB98.4 million as of December 31, 2024, and by 124.5% to RMB220.9 million as of December 31, 2025, and further by 29.9% to RMB287.0 million as of March 31, 2026, as a result of increased income tax expense in line with the growth in our profit before tax in the same periods.

Non-current Assets and Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated.

	As of December 31,			As of March 31,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current Assets				
Property, plant and equipment	4,365,903	6,190,642	8,280,844	9,030,831
Right-of-use assets	156,912	152,135	167,896	178,048
Investment properties	22,940	13,093	15,830	–
Intangible assets	115,272	107,903	129,825	127,087
Deferred tax assets	90,094	166,363	322,056	421,137

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments and other receivables and other assets – non-current	99,998	442,685	1,179,023	1,455,998
Other financial assets at fair value through other comprehensive income	210,874	430,320	486,772	1,037,895
Other financial assets at fair value through profit or loss – non-current	67,744	69,912	85,015	85,015
Investment in associates	48,929	24,657	33,590	34,034
Term bank deposit with initial terms over three months	3,015,948	3,904,554	1,578,249	1,587,651
Total non-current assets	**8,194,614**	**11,502,264**	**12,279,100**	**13,957,696**
Non-current liabilities				
Borrowings – non-current	846,493	1,309,936	1,885,661	2,625,692
Lease liabilities – non-current	–	–	11,837	9,950
Deferred incomes	302,737	314,446	417,148	417,041
Deferred tax liabilities	26,254	77,550	87,471	224,937
Total non-current liabilities	**1,175,484**	**1,701,932**	**2,402,117**	**3,277,620**

Property, Plant and Equipment

As of December 31, 2023, 2024, 2025 and March 31, 2026, our property, plant and equipment amounted to RMB4,365.9 million, RMB6,190.6 million, RMB8,280.8 million and RMB9,030.8 million, respectively. The following table sets forth our buildings, plant and equipment as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Buildings	1,150,030	1,396,498	1,499,465	1,544,952
Machineries	2,433,640	2,527,472	3,916,447	4,578,963
Overseas land	102,826	105,404	110,312	104,462
Vehicles	2,269	3,655	7,959	7,761
Office equipment	103,560	105,194	282,467	302,092
Construction in progress	569,963	2,048,442	2,459,951	2,489,941
Others	3,615	3,977	4,243	2,660
Total	**4,365,903**	**6,190,642**	**8,280,844**	**9,030,831**

The increases in the carrying amount of our property, plant and equipment during the Track Record Period were primarily in line with our production expansion plans in the same periods.

Right-of-use Assets

The following table sets forth our right-of-use assets as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Land use rights	156,830	152,135	148,538	160,609
Lease of vehicles	82	–	–	–
Lease of buildings	–	–	19,358	17,439
Total	**156,912**	**152,135**	**167,896**	**178,048**

Our right-of-use assets remained relatively stable at RMB156.9 million and RMB152.1 million as of December 31, 2023 and 2024. Our right-of-use assets increased from RMB152.1 million as of December 31, 2024 to RMB167.9 million as of December 31, 2025, primarily due to newly leased buildings in 2025. Our right-of-use assets increased from RMB167.9 million as of December 31, 2025 to RMB178.0 million as of March 31, 2026, primarily due to increased land use rights.

Intangible Assets

The following table sets forth our intangible assets as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Software	15,145	16,078	32,279	31,898
Patents	100,127	91,825	97,546	95,189
Total	**115,272**	**107,903**	**129,825**	**127,087**

Our intangible assets decreased by 6.4% from RMB115.3 million as of December 31, 2023 to RMB107.9 million as of December 31, 2024, primarily attributable to a decrease in patents of RMB8.3 million as a result of amortization. Our intangible assets increased by 20.3% from RMB107.9 million as of December 31, 2024 to RMB129.8 million as of December 31, 2025, primarily due to (i) an increase in softwares in relation to purchases of server-supporting software as well as software used in research and development and production processes, and (ii) newly purchased patents. Our intangible assets remained relatively stable at RMB129.8 million as of December 31, 2025 and RMB127.1 million as of March 31, 2026.

Other Non-Current Financial Assets at Fair Value through Other Comprehensive Income ("FVOCI")

Our other non-current financial assets at fair value through other comprehensive income primarily consist of equity investments and unlisted equity investments. The following table sets forth our other financial assets at fair value through other comprehensive income as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments	197,997	418,753	470,412	1,021,694
Unlisted equity investments	12,877	11,567	16,360	16,201
Total	**210,874**	**430,320**	**486,772**	**1,037,895**

The fluctuations of our other financial assets at FVOCI during the Track Record Period were mainly due to changes in the fair value of listed equity investments, which were in line with changes in their market prices.

Deferred Incomes

Our deferred incomes consist of government grants that we received in support of our business operations and capital expenditures. As of December 31, 2023, 2024, 2025 and March 31, 2026, our deferred incomes amounted to RMB302.7 million, RMB314.4 million, RMB417.1 million and RMB417.0 million, respectively. The fluctuations of our deferred incomes during the Track Record Period were in line with changes in the government grants we received for subsidizing purchases of property, plant and equipment and the amortization thereof recognized in profit or loss. The government grants were recognized in profit or loss on a straightline basis over the useful lives of the related property, plant and equipment.

INDEBTEDNESS

The table below sets out the details of our indebtedness as of the dates indicated.

	As of December 31,			As of March 31,	As of April 30,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)
Current					
Borrowings	1,758,758	2,316,576	2,662,542	3,710,362	3,982,000
Lease liabilities	88	–	7,552	7,596	7,611
Non-current					
Borrowings	846,493	1,309,936	1,885,661	2,625,692	3,326,341
Lease liabilities	–	–	11,837	9,950	9,318
Total	**2,605,339**	**3,626,512**	**4,567,592**	**6,353,600**	**7,325,270**

Borrowings

As of December 31, 2023, 2024, 2025, March 31, 2026 and April 30, 2026, our borrowings, including current and non-current portion, amounted to RMB2,605.3 million, RMB3,626.5 million, RMB4,548.2 million, RMB6,336.1 million and RMB7,308.3 million, respectively, mainly representing bank borrowings in accordance with the our funding needs and in support of our business expansion. During the Track Record Period, our borrowings were denominated in USD, EUR and RMB with annual interest rates ranging from 1.15% to 6.02% for short-term borrowings, and 1.50% to 5.70% for long-term borrowings. As of April 30, 2026, our unutilized banking facilities amounted to RMB15,328.9 million. Our Directors confirm that there was no default in payments of our liabilities, and/or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

As of December 31, 2023, 2024, 2025, March 31, 2026 and April 30, 2026, our lease liabilities, including current and non-current portion, amounted to RMB0.1 million, nil, RMB19.4 million, RMB17.5 million and RMB16.9 million, respectively, mainly representing lease liabilities under leases for right-of-use assets.

No Other Outstanding Indebtedness

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. After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material change in our indebtedness since April 30, 2026.

CONTINGENT LIABILITIES OR GUARANTEES

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities that would have a material impact on our financial position or results of operations.

CAPITAL EXPENDITURE

Our capital expenditures consisted of payments for purchase of property, plant and equipment, intangible assets and other non-current assets. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our capital expenditure amounted to RMB810.5 million, RMB2,147.8 million, RMB3,198.5 million, RMB658.1 million and RMB1,467.2 million, respectively. We funded our capital expenditure requirements during the Track Record Period mainly from cash flow generated from operating activities and debt financing. We expect to continue to incur capital expenditure in the near future, primarily to support the growth of our business. We expect to fund these capital expenditures with a combination of cash flow generated from operating activities, debt financing and net [**REDACTED**] from the [**REDACTED**]. See "Business — Our Strategies" and "Future Plans and Use of [**REDACTED**] — Use of [**REDACTED**]" for further details about our planned capital expenditure. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024, 2025 and March 31, 2026, our capital commitments amounted to RMB910.4 million, RMB1,473.4 million, RMB4,511.5 million and RMB5,102.0 million, respectively, primarily in connection with capital expenditure contracted for but not yet provided for acquisition of property, plant and equipment.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated.

	As of/For the year ended December 31,			As of/For the three months ended March 31,
	2023	**2024**	**2025**	**2026**
Gross profit margin (%)[1]	28.4	31.7	33.8	34.8
Net profit margin (%)[2]	16.9	19.4	20.2	20.0
Return on equity (%)[3]	16.8	23.9	28.4	31.1[4]
Current ratio[5]	1.6	1.3	1.5	1.5
Liability to asset ratio (%)[6]	38.7	43.8	46.5	48.6
Gearing ratio (%)[7]	26.5	30.5	30.2	37.8

Notes:

(1) Our gross profit represents our revenue less our cost of sales, which includes impairment losses and tax surcharges. Gross profit margin equals gross profit divided by revenue and multiplied by 100%. See "— Results of Operations — Gross Profit and Gross Profit Margin."

(2) Net profit margin equals profit attributable to owners of the company for the year/period divided by revenue and multiplied by 100%.

(3) Return on equity equals profits attributable to owners of the company for the year/period divided by average balance of equity attributable to owners of the company at the beginning and the end of that year/period and multiplied by 100%.

(4) Annualized by dividing profit attributable to owners of the company for the three months ended March 31, 2026 by 90 and multiplied by 360, then divided by average equity attributable to owners of the company at the beginning and the end of this period and multiplied by 100%.

(5) Current ratio equals current assets divided by current liabilities.

(6) Liability to asset ratio equals total liabilities divided by total assets.

(7) Gearing ratio was calculated as interest-bearing indebtedness (including interest-bearing bank borrowings and lease liabilities) divided by total equity and multiplied by 100%.

Our net profit margin improved steadily from 16.9% in 2023 to 19.4% in 2024 and further to 20.2% in 2025, reflecting a continued shift in product mix towards higher value-added PCBs and operating leverage from revenue growth. For the three months ended March 31, 2026, net profit margin remained broadly stable at 20.0%. Our return on equity increased from 16.8% in

2023 to 23.9% in 2024, further to 28.4% in 2025 and further to 31.1% for the three months ended March 31, 2026, as our strong profit growth outpaced our equity base expansion. Our current ratio remained broadly stable between 1.3 and 1.6 throughout the Track Record Period. The decrease to 1.3 as of December 31, 2024 was the continued increases in raw material procurement and construction payables driven by business expansion, which recovered to 1.5 by December 31, 2025 and remained at 1.5 as of March 31, 2026. Our liability to asset ratio increased from 38.7% in 2023 to 46.5% in 2025, and gearing ratio increased from 26.5% in 2023 to 30.2% in 2025, both reflecting increased interest-bearing borrowings extended to support capacity expansion. As of March 31, 2026, both ratios increased further to 48.6% and 37.8% respectively, primarily driven by an increase in total interest-bearing indebtedness from RMB4,567.6 million as of December 31, 2025 to RMB6,353.6 million as of March 31, 2026 to support increased capital expenditure.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

MATERIAL RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 38 to the Accountant's Report included in Appendix I, Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and 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.

FINANCIAL RISKS DISCLOSURE

Our activities expose us to financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, and liquidity risk. Our risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 3.1 to the Accountant's Report in Appendix I to this document for details of our financial risk management.

DIVIDENDS

In 2023, 2024, 2025 and the three months ended March 31, 2026, we declared dividends of RMB285.8 million, RMB956.8 million, RMB961.7 million and nil, respectively. We do not have predetermined dividend payout ratio. According to our Articles of Association, we are required to pay cumulative cash dividends of the most recent three fiscal years that account for not less than 30% of our average annual distributable profits for those three fiscal years which are available for distribution, in principle calculated in accordance with PRC GAAP, provided that the sustainable operation and long term development of the Company will not be impacted and there is no plan for significant capital expenditure.

DISTRIBUTABLE RESERVES

As of March 31, 2026, our consolidated retained earnings amounted to RMB11,787.2 million, which is available for distribution to our Shareholders.

[REDACTED]

Our [**REDACTED**] mainly include (i) [**REDACTED**] expenses, such as [**REDACTED**] fees and [**REDACTED**], and (ii) [**REDACTED**] expenses, comprising professional fees paid to our legal advisors and Reporting Accountant for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**], and other fees and expenses. The estimated total [**REDACTED**] (based on the mid-point of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately HK$[**REDACTED**], accounting for of [**REDACTED**]% of our gross [**REDACTED**]. An estimated amount of HK$[**REDACTED**] for our [**REDACTED**], accounting for approximately [**REDACTED**]% of our gross [**REDACTED**], was or is expected to be expensed through the statement of comprehensive income and the remaining amount of HK$[**REDACTED**] is expected to be recognized as a deduction from equity upon the [**REDACTED**]. We did not recognize [**REDACTED**] in 2023 and 2024. We recognized [**REDACTED**] of RMB[**REDACTED**] and RMB[**REDACTED**] in our consolidated financial statements in 2025 and the three months ended March 31, 2026.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [**REDACTED**] Financial Information" to this document.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial condition, trading position or prospects since March 31, 2026, being the date of our latest financial statements, and there has been no event since March 31, 2026 which would materially affect the information shown in the Accountant's Report set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this document, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.