You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants' Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards ("IFRSs").

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, 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 a globally recognized PCB manufacturer driven by technological development and distinguished by our broad product offerings. Our PCB provides connectivity infrastructure for global customers in automotive electronics, telecommunication and data infrastructure, smart devices, industrial control and other sectors.

With our PCB products and intelligent manufacturing capabilities, we have become a leader in the global automotive electronics PCB industry and one of the few suppliers of AI computing infrastructure core components. Our leading technical expertise and long-term oriented, high-end production capacity in high build-up HDI and HLC PCB enable us to meet the diverse needs of our global customers and seize significant growth opportunities in the AI era.

We achieved rapid revenue and profit growth in 2023, 2024 and 2025. Our revenue was RMB10,757.3 million, RMB12,659.4 million and RMB15,308.1 million in 2023, 2024 and 2025, respectively. Our profit for the year was RMB911.0 million, RMB1,160.2 million and RMB1,244.0 million in 2023, 2024 and 2025, respectively. Our revenue continued to increase to RMB5,341.4 million for the four months ended April 30, 2026 from RMB4,533.6 million for the four months ended April 30, 2025, while our profit for the period decreased to RMB316.9 million from RMB424.3 million over the same periods, primarily due to the rising prices of raw materials. We maintain healthy cash flow, with net cash from operating activities of RMB2,115.5 million, RMB2,289.6 million, RMB1,931.2 million and RMB493.4 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively.

BASIS OF PRESENTATION

Our historical financial information has been prepared based on the accounting policies set out in Note 2.3 to the Accountants' Report in Appendix I which conform with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**"). In addition, our historical financial information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing our historical financial information, we have adopted the accounting policies which conform with all applicable new and revised IFRS Accounting Standards that are effective for the accounting period commencing from January 1, 2026, consistently throughout the Track Record Period.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a number of general factors influencing the overall performance of the industry in which we operate. These factors include macroeconomic trends, industry development and competitive landscape in the market. Any adverse development can have a negative impact on our results of operations.

In addition to these general factors, our business and results of operations have been and will continue to be affected by company-specific factors, which primarily include the following:

End-Market Dynamics and Our Market Position

Our financial performance is significantly influenced by end-market development, which is driven by their end users' preferences and product upgrades, as well as our ability to compete effectively in these markets.

Our products are designed for applications across a wide spectrum of end markets, including automotive electronics, telecommunication and data infrastructure, smart devices, industrial control and other sectors. Demand for our products stems from the performance of these markets and the commercial success of our customers' products. For example, revenue generated from the sales of automotive electronics PCB accounted for 40.7%, 45.9% and 45.4% of our total revenue in 2023, 2024 and 2025, respectively. The prevailing trend of electrification and intelligentization in the automotive industry has influenced, and will continue to impact our order intake, production capacity utilization, and working capital requirements. In addition, the continuous technological advancements, particularly the development of AI technologies, in these end markets have undergone frequent product upgrades, with PCB serving as the essential foundation in enabling and supporting these upgrades. We are required to continuously develop new and enhanced PCB to meet these evolving demands of our customers and sustain our competitive advantages.

We operate in a highly competitive market. According to CIC, we are the world's largest automotive electronics PCB manufacturer with a market share of 10.6%, and rank eleventh among all PCB providers worldwide with a market share of 2.5% by revenue in 2025. We have also become one of the few PCB suppliers for global leading AI infrastructure leaders. Our market position offers several advantages, including long-term customer relationship, favorable raw material procurement costs, early-mover benefits in new product introductions, and the ability to rapidly scale production for emerging products. Due to our market position, we are often among the first to observe emerging customer needs, which helps us stay attuned to product trends and start iterating early. Sustaining our market position and competitive edge is crucial for further enhancing our market share and financial performance.

Ability to Retain Existing Customers and Attract New Customers

Our future success and revenue growth are deeply rooted in serving a diverse blue-chip customer base across sectors, which has been a cornerstone of our achievements. As such, we are committed to retaining existing key customers through offering competitive PCB that address their requirements and empower their business success. The ability to develop and upsell compelling products is closely linked to our capability to anticipate industry trends and develop high-performance PCB, along with a comprehensive portfolio that meets the evolving demands of downstream customers across various application fields. We are also committed to joint product development with our customers to create tailor-made products, as well as to enhance loyalty and engagement.

In addition to deepening relationships with existing customers, we strive to attract and win new customers to enhance our business performance and financial results. We actively seek to expand our customer base by offering our products designed to meet customized technical requirements. Our ability to attract new customers is further influenced by our marketing and branding efforts, as well as the broader competitive landscape within the global PCB market.

Product Portfolio and Pricing

Our revenue and profitability are affected by the mix of our products. As a globally recognized PCB product manufacturer with broad product offerings, we offer a comprehensive PCB product portfolio, including single- and double-sided PCB, MLPCB, HDI PCB, FPC, MPCB and rigid-flex PCB, that have different growth momentum and margin profiles. Our product mix may evolve in response to technological changes in the industries and markets we serve.

Changes in our product mix could affect our overall gross profit margin due to variations in the gross profit margin attributable to each product type. In 2023, 2024 and 2025, our gross profit margins were 23.2%, 22.7% and 21.6%, respectively. For the four months ended April 30, 2025 and 2026, our gross profit margins were 20.7% and 18.7%, respectively. We aim to further expand our product portfolio and maintain a strong focus on high-margin product categories, especially products used in AI domain. By continuously refining our product mix and leveraging technological development, we are committed to sustaining robust financial performance and driving long-term growth. However, fluctuations in product demand, shifts in market dynamics, and evolving competitive pressure may impact our financial performance.

Our profitability is also affected by our ability to price our products, which is in turn affected by market competition, raw materials price, pricing of similar products and solutions offered by our peers and our bargaining power. As effective product pricing is critical to our results of operations, we strategically adjust prices based on market dynamics, considering factors like competition intensity to ensure the balance between growth and profitability.

Production Capacity and Manufacturing Efficiency

Our results of operations are closely tied to available production capacity, which are affected by the pace and efficiency of ramping up new production bases and the utilization rate across our existing production bases. As new facilities take time to become fully operational, initial inefficiencies, and incremental overhead absorption can temporarily depress margins and elevate unit costs until volumes scale to targeted levels. Conversely, as ramp-up milestones are met, fixed costs are spread over a larger output base, enhancing operating leverage. The technological sophistication of each production base affects both return on invested capital and margin profile. For example, in August 2025, we announced that we planned to invest additional RMB5.0 billion in the high-end production capacity expansion and upgrade of our Jinwan production base (Zhuhai City, Guangdong Province), our core hub for high-end manufacturing in HDI, SLP, and HLC products, to better serve end markets of our products. Successful ramp-up and utilization at Jinwan production base (Zhuhai City, Guangdong Province) are expected to enhance our product mix towards higher-end products and improve our overall gross profit margin.

In addition to managing our production capacity, our results of operations are also influenced by enhancing our manufacturing efficiency through the adoption of intelligent manufacturing. By integrating AI and digitalized procedure management into our operations, we aim to streamline processes, reduce waste, and improve our process yields. These innovations enable us to optimize production schedules, enhance quality control, and respond more swiftly to market demands, ultimately contributing to a more efficient and cost-effective production process.

Price Volatility of Raw Materials and Supply Chain

Our results of operations are influenced by the availability and price volatility of key raw materials used in our production, especially those made of metal commodities including copper, which together represent a significant portion of our product costs. In 2023, 2024 and 2025, raw material costs represented approximately 60.4%, 60.5% and 61.4% of our cost of sales, respectively. For the four months ended April 30, 2025 and 2026, raw material costs represented approximately 60.4% and 62.9% of our cost of sales, respectively. These raw material costs are a critical factor in determining our product pricing. However, our selling prices may not be adjusted, entirely in tandem with raw material costs, which may affect our margins and results of operations.

The prices of these materials are closely linked to international commodity markets and global supply and demand. If we encounter tight supply or sharp price increases and cannot offset them through technological improvements, process efficiencies, procurement initiatives or timely price adjustments, we may experience supply constraints or margin compression. While we seek to mitigate these risks through multi-sourcing, longer term supply arrangements, inventory planning, significant volatility could negatively impact our production efficiency, profitability and overall financial performance.

Ability to Continue to Invest in R&D

Our long-term market position is built on our sustained leadership in product innovation and technological advancements. We believe our ability to execute R&D initiatives, develop new technologies, launch new products and iterations of existing products, alongside our success in attracting and retaining top R&D talent, is essential in maintaining our market position. We work closely with our customers to ensure that our products remain aligned with their evolving needs and ahead of industry developments. This commitment allows us to deliver advanced features and superior performance, reinforcing our market position and strengthening our product upgrades, iterations and differentiations.

We have invested, and plan to continue to invest, in our R&D efforts. Our R&D expenses were RMB600.7 million, RMB757.6 million and RMB929.9 million in 2023, 2024 and 2025, respectively, accounting for 5.6%, 6.0% and 6.1%, respectively, of our revenue in the corresponding periods. For the four months ended April 30, 2025 and 2026, our R&D expenses were RMB272.3 million and RMB280.7 million, respectively, accounting for 6.0% and 5.3%, respectively, of our revenue in the corresponding periods. Specifically, the progress of our technology and product development depends largely on our R&D talents. As of April 30, 2026, our R&D team consisted of 2,582 members, representing 11.6% of total employees as of the same date. As we continue to scale and expand our operations, we intend to enhance our research and development efficiency by prioritizing high-growth application areas and successfully commercialize R&D outcomes. Our investment in R&D is also reflected by the intellectual property we own. For details, see "Business — Intellectual Property."

Foreign Exchange Fluctuations

We generated 37.5%, 38.9% and 37.2% of our total revenue from the sales of PCB to overseas markets in 2023, 2024 and 2025, respectively. For the four months ended April 30, 2025 and 2026, revenue from the sales of PCB to overseas markets accounted for 37.5% and 40.4% of our revenue, respectively. Our Company and our subsidiaries have foreign currency denominated sales, trade and bills receivables, cash and bank balances, trade and other payables and borrowings which expose us to foreign currency risk. Such foreign currencies include the U.S. dollar, Euro, Hong Kong dollar and Thai baht. Consequently, the fluctuations in foreign currency exchange rates have an impact on our consolidated financial information.

Our reporting currency is the RMB, which is our Company's functional currency. Foreign currency transactions recorded by the entities in our Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rates ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognized in profit or loss. In 2023, 2024 and the four months ended April 30, 2025, we recorded net foreign exchange gain of RMB32.1 million, RMB46.0 million and RMB49.7 million, respectively. We recorded net foreign exchange loss of RMB28.2 million and RMB79.7 million in 2025 and the four months ended April 30, 2026, respectively.

SEASONALITY

Demand for and sales of our products generally follow the same seasonality pattern as sales of the end products that incorporate our PCB products. For PCB products applied in AI infrastructure and automotive electronics, the seasonal pattern is less pronounced. For PCB products used in smart devices, we typically experience higher sales in the second half of the year due to the new product launch cycles of downstream end markets and increased shopping activities during the holiday season. Moreover, we typically record relatively lower sales and revenue in the first quarter due to the impact of the Spring Festival holiday.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The preparation of the historical financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future. See Note 2.3 to the Accountants' Report in Appendix I to this document for more details.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

The following table sets forth a summary of our results of operations in absolute amounts and as percentage of our total revenue for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Revenue	**10,757,302**	**100.0**	**12,659,373**	**100.0**	**15,308,052**	**100.0**	**4,533,613**	**100.0**	**5,341,392**	**100.0**
Cost of sales	(8,264,978)	(76.8)	(9,781,688)	(77.3)	(12,003,163)	(78.4)	(3,596,235)	(79.3)	(4,340,192)	(81.3)
Gross profit	**2,492,324**	**23.2**	**2,877,685**	**22.7**	**3,304,889**	**21.6**	**937,378**	**20.7**	**1,001,200**	**18.7**
Selling and marketing expenses	(192,124)	(1.8)	(245,642)	(1.9)	(288,164)	(1.9)	(85,697)	(1.9)	(84,936)	(1.6)
Administrative expenses	(563,044)	(5.2)	(630,669)	(5.0)	(715,267)	(4.7)	(218,191)	(4.8)	(259,508)	(4.9)
Research and development expenses	(600,696)	(5.6)	(757,587)	(6.0)	(929,932)	(6.1)	(272,312)	(6.0)	(280,739)	(5.3)
Other income and gains	202,128	1.9	317,888	2.5	343,749	2.2	173,089	3.8	111,739	2.2
Other expenses	(135,833)	(1.3)	(109,138)	(0.9)	(153,336)	(1.0)	(20,073)	(0.4)	(111,517)	(2.1)
Finance costs	(147,086)	(1.4)	(114,084)	(0.9)	(77,507)	(0.5)	(26,535)	(0.6)	(32,083)	(0.6)
Share of losses of an associate	(8,139)	(0.1)	(18,014)	(0.1)	(20,049)	(0.1)	(6,099)	(0.1)	(6,260)	(0.1)
Profit before tax	**1,047,530**	**9.7**	**1,320,439**	**10.4**	**1,464,383**	**9.6**	**481,560**	**10.7**	**337,896**	**6.3**
Income tax expense	(136,501)	(1.3)	(160,231)	(1.3)	(220,365)	(1.4)	(57,275)	(1.3)	(20,977)	(0.4)
Profit for the year/period	**911,029**	**8.5**	**1,160,208**	**9.2**	**1,244,018**	**8.1**	**424,285**	**9.4**	**316,919**	**5.9**

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, our revenue was primarily derived from the sales of PCB. We also generate a small portion of our revenue from the sales of our production residues which contain copper in Chinese mainland. Our revenue was RMB10,757.3 million, RMB12,659.4 million and RMB15,308.1 million in 2023, 2024 and 2025, respectively, and RMB4,533.6 million and RMB5,341.4 million for the four months ended April 30, 2025 and 2026, respectively.

Breakdown by End Markets

Our products are designed for applications across a wide spectrum of end markets, including automotive electronics, smart devices, industrial control and medical devices, and telecommunication and data infrastructure sectors. Revenue in most of our end markets increased during the Track Record Period.

The following table presents a breakdown of our revenue by end markets of our products, both in absolute amounts and as percentage of our total revenue, for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Sales of PCB products	**10,240,933**	**95.2**	**11,984,837**	**94.7**	**14,372,625**	**93.9**	**4,284,750**	**94.5**	**4,920,632**	**92.1**
Automotive electronics	4,374,962	40.7	5,814,180	45.9	6,952,940	45.4	2,081,155	45.9	2,357,219	44.1
Smart devices	3,258,094	30.3	3,672,758	29.0	3,705,202	24.2	1,142,521	25.2	1,051,002	19.7
Industrial control and medical devices	1,835,758	17.0	1,565,880	12.4	2,123,800	13.9	672,846	14.8	679,341	12.7
Telecommunication and data infrastructure	772,119	7.2	932,019	7.4	1,590,683	10.4	388,228	8.6	833,070	15.6
Others[(1)]	**516,369**	**4.8**	**674,536**	**5.3**	**935,427**	**6.1**	**248,863**	**5.5**	**420,760**	**7.9**
Total	**10,757,302**	**100.0**	**12,659,373**	**100.0**	**15,308,052**	**100.0**	**4,533,613**	**100.0**	**5,341,392**	**100.0**

Note:

(1) Mainly represent the sales of our production residues which contain copper in Chinese mainland.

Breakdown by Product Types

We develop, manufacture and sell a comprehensive range of PCB to meet diverse customer needs, comprising: (i) RPCB including single- and double-sided PCB, MLPCB, and HDI PCB, (ii) FPC, and (iii) other PCB, including MPCB and rigid-flex PCB. During the Track Record Period, RPCB accounted for the majority of our revenue.

The following table sets forth our revenue breakdown by product types in absolute amounts and as percentage of our total revenue for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Sales of PCB products	**10,240,933**	**95.2**	**11,984,837**	**94.7**	**14,372,625**	**93.9**	**4,284,750**	**94.5**	**4,920,632**	**92.1**
RPCB	6,865,983	63.8	7,930,865	62.6	9,645,202	63.0	2,907,093	64.1	3,568,222	66.8
Single- and double-sided PCB	1,228,030	11.4	1,271,205	10.0	1,297,494	8.5	408,481	9.0	435,365	8.2
MLPCB	5,131,599	47.7	5,810,971	45.9	7,110,033	46.4	2,147,004	47.3	2,759,691	51.6
HDI PCB	506,354	4.7	848,689	6.7	1,237,675	8.1	351,608	7.8	373,166	7.0
FPC	2,752,799	25.6	3,447,173	27.2	4,068,978	26.6	1,195,270	26.4	1,160,951	21.7
Other PCB[(1)]	622,151	5.8	606,799	4.8	658,445	4.3	182,387	4.0	191,459	3.6
Others[(2)]	**516,369**	**4.8**	**674,536**	**5.3**	**935,427**	**6.1**	**248,863**	**5.5**	**420,760**	**7.9**
Total	**10,757,302**	**100.0**	**12,659,373**	**100.0**	**15,308,052**	**100.0**	**4,533,613**	**100.0**	**5,341,392**	**100.0**

Notes:

(1) Include MPCB and rigid-flex PCB.

(2) Mainly represent the sales of our production residues which contain copper in Chinese mainland.

The table below sets forth a breakdown of sales volume and average selling price of our PCB products by product category for the periods indicated:

	Year ended December 31,						Four months ended April 30,	
	2023		2024		2025		2026	
	Sales volume	**Average selling price**	**Sales volume**	**Average selling price**	**Sales volume**	**Average selling price**	**Sales volume**	**Average selling price**
	(sq.m.)	*(RMB per sq.m.)*	*(sq.m.)*	*(RMB per sq.m.)*	*(sq.m.)*	*(RMB per sq.m.)*	*(sq.m.)*	*(RMB per sq.m.)*
RPCB	**7,207,648**	**953**	**8,198,876**	**967**	**9,533,250**	**1,012**	**3,285,683**	**1,086**
– Single- and double-sided PCB	1,878,293	654	1,984,623	641	2,074,779	625	683,904	637
– MLPCB	5,068,280	1,012	5,851,790	993	7,034,296	1,011	2,482,314	1,112
– HDI PCB[(1)]	261,075	1,939	362,463	2,341	424,175	2,918	119,465	3,124
FPC[(2)]	**1,855,671**	**1,483**	**2,088,135**	**1,651**	**2,329,689**	**1,747**	**593,112**	**1,957**
Other PCB[(3)]	**472,403**	**1,317**	**474,341**	**1,279**	**528,518**	**1,246**	**140,238**	**1,365**
Total	**9,535,722**	**1,074**	**10,761,351**	**1,114**	**12,391,457**	**1,160**	**4,019,033**	**1,224**

Notes:

(1) The average selling price of our HDI PCB increased from RMB1,939 per sq.m. in 2023 to RMB2,341 per sq.m. in 2024, primarily due to the optimization of our HDI PCB product mix as the sales of high-priced products in the automotive electronics and telecommunication and data infrastructure sectors increased. The average selling price of our HDI PCB further increased to RMB2,918 per sq.m. in 2025, primarily because we increased sales of high-priced products to new customers in the telecommunication and data infrastructure as well as industrial control and medical devices sectors. The average selling price of our HDI PCB further increased from RMB2,918 per sq.m. in 2025 to RMB3,124 per sq.m. in the four months ended April 30, 2026 as we further optimized the product mix by introducing more high-priced products.

(2) The average selling price of our FPC increased from RMB1,483 per sq.m. in 2023 to RMB1,651 per sq.m. in 2024, primarily due to the recovery in the consumer electronics market leading to the higher demand for our FPC products. The average selling price of our FPC increased from RMB1,747 per sq.m. in 2025 to RMB1,957 per sq.m. in the four months ended April 30, 2026, primarily due to the optimized product mix with more high-priced products.

(3) Include MPCB and rigid-flex PCB.

Breakdown by Geographical Locations

During the Track Record Period, we sold products in the Chinese mainland as well as to overseas markets including Europe, Asia and Americas. During the Track Record Period, we generated the majority of our revenue in the Chinese mainland.

The following table sets out a breakdown of our revenue by geographical locations, in absolute amounts and as percentage of our total revenue, for the periods indicated.

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Sales of PCB products	**10,240,933**	**95.2**	**11,984,837**	**94.7**	**14,372,625**	**93.9**	**4,284,750**	**94.5**	**4,920,632**	**92.1**
Chinese mainland[(1)]	6,211,373	57.7	7,060,758	55.8	8,678,759	56.7	2,585,951	57.0	2,761,630	51.7
Overseas	4,029,560	37.5	4,924,079	38.9	5,693,866	37.2	1,698,799	37.5	2,159,002	40.4
Europe[(2)]	1,419,324	13.2	1,787,339	14.1	2,064,636	13.5	631,288	13.9	780,378	14.6
Asia (excluding the Chinese mainland)[(3)]	1,367,210	12.7	1,488,177	11.8	1,870,155	12.2	495,379	11.0	797,069	14.9
Bonded warehouse zones[(4)]	575,188	5.3	874,442	6.9	883,157	5.8	264,421	5.8	277,025	5.2
Americas[(5)]	622,627	5.8	732,827	5.8	834,060	5.4	294,283	6.5	292,278	5.5
Other regions[(6)]	45,211	0.5	41,294	0.3	41,858	0.3	13,428	0.3	12,252	0.2
Others[(7)]	**516,369**	**4.8**	**674,536**	**5.3**	**935,427**	**6.1**	**248,863**	**5.5**	**420,760**	**7.9**
Total	**10,757,302**	**100.0**	**12,659,373**	**100.0**	**15,308,052**	**100.0**	**4,533,613**	**100.0**	**5,341,392**	**100.0**

Notes:

(1) Excluding sales to bonded warehouse zones.

(2) mainly including Germany, Romania, Hungary, Portugal, Spain, Macedonia, Austria, Slovakia, Lithuania and France.

(3) mainly including China-Hong Kong, Vietnam, Malaysia, Singapore, India, Thailand, Japan, Philippines, China-Taiwan, South Korea, Indonesia, Israel and Cambodia, and excluding the Chinese mainland.

(4) Sales to bonded warehouse zones located in the Chinese mainland are classified as overseas sales because these transactions (i) require customs clearance procedures similar to those for cross-border exports and (ii) are exempt from PRC VAT invoicing, thereby aligning them operationally with overseas sales, notwithstanding that the relevant customers may be based within the Chinese mainland. We deliver and sell our products to bonded warehouse zones in accordance with the instructions and requirements of our customers. Certain domestic customers adopt the bonded warehouse zone arrangement primarily because it enables them to benefit from exemptions of VAT, thereby reducing their upfront cost burden and improving working capital efficiency.

(5) mainly including United States and Mexico.

(6) mainly including Morocco and Tunisia.

(7) Mainly represent the sales of our production residues which contain copper in Chinese mainland.

Cost of Sales

Our cost of sales primarily consists of (i) cost of raw materials, (ii) cost of production, which includes depreciation and amortization, utilities expenses and other related expenses and (iii) cost of labor. During the Track Record Period, cost of raw materials constituted the largest component of our cost of sales.

In 2023, 2024 and 2025, our cost of sales amounted to RMB8,265.0 million, RMB9,781.7 million and RMB12,003.2 million, respectively, accounting for 76.8%, 77.3% and 78.4%, respectively, of our revenue in the corresponding periods. For the four months ended April 30, 2025 and 2026, our cost of sales amounted to RMB3,596.2 million and RMB4,340.2 million, respectively, accounting for 79.3% and 81.3%, respectively, of our revenue in the corresponding periods. The following table sets forth our cost of sales breakdown by nature in absolute amounts and as percentage of our total cost of sales for the periods indicated.

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Cost of raw materials	4,995,257	60.4	5,919,158	60.5	7,359,037	61.4	2,171,688	60.4	2,729,291	62.9
Cost of production	1,972,254	23.9	2,337,336	23.9	2,724,292	22.7	827,817	23.0	923,476	21.3
Cost of labor	1,263,109	15.3	1,477,738	15.1	1,853,819	15.4	576,759	16.0	663,954	15.3
Others	34,358	0.4	47,456	0.5	66,015	0.5	19,971	0.6	23,471	0.5
Total	**8,264,978**	**100.0**	**9,781,688**	**100.0**	**12,003,163**	**100.0**	**3,596,235**	**100.0**	**4,340,192**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross margin represents gross profit divided by our revenue, expressed as a percentage. In 2023, 2024 and 2025, we had gross profit of RMB2,492.3 million, RMB2,877.7 million and RMB3,304.9 million, respectively. For the four months ended April 30, 2025 and 2026, we had gross profit of RMB937.4 million and RMB1,001.2 million, respectively. In 2023, 2024 and 2025, our gross profit margin was 23.2%, 22.7% and 21.6%, respectively. For the four months ended April 30, 2025 and 2026, our gross profit margin was 20.7% and 18.7%, respectively.

The following table sets forth our gross profit and gross profit margin breakdown by product types for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Sales of PCB products	**2,010,313**	**19.6%**	**2,250,605**	**18.8%**	**2,435,477**	**16.9%**	**708,486**	**16.5%**	**603,911**	**12.3%**
RPCB	1,542,286	22.5%	1,729,528	21.8%	1,706,899	17.7%	546,786	18.8%	383,591	10.8%
Single- and double-sided PCB	372,887	30.4%	362,501	28.5%	301,440	23.2%	90,778	22.2%	69,823	16.0%

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands, except for percentage)									
							(Unaudited)			
MLPCB	1,162,022	22.6%	1,264,829	21.8%	1,148,380	16.2%	386,089	18.0%	268,372	9.7%
HDI PCB	7,377	1.5%	102,198	12.0%	257,079	20.8%	69,919	19.9%	45,396	12.2%
FPC	297,872	10.8%	358,579	10.4%	593,227	14.6%	120,645	10.1%	186,108	16.0%
Other PCB[1]	170,155	27.3%	162,498	26.8%	135,351	20.6%	41,055	22.5%	34,212	17.9%
Others[2]	**482,011**	**93.3%**	**627,080**	**93.0%**	**869,412**	**92.9%**	**228,892**	**92.0%**	**397,289**	**94.4%**
Total	**2,492,324**	**23.2%**	**2,877,685**	**22.7%**	**3,304,889**	**21.6%**	**937,378**	**20.7%**	**1,001,200**	**18.7%**

Notes:

(1) Include MPCB and rigid-flex PCB.

(2) Mainly represent the sales of our production residues which contain copper in Chinese mainland.

The following table sets forth our gross profit and gross profit margin breakdown by sales channel for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Direct sales	2,373,974	23.1%	2,750,165	22.8%	3,193,628	21.7%	900,340	20.7%	979,994	19.0%
Sales to trading partners	118,350	24.4%	127,520	22.2%	111,261	19.8%	37,038	19.8%	21,206	11.4%
Total	**2,492,324**	**23.2%**	**2,877,685**	**22.7%**	**3,304,889**	**21.6%**	**937,378**	**20.7%**	**1,001,200**	**18.7%**

The following table sets forth our gross profit and gross profit margin breakdown by geographical locations for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Sales of PCB products	**2,010,313**	**19.6%**	**2,250,605**	**18.8%**	**2,435,477**	**16.9%**	**708,486**	**16.5%**	**603,911**	**12.3%**
Chinese mainland	595,701	9.6%	695,736	9.9%	840,616	9.7%	228,869	8.9%	220,332	8.0%
Overseas	1,414,612	35.1%	1,554,869	31.6%	1,594,861	28.0%	479,617	28.2%	383,579	17.8%
Others[(1)]	**482,011**	**93.3%**	**627,080**	**93.0%**	**869,412**	**92.9%**	**228,892**	**92.0%**	**397,289**	**94.4%**
Total	**2,492,324**	**23.2%**	**2,877,685**	**22.7%**	**3,304,889**	**21.6%**	**937,378**	**20.7%**	**1,001,200**	**18.7%**

Note:

(1) Mainly represent the sales of our production residues, which contain copper in Chinese mainland.

Overall, we have consistently achieved higher gross profit margins overseas than in the Chinese mainland market, primarily because our products command higher prices in those markets. Overseas markets generally place a higher premium on advanced technologies and product quality and are less saturated competitively, leading to stronger customer willingness to pay for reliable, technologically sophisticated products. As a result, we benefit from greater pricing flexibility and more favorable terms.

The gross profit margin of others was 93.3%, 93.0% and 92.9% in 2023, 2024 and 2025, respectively. The high gross profit margin of others reflects the nature of our production residues, which are by-products of our manufacturing operations and therefore incur minimal additional production costs.

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses primarily consisted of (i) employee costs, (ii) promotional expenses, (iii) insurance costs and (iv) others. Our selling and marketing expenses amounted to RMB192.1 million, RMB245.6 million and RMB288.2 million in 2023, 2024 and 2025, respectively, accounting for 1.8%, 1.9% and 1.9%, respectively, of our revenue in the corresponding periods. For the four months ended April 30, 2025 and 2026, our selling and marketing expenses amounted to RMB85.7 million and RMB84.9 million, respectively, accounting for 1.9% and 1.6%, respectively, of our revenue in the corresponding periods.

The following table sets forth a breakdown of our selling and marketing expenses in absolute amounts and as percentage of our total selling and marketing expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Employee costs	97,536	50.8	131,211	53.4	155,203	53.9	48,769	56.9	45,459	53.5
Promotional expenses[(1)]	49,856	26.0	63,020	25.7	70,555	24.5	18,612	21.7	20,151	23.7
Insurance costs[(2)]	21,804	11.3	26,548	10.8	35,097	12.2	10,317	12.0	11,290	13.3
Others[(3)]	22,928	11.9	24,863	10.1	27,309	9.5	7,999	9.4	8,036	9.5
Total	**192,124**	**100.0**	**245,642**	**100.0**	**288,164**	**100.0**	**85,697**	**100.0**	**84,936**	**100.0**

Notes:

(1) Primarily include sales commission and other expenses.

(2) Represent credit insurance costs we paid on our trade receivables due from our customers and product liability insurance costs, which are incurred to facilitate sales, safeguard customer receivables, and manage market-related product risks.

(3) Primarily include depreciation and amortization, transportation costs, travel expenses and other expenses.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) employee costs; (ii) depreciation and amortization; (iii) tax and surcharges and (iv) others. Our administrative expenses amounted to RMB563.0 million, RMB630.7 million and RMB715.3 million in 2023, 2024 and 2025, respectively, accounting for 5.2%, 5.0% and 4.7%, respectively, of our revenue in the corresponding periods. For the four months ended April 30, 2025 and 2026, our administrative expenses amounted to RMB218.2 million and RMB259.5 million, respectively, accounting for 4.8% and 4.9%, respectively, of our revenue in the corresponding periods.

The following table sets forth a breakdown of our administrative expenses in absolute amounts and as a percentage of our total administrative expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Employee costs	331,159	58.8	384,674	61.0	423,494	59.2	139,657	64.0	161,212	62.1
Depreciation and amortization	64,679	11.5	81,172	12.9	90,788	12.7	27,129	12.4	34,691	13.4
Tax and surcharges[(1)]	72,034	12.8	75,115	11.9	73,212	10.2	20,575	9.4	25,728	9.9
Others[(2)]	95,172	16.9	89,708	14.2	127,773	17.9	30,830	14.2	37,877	14.6
Total	**563,044**	**100.0**	**630,669**	**100.0**	**715,267**	**100.0**	**218,191**	**100.0**	**259,508**	**100.0**

Notes:

(1) Primarily include urban maintenance and construction tax, education surtax and property taxes.

(2) Primarily include office overheads, professional service fees, travelling expenses, and other expenses.

Research & Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) employee costs, (ii) materials and utilities expenses and (iii) others. Our research and development expenses amounted to RMB600.7 million, RMB757.6 million and RMB929.9 million in 2023, 2024 and 2025, respectively, accounting for 5.6%, 6.0% and 6.1%, respectively, of our revenue in the corresponding periods. Our research and development expenses amounted to RMB272.3 million and RMB280.7 million for the four months ended April 30, 2025 and 2026, respectively, accounting for 6.0% and 5.3%, respectively, of our revenue in the corresponding periods.

The following table sets forth a breakdown of our research and development expenses in absolute amounts and as percentages of our total research and development expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Employee costs	248,155	41.3	315,111	41.6	394,913	42.5	120,167	44.1	124,052	44.2
Materials and utilities expenses	283,644	47.2	374,398	49.4	465,364	50.0	129,351	47.5	132,395	47.2
Others[(1)]	68,897	11.5	68,078	9.0	69,655	7.5	22,794	8.4	24,292	8.6
Total	**600,696**	**100.0**	**757,587**	**100.0**	**929,932**	**100.0**	**272,312**	**100.0**	**280,739**	**100.0**

Note:

(1) Primarily include depreciation and amortization, travel expenses and other expenses.

Other Income and Gains

During the Track Record Period, our other income and gains mainly consisted of (i) government grants, (ii) interest income, (iii) gains on foreign exchange differences, (iv) fair value gains on financial assets at fair value through profit or loss, and (v) others. Government grants we received during the Track Record Period mainly represent incentives and subsidies granted by local governments in China. These include support measures for (i) research and development activities, (ii) local economic contributions such as employment and GDP contribution incentives, and (iii) purchases of property, plant and equipment to support capacity expansion and technological upgrade, in line with relevant supportive policies. Our government grants are typically non-recurring in nature, with no unfulfilled conditions or contingencies attached to them, and the amount of such grants was subject to the discretion of the relevant government authorities. Our other income and gains amounted to RMB202.1 million, RMB317.9 million and RMB343.7 million in 2023, 2024 and 2025, respectively, and RMB173.1 million and RMB111.7 million for the four months ended April 30, 2025 and 2026, respectively.

The following table sets forth a breakdown of our other income and gains in absolute amounts and as percentage of our total other income and gains for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Government grants	124,312	61.5	212,852	67.0	144,197	42.0	55,185	32.0	18,474	16.5
Interest income	31,257	15.5	48,285	15.2	41,660	12.1	8,537	4.9	12,276	11.0
Gains on foreign exchange differences	32,101	15.9	45,976	14.5	–	–	49,735	28.7	–	–
Fair value gains on financial assets at fair value through profit or loss	9,482	4.7	6,339	2.0	153,811	44.7	59,206	34.2	80,085	71.7
Others	4,976	2.4	4,436	1.3	4,081	1.2	426	0.2	904	0.8
Total	**202,128**	**100.0**	**317,888**	**100.0**	**343,749**	**100.0**	**173,089**	**100.0**	**111,739**	**100.0**

Other Expenses

During the Track Record Period, our other expenses primarily consisted of (i) fair value losses on derivative financial instruments, (ii) impairment losses on financial assets, net, (iii) loss on disposal of items of property, plant and equipment, (iv) write-down of inventories to net realisable value, (v) impairment of property, plant and equipment, and (vi) others. We recorded other expenses of RMB135.8 million, RMB109.1 million and RMB153.3 million in 2023, 2024 and 2025, respectively, and RMB20.1 million and RMB111.5 million for the four months ended April 30, 2025 and 2026, respectively.

Finance Costs

During the Track Record Period, our finance costs primarily included interest on bank borrowings, convertible bonds and lease liabilities. Our finance costs amounted to RMB147.1 million, RMB114.1 million and RMB77.5 million in 2023, 2024 and 2025, respectively, and RMB26.5 million and RMB32.1 million for the four months ended April 30, 2025 and 2026, respectively.

Income Tax Expense

During the Track Record Period, we recorded income tax expense of RMB136.5 million, RMB160.2 million and RMB220.4 million in 2023, 2024 and 2025, respectively, and RMB57.3 million and RMB21.0 million for the four months ended April 30, 2025 and 2026, respectively.

Chinese Mainland

We are subject to income tax on an entity basis on profits arising in or derived from tax jurisdictions in which members of our Group are domiciled and operate. Under the Corporate Income Tax Law of PRC (the "**CIT Law**") and Implementation Regulation of the CIT Law, the CIT rate of our PRC subsidiaries is 25%, while our Company and some of our PRC subsidiaries are qualified as high and new technology enterprises or small and micro businesses and entitled to a preferential tax rate of 15% or 20% during the Track Record Period. See Note 10 to the Accountants' Report in Appendix I to this document for more details.

Hong Kong

The first HK$2.0 million of assessable profits of a subsidiary in Hong Kong are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% for the Track Record Period.

Thailand

The subsidiary incorporated in Thailand was subject to the 20% tax rate of assessable profits during the Track Record.

Other Overseas Areas

Our other overseas subsidiaries are subject to income tax at rates ranging from 4.25% to 23.2% during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute with any tax authority.

Profit for the Year

As a result of the foregoing, during the Track Record Period, our profit for the year/period amounted to RMB911.0 million, RMB1,160.2 million and RMB1,244.0 million in 2023, 2024 and 2025, respectively, and RMB424.3 million and RMB316.9 million for the four months ended April 30, 2025 and 2026, respectively.

PERIOD-TO-PERIOD COMPARISON

Four Months Ended April 30, 2026 Compared with Four Months Ended April 30, 2025

Revenue

Revenue increased by RMB807.8 million, or 17.8%, from RMB4,533.6 million for the four months ended April 30, 2025 to RMB5,341.4 million for the four months ended April 30, 2026. The increase was driven by revenue growth in both Chinese mainland and outside Chinese mainland markets, and by growth in both PCB products and production residues.

By End Markets

Automotive Electronics

Revenue from the sales of automotive electronics PCB increased by RMB276.0 million, or 13.3%, from RMB2,081.2 million for the four months ended April 30, 2025 to RMB2,357.2 million for the four months ended April 30, 2026, which was mainly attributable to the increased orders driven by the prevailing trend of electrification and intelligentization in the automotive industry, as well as our continuous efforts in expanding market share.

Smart Devices

Revenue from the sales of smart device PCB decreased by RMB91.5 million, or 8.0%, from RMB1,142.5 million for the four months ended April 30, 2025 to RMB1,051.0 million for the four months ended April 30, 2026, which was primarily attributable to changes in downstream demand from smart device customers.

Industrial Control and Medical Devices

Revenue from the sales of industrial control and medical devices PCB remained relatively stable at RMB672.8 million and RMB679.3 million for the four months ended April 30, 2025 and 2026, respectively.

Telecommunication and Data Infrastructure

Revenue from sales of telecommunication and data infrastructure PCB increased by RMB444.9 million, or 114.6%, from RMB388.2 million for the four months ended April 30, 2025 to RMB833.1 million for the four months ended April 30, 2026, which was mainly attributable to the increased orders from end customers supported by the surge in AI infrastructure investments where PCB products serve a critical role.

Others

Revenue from the sales of our production residues increased by RMB171.9 million, or 69.1%, from RMB248.9 million for the four months ended April 30, 2025 to RMB420.8 million for the four months ended April 30, 2026, which was mainly attributable to the increase in our production volume during the same period.

By Product Types

RPCB

Revenue from the sales of RPCB increased by RMB661.1 million, or 22.7%, from RMB2,907.1 million for the four months ended April 30, 2025 to RMB3,568.2 million for the four months ended April 30, 2026, which was mainly attributable to the increased downstream orders and our expanded production capacity, in particular the increase in orders for AI-related applications.

FPC

Revenue from the sales of FPC decreased by RMB34.3 million, or 2.9%, from RMB1,195.3 million for the four months ended April 30, 2025 to RMB1,161.0 million for the four months ended April 30, 2026, which was primarily attributable to the decreased orders from downstream smart device customers.

Other PCB

Revenue from the sales of other PCB remained relatively stable at RMB182.4 million and RMB191.5 million for the four months ended April 30, 2025 and 2026, respectively.

Others

Revenue from the sales of our production residues increased by RMB171.9 million, or 69.1%, from RMB248.9 million for the four months ended April 30, 2025 to RMB420.8 million for the four months ended April 30, 2026, which was mainly attributable to the increase in our production volume during the same period.

Cost of Sales

Cost of sales increased by RMB744.0 million, or 20.7%, from RMB3,596.2 million for the four months ended April 30, 2025 to RMB4,340.2 million for the four months ended April 30, 2026, which was generally in line with the increase in our revenue during the same period and was also driven by the increase in raw materials prices. Cost of raw materials increased by RMB557.6 million, or 25.7%, from RMB2,171.7 million for the four months ended April 30, 2025 to

RMB2,729.3 million for the four months ended April 30, 2026. Cost of production increased by RMB95.7 million, or 11.6%, from RMB827.8 million for the four months ended April 30, 2025 to RMB923.5 million for the four months ended April 30, 2026. Cost of labor increased by RMB87.2 million, or 15.1%, from RMB576.8 million for the four months ended April 30, 2025 to RMB664.0 million for the four months ended April 30, 2026.

Gross Profit and Gross Profit Margin

Gross profit increased by RMB63.8 million, or 6.8%, from RMB937.4 million for the four months ended April 30, 2025 to RMB1,001.2 million for the four months ended April 30, 2026, which was generally in line with the increase in our revenue during the same period. The gross profit margin decreased from 20.7% for the four months ended April 30, 2025 to 18.7% for the four months ended April 30, 2026, primarily due to the increased price of raw materials and ramp-up of our new production bases.

RPCB

Gross profit from the sales of RPCB was RMB546.8 million and RMB383.6 million for the four months ended April 30, 2025 and 2026, respectively. The gross profit margin of the sales of single- and double-sided PCB and the sales of MLPCB was 22.2% and 18.0% for the four months ended April 30, 2025, respectively, and 16.0% and 9.7% for the four months ended April 30, 2026, respectively, primarily because raw material prices increased. The gross profit margin of sales of HDI PCB was 19.9% for the four months ended April 30, 2025 and 12.2% for the four months ended April 30, 2026, primarily because the high-end production capacity ramped up during the period.

FPC

Gross profit from the sales of FPC increased by RMB65.5 million, or 54.3%, from RMB120.6 million for the four months ended April 30, 2025 to RMB186.1 million for the four months ended April 30, 2026. The gross profit margin of the sales of FPC was 10.1% for the four months ended April 30, 2025 and 16.0% for the four months ended April 30, 2026, primarily driven by product mix optimization.

Other PCB

Gross profit from the sales of other PCB was RMB41.1 million and RMB34.2 million for the four months ended April 30, 2025 and 2026, respectively. The gross profit margin was 22.5% for the four months ended April 30, 2025 and 17.9% for the four months ended April 30, 2026, primarily due to increased raw material prices.

Others

Gross profit from the sales of our production residues increased by RMB168.4 million, or 73.6%, from RMB228.9 million for the four months ended April 30, 2025 to RMB397.3 million for the four months ended April 30, 2026. The gross profit margin increased slightly from 92.0% for the four months ended April 30, 2025 to 94.4% for the four months ended April 30, 2026, primarily due to the expansion of our production scale and the increase in production residues revenue.

Selling and Marketing Expenses

Selling and marketing expenses decreased by RMB0.8 million, or 0.9%, from RMB85.7 million for the four months ended April 30, 2025 to RMB84.9 million for the four months ended April 30, 2026, which was primarily attributable to the decrease in employee costs by RMB3.3 million, or 6.8%, from RMB48.8 million to RMB45.5 million, resulting from the expiry of share-based payment arrangements, partially offset by increased insurance costs and promotional expenses in line with our business growth.

Administrative Expenses

Administrative expenses increased by RMB41.3 million, or 18.9%, from RMB218.2 million for the four months ended April 30, 2025 to RMB259.5 million for the four months ended April 30, 2026, which was mainly attributable to the increase in employee costs by RMB21.5 million, or 15.4%, from RMB139.7 million to RMB161.2 million, resulting from the increased number of administrative employees for our production capacity expansion during the same period, as certain new production facilities were in the preparation stage.

Research and Development Expenses

Research and development expenses increased by RMB8.4 million, or 3.1%, from RMB272.3 million for the four months ended April 30, 2025 to RMB280.7 million for the four months ended April 30, 2026, which was mainly attributable to our continued investment in the R&D of high-endproducts, which led to (i) the increase in employee costs by RMB3.9 million, or 3.2%, from RMB120.2 million to RMB124.1 million, and (ii) the increase in materials and utilities expenses by RMB3.0 million, or 2.3%, from RMB129.4 million to RMB132.4 million.

Other Income and Gains

Other income and gains decreased by RMB61.4 million, or 35.5%, from RMB173.1 million for the four months ended April 30, 2025 to RMB111.7 million for the four months ended April 30, 2026. The decrease was mainly attributable to (i) a decrease in government grants by RMB36.7 million from RMB55.2 million to RMB18.5 million and (ii) the absence of gains on foreign exchange differences for the four months ended April 30, 2026, as compared to RMB49.7 million for the four months ended April 30, 2025, partially offset by an increase in fair value gains on financial assets at fair value through profit or loss by RMB20.9 million from RMB59.2 million to RMB80.1 million.

Other Expenses

Other expenses increased by RMB91.4 million, or 454.7%, from RMB20.1 million for the four months ended April 30, 2025 to RMB111.5 million for the four months ended April 30, 2026, mainly attributable to foreign exchange loss of RMB79.7 million in the four months ended April 30, 2026.

Finance Costs

Finance costs increased by RMB5.6 million, or 21.1%, from RMB26.5 million for the four months ended April 30, 2025 to RMB32.1 million for the four months ended April 30, 2026, mainly attributable to the increase in interest on bank loans and other loans from RMB26.4 million to RMB31.8 million during the same periods.

Share of Losses of an Associate

Share of losses of an associate remained relatively stable at RMB6.1 million and RMB6.3 million for the four months ended April 30, 2025 and 2026, respectively.

Profit before Tax

Profit before tax decreased by RMB143.7 million, or 29.8%, from RMB481.6 million for the four months ended April 30, 2025 to RMB337.9 million for the four months ended April 30, 2026.

Income Tax Expense

Income tax expense decreased by RMB36.3 million, or 63.4%, from RMB57.3 million for the four months ended April 30, 2025 to RMB21.0 million for the four months ended April 30, 2026, primarily due to the decrease in the profit before tax, together with a decrease in deferred income tax expense following the recognition of deferred tax assets on Zhuhai Kinwong Flexible's prior-year deductible tax losses.

Profit for the Period

As a result of the foregoing, our profit for the period decreased by RMB107.4 million, or 25.3%, from RMB424.3 million for the four months ended April 30, 2025 to RMB316.9 million for the four months ended April 30, 2026.

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Revenue increased by RMB2,648.7 million, or 20.9%, from RMB12,659.4 million for the year ended December 31, 2024, to RMB15,308.1 million for the year ended December 31, 2025. The increase in revenue from the year ended December 31, 2024 to the year ended December 31, 2025 was mainly attributable to the increased sales across all end markets, especially the increased orders from automotive electronics customers and key customers in industrial control industry.

By End Markets

Automotive Electronics

Revenue from the sales of automotive electronics PCB increased by RMB1,138.7 million, or 19.6%, from RMB5,814.2 million for the year ended December 31, 2024, to RMB6,952.9 million for the year ended December 31, 2025, which was mainly attributable to the increased orders driven by the prevailing trend of electrification and intelligentization in the automotive industry, as well as our continuous efforts in expanding market share in Tier 1 automotive suppliers.

Smart Devices

Revenue from sales of smart device PCB remained relatively stable at RMB3,672.8 million and RMB3,705.2 million for the years ended December 31, 2024 and 2025, respectively.

Industrial Control and Medical Devices

Revenue from the sales of industrial control and medical devices PCB increased by RMB557.9 million, or 35.6%, from RMB1,565.9 million for the year ended December 31, 2024, to RMB2,123.8 million for the year ended December 31, 2025, which was mainly attributable to the increased orders from certain key customers in the industrial control industry, as our expanded production capacity better supports their demand.

Telecommunication and Data Infrastructure

Revenue from sales of telecommunication and data infrastructure PCB increased by RMB658.7 million, or 70.7%, from RMB932.0 million for the year ended December 31, 2024, to RMB1,590.7 million for the year ended December 31, 2025, which was mainly attributable to the increased orders from end customers supported by the surge in AI infrastructure investments where PCB products serve a critical role.

Others

We sell certain residues from our production process as they contain copper in Chinese mainland. Revenue from the sales of our production residues increased by RMB260.9 million, or 38.7%, from RMB674.5 million for the year ended December 31, 2024, to RMB935.4 million for the year ended December 31, 2025, which was mainly attributable to the increase in our production volume during the same period, as well as the increased price of copper.

By Product Types

RPCB

Revenue from the sales of RPCB increased by RMB1,714.3 million, or 21.6%, from RMB7,930.9 million for the year ended December 31, 2024, to RMB9,645.2 million for the year ended December 31, 2025, which was mainly attributable to the increased orders from customers in the automotive electronics industry.

FPC

Revenue from the sales of FPC increased by RMB621.8 million, or 18.0%, from RMB3,447.2 million for the year ended December 31, 2024, to RMB4,069.0 million for the year ended December 31, 2025, which was mainly attributable to the increased orders from smart device customers resulting from (i) recovery of smart device sector, and (ii) development of new applications in various end markets for FPC.

Other PCB

Revenue from the sales of other PCB remained relatively stable at RMB606.8 million and RMB658.4 million for the years ended December 31, 2024 and 2025, respectively.

Others

Revenue from the sales of our production residues increased by RMB260.9 million, or 38.7%, from RMB674.5 million for the year ended December 31, 2024, to RMB935.4 million for the year ended December 31, 2025, which was mainly attributable to the increase in our production volume during the same period, as well as the increased price of copper.

Cost of Sales

Cost of sales increased by RMB2,221.5 million, or 22.7%, from RMB9,781.7 million for the year ended December 31, 2024, to RMB12,003.2 million for the year ended December 31, 2025, which was generally in line with the increase in our revenue during the same period and was also driven by the increase in raw materials prices. Cost of raw materials increased by RMB1,439.8 million, or 24.3%, from RMB5,919.2 million for the year ended December 31, 2024, to RMB7,359.0 million for the year ended December 31, 2025. Cost of production increased by RMB387.0 million, or 16.6%, from RMB2,337.3 million for the year ended December 31, 2024, to RMB2,724.3 million for the year ended December 31, 2025. Cost of labor increased by RMB376.1 million, or 25.5%, from RMB1,477.7 million for the year ended December 31, 2024, to RMB1,853.8 million for the year ended December 31, 2025.

Gross Profit and Gross Profit Margin

Gross profit increased by 14.8%, or RMB427.2 million, from RMB2,877.7 million in the year ended December 31, 2024 to RMB3,304.9 million in the year ended December 31, 2025, which was generally in line with the increase in our revenue during the same period. The gross profit margin decreased from 22.7% in the year ended December 31, 2024 to 21.6% in the year ended December 31, 2025, primarily due to the increased price of raw materials, ramp-up of our new production bases, and intensified competition in the automotive electronics industry.

RPCB

Gross profit from the sales of RPCB was RMB1,729.5 million and RMB1,706.9 million for the years ended December 31, 2024 and 2025, respectively. The gross profit margin of the sales of single- and double-sided PCB and the sales of MLPCB was 28.5% and 21.8% in the year ended December 31, 2024, respectively, and 23.2% and 16.2% in the same period of 2025, respectively, primarily because raw material prices increased and the new production bases were in the ramp-up period. The gross profit margin of sales of HDI PCB was 12.0% in the year ended December 31, 2024 and 20.8% in the same period of 2025, primarily due to higher production volume, which led to improved utilization of the production capacity.

FPC

Gross profit from the sales of FPC increased by RMB234.6 million, or 65.4%, from RMB358.6 million for the year ended December 31, 2024, to RMB593.2 million for the year ended December 31, 2025. The gross profit margin of the sales of FPC was 10.4% in the year ended December 31, 2024 and 14.6% in the same period of 2025, primarily driven by product mix optimization.

Other PCB

Gross profit from the sales of other PCB was RMB162.5 million and RMB135.4 million for the years ended December 31, 2024 and 2025, respectively. The gross profit margin was 26.8% in the year ended December 31, 2024 and 20.6% in the same period of 2025, primarily due to intensified competition in the automotive electronics industry.

Others

Gross profit from the sales of our production residues increased by RMB242.3 million, or 38.6%, from RMB627.1 million for the year ended December 31, 2024, to RMB869.4 million for the year ended December 31, 2025. The gross profit margin remained relatively stable at 93.0% in the year ended December 31, 2024 and 92.9% in the same period of 2025.

Selling and Marketing Expenses

Selling and marketing expenses increased by RMB42.6 million, or 17.3%, from RMB245.6 million for the year ended December 31, 2024, to RMB288.2 million for the year ended December 31, 2025, which was mainly attributable to (i) the increase in employee costs by RMB24.0 million, or 18.3%, from RMB131.2 million to RMB155.2 million, resulting from additional employees recruited for overseas expansion, and (ii) increased insurance costs and promotional expenses in line with our business growth.

Administrative Expenses

Administrative expenses increased by RMB84.6 million, or 13.4%, from RMB630.7 million for the year ended December 31, 2024, to RMB715.3 million for the year ended December 31, 2025, which mainly attributable to the increase in employee costs by RMB38.8 million, or 10.1%, from RMB384.7 million to RMB423.5 million, resulting from the increased number of administrative employees for our production capacity expansion during the same period.

Research and Development Expenses

Research and development expenses increased by RMB172.3 million, or 22.7%, from RMB757.6 million for the year ended December 31, 2024, to RMB929.9 million for the year ended December 31, 2025, which was mainly attributable to our strategic investment in the R&D of high-end products, which led to (i) the increase in employee costs by RMB79.8 million, or 25.3%, from RMB315.1 million to RMB394.9 million, due to the expansion of our R&D headcounts, and (ii) the increase in materials and utilities expenses by RMB91.0 million, or 24.3%, from RMB374.4 million to RMB465.4 million.

Other Income and Gains

Other income and gains increased by RMB25.8 million, or 8.1%, from RMB317.9 million for the year ended December 31, 2024, to RMB343.7 million for the year ended December 31, 2025, which was mainly attributable to the increase in fair value gains on financial assets at fair value through profit or loss by RMB147.5 million, from RMB6.3 million to RMB153.8 million, resulting from our investment gains in the shares we held in Jiangxi Jiangnan New Material Technology Co., Ltd. a public company listed on the Shanghai Stock Exchange (stock code: 603124) and Suzhou Xinguangyi Electronics Co., Ltd, a public company listed on the Shenzhen Stock Exchange (stock code: 301687), partly offset by the decrease in government grants by RMB68.7 million, or 32.3%, from RMB212.9 million to RMB144.2 million during the same period.

Other Expenses

Other expenses increased significantly by RMB44.2 million, or 40.5%, from RMB109.1 million for the year ended December 31, 2024, to RMB153.3 million for the year ended December 31, 2025, primarily due to foreign exchange losses, increased non-operating expenses and provision of inventories.

Finance Costs

Finance costs decreased by RMB36.6 million, or 32.1%, from RMB114.1 million for the year ended December 31, 2024, to RMB77.5 million for the year ended December 31, 2025, which was mainly attributable to the completion of share conversion and early redemption of the convertible bonds.

Share of Losses of an Associate

Share of losses of an associate increased by RMB2.0 million, or 11.1%, from RMB18.0 million for the year ended December 31, 2024, to RMB20.0 million for the year ended December 31, 2025, primarily due to the decreased shareholding percentage in Suzhou Aicheng and the increased net loss of the associate for the year.

Profit before Tax

Profit before tax increased by RMB144.0 million, or 10.9%, from RMB1,320.4 million for the year ended December 31, 2024, to RMB1,464.4 million for the year ended December 31, 2025.

Income Tax Expense

Income tax expense increased by RMB60.2 million, or 37.6%, from RMB160.2 million for the year ended December 31, 2024, to RMB220.4 million for the year ended December 31, 2025, primarily due to the increased profit before tax.

Profit for the Year

As a result of foregoing, our profit for the year increased by RMB83.8 million, or 7.2%, from RMB1,160.2 million for the year ended December 31, 2024, to RMB1,244.0 million for the year ended December 31, 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Revenue increased by RMB1,902.1 million, or 17.7%, from RMB10,757.3 million for the year ended December 31, 2023, to RMB12,659.4 million for the year ended December 31, 2024. The increase was mainly attributable to the increased orders from automotive electronics customers and smart device customers.

By End Markets

Automotive Electronics

Revenue from the sales of automotive electronics PCB increased by RMB1,439.2 million, or 32.9%, from RMB4,375.0 million for the year ended December 31, 2023, to RMB5,814.2 million for the year ended December 31, 2024, which was mainly attributable to the increased orders driven by the prevailing trend of electrification and intelligentization in the automotive industry, as well as our continuous efforts in expanding market share in Tier 1 automotive suppliers.

Smart Devices

Revenue from the sales of smart device PCB increased by RMB414.7 million, or 12.7%, from RMB3,258.1 million for the year ended December 31, 2023, to RMB3,672.8 million for the year ended December 31, 2024. Such growth was primarily attributable to the recovery of the smart device industry in 2024, underpinned by a steady rebound in the global economy, continuous technological advancements and the release of replacement demand.

Industrial Control and Medical Devices

Revenue from the sales of industrial control and medical devices PCB decreased by RMB269.9 million, or 14.7%, from RMB1,835.8 million for the year ended December 31, 2023, to RMB1,565.9 million for the year ended December 31, 2024, which was mainly attributable to the decreased orders from certain customers resulting from strategic adjustment of our sales focus.

Telecommunication and Data Infrastructure

Revenue from the sales of telecommunication and data infrastructure PCB increased by RMB159.9 million, or 20.7%, from RMB772.1 million for the year ended December 31, 2023, to RMB932.0 million for the year ended December 31, 2024, which was mainly attributable to the increased orders driven by our continuous efforts in expanding market share and strengthening customer relationships.

Others

Revenue from the sales of our production residues increased by RMB158.1 million, or 30.6%, from RMB516.4 million for the year ended December 31, 2023, to RMB674.5 million for the year ended December 31, 2024, which was mainly attributable to the increase in our production volume during the same period, as well as the increased price of copper.

By Product Types

RPCB

Revenue from the sales of RPCB increased by RMB1,064.9 million, or 15.5%, from RMB6,866.0 million for the year ended December 31, 2023, to RMB7,930.9 million for the year ended December 31, 2024, which was mainly attributable to the increased orders from customers in the automotive electronics industry.

FPC

Revenue from the sales of FPC increased by RMB694.4 million, or 25.2%, from RMB2,752.8 million for the year ended December 31, 2023, to RMB3,447.2 million for the year ended December 31, 2024, which was mainly attributable to the increased orders from customers in multiple sectors, including (i) smart device sector, resulting from its recovery, and (ii) the automotive electronics sector.

Other PCB

Revenue from the sales of other PCB remained stable at RMB622.2 million and RMB606.8 million for the year ended December 31, 2023 and 2024, respectively.

Others

Revenue from the sales of our production residues increased by RMB158.1 million, or 30.6%, from RMB516.4 million for the year ended December 31, 2023, to RMB674.5 million for the year ended December 31, 2024, which was mainly attributable to the increase in our production volume during the same period, as well as the increased prices of copper.

Cost of Sales

Cost of sales increased by RMB1,516.7 million, or 18.4%, from RMB8,265.0 million for the year ended December 31, 2023, to RMB9,781.7 million for the year ended December 31, 2024, which was generally in line with the increase in our revenue during the same period and was also driven by the increase in raw materials prices. Cost of raw materials increased by RMB923.9 million, or 18.5%, from RMB4,995.3 million for the year ended December 31, 2023, to RMB5,919.2 million for the year ended December 31, 2024. Cost of production increased by RMB365.0 million, or 18.5%, from RMB1,972.3 million for the year ended December 31, 2023, to RMB2,337.3 million for the year ended December 31, 2024. Cost of labor increased by RMB214.6 million, or 17.0%, from RMB1,263.1 million for the year ended December 31, 2023, to RMB1,477.7 million for the year ended December 31, 2024.

Gross profit and Gross Profit Margin

Gross profit increased by RMB385.4 million, or 15.5%, from RMB2,492.3 million for the year ended December 31, 2023, to RMB2,877.7 million for the year ended December 31, 2024. The gross profit margin slightly decreased from 23.2% for the year ended December 31, 2023 to 22.7% for the year ended December 31, 2024, primarily due to the increased price of raw materials and ramp up of our new production bases.

RPCB

Gross profit from the sales of RPCB increased by RMB187.2 million, or 12.1%, from RMB1,542.3 million for the year ended December 31, 2023, to RMB1,729.5 million for the year ended December 31, 2024, primarily due to an increase in revenue from the sales of RPCB. The gross profit margin of the sales of single- and double-sided PCB and sales of MLPCB decreased from 30.4% and 22.6% in 2023, respectively, to 28.5% and 21.8% in 2024, respectively, primarily because raw material prices increased and the new production bases were in the ramp-up period. The gross profit margin of sales of HDI PCB increased from 1.5% in the year ended December 31, 2023 to 12.0% in the year ended December 31, 2024. The change was primarily due to higher production volume, which led to improved utilization of the production capacity.

FPC

Gross profit from the sales of FPC increased by RMB60.7 million, or 20.4%, from RMB297.9 million for the year ended December 31, 2023, to RMB358.6 million for the year ended December 31, 2024, primarily due to an increase in revenue from the sales of FPC. The gross profit margin remained relatively stable at 10.8% in 2023 and 10.4% in 2024.

Other PCB

Gross profit from the sales of other PCB decreased by RMB7.7 million, or 4.5%, from RMB170.2 million for the year ended December 31, 2023, to RMB162.5 million for the year ended December 31, 2024. The gross profit margin remained relatively stable at 27.3% in 2023 and 26.8% in 2024.

Others

Gross profit from the sales of our production residues increased by RMB145.1 million, or 30.1%, from RMB482.0 million for the year ended December 31, 2023, to RMB627.1 million for the year ended December 31, 2024, mainly attributable to an increase in revenue. The gross profit margin remained relatively stable at 93.3% in 2023 and 93.0% in 2024.

Selling and Marketing Expenses

Selling and marketing expenses increased by RMB53.5 million, or 27.9%, from RMB192.1 million for the year ended December 31, 2023, to RMB245.6 million for the year ended December 31, 2024, which was mainly attributable to (i) the increase in employee costs by RMB33.7 million, or 34.5%, from RMB97.5 million to RMB131.2 million, resulting from additional employees recruited for overseas expansion and the share-based payments under the 2024 Share Option and Restricted Share Incentive Plan, and (ii) increased insurance costs and promotional expenses in line with our business growth.

Administrative Expenses

Administrative expenses increased by RMB67.7 million, or 12.0%, from RMB563.0 million for the year ended December 31, 2023, to RMB630.7 million for the year ended December 31, 2024, which was mainly attributable to (i) the increase in employee costs resulting from the increased number of employees for our production capacity expansion during the same period, as well as (ii) the increase in the share-based payments under the 2024 Share Option and Restricted Share Incentive Plan.

Research and Development Expenses

Research and development expenses increased by RMB156.9 million, or 26.1%, from RMB600.7 million for the year ended December 31, 2023, to RMB757.6 million for the year ended December 31, 2024, which was mainly attributable to our strategic investment in the R&D of high-end products, which led to (i) the increase in employee costs by RMB66.9 million, or 27.0%, from RMB248.2 million to RMB315.1 million, due to the increase in our R&D headcounts, and (ii) the increase in materials and utilities expenses by RMB90.8 million, or 32.0%, from RMB283.6 million to RMB374.4 million.

Other Income and Gains

Other income and gains increased by RMB115.8 million, or 57.3%, from RMB202.1 million for the year ended December 31, 2023, to RMB317.9 million for the year ended December 31, 2024, which was mainly attributable to (i) the increase in government grants by RMB88.6 million, or 71.3%, from RMB124.3 million to RMB212.9 million, (ii) the increase in interest income by RMB17.0 million, or 54.3%, from RMB31.3 million to RMB48.3 million, and (iii) the increase in gains on foreign exchange differences by RMB13.9 million, or 43.3%, from RMB32.1 million to RMB46.0 million.

Other Expenses

Other expenses decreased by RMB26.7 million, or 19.7%, from RMB135.8 million for the year ended December 31, 2023, to RMB109.1 million for the year ended December 31, 2024, mainly due to decreased fair value losses on derivative financial instruments and impairment of property, plant and equipment, partially offset by the increased impairment losses on financial assets.

Finance Costs

Finance costs decreased by RMB33.0 million, or 22.4%, from RMB147.1 million for the year ended December 31, 2023, to RMB114.1 million for the year ended December 31, 2024, which was mainly attributable to the increased share conversion arising from the convertible bonds.

Share of Losses of an Associate

Share of losses of an associate increased by RMB9.9 million, or 122.2%, from RMB8.1 million for the year ended December 31, 2023, to RMB18.0 million for the year ended December 31, 2024, primarily due to the increased net loss of the associate for the year.

Profit before Tax

Profit before tax increased by RMB272.9 million, or 26.1%, from RMB1,047.5 million for the year ended December 31, 2023, to RMB1,320.4 million for the year ended December 31, 2024.

Income Tax Expense

Income tax expense increased by RMB23.7 million, or 17.4%, from RMB136.5 million for the year ended December 31, 2023, to RMB160.2 million for the year ended December 31, 2024, primarily due to the increased profit before tax.

Profit for the Year

As a result of foregoing, our profit for the year increased by RMB249.2 million, or 27.4%, from RMB911.0 million for the year ended December 31, 2023, to RMB1,160.2 million for the year ended December 31, 2024.

DISCUSSION ON KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our Accountants' Report included in Appendix I to this document.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Current assets				
Inventories	1,364,010	1,742,447	2,515,615	3,216,566
Trade and bills receivables	3,899,458	4,351,823	4,869,754	4,679,633
Prepayments, deposits and other receivables	89,109	182,092	322,071	449,438
Financial assets at fair value through profit or loss	250,000	312,000	182,180	82,624
Debt investments at fair value through other comprehensive income	836,418	680,431	982,266	978,713
Pledged and restricted deposits	319,409	345,239	527,137	626,529
Time deposits with original maturity of over three months	–	–	225,000	–
Cash and cash equivalents	1,968,398	1,838,432	1,941,199	2,910,922
Total current assets	**8,726,802**	**9,452,464**	**11,565,222**	**12,944,425**
Non-current assets				
Property, plant and equipment	7,566,936	8,405,797	10,632,094	11,521,252
Right-of-use assets	272,091	258,994	265,312	278,290
Intangible assets	26,514	24,786	19,544	21,738
Investments in an associate	86,861	100,416	80,367	74,107
Equity investments designated at fair value through other comprehensive income	6,000	6,000	–	–
Financial assets at fair value through profit or loss	7,000	37,000	40,000	40,000
Deferred tax assets	224,341	283,273	243,298	239,922
Prepayments, deposits and other receivables	314,187	675,047	881,072	1,354,055
Total non-current assets	**8,503,930**	**9,791,313**	**12,161,687**	**13,529,364**
Current liabilities				
Accounts and bills payables	3,886,070	4,852,862	6,721,591	6,971,097
Financial liabilities at fair value through profit or loss	838	–	–	–
Contract liabilities	7,997	5,795	11,970	30,408
Other payables and accruals	518,700	661,045	659,527	1,077,724
Convertible bonds	11,974	4,283	–	–
Interest-bearing bank and other borrowings	319,706	373,271	592,018	675,009
Lease liabilities	18,214	11,020	16,747	12,417
Tax payable	68,579	55,949	53,243	19,124
Total current liabilities	**4,832,078**	**5,964,225**	**8,055,096**	**8,785,779**

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Net current assets	**3,894,724**	**3,488,239**	**3,510,126**	**4,158,646**
Total assets less current liabilities	**12,398,654**	**13,279,552**	**15,671,813**	**17,688,010**
Non-current liabilities				
Convertible bonds	2,640,361	1,027,889	–	–
Interest-bearing bank and other borrowings	416,917	284,063	1,863,943	4,123,836
Lease liabilities	8,323	3,566	11,912	13,350
Deferred income	228,457	325,539	403,448	400,801
Deferred tax liabilities	134,376	140,789	122,718	72,478
Total non-current liabilities	**3,428,434**	**1,781,846**	**2,402,021**	**4,610,465**
Net assets	**8,970,220**	**11,497,706**	**13,269,792**	**13,077,545**
Equity				
Equity attributable to shareholders of the Company				
Share capital	841,874	932,532	984,812	984,857
Treasury shares	–	(112,037)	(85,089)	(85,089)
Equity component of convertible bonds	488,025	177,667	–	–
Reserves	7,447,470	10,315,511	12,172,988	11,968,448
Total	**8,777,369**	**11,313,673**	**13,072,711**	**12,868,216**
Non-controlling interests	**192,851**	**184,033**	**197,081**	**209,329**
Total equity	**8,970,220**	**11,497,706**	**13,269,792**	**13,077,545**

Assets

Inventories

Our inventories consisted of raw materials and consumables, work in progress, finished goods and goods in transit. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Raw materials and consumables	429,904	467,490	745,736	1,172,500
Work in progress	356,921	434,258	602,106	786,981
Finished goods	219,665	269,406	465,570	543,296
Goods in transit	357,520	571,293	702,203	713,789
Total	**1,364,010**	**1,742,447**	**2,515,615**	**3,216,566**

Our inventories increased by 44.4% from RMB1,742.4 million as of December 31, 2024 to RMB2,515.6 million as of December 31, 2025, primarily due to (i) the increase in raw materials and consumables of RMB278.2 million, (ii) the increase in finished goods of RMB196.2 million, (iii) the increase in work in progress of RMB167.8 million, and (iv) the increase in goods in transit of RMB130.9 million. All of these increases were due to the increase in production volume during the same period. Our inventories further increased to RMB3,216.6 million as of April 30, 2026, primarily due to the higher levels of raw materials and consumables held by us, driven by increased production volume and rising raw material price.

Our inventories increased by 27.7% from RMB1,364.0 million as of December 31, 2023 to RMB1,742.4 million as of December 31, 2024, primarily due to (i) the increase in goods in transit of RMB213.8 million, (ii) the increase in work in progress of RMB77.3 million, (iii) the increase in finished goods of RMB49.7 million, and (iv) the increase in raw materials and consumables of RMB37.6 million. All of these increases were due to the increase in production volume during the same period.

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	Year ended December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	1,314,167	1,663,074	2,447,888	3,109,503
1 to 2 years	36,130	39,026	30,814	56,800
Over 2 years	13,713	40,347	36,913	50,713
Total	**1,364,010**	**1,742,447**	**2,515,615**	**3,216,566**

Our inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year divided by cost of sales for the relevant year and multiplied by 365 days. Our inventory turnover days remain relatively stable at 61 days, 58 days and 65 days in 2023, 2024 and 2025, respectively. Our inventory turnover days were 79 days for the four months ended April 30, 2026, primarily due to the increase in inventories from RMB2,515.6 million as of December 31, 2025 to RMB3,216.6 million as of April 30, 2026.

As of May 31, 2026, RMB1,279.3 million, or 39.0%, of our inventories as of April 30, 2026 had been utilized or sold. Based on our assessments during the Track Record Period, we have made adequate provisions for our inventories to account for potential uncertainties.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Trade receivables	3,806,039	4,381,010	4,949,254	4,702,564
Bills receivables	286,456	194,190	173,982	218,095
Impairment	(193,037)	(223,377)	(253,482)	(241,026)
Total	**3,899,458**	**4,351,823**	**4,869,754**	**4,679,633**

Our trade and bills receivables increased from RMB3,899.5 million as of December 31, 2023 to RMB4,351.8 million as of December 31, 2024, mainly driven by more optimistic market outlook in 2024 as compared to 2023, which led to higher shipments to customers. Our trade and bills receivables further increased to RMB4,869.8 million as of December 31, 2025, primarily due to the increased revenue in 2025. Our trade and bills receivables decreased by RMB190.1 million, or 3.9%, from RMB4,869.8 million as of December 31, 2025 to RMB4,679.6 million as of April 30, 2026, primarily due to our enhanced credit management measures.

We typically grant a credit period of 30 to 120 days to our direct sales customers at request. We maintain strict control over our outstanding receivables and have a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management and credit limits attributed to customers are reviewed once a month. Trade receivables are non-interest-bearing.

The following table sets forth the aging analysis of our trade receivables as of the dates indicated, based on the revenue recognition date and net of allowance for expected credit losses:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	3,898,658	4,351,386	4,869,754	4,679,627
1 year to 2 years	780	417	–	6
2 year to 3 years	14	20	–	–
Over 3 years	6	–	–	–
Total	**3,899,458**	**4,351,823**	**4,869,754**	**4,679,633**

Our trade and bills receivable turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables (excluding provision for impairment) for a year divided by revenue for the relevant year and multiplied by the number of days in the relevant period. Our trade and bills receivable turnover days decreased from 129 days for the year ended December 31, 2023 to 119 days for the year ended December 31, 2024, and further decreased to 110 days for the year ended December 31, 2025, primarily due to our enhanced credit management on our receivables. Our trade and bills receivable turnover days were 107 days for the four months ended April 30, 2026, which remained relatively stable as compared to the year ended December 31, 2025. To enhance credit management on our receivables, we have established collection objectives with monthly overdue payment reviews, developed targeted collection measures based on the findings from these reviews, strictly controlled overdue exposure by reducing transaction volumes with chronically delinquent customers, and implemented formal approval procedures for credit term extensions and payment method changes (from wire transfers to bills or electronic debt certificates).

As of May 31, 2026, RMB1,293.1 million, or 26.3%, of our trade and bills receivables as of April 30, 2026 had been settled.

Prepayments, Deposit and Other Receivables

Our prepayments, deposit and other receivables consisted of prepayments, deposits and other receivables, VAT recoverable and tax prepayments. The following table sets out a breakdown of our prepayments, deposit and other receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Prepayments	323,601	690,085	889,645	1,389,594
Deposits and other receivables	56,730	56,288	99,985	169,141
Value-added tax recoverable	26,844	112,030	181,410	202,317
Tax prepayments	1,101	5,245	21,481	34,780
[**REDACTED**] expense	–	–	20,045	21,036
Less: Provision for impairment of other receivables	(4,980)	(6,509)	(9,423)	(13,375)
Total	**403,296**	**857,139**	**1,203,143**	**1,803,493**
Current portion	89,109	182,092	322,071	449,438
Non-current portion	314,187	675,047	881,072	1,354,055

Our prepayments, deposit and other receivables increased from RMB403.3 million as of December 31, 2023 to RMB857.1 million as of December 31, 2024, and further increased to RMB1,203.1 million as of December 31, 2025, which were mainly driven by the increased prepayments of equipment due to the operation of new production lines during the Track Record Period. Our prepayments, deposits and other receivables further increased by RMB600.4 million, or 49.9%, to RMB1,803.5 million as of April 30, 2026, primarily due to the increase in prepayments from RMB889.6 million as of December 31, 2025 to RMB1,389.6 million as of April 30, 2026 which was mainly attributable to our establishment of new factories and production lines, resulting in increased prepayments for the procurement of equipment and raw materials.

As of May 31, 2026, RMB110.2 million, or 6.1%, of our prepayments, deposit and other receivables as of April 30, 2026 had been settled.

Financial Assets at Fair Value Through Profit or Loss

Our current financial assets at fair value through profit or loss primarily represent wealth management products issued by banks in Chinese mainland and listed equity investments. The wealth management products were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. Our investments in wealth management products will be subject to, and are expected to comply with, the Chapter 14 of the Listing Rules after the [**REDACTED**]. Our non-current financial assets at fair value through profit or loss consisted of unlisted equity investments. The following table sets out a breakdown of our financial assets at fair value through profit or loss as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Current portion				
Wealth management products	250,000	312,000	–	–
Listed equity investments, at fair value	–	–	182,180	82,624
Non-current portion				
Equity investments classified as at fair value through profit or loss:				
Unlisted equity investments	7,000	37,000	40,000	40,000
Total	**257,000**	**349,000**	**222,180**	**122,624**

Our financial assets at fair value through profit or loss grew from RMB257.0 million as of December 31, 2023 to RMB349.0 million as of December 31, 2024, primarily due to our increased investment in wealth management products and RMB30.0 million equity investment in an unlisted company. Our financial assets at fair value through profit or loss decreased to RMB222.2 million as of December 31, 2025, primarily due to the maturity of our wealth management products. Our financial assets at fair value through profit or loss further decreased by RMB99.6 million, or 44.8%, to RMB122.6 million as of April 30, 2026, primarily due to the decrease in listed equity investments at fair value from RMB182.2 million as of December 31, 2025 to RMB82.6 million as of April 30, 2026.

Property, Plant and Equipment

Our property, plant and equipment consisted of buildings, machinery, freehold land, renovation and leasehold improvements, construction in progress and others.

The following table sets out a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Buildings	2,315,764	2,468,072	3,182,232	3,144,595
Machinery	4,577,555	4,880,100	6,487,809	6,709,879
Freehold land	–	32,545	41,602	39,058
Renovation and leasehold improvements	101,201	127,778	188,646	216,393
Construction in progress	483,328	784,962	609,717	1,282,887
Others[1]	89,088	112,340	122,088	128,440
Total	**7,566,936**	**8,405,797**	**10,632,094**	**11,521,252**

Note:

(1) Primarily include electronic equipment, internet equipment and examination devices.

Our property, plant and equipment increased by 11.1% from RMB7,566.9 million as of December 31, 2023 to RMB8,405.8 million as of December 31, 2024, mainly attributable to the increase in machinery and buildings of our Jishui production base (Ji'an City, Jiangxi Province) and Xinfeng production base (Ganzhou City, Jiangxi Province), as well as the increase in construction in progress of our Xinfeng production base (Ganzhou City, Jiangxi Province), Shenzhen production base, Thailand production base, Longchuan production base (Heyuan City, Guangdong Province) and Jinwan production base (Zhuhai City, Guangdong Province). Our property, plant and equipment further increased by 26.5% to RMB10,632.1 million as of December 31, 2025, and further increased to RMB11,521.3 million as of April 30, 2026, mainly attributable to the increase in machinery and buildings of our Xinfeng production base (Ganzhou City, Jiangxi Province) and Shenzhen production base.

Right-of-Use Assets

Our right-of-use assets consisted of buildings and land use rights. We have lease contracts for various items of office premises. Our right-of-use assets remained relatively stable at RMB272.1 million as of December 31, 2023, RMB259.0 million as of December 31, 2024, RMB265.3 million as of December 31, 2025, and RMB278.3 million as of April 30, 2026. The slight decrease as of December 31, 2024 was mainly due to amortization, while the increase as of April 30, 2026 was primarily due to additions of RMB23.8 million for land use rights and buildings, partially offset by depreciation of RMB10.8 million during the four months ended April 30, 2026.

Intangible Assets

Our intangible assets consisted of software. Our intangible assets continued to decrease from RMB26.5 million as of December 31, 2023, RMB24.8 million as of December 31, 2024 to RMB19.5 million as of December 31, 2025, primarily due to amortization, and increased to RMB21.7 million as of April 30, 2026, primarily due to additions of RMB5.7 million, partially offset by amortization of RMB3.5 million during the four months ended April 30, 2026.

Cash and Cash Equivalents

We had cash and cash equivalents of RMB1,968.4 million, RMB1,838.4 million, RMB1,941.2 million and RMB2,910.9 million as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively. For details, see "— Liquidity and Capital Resources."

Liabilities

Accounts and Bills Payables

Our accounts and bills payables primarily consisted of payments due to raw materials and equipment suppliers. The change in our accounts and bills payables was generally in line with the increased production and operation arrangements during the Track Record Period.

Our accounts and bills payables increased from RMB3,886.1 million as of December 31, 2023 to RMB4,852.9 million as of December 31, 2024, and further increased to RMB6,721.6 million as of December 31, 2025 and further to RMB6,971.1 million as of April 30, 2026, primarily due to the increased procurement of raw materials and equipment during the Track Record Period, which was in line with the growth of our production and operations.

The credit period of our raw materials purchases is generally 90 to 120 days. We purchase equipment under installment payment arrangements. The following table sets forth the aging analysis of our accounts and bills payables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	3,757,536	4,762,461	6,607,111	6,858,234
1 year to 2 years	113,359	40,072	84,685	79,443
2 year to 3 years	11,594	38,686	13,609	16,946
Over 3 years	3,581	11,643	16,186	16,474
Total	**3,886,070**	**4,852,862**	**6,721,591**	**6,971,097**

Our accounts and bills payable turnover days are calculated using the average of opening balance and closing balance of accounts and bills payables for a year divided by the cost of sales for the relevant year and multiplied by 365 days. Our accounts and bills payable turnover days decreased from 170 days in 2023 to 163 days in 2024, primarily due to a higher growth of our cost of sales from 2023 to 2024, which was in line with our business growth. Our accounts and bills payable turnover days increased to 176 days in 2025, primarily due to the expansion of our production scale during the period, which resulted in higher procurement of equipment and a corresponding increase in the proportion of payables attributable to equipment purchases, which generally carry longer payment terms. In addition, a higher proportion of our raw material purchases was settled by endorsed bank bills during the period, which typically involve longer settlement cycles than standard accounts payables, further contributing to the increase in turnover days. Our accounts and bills payable turnover days were 189 days for the four months ended April 30, 2026, primarily due to the higher average balance of accounts and bills payables during the period, which reflected continued procurement of raw materials and equipment to support our production and operations.

As of May 31, 2026, RMB1,587.2 million, or 22.8%, of our accounts and bills payables as of April 30, 2026 had been settled.

Other Payables and Accruals

Our other payables and accruals primarily consisted of restricted share repurchase obligations, deposits payable, accruals and other payables, payroll and welfare payable, other tax payables, and endorsed bank bills.

The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Restricted share repurchase obligations	–	112,037	85,089	85,089
Deposits payable	36,542	20,531	22,688	4,736
Accruals and other payables	61,722	100,695	99,287	60,494
Payroll and welfare payable	242,180	276,871	318,279	238,154
Other tax payables	103,812	54,006	48,815	51,152
Endorsed bank bills	26,944	96,905	78,424	89,529
Payables for equity acquisition	47,500	–	–	–
Dividend	–	–	6,945	548,570
Total	**518,700**	**661,045**	**659,527**	**1,077,724**

Our other payables and accruals increased from RMB518.7 million as of December 31, 2023 to RMB661.0 million as of December 31, 2024, primarily due to the RMB112.0 million restricted share repurchase obligations in relation to the restricted share incentive scheme launched in 2024, as well as the increased endorsed bank bills by December 31, 2024. Our other payables and accruals remained stable at RMB659.5 million as of December 31, 2025. Our other payables and accruals increased by RMB418.2 million, or 63.4%, to RMB1,077.7 million as of April 30, 2026, primarily due to the dividend of RMB548.6 million recorded in other payables and accruals as of April 30, 2026.

As of May 31, 2026, RMB911.4 million, or 84.6%, of our other payables and accruals as of April 30, 2026 had been settled.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

The following table sets forth a summary of our cash flow for the periods indicated:

	For the year ended December 31,			For the four months ended April 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Net cash flows from operating activities	2,115,491	2,289,629	1,931,225	603,876	493,389
Net cash flows used in investing activities	(1,873,537)	(2,003,385)	(2,687,744)	(836,632)	(1,679,690)
Net cash flows from/(used in) financing activities	436,268	(464,653)	862,048	626,624	2,200,230

	For the year ended December 31,			For the four months ended April 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Cash and cash equivalents at beginning of year/period	**1,275,555**	**1,968,398**	**1,838,432**	**1,838,432**	**1,941,199**
Effect of foreign exchange rate changes, net	14,621	48,443	(2,762)	21,258	(44,206)
Cash and cash equivalents at end of year/period	**1,968,398**	**1,838,432**	**1,941,199**	**2,253,558**	**2,910,922**

Net Cash from Operating Activities

For the four months ended April 30, 2026, we had net cash from operating activities of RMB493.4 million, as compared to RMB603.9 million for the four months ended April 30, 2025. The decrease was primarily due to a decrease in cash generated from operations from RMB697.5 million for the four months ended April 30, 2025 to RMB568.5 million for the four months ended April 30, 2026, partially offset by a decrease in income taxes paid from RMB102.2 million to RMB85.8 million. The principal items accounting for the difference between the net cash from operating activities and the profit before tax of RMB337.9 million for the four months ended April 30, 2026 was the adjustments for depreciation of property, plant and equipment of RMB372.3 million, partially offset by fair value gains on financial assets at fair value through profit or loss of RMB80.1 million. The amount was further adjusted by changes in working capital, which primarily consisted of an increase in accounts and bills payables of RMB397.1 million, partially offset by increases in inventories of RMB738.8 million and prepayments, deposits and other receivables of RMB112.0 million.

In the year ended December 31, 2025, we had net cash from operating activities of RMB1,931.2 million, as compared to profit before tax of RMB1,464.4 million. The principal items accounting for the difference were the adjustments for depreciation of property, plant and equipment of RMB931.7 million and equity-settled share-based payment expenses of RMB134.0 million, partially offset by fair value gains on financial assets at fair value through profit or loss of RMB153.8 million. The amount was further adjusted by changes in working capital, which primarily consisted of an increase in accounts and bills payables of RMB1,278.5 million, partially offset by increases in inventories of RMB838.9 million, debt investments at fair value through other comprehensive income of RMB301.8 million and trade and bills receivables of RMB547.7 million.

In 2024, we had net cash from operating activities of RMB2,289.6 million, as compared to profit before tax of RMB1,320.4 million. The principal items accounting for the difference were the adjustments for depreciation of property, plant and equipment of RMB777.1 million, finance costs of RMB114.1 million and equity-settled share-based payment expenses of RMB87.1 million, partially offset by foreign exchange differences, net of RMB48.4 million and fair value gains on financial assets at fair value through profit or loss of RMB6.3 million. The amount was further adjusted by the changes in working capital, which primarily consisted of an increase in accounts and bills payables of RMB792.7 million, partially offset by increases in trade and bills receivables of RMB488.7 million and inventories of RMB435.7 million.

In 2023, we had net cash from operating activities of RMB2,115.5 million, as compared to profit before tax of RMB1,047.5 million. The principal items accounting for the difference were the adjustments for depreciation of property, plant and equipment of RMB736.1 million, finance costs of RMB147.1 million and fair value losses on derivative financial instruments of RMB52.6 million, partially offset by foreign exchange differences, net of RMB14.6 million and fair value gains on financial assets at fair value through profit or loss of RMB9.5 million. The amount was further adjusted by the changes in working capital, which primarily consisted of an increase in accounts and bills payables of RMB418.8 million, partially offset by an increase in trade and bills receivables of RMB192.7 million and an increase in debt investments at fair value through other comprehensive income of RMB127.8 million.

Net Cash Used in Investing Activities

For the four months ended April 30, 2026, we had net cash used in investing activities of RMB1,679.7 million, as compared to RMB836.6 million for the four months ended April 30, 2025. The increase was primarily due to an increase in the purchase of items of property, plant and equipment from RMB731.4 million for the four months ended April 30, 2025 to RMB2,071.7 million for the four months ended April 30, 2026, partially offset by proceeds from maturity of time deposits with original maturity of over three months of RMB226.6 million and investment income from financial assets at fair value through profit or loss of RMB174.2 million for the four months ended April 30, 2026 which primarily resulted from our disposal of part of our shareholding in Jiangxi Jiangnan New Material Technology Co., Ltd. during the period.

In the year ended December 31, 2025, we had net cash used in investing activities of RMB2,687.7 million, primarily due to the purchase of property, plant and equipment of RMB2,762.8 million and purchases of financial assets at fair value through profit or loss of RMB742.7 million, partially offset by an inflow from maturity of financial assets at fair value through profit or loss of RMB1,016.0 million.

In 2024, we had net cash used in investing activities of RMB2,003.4 million, primarily due to the purchase of property, plant and equipment of RMB1,831.0 million, and an outflow from purchase of financial assets at fair value through profit or loss of RMB3,492.0 million partially offset by an inflow from maturity of financial assets at fair value through profit or loss of RMB3,400.0 million.

In 2023, we had net cash used in investing activities of RMB1,873.5 million, primarily due to the purchase of property, plant and equipment of RMB1,427.9 million and an outflow from purchase of financial assets at fair value through profit or loss of RMB3,840.0 million, partially offset by an inflow from maturity of financial assets at fair value through profit or loss of RMB3,590.0 million.

Net Cash Flows (Used in)/from Financing Activities

For the four months ended April 30, 2026, we had net cash from financing activities of RMB2,200.2 million, as compared to RMB626.6 million for the four months ended April 30, 2025. The increase was primarily due to an increase in new bank and other borrowings from RMB727.5 million for the four months ended April 30, 2025 to RMB2,683.9 million for the four months ended April 30, 2026, partially offset by repayment of bank and other borrowings of RMB342.4 million, a decrease in pledged and restricted deposits of RMB99.4 million and interest paid of RMB22.2 million for the four months ended April 30, 2026.

In the year ended December 31, 2025, we had net cash from financing activities of RMB862.0 million, primarily due to the proceeds from new bank and other borrowings of RMB2,188.4 million, partially offset by dividends paid of RMB740.4 million and repayments of bank and other borrowings of RMB373.0 million.

In 2024, we had net cash used in financing activities of RMB464.7 million, primarily due to dividends paid of RMB420.9 million and repayments of bank and other borrowings of RMB574.3 million, partially offset by new bank and other borrowings of RMB498.5 million and proceeds from the issuance of restricted shares of RMB112.9 million.

In 2023, we had net cash from financing activities of RMB436.3 million, primarily due to proceeds from the issuance of convertible bonds of RMB1,139.6 million, partially offset by dividends paid of RMB423.6 million and repayment of bank and other borrowings of RMB211.0 million.

Working Capital Sufficiency

Our Directors are of the opinion that, taking into account the estimated [**REDACTED**] from the [**REDACTED**] and other capital resources available to us, including cash flow from operating activities, cash and cash equivalents, restricted cash, time deposits, financial assets at FVTPL, and bank facilities, we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

Net Current Assets

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of April 30, 2026	As of May 31, 2026
	2023	2024	2025		
			(RMB in thousands)		
					(unaudited)
Current assets					
Inventories	1,364,010	1,742,447	2,515,615	3,216,566	3,331,722
Trade and bills receivables	3,899,458	4,351,823	4,869,754	4,679,633	4,936,904
Prepayments, deposits and other receivables	89,109	182,092	322,071	449,438	443,844
Financial assets at fair value through profit or loss	250,000	312,000	182,180	82,624	114,192
Debt investments at fair value through other comprehensive income	836,418	680,431	982,266	978,713	892,906
Pledged and restricted deposits	319,409	345,239	527,137	626,529	620,014
Time deposits with original maturity of over three months	–	–	225,000	–	–
Cash and cash equivalents	1,968,398	1,838,432	1,941,199	2,910,922	2,330,632
Total current assets	**8,726,802**	**9,452,464**	**11,565,222**	**12,944,425**	**12,670,214**

	As of December 31,			As of April 30,	As of May 31,
	2023	2024	2025	2026	2026
			(RMB in thousands)		
					(unaudited)
Current liabilities					
Accounts and bills payables	3,886,070	4,852,862	6,721,591	6,971,097	7,245,351
Financial liabilities at fair value through profit or loss	838	–	–	–	–
Contract liabilities	7,997	5,795	11,970	30,408	48,817
Other payables and accruals	518,700	661,045	659,527	1,077,724	517,844
Convertible bonds	11,974	4,283	–	–	–
Interest-bearing bank and other borrowings	319,706	373,271	592,018	675,009	844,518
Lease liabilities	18,214	11,020	16,747	12,417	13,297
Tax payable	68,579	55,949	53,243	19,124	24,180
Total current liabilities	**4,832,078**	**5,964,225**	**8,055,096**	**8,785,779**	**8,694,007**
Net current assets	**3,894,724**	**3,488,239**	**3,510,126**	**4,158,646**	**3,976,207**

Comparison between April 30, 2026 and May 31, 2026

Our net current assets decreased by 4.4% from RMB4,158.6 million as of April 30, 2026 to RMB3,976.2 million as of May 31, 2026, primarily due to the decrease in our total current assets which outpaced the decrease in our total current liabilities. Our total current assets decreased from RMB12,944.4 million as of April 30, 2026 to RMB12,670.2 million as of May 31, 2026, primarily due to (i) the decrease in cash and cash equivalents of RMB580.3 million and (ii) the decrease in debt investments at fair value through other comprehensive income of RMB85.8 million, partially offset by (i) the increase in trade and bills receivables of RMB257.3 million, and (ii) the increase in inventories of RMB115.2 million. Our total current liabilities decreased by 1.0% from RMB8,785.8 million as of April 30, 2026 to RMB8,694.0 million as of May 31, 2026, primarily due to the decrease in other payables and accruals of RMB559.9 million, partially offset by (i) the increase in accounts and bills payables of RMB274.3 million, and (ii) the increase in interest-bearing bank and other borrowings of RMB169.5 million.

Comparison between December 31, 2025 and April 30, 2026

Our net current assets increased by 18.5% from RMB3,510.1 million as of December 31, 2025 to RMB4,158.6 million as of April 30, 2026, primarily due to the increase in our total current assets, which outpaced the increase in our total current liabilities. Our total current assets increased from RMB11,565.2 million as of December 31, 2025 to RMB12,944.4 million as of April 30, 2026, primarily due to (i) the increase in inventories of RMB701.0 million, (ii) the increase in cash and cash equivalents of RMB969.7 million, and (iii) the increase in prepayments, deposits and other receivables of RMB127.4 million partially offset by the decrease in trade and bills receivables of RMB190.1 million and the decrease in time deposits of RMB225.0 million. Our total current liabilities increased by 9.1% from RMB8,055.1 million as of December 31, 2025 to RMB8,785.8 million as of April 30, 2026, primarily due to (i) the increase in other payables and accruals of RMB418.2 million, (ii) the increase in accounts and bills payables of RMB249.5 million, and (iii) the increase in interest-bearing bank and other borrowings of RMB83.0 million.

Comparison between December 31, 2024 and December 31, 2025

Our net current assets increased by 0.6% from RMB3,488.2 million as of December 31, 2024 to RMB3,510.1 million as of December 31, 2025 due to the increase in our total current assets, which outpaced the increase in our total current liabilities. Our total current assets increased from RMB9,452.5 million as of December 31, 2024 to RMB11,565.2 million as of December 31, 2025, primarily due to (i) the increase in inventories of RMB773.2 million, (ii) the increase in trade and bills receivables of RMB517.9 million, and (iii) the increase in debt investments at fair value through other comprehensive income of RMB301.8 million, partially offset by the decrease in financial assets at fair value through profit or loss of RMB129.8 million. Our total current liabilities increased by 35.1% from RMB5,964.2 million as of December 31, 2024, to RMB8,055.1 million as of December 31, 2025, primarily due to (i) the increase in accounts and bills payables of RMB1,868.7 million, and (ii) the increase in interest-bearing bank and other borrowings of RMB218.7 million, partially offset by the decrease in other payables and accruals of RMB1.5 million.

Comparison between December 31, 2023 and December 31, 2024

Our net current assets decreased by 10.4% from RMB3,894.7 million as of December 31, 2023 to RMB3,488.2 million as of December 31, 2024 due to the increase in our total current liabilities, which outpaced the increase in our total current assets. Our total current assets increased from RMB8,726.8 million as of December 31, 2023 to RMB9,452.5 million as of December 31, 2024, primarily due to (i) the increase in trade and bills receivables of RMB452.4 million, and (ii) the increase in inventories of RMB378.4 million, partially offset by (i) the decrease in debt investments at fair value through other comprehensive income of RMB156.0 million, and (ii) the decrease in cash and cash equivalents of RMB130.0 million. Our total current liabilities increased from RMB4,832.1 million as of December 31, 2023, to RMB5,964.2 million as of December 31, 2024, primarily due to (i) the increase in accounts and bills payables of RMB966.8 million, and (ii) the increase in other payables and accruals of RMB142.3 million.

INDEBTEDNESS

As of December 31, 2023 and 2024, December 31, 2025, April 30, 2026 and May 31, 2026, being the most recent practicable date for determining our indebtedness, our indebtedness included interest-bearing bank and other borrowings, convertible bonds and lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30, 2026	As of May 31, 2026
	2023	2024	2025		
	(RMB in thousands)				
					(unaudited)
Current					
Interest-bearing bank and other borrowings	319,706	373,271	592,018	675,009	844,518
Convertible bonds	11,974	4,283	–	–	–
Lease liabilities	18,214	11,020	16,747	12,417	13,297
Subtotal	349,894	388,574	608,765	687,426	857,815

	As of December 31,			As of April 30,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				
					(unaudited)
Non-current					
Interest-bearing bank and other borrowings	416,917	284,063	1,863,943	4,123,836	4,349,010
Convertible bonds	2,640,361	1,027,889	–	–	–
Lease liabilities	8,323	3,566	11,912	13,350	14,362
Subtotal	3,065,601	1,315,518	1,875,855	4,137,186	4,363,372
Total	**3,415,495**	**1,704,092**	**2,484,620**	**4,824,612**	**5,221,187**

Interest-bearing Bank and Other Borrowings

As of December 31, 2023 and 2024, December 31, 2025, April 30, 2026 and May 31, 2026, our interest-bearing bank and other borrowings (including current and non-current portions) consisted primarily of unsecured bank loans and other loans. See Note 30 to the Accountants' Report included in Appendix I to this document for details of the interest rates and the maturity.

Our interest-bearing bank and other borrowings decreased from RMB736.6 million as of December 31, 2023 to RMB657.3 million as of December 31, 2024, primarily due to the repayment of due bank loans. Our interest-bearing bank and other borrowings significantly increased from RMB657.3 million as of December 31, 2024 to RMB2,456.0 million as of December 31, 2025, primarily because (i) we borrowed more bank loans in 2025 for the construction of our Shenzhen production base (Guangdong Province), Jishui production base (Ji'an City, Jiangxi Province), Xinfeng production base (Ganzhou City, Jiangxi Province) and Jinwan production base (Zhuhai City, Guangdong Province) and (ii) our other borrowings increased due to the increase in endorsed bank bills. Our interest-bearing bank and other borrowings increased RMB2,456.0 million as of December 31, 2025 to RMB4,798.8 million as of April 30, 2026 primarily because we required significant capital investment to support our production capacity expansion. We further recorded RMB5,193.5 million interest-bearing bank borrowings as of May 31, 2026.

Certain borrowings during the Track Record Period were secured by our buildings and land use rights. The carrying amount of our bank borrowings secured by buildings were RMB683.9 million, RMB1,081.1 million, RMB1,256.3 million and RMB1,251.5 million as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively. The carrying amount of our bank borrowings secured by land use rights were RMB47.8 million, RMB88.9 million, RMB86.6 million and RMB104.5 million as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively.

As of May 31, 2026, our total banking facilities amounted to RMB13,900.0 million, of which RMB6,079.2 million were unutilized.

Convertible Bonds

In August 2020 and April 2023, we issued convertible bonds of RMB1,780 million and convertible bonds of RMB1,154 million, respectively. Our convertible bonds decreased from RMB2,652.3 million as of December 31, 2023 to RMB1,032.2 million as of December 31, 2024 because certain holders converted the convertible bonds to shares. Our convertible bonds decreased to nil as of December 31, 2025 due to our early redemption.

Lease Liabilities

Our total lease liabilities decreased from RMB26.5 million as of December 31, 2023 to RMB14.6 million as of December 31, 2024, primarily due to the lease payment of certain leases. Our total lease liabilities increased to RMB28.7 million as of December 31, 2025, primarily due to the increase of leases of production bases. Our total lease liabilities decreased to RMB25.8 million as of April 30, 2026, primarily due to lease payments of RMB8.1 million during the four months ended April 30, 2026, partially offset by new leases of RMB4.9 million and interest accretion of RMB0.3 million during the same period.

Our total lease liabilities increased to RMB27.7 million as of May 31, 2026.

No Other Outstanding Indebtedness

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in bank borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in obtaining bank loans and other borrowings, credit facilities, or withdrawal of facilities or requests for early repayment. Our Directors confirm that there has not been any material change in our indebtedness since April 30, 2026 and up to the date of this document.

Except as disclosed above, as of May 31, 2026, being the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there has been no material change in our indebtedness since May 31, 2026.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of purchases for items of property, plant and equipment and purchases for intangible assets. The table below sets forth our capital expenditures for the periods indicated.

	Year Ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Purchases for items of property, plant and equipment	1,427,883	1,830,997	2,762,785	2,071,706
Purchases for intangible assets	6,235	8,835	4,767	6,423
Total	**1,434,118**	**1,839,832**	**2,767,552**	**2,078,129**

We had capital expenditures of RMB1,434.1 million, RMB1,839.8 million and RMB2,767.6 million in 2023, 2024 and 2025, respectively, and RMB732.6 million and RMB2,078.1 million for the four months ended April 30, 2025 and 2026, respectively. We funded the capital expenditures mainly with cash generated from business operations and financing activities.

We plan to continue to make capital expenditures to support our business growth and expansion strategy. See "Future Plans and Use of [**REDACTED**]." We intend to fund these expenditures with available financial resources, including cash generated from operations, [**REDACTED**] from the [**REDACTED**], and potential future equity or debt financing. We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CONTRACTUAL OBLIGATIONS

Our capital commitments are related to contracted commitment for property, plant and equipment. As of December 31, 2023, 2024, 2025 and April 30, 2026, our capital commitments were RMB1,343.4 million, RMB1,612.2 million, RMB2,683.3 million and RMB3,327.8 million, respectively. We expect to satisfy our capital commitments using cash from operations.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any member of our Group that is likely to have a material and adverse effect on our business, financial condition and result of operations.

KEY FINANCIAL RATIOS

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

	As of/For the year ended December 31,			As of/For the four months ended April 30,
	2023	2024	2025	2026
Revenue growth rate(1)	2.3%	17.7%	20.9%	17.8%
Gross profit margin(2)	23.2%	22.7%	21.6%	18.7%
Net profit margin(3)	8.5%	9.2%	8.1%	5.9%
Return on equity(4)	11.1%	11.6%	10.1%	7.0%
Liability to asset ratio(5)	47.9%	40.3%	44.1%	50.6%
Gearing ratio(6)	38.1%	14.8%	18.7%	36.9%

Notes:

(1) Calculated by dividing the difference between the current year/period's revenue and the previous year/period's revenue by the previous year/period's revenue multiplied by 100%. The revenue for the year ended December 31, 2022 is reported in accordance with the PRC Generally Accepted Accounting Principles.

(2) Calculated by dividing gross profit for the year/period by revenue for the corresponding year/period multiplied by 100%.

(3) Calculated by dividing profit for the year/period by revenue for the corresponding year/period multiplied by 100%.

(4) Calculated by dividing profit attributable to the shareholders of the Company by average of beginning and ending balance of equity attributable to shareholders of the Company for the year/period multiplied by 100%. As for the return on equity as of/for the four months ended April 30, 2026, calculated by dividing profit attributable to the shareholders of the Company by the average of the beginning and ending balance of equity attributable to shareholders of the Company for the period, multiplied by 100%, and then annualized by multiplying by 365 and dividing by 120 (being the number of months in the period).

(5) Calculated by dividing total liabilities by total assets as of the end of the year/period multiplied by 100%.

(6) Calculated by dividing total interest-bearing bank and other borrowings, convertible bonds and lease liabilities divided by total equity as of the end of the period.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our material related party transactions, see Note 38 to the Accountants' Report included in Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Note 38 to the Accountants' Report included in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND 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 R&D services with us.

FINANCIAL RISKS DISCLOSURE

We are exposed to various types of financial risks, including foreign currency risk, credit risk and liquidity risk.

Foreign Currency Risk

Our main businesses are located in the Chinese mainland and the transactions are conducted in Renminbi. Most of our assets and liabilities are denominated in Renminbi, except for certain cash and bank balances denominated in U.S. dollar, euro, Hong Kong dollar and others. We have not hedged our foreign exchange rate risk. See Note 41 to the Accountants' Report in Appendix I to this document for details of sensitivity.

Credit Risk

An impairment analysis was performed at end of each of the Track Record Period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. See Note 41 to the Accountants' Report in Appendix I to this document for details of maximum exposure and year/period-end staging.

Liquidity Risk

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets, such as trade and bills receivables, and projected cash flows from operations. See Note 41 to the Accountants' Report in Appendix I to this document for details of the maturity profile of our financial liabilities.

DIVIDENDS

Dividends distribution to our Shareholders is recognized as a liability in the period in which the dividends are approved by our Shareholders or Directors, as appropriate. During the Track Record Period, we paid dividends of RMB423.6 million, RMB420.9 million and RMB740.4 million in 2023, 2024 and 2025, respectively. Our dividend payout ratio was 45.0%, 64.0% and 44.0% in 2023, 2024 and 2025, respectively. The final dividend of RMB5.0 per ten ordinary share (tax inclusive) in respect of the year ended December 31, 2022 was approved at the annual general meeting of the Company and subsequently paid on June 7, 2023. The final dividend of RMB5.0 per 10 ordinary share (tax inclusive) in respect of the year ended December 31, 2023 was approved at the annual general meeting of the Company and subsequently paid on June 6, 2024. The final dividend of RMB8.0 per ten ordinary share (tax inclusive) in respect of the year ended December 31, 2024 was approved at the annual general meeting of the Company and subsequently paid on June 11, 2025.

Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend payout ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

DISTRIBUTABLE RESERVES

As of April 30, 2026, we had distributable reserves of RMB6,171.1 million.

[**REDACTED**]

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

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

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 or trading position or prospects since April 30, 2026, being the end date of the periods reported in Appendix I to this document, and there is no event since April 30, 2026 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.