HAN'S CNC
大族数控

# ANNUAL REPORT 2025

深圳市大族數控科技股份有限公司
SHENZHEN HAN'S CNC TECHNOLOGY CO., LTD.

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

**Stock Code : 3200**

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## IMPORTANT NOTICE

The Board of Directors of the Company and its Directors and senior management warrant that the information contained in this annual report (the "**Report**") is true, accurate and complete, and that there are no false records, misleading statements or material omissions, and assume individual and joint legal liability accordingly.

This financial report has been prepared in accordance with International Financial Reporting Standards and has been audited by Ernst & Young, which has issued an unqualified audit opinion.

This Report has been considered and approved at the 21st meeting of the Second Session of the Board of Directors (the "**Board Meeting**"), and all Directors attended the Board Meeting.

Any forward-looking statements contained in the Report, such as future plans and development strategies, do not constitute substantive commitments made by the Company to investors. Investors and relevant parties should maintain adequate awareness of the risks involved and understand the difference between plans, forecasts and commitments. Investors are advised to pay attention to investment risks.

A description of the risks the Company may face and its countermeasures is set out in the "Management Discussion and Analysis" section of the Report. Investors are advised to review this section carefully.

The profit distribution proposal considered and approved by the Board Meeting is as follows: based on the record date of equity distribution, a cash dividend of RMB6 (tax inclusive) per 10 shares will be distributed to all shareholders, with no bonus shares (tax inclusive) issued and no additional shares issued to all shareholders for every 10 shares by way of conversion of capital surplus.

The Report is prepared in both Chinese and English. In case of any discrepancy in the interpretation of the financial report, the English version shall prevail; for other parts other than the financial report, the Chinese version shall prevail. Unless otherwise stated, the financial data set out in this report are denominated in RMB.

## REGISTERED NAME

Shenzhen Han's CNC Technology Co., Ltd.

## ENGLISH NAME

Shenzhen Han's CNC Technology Co., Ltd.

## ABBREVIATION IN CHINESE

大族數控

## ABBREVIATION IN ENGLISH

HANS CNC

## BOARD OF DIRECTORS

### Executive Director

Mr. YANG Chaohui
*(Chairman of the Board and general manager)*

### Non-executive Directors

Mr. ZHANG Jianqun
Mr. ZHOU Huiqiang
Mr. DU Yonggang
Ms. HUANG Linting
*(Employee Representative Director)*

### Independent Non-executive Directors

Mr. QIU Yunliang
Ms. LI Weiwei
Dr. XIN Guosheng
Ms. XIA Liya

## AUDIT COMMITTEE

Mr. QIU Yunliang *(Chairman)*
Mr. ZHOU Huiqiang
Ms. LI Weiwei

## REMUNERATION AND APPRAISAL COMMITTEE

Dr. XIN Guosheng *(Chairman)*
Mr. ZHOU Huiqiang
Mr. QIU Yunliang

## NOMINATION COMMITTEE

Ms. LI Weiwei *(Chairwoman)*
Mr. DU Yonggang
Dr. XIN Guosheng

## STRATEGY COMMITTEE

Mr. YANG Chaohui *(Chairman)*
Mr. ZHANG Jianqun
Mr. QIU Yunliang

## JOINT COMPANY SECRETARIES

Ms. ZHOU Yuanyuan
Ms. WONG Nga Sim

## AUTHORISED REPRESENTATIVES

Mr. YANG Chaohui
Ms. ZHOU Yuanyuan

## AUDITORS

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

## REGISTERED OFFICE, HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 101 of Building 3, 1–2/F, 4/F and 7/F of Building 3, and 1/F and 4/F of Building 4
Han's Laser Intelligence Manufacturing Center
12 Chongqing Road, Heping Community
Fuhai Street
Bao'an District
Shenzhen, Guangdong Province
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1916, 19/F, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

## H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

## LEGAL ADVISORS TO HONG KONG

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

## COMPLIANCE ADVISOR

Somerley Capital Limited
20th Floor, China Building
29 Queen's Road Central
Hong Kong

## STOCK CODE

SZSE: 301200.SZ
HKEX: 3200.HK

## COMPANY WEBSITE

www.hanscnc.com

## KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

This financial highlight was prepared in accordance with International Financial Reporting Standards (IFRS). A summary of the results, assets and liabilities of the Group for the previous financial years is set out below. This summary does not form part of the audited consolidated financial statements.

| | **2025** | 2024 | Year-on-year | 2023 | 2022 |
|---|---|---|---|---|---|
| | ***RMB'000*** | *RMB'000* | change | *RMB'000* | *RMB'000* |
| Revenue | **5,772,935** | 3,343,091 | 72.68% | 1,634,311 | 2,786,150 |
| Cost of sales | **3,804,768** | 2,435,421 | 56.23% | 1,157,425 | 1,838,332 |
| Gross profit | **1,968,167** | 907,670 | 116.84% | 476,886 | 947,818 |
| Selling and marketing expenses | **311,404** | 196,103 | 58.80% | 132,209 | 160,527 |
| Administrative expenses | **297,626** | 203,743 | 46.08% | 112,515 | 153,653 |
| Research and development expenses | **457,541** | 266,829 | 71.47% | 193,564 | 229,671 |
| Profit before tax | **931,341** | 329,583 | 182.58% | 137,426 | 483,322 |
| Income tax expense | **113,012** | 30,001 | 276.69% | 1,758 | 51,310 |
| Profit for the year | **818,329** | 299,582 | 173.16% | 135,668 | 432,012 |
| Net profit attributable to owners of the parent | **824,267** | 301,180 | 173.68% | 135,546 | 434,687 |

| | **2025** | 2024 | Year-on-year | 2023 | 2022 |
|---|---|---|---|---|---|
| | ***RMB'000*** | *RMB'000* | change | *RMB'000* | *RMB'000* |
| Total current assets | **8,241,137** | 5,193,495 | 58.68% | 4,644,703 | 6,074,607 |
| Total non-current assets | **2,373,890** | 1,993,002 | 19.11% | 1,334,424 | 1,077,201 |
| Total assets | **10,615,027** | 7,186,497 | 47.71% | 5,979,127 | 7,151,808 |
| Total current liabilities | **4,299,278** | 1,812,598 | 137.19% | 1,235,607 | 1,317,023 |
| Total non-current liabilities | **230,861** | 237,522 | -2.80% | 54,975 | 104,073 |
| Total liabilities | **4,530,139** | 2,050,120 | 120.97% | 1,290,582 | 1,421,096 |
| Total shareholder's equity | **6,084,888** | 5,136,377 | 18.47% | 4,688,545 | 5,730,712 |
| Equity attributable to owners of the parent | **6,070,839** | 5,126,923 | 18.41% | 4,677,493 | 5,727,867 |

| | **2025** | 2024 | Year-on-year | 2023 | 2022 |
|---|---|---|---|---|---|
| | ***RMB'000*** | *RMB'000* | change | *RMB'000* | *RMB'000* |
| Net cash flows from operating activities | **180,607** | 154,986 | 16.53% | 416,774 | 655,354 |
| Net cash flows from investing activities | **(154,443)** | (623,967) | -75.25% | (310,938) | (145,763) |
| Net cash flows from financing activities | **252,394** | 93,786 | 169.12% | (1,174,846) | 2,256,554 |

*Note: As the Company was newly listed on 6 February 2026, and it is impracticable for the Company to present the financial summary of the Group prior to 2022, a four-year financial summary is presented.*

| **Key Financial Indicators** | **2025** | 2024 | Year-on-year change | 2023 | 2022 |
|---|---|---|---|---|---|
| Gross profit margin | **34.09%** | 27.15% | Increased by 6.94 percentage points | 29.18% | 34.02% |
| Profit margin attributable to owners of the parent | **14.28%** | 9.01% | Increased by 5.27 percentage points | 8.29% | 15.60% |
| Basic earnings per share *(RMB)* | **1.95** | 0.72 | 170.83% | 0.32 | 1.05 |
| Diluted earnings per share *(RMB)* | **1.90** | 0.71 | 167.61% | 0.32 | 1.05 |
| Weighted average return on net assets | **14.98%** | 6.24% | Increased by 8.74 percentage points | 2.57% | 8.60% |
| Gearing ratio | **42.68%** | 28.53% | Increased by 14.15 percentage points | 21.58% | 19.87% |

*Notes:*

*(1) Gross profit margin = Gross profit/Operating revenue*100%*

*(2) Profit margin attributable to owners of the parent = Profit for the year attributable to owners of the parent / Operating revenue *100%*

*(3) Weighted average return on net assets = Profit for the year attributable to owners of the parent / Weighted average net assets attributable to owners of the parent *100%*

*(4) Gearing ratio = Total liabilities/Total assets *100%*

There are no material differences between the net profit and net assets in the financial reports as disclosed by the Company under the IFRS Accounting Standards and PRC Generally Accepted Accounting Principles. Any minor differences in the tail digits of net profit and net assets as disclosed in the H share and A share reports are due to conversion and rounding.

Dear Shareholders and Investors,

In 2025, amid a surging wave of computing power and continuous emergence of cutting-edge technologies, the global PCB industry entered a golden period of development featured by technological breakthroughs and value reshaping. As an AI-driven provider of digital and intelligent PCB solutions, HANS CNC seized this opportunity and rode the upward trend, achieving record-high performance. Our total operating revenue reached RMB5,772.9 million, representing a year-on-year increase of 72.68%, while net profit attributable to owners of the parent reached RMB824.3 million, representing a year-on-year surge of 173.68%. Leveraging its prudent and progressive business strategy and outstanding performance, the Company has gained significant recognition from the capital markets. In 2025, HANS CNC was included in three major core indices: the CSI 500, the Shenzhen Component Index, and the ChiNext Index. Concurrently, the Company was listed on the Main Board of the Hong Kong Stock Exchange, advancing our globalization process through a A+H dual-capital platform.

In 2025, HANS CNC remained committed to its core strategy of innovation, achieving breakthrough results in technology R&D, product portfolio development, and ecosystem building.

**Our innovative R&D system underpins continuous technological advancement.** Centered on specific scenarios, the Company has built a tripartite innovation R&D system comprising the scenario research platform, the product R&D center, and the general technology research platform. By focusing on addressing pain points in these scenarios, upgrading products, and solidifying technological foundations, the Company has continuously deepened the competitive moat of our critical process solutions for PCB manufacturing, providing robust equipment support for the evolution and iteration of PCB technologies.

**Innovative solutions empower industry progress.** Targeting high-value scenarios, the Company has overcome key technical bottlenecks and evolved from providing standalone equipment to delivering process synergies, thereby developing integrated process solutions covering full quality management of Man, Machine, Material, Method, Environment and Measurement (5M1E). In 2025, the Company's high-precision back-drilling solution with integrated drilling and testing, supported by proprietary patents, achieved an ultra-high processing level with back drill stubs ranging from 0 to 100μm. At the same time, our newly developed innovative laser solution broke through traditional laser processing bottlenecks, enabling high-quality Z-axis interconnection for high-frequency and high-speed material PCBs. Together, these advances supported the stable mass production of AI PCBs for next-generation computing servers.

**Innovative industrial collaboration fosters a win-win ecosystem.** The Company deeply engaged in the R&D of new products and processes of leading PCB enterprises, further extending its reach to its customers' customers. By working closely with key upstream component partners and core PCB material suppliers, the Company innovated cooperation models and jointly explored frontier technologies and advanced processes. This promoted deep synergy and mutual empowerment among "scenarios, materials and equipment", and fostered an industrial ecosystem characterized by "coexistence, shared prosperity, joint advancement and mutual benefit". We jointly addressed the evolving technological demands in the AI computing industry and significantly enhanced the value of the PCB industry.

Standing at a new starting point and looking ahead to the new journey, in the future, HANS CNC will continue to pursue its strategic vision of "becoming the most respected and trusted PCB equipment provider worldwide". The Company will deepen its presence in high-value PCB scenarios, keep pace with the rapid evolution of cutting-edge technologies, attract top global talent, promote high-level international market expansion, and remain committed to creating long-term value for global partners.

**Embracing the technological changes driven by the rapid evolution of the AI computing industry within the PCB sector.** Focusing on high-value, high-potential scenarios such as AI computing servers, high-speed optical modules, intelligent vehicles, and advanced packaging, the Company will deepen the innovation in its process solutions. The Company will tackle cutting-edge technologies, optimize its product portfolio, and develop new technologies, products and solutions for the future, injecting continuous innovation momentum into the industry.

**Leveraging the growing recognition of its brand, the Company will accelerate its global footprint and overseas market expansion.** The Company will vigorously attract international talent and build localized teams in major overseas PCB and advanced packaging industry clusters, so as to connect closely with downstream overseas customers. Through the market promotion of high-technological-value-added process solutions, the Company will participate in high-level global competition, thereby enhancing its international operational standards and achieving coverage across the global industrial chain.

While reaching for the stars, we remain firmly grounded. In 2026, HANS CNC will continue to forge ahead with innovation. With more robust technology, more advanced solutions, and more excellent service, the Company will work together with global partners to explore new development opportunities and build a new future for the industry. Through sound operating results, sustained growth, and outstanding development achievements, the Company will reward the trust and support of all its shareholders and partners from all sectors.

**YANG Chaohui**
*Chairman of the Board, Executive Director and General Manager*
30 March 2026

## PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

### Overview of Principal Business and Main Products

#### 1. *Principal Business*

The Company focuses on AI computing power scenarios, deeply engages with industry-leading clients, and its principal business is the R&D, production and sales of specialized PCB equipment. Its product portfolio primarily covers key PCB production processes, including lamination, drilling, photolithography, formation and testing. During the Reporting Period, there has been no significant change to the Company's business and operating model. The Company further enriched its product offerings, achieved substantial progress in the R&D of new products, and transitioned from selling individual equipment to providing specialized process solutions encompassing full quality management, targeting high-demand application scenarios. This represents a shift from passively "meeting" customer needs to actively "helping" customers to enhance their technical capabilities and profitability, thereby continuously strengthening the Company's technological competitive moat.

#### 2. *Main Products*

The Company has built a multi-dimensional product matrix covering various PCB market segments, including standard multilayer boards, high-multilayer boards, HDI boards, IC packaging substrates, flexible boards, and rigid-flex boards, as well as key processes such as lamination, drilling, photolithography, formation and testing, providing differentiated, one-stop process solutions to customers across distinct PCB segments. In 2025, the Company continuously refined its layout of various product lines and enhanced its competitiveness, further enriching the product portfolio in the AI computing power scenario. Industry-innovative products — such as the ultra-high precision CCD mechanical drilling machine, the new generation of advanced laser processing equipment, the real-time energy-monitoring $CO_2$ laser drilling machine, the third-generation positioning system mechanical drilling machine, and the high-precision four-wire testing machine with a large point count — gained recognition from customers and further optimized the Company's product portfolio.

| Processes / Market Segments | Photolithography Process (Inner Layer/ Outer Layer) | Lamination Process | Drilling Process | Photolithography Process (Solder Mask) | Formation Process | Testing Process |
|---|---|---|---|---|---|---|
| Standard Multilayer Boards | Laser Direct Imaging System | Lamination System | Mechanical Drilling Equipment | Laser Direct Imaging System | Mechanical Formation Equipment | Electrical Testing Equipment<br>Optical Inspection Equipment (AOI/AVI) |
| High-Multilayer Boards | Laser Direct Imaging System | Lamination System | Mechanical Drilling Equipment<br>CCD Mechanical Drilling Equipment | Laser Direct Imaging System | Mechanical Formation Equipment | Electrical Testing Equipment<br>Optical Inspection Equipment (AOI/AVI) |
| HDI boards | Laser Direct Imaging System | Lamination System | Mechanical Drilling Equipment<br>$CO_2$ Laser Drilling Equipment<br>Advanced Laser Drilling Equipment | Laser Direct Imaging System | Mechanical Formation Equipment<br>Laser Formation Equipment | Electrical Testing Equipment<br>Optical Inspection Equipment (AOI/AVI) |
| IC Packaging Substrates | Laser Direct Imaging System | Lamination System<br>ABF Trimming Equipment | Mechanical Drilling Equipment<br>$CO_2$ Laser Drilling Equipment<br>Advanced Laser Drilling Equipment | Laser Direct Imaging System | Mechanical Formation Equipment<br>Laser Formation Equipment | Electrical Testing Equipment<br>XOUT Sorting Equipment |
| Flexible Boards and Rigid-Flex Boards | Laser Direct Imaging System | Lamination System | Mechanical Drilling Equipment<br>UV Laser Drilling Equipment | Laser Direct Imaging System | Mechanical Formation Equipment<br>Laser Formation Equipment | Electrical Testing Equipment |

The Company's major process solutions are set out below:

*(1) Lamination Process Solution*

Lamination is a critical process in the manufacturing of multilayer PCBs. It involves stacking inner layers, prepregs, and copper foil, followed by programmed heating and cooling cycles. This process transforms the prepreg material from a semi-cured state to a cured state, thereby forming a complete multilayer board. The Company's vacuum lamination system features superior temperature uniformity and lamination flatness, which can meet the ever-increasing demand for interlayer uniformity in the lamination process of high-multilayer boards for computing and HDI boards.

*(2) Drilling Process Solution*

Drilling is a core process in PCB manufacturing. It involves using specialized tools or lasers to create various vias in organic material PCB or glass substrates. After being metallized through electroplating, these vias become conductive paths connecting different layers, achieving interlayer interconnection. Furthermore, in response to the signal integrity requirements of high-speed PCBs used in AI computing equipment, the application of back-drilling for through vias has increased significantly. Generally, mechanical drilling is adopted for apertures with a diameter ≥ 0.15mm, and some mechanical through vias require a secondary back-drilling process. Conversely, for apertures with a diameter < 0.15mm and with an aspect ratio (AR) < 1.5, laser drilling is predominantly used.

The Company's products include mechanical drilling equipment, CCD six-axis independent mechanical drilling equipment, $CO_2$ laser drilling equipment, UV laser drilling equipment, advanced laser drilling equipment and hybrid laser drilling equipment. The Company is one of the few enterprises in the industry capable of providing complete sets of equipment for the complex structural requirements of AI computing power PCBs. Simultaneously, the Company continuously accumulates optimal process parameters for materials with different characteristics, providing customers with comprehensive drilling process solutions. This contributes to reducing overall drilling costs and enhancing quality within the PCB industry.

*(3) Photolithography Process Solution*

Photolithography refers to the process of transferring the designed circuit patterns onto the PCB substrate. Based on whether a photomask is used during photolithography, photolithography technologies can be mainly categorized into laser direct imaging technology and traditional film-based photolithography technology, which are applied in various photolithography processes, including inner layer pattern photolithography, outer layer pattern photolithography, and solder mask photolithography.

The photolithography equipment launched by the Company consists of laser direct imaging systems. Targeting key indicators such as different photosensitive materials and resolution requirements, the Company offers a rich product portfolio, providing comprehensive solutions for diverse PCB processing needs. In terms of circuit pattern transfer, with superior interlayer alignment accuracy, excellent control over line width variation, and fine resolution capabilities, the systems can meet the impedance control requirements of high-speed computing PCBs and the fine-line demands of advanced HDI boards. For conventional multilayer board processing, the maximum exposure efficiency can exceed 10,000 panels per day. In terms of solder mask pattern transfer, the Company provides high-efficiency laser direct imaging systems with laser power ≥100W and multi-wavelength combinations, ensuring stable processing of inks with different colors and characteristics.

*(4) Formation Process Solution*

Formation refers to the process of using milling or laser techniques to remove excess edges or create internal cavities in PCBs, shaping them to the required specifications, dimensions and shapes. Typically, rigid boards are processed using mechanical milling, while laser-based method is employed for flexible and rigid-flex boards. Additionally, in the production of flexible boards, the processing of large-format auxiliary materials such as coverlays and electromagnetic shielding films is increasingly transitioning from die-cutting to laser formation machines. The Company provides a range of products including mechanical formation equipment, CCD six-axis independent mechanical formation equipment, laser formation equipment, and coverlay laser formation equipment, which are paired with various automation solutions to meet the high-precision processing requirements of multilayer boards, HDI boards, flexible boards, and rigid-flex boards. These solutions have gained widespread recognition in the high-precision routing of 800G and above high-speed optical modules. Furthermore, the Company has introduced coated milling cutters, which enhances milling cutter life and increases the stacking number of panels, thereby enabling high-efficiency, high-quality, and low-cost mechanical formation operations.

*(5) Testing Process Solution*

PCB production involves testing processes at various stages, the most critical of which is the inspection of semi-finished and finished products for integrity, appearance, and electrical performance to ensure the functionality and reliability of the electronic products. As circuit density increases, the difficulty of testing also rises, necessitating the use of automated testing equipment.

Addressing the testing requirements of different PCBs, such as test point count, test density, pad size, chip pitch, batch size, and the need for four-wire testing in electrical performance testing, the Company offers products including dedicated testing equipment, universal testing equipment, dedicated high-precision testing equipment, and high-voltage withstand testing equipment. These product series ensure the integrity of electrical performance in AI computing power PCBs, and are highly trusted by the industry. Additionally, for post-etch pattern integrity and final visual inspection, the Company provides automated optical inspection equipment (AOI and AVI) with varying resolutions, tailored to different characteristic parameters, to meet all types of quality inspection requirements during the PCB manufacturing process and for finished products.

### 3. Business Model

*(1) Profit Model*

The Company is deeply engaged in the AI computing power PCB market, actively carrying out research on key processing technologies. It continues to introduce industry-innovative processing solutions in the areas of high-frequency and high-speed PCB signal integrity and power integrity, helping customers achieve stable mass production of next-generation AI computing power PCBs and further extending its reach into the semiconductor advanced packaging industry chain. The Company focuses on the R&D, production, and sale of specialized PCB equipment and one-stop comprehensive PCB processing solutions, generating revenue and profit primarily by selling products and providing services to downstream PCB manufacturers. Through forward-looking collaborative development with leading industry clients, the Company further strengthens its competitive moat, thereby enhancing its market position and profitability.

*(2) Production Model*

The Company primarily adopts a "sales-driven production" model. Based on demand forecasts, indicative orders, actual orders, inventory levels, and production capacity, it prepares monthly "Machine Plans," organizes materials according to the BOM, and the production department performs modular assembly following work instructions, followed by final assembly and commissioning. There are certain differences in the technical requirements and quality standards for specialized processing equipment across various types of PCB products. By taking into account the performance requirements of different products, the Company makes tailored arrangements for production sites, as well as assembly and commissioning personnel, to ensure the efficiency and quality stability of its product delivery.

*(3) Procurement Model*

The Company mainly procures production materials using a "production-driven procurement" model supplemented by "safety stock." The main procurement categories include sheet metal and machined parts, mechanical devices, purchased modules, and optical devices.

In accordance with the supplier management measures, the Company develops suppliers based on material characteristics. Supplier qualifications are reviewed through factory audits, sample testing, and other methods. Enterprises included in the approved supplier list are also subject to regular assessments and re-evaluations.

The Company adopts models such as inquiry-based procurement or annual framework agreements, selecting appropriate suppliers from the approved supplier list based on the nature of the raw materials. For standard components, procurement decisions are primarily based on factors such as raw material quality, price, and delivery lead time. For non-standardized components, the Company designs the components in-house and then selects the optimal supplier based on factors including the supplier's technical expertise, processing capabilities, quotation, and other relevant criteria.

The Company procures raw materials based on the procurement lead time for various materials and the "Machine Plan." For core and high-value materials, deliveries are scheduled monthly according to the market shipment plan. For auxiliary materials, procurement follows a safety stock model. The Company stipulates different credit policies with suppliers in procurement contracts and primarily settles payments through bank transfers, acceptance bills, letters of credit, and other methods.

*(4) Sales Model*

The Company primarily adopts a direct sales model. The vast majority of its specialized PCB equipment is sold directly to domestic and international PCB manufacturers. Additionally, as some agents and trading companies possess extensive customer resources, particularly among foreign-invested PCB manufacturers, the Company partially utilizes agent and trading company sales models to enhance the depth of cooperation with such clients.

*(5) R&D Model*

Currently, the Company has established multiple product centers responsible for product R&D, including Han's Microelectronics, the Mechanical Product Center, the Laser Product Center, the New Laser Product Center, the Digital Imaging Product Center, the Testing Product Center, and the Adhesion and Automation Product Center. To enhance the synergy of the Company's products within their respective processes and across upstream and downstream processes, the Company is establishing the Lamination Product Center, the Coating Tool Product Center, and the Optical Inspection Product Center. These initiatives aim to supplement and strengthen the mutual reinforcement between products, enhancing the comprehensive competitiveness of the whole-plant one-stop solution within specific application scenarios.

The Company operates an innovative in-house R&D model: focusing on market segments and application scenarios, relying on the segment scenario research platform, various product R&D platforms, and general professional technology research platforms, it engages in R&D collaborations linking upstream and downstream industry chains. It continuously identifies processing challenges and pain points for PCBs in AI computing power scenarios, breaking through existing process bottlenecks in areas such as high-multilayer boards, high-multilayer HDI boards, and SLP, while also addressing forward-looking requirements. At the same time, through sustained in-depth collaboration with leading industry clients, the Company achieves self-iteration and enhancement of processes across various market segments, ensuring the competitive edge of its products and solutions. This enables the Company to provide PCB industry clients with one-stop optimal processing solutions for various market segments (scenarios).

*(6) Rationale for the Company's Current Business Model and Changes Thereto*

The Company's existing business model has been continuously refined throughout its development process, influenced by various factors such as customer demand and market competition. It conforms to industry characteristics and commercial practices. During the Reporting Period, there were no significant changes in the Company's business model, and the principal factors affecting the Company's business model did not undergo significant changes. The Company's business model is also not expected to change significantly in the foreseeable future. However, as AI reshapes industries across the board, the Company will continuously refine its business model to adapt to industrial advancements.

## Product Market Position, Performance Drivers, Competitive Advantages, Disadvantages and Others

### *1. Product Market Position and Performance Drivers*

Leveraging its innovative business model and over two decades of technological expertise in high-speed high-precision motion control, precision mechanics, electrical engineering, software algorithms, advanced optical systems, laser applications, image processing, and electronic testing, the Company provides the PCB industry with process solutions featuring technological advantages. These include comprehensive drilling process products such as mechanical drilling solutions, high-precision back-drilling solutions, and laser drilling solutions, as well as laser direct imaging solutions for various photosensitive materials, mechanical and laser routing solutions, optical inspection and electrical testing solutions. The products are widely applied in multiple PCB segments, including multilayer boards, high-multilayer boards, HDI boards, IC substrates, flexible boards, and rigid-flex boards. The performance, functionality, and reliability of main products have reached advanced industry standards, meeting the R&D and mass production requirements of renowned domestic and international downstream customers, and continuously promoting technological advancements in PCB processing techniques. Concurrently, the convergence of PCB manufacturing and advanced packaging technologies presents opportunities. To assist downstream customers in expanding into advanced packaging businesses, the Company provides complete solutions for ultra-large FC-BGA substrates for 2.5D and 3D packaging, panel-level packaging interposers, and more, including new laser drilling equipment, glass substrate processing equipment, and laser routing equipment.

During the Reporting Period, the Company's market for AI computing power specialized PCB equipment has rapidly emerged, with market share of its main products and customer recognition continuing to rise, achieving an operating revenue of RMB5,772.9 million, representing a significant increase of 72.68% compared to the previous year. Net profit attributable to owners of the parent reached RMB824.3 million, representing an increase of 173.68% year-on-year. This performance was primarily driven by sustained strong demand for infrastructure such as servers and high-speed switches within the AI computing power industry chain, coupled with technological upgrades in end-markets such as consumer electronics, automotive electronics, and industrial control. This led to rapid growth in high-value high-multilayer boards and high-multilayer HDI boards, further amplifying market demand for specialized PCB processing equipment. The Company seized the growth opportunities in the AI computing power PCB industry, continuously focusing on the strategic vision of "becoming the world's most respected and trusted PCB equipment service provider." It actively researched and developed innovative solutions while simultaneously enhancing production capacity and product quality, enabling rapid capacity expansion and technological upgrades within the PCB industry. The revenue from the Company's various product categories achieved substantial growth.

Details are as follows:

(1) *Strong Growth in the High-Multilayer Board Market, the Company's Technological Advancements Facilitate Mass Production of Next-Generation Servers*

In the high-multilayer board market, the surge in data volume at AI computing centers, coupled with the higher demands of high-speed data transmission (SerDes 112/224Gbps) in products like AI servers and high-speed switches, imposes stricter requirements for signal integrity and power integrity. The market for related multilayer boards with 18 or more layers grew over 50% in 2025, continuing to trend towards higher layer counts, greater thickness, higher total copper thickness, and high-density structures. Specifications for characteristic parameters, including through-hole quality, back-drilling accuracy, line pattern integrity, and electrical performance, have significantly tightened.

The Company's CCD six-axis independent mechanical drilling machine, equipped with proprietary 3D back-drilling and integrated drilling-and-measuring technology, achieves ultra-short stubs and ultra-high concentricity. It has completed processing certification for next-generation AI server PCBs and achieved mass production at several leading high-multilayer board manufacturers. Simultaneously, addressing technical requirements in high-multilayer boards such as through-hole drilling with ultra-high aspect ratio of AR > 30:1, fine-line etching, and high-reliability electrical performance testing, the Company offers combined product solutions. These include high-torque spindle drilling equipment, digital imaging systems with ultra-high layer-to-layer alignment and pattern accuracy control, large-format universal testers, high-pin-count CCD four-wire testers, and optical inspection equipment, assisting downstream customers in improving production yield and quality reliability for these high-value-added products.

(2) *Rapid Growth in High-Multilayer Advanced HDI Board Market, the Company's Innovative Solutions Accelerate Industrial Upgrading*

In 2025, the HDI board market grew by 25.6%, with high-multilayer HDI products seeing an even higher growth rate of 99.2%. For the most significant market growth segment — AI server-related high-multilayer HDI boards — the structure is more complex, combining the dual characteristics of high-multilayer and high-density boards. The number of build-up layers is gradually increasing to six or more sequential lamination cycles with over twenty layers. For Z-axis interconnection, via types include buried vias, through-holes, back-drilled vias, blind vias, and skip vias. With substantial increases in transmission rates, higher demands are placed on the integrity and consistency of line patterns. Furthermore, the adoption of high-frequency high-speed materials like M8 and M9 grades further increases the difficulty of production and processing, creating demand for new processes and equipment.

The Company continuously engages in research on new material processing techniques with downstream customers and is one of the few enterprises in the industry capable of providing corresponding complete solutions. In light of the technically challenging nature and small characteristic parameters of such products, the Company offers a powerful product portfolio comprising mechanical drilling machines, CCD six-axis independent mechanical drilling machines, $CO_2$ laser drilling machines, and advanced laser drilling machines. This enables the Company to continually strengthen its market position in the core process of drilling, earning recognition from both domestic and international customers. Additionally, the complex structure of such products increases quality uncertainty. The Company provides comprehensive solutions including optical inspection equipment, high-pin-count four-wire testers, and high-resolution visual inspection equipment for quality assurance, ensuring final product reliability and earning high praise from top global AI server PCB manufacturers.

*(3) Strong Rebound in the Advanced Packaging Industry Chain, the Company's Innovative Solutions Gain Customer Favor*

In 2025, driven by AI computing power demand, the FC-BGA market experienced a rapid recovery. Coupled with price increases driven by key materials, the substrate market grew by 16.9% in 2025. Chips such as CPUs, GPUs, xPUs, and ASICs utilizing packaging processes like CoWoS and EMIB increased demand for processing equipment for ultra-large, high-multilayer FC-BGA substrates.

The Company continuously enhances the performance of traditional solutions, including dedicated mechanical drilling machines for substrates, $CO_2$ laser drilling machines, and high-precision dedicated testers for BT substrates and FC-BGA cores. Its mechanical drilling machines for micro-hole processing utilize global temperature control management to achieve superior production accuracy and efficiency compared to competitors. For via-in-pad and multi-layer structures in FC-BGA cores, it offers ultra-high-precision CCD six-axis mechanical drilling machine solutions. Concurrently, capitalizing on the rapid development of advanced packaging technologies, the Company pioneered the promotion of new laser technologies for products like panel-level embedded packaging and 2.xD organic RDL. It offers a series of products for smaller micro-via drilling, higher precision grooving and routing, non-destructive through-glass via formation, and singulation. Compared to traditional product solutions from foreign equipment manufacturers, the Company's innovative products possess dual advantages in quality and efficiency, gaining recognition from leading domestic and international substrate and end-users, and empowering relevant domestic downstream customers to expand into the advanced packaging market.

(4) *Intense Competition in the Traditional PCB Market, with Innovative Solutions Empowering Customers to Reduce Costs and Improve Efficiency*

The standard multilayer board market has low entry barriers, severe technological homogeneity, and intense competition. Downstream customers urgently need processing solutions that can reduce costs and improve efficiency to enhance their own competitiveness. In this market, the Company offers a range of products including lamination systems, mechanical drilling machines, $CO_2$ laser drilling machines, laser direct imaging equipment, mechanical routing machines, and testing equipment. It continuously improves the comprehensive performance of these products and consistently reduces manufacturing costs for downstream customers. In 2025, the performance of products such as the Company's third-generation positioning system automated mechanical drilling machine, the four-beam dual-table $CO_2$ laser drilling machine, and the automated routing machine was further enhanced, significantly improving the utilization rate of PCB manufacturing processes and lowering overall production costs.

In 2025, the flexible and rigid-flex board market grew by 3.7%, significantly below the average growth rate of the PCB industry. However, the Company identified opportunities in scenarios such as new energy vehicles, energy storage, camera modules, and OLED screens. The technical capabilities of its high-precision UV laser drilling machines, laser routing machines, and coverlay/reinforcement automatic lamination equipment continued to improve, leading to an increasing market share. Coupled with newly developed products such as laser cleaning machines and high-precision laser routing machines, which can replace traditional solder mask and mechanical punching processes respectively, the Company has effectively expanded its footprint in this market.

(5) *Accelerated Development in the Southeast Asian Market, Increased Demand for High-End Overseas Equipment*

In 2025, the PCB market, primarily focused on Southeast Asian countries, grew by 20.5% to USD7.33 billion, accounting for 8.6% of the global industry. Thailand, Vietnam, and Malaysia were the main growth points in the Southeast Asian region. New PCB construction projects by global leading companies progressed rapidly. The Company seized opportunities arising from customers' capacity expansion and new equipment needs, with its overseas market business growing substantially by 68.30%. The diversification of supply chain strategies among major global electronic end-brand users is accelerating. PCBs for AI servers, satellite communications, high-speed optical modules, and automotive intelligent driving are becoming focal points for capacity build-out, driving the construction of more production capacity for high-multilayer boards and high-end HDI boards. Besides conventional mechanical drilling machines, high-efficiency digital imaging systems, and universal testers, demand is rising for high technological value-added equipment such as CCD six-axis independent mechanical drilling machines, $CO_2$ laser drilling machines, new laser drilling machines, high-resolution digital imaging systems, and high-precision micro-pin testers. This contributes to the growth of the Company's overseas sales scale and profit margins.

## 2. Competitive Advantages

### (1) Research and Development Technology

The Company has established a comprehensive R&D system, providing robust support for continuous technological breakthroughs. During the Reporting Period, the Company's R&D expenses increased to RMB457.5 million, a year-on-year increase of 71.47%, accounting for 7.93% of its operating revenue. As of 31 December 2025, the Company has attracted industry talents extensively, with a total of 908 R&D personnel, representing a year-on-year increase of 30.46% compared with the end of the previous year, and accounting for 25.43% of the total workforce, including 93 individuals with master's degrees or higher. The Company has also obtained 255 invention patents, 812 utility model and design patents, and 369 software copyrights, with a total of over 2,000 patent applications.

Under the Company's efficient R&D management system, each product center has a clear division of labor and focused R&D priorities. R&D personnel from different professional backgrounds collaborate closely and engage in in-depth interactions with leading PCB manufacturers, key component suppliers, and core material suppliers for high-frequency high-speed CCL used in AI computing power. This fosters close partnerships within the supply chain, enabling the Company to accurately grasp development trends in the specialized PCB equipment industry and processing demands for new materials and processes. It continuously breaks through key technologies and launches more original, comprehensive process solutions, thereby driving technological progress in the domestic PCB industry and enhancing its global market competitiveness.

### (2) Products

Since its establishment, the Company has continuously focused on the specialized PCB equipment industry. Leveraging its strong R&D capabilities and extensive advanced manufacturing experience, it has created competitive process solutions for the PCB industry, such as various types of mechanical drilling equipment, multi-source laser drilling equipment, laser direct imaging equipment for different photosensitive materials, mechanical routing and laser routing equipment, and multi-specification testing equipment with general-purpose, dedicated, and dedicated high-precision architectures. The performance and reliability of its main products have reached advanced industry standards, meeting the technical requirements of domestic and international customers. The Company is continuously accelerating the domestic substitution of imported equipment and further intensifying R&D efforts in areas such as lamination equipment and optical inspection equipment. It has built comprehensive scenario-based solutions covering and coordinating upstream and downstream key processes. The technological strength of the Company's related products has been further enhanced, meeting the advanced manufacturing demands for PCBs used in AI servers, high-speed network communication equipment, AI smartphones and computers, wearable devices (VR/AR/MR), advanced driver-assistance systems (ADAS) and autonomous vehicles, and low-earth orbit satellite communication.

*(3) Customer Resources*

Leveraging its competitive product portfolio and extensive sales experience, the Company has accumulated rich customer resources. The Company's customer base covers 80% of the enterprises in the Prismark Global PCB Top 100 Enterprises List in 2024, all enterprises on the 2024 CPCA Overall Top 100 list, and over a thousand small and medium-sized PCB enterprises in China. These include renowned domestic and international PCB manufacturers such as Victory Giant Technology (300476.SZ), Founder Technology (600601.SH), Zhen Ding Tech (4958.TW), Unimicron (3037.TW), Dongshan Precision (002384.SZ), AT&S (ATSV.VI), Compeq Manufacturing Co., Ltd. (2313.TW), Tripod Technology (3044.TW), Shennan Circuits (002916.SZ), HannStar Board (5469.TW), KINGBOARD HOLDINGS (00148.HK), WUS Printed Circuit (002463.SZ), MEIKO (6787.T), Kinwong (603228.SH), CMK (6958.T), Dynamic Holding (3715.TW), and KCE (KCE.SET), among which many are global leaders in the AI computing power PCB sector. Relying on its abundant customer resources and deeply embedding with leading customers through innovative process technologies, the Company can access application scenarios in real-time and in-depth, connect with top global electronic end-user brands, and understand customers' latest process and technology requirements. By solving typical problems in the same segment scenarios for different customers, it accumulates extensive experience and creates innovative, optimized holistic solutions, thereby leading industrial development in market segments (scenarios). This increases customer trust, ensures long-term and stable cooperation, and achieves value co-creation.

*(4) Services*

As a customer-needs-oriented high-end equipment manufacturer, the Company is rooted in China and targeting the world. We offer 24/7 chief service officers for key accounts to coordinate value-added services across all equipment, continuously improving the comprehensive usage experience of customers for the products. With the increase in the number of customers in the Southeast Asian region, the Company will provide timely customer value-added services by establishing overseas entities and training customer service teams of agents. For other overseas customers, agents train technical service personnel while the Company provides professional training services and remote video technical support, striving to respond to customer service needs promptly and efficiently. Simultaneously, the Company has pioneered value-added preventive maintenance services in the industry. By combining customers' on-site processes and production conditions, we provides customers with supporting solutions for capacity and quality enhancement, automated maintenance upgrade plans, and precision and performance upgrade solutions for legacy products, thereby helping customers improve production planning accuracy, boosting operational efficiency, and save operating costs.

In addition to traditional after-sales services, the Company further provides customers with full lifecycle value-added services. Through software and hardware optimization and upgrades, we continuously maintain the comprehensive efficiency of customers' on-site equipment and reduce operating costs. By implementing automation retrofits, efficiency improvements, and precision enhancements for legacy equipments, we reduce customers' need for new hardware investments and generate significant returns for customers, which simultaneously increases customer stickiness and trust, laying the foundation for the Company's product sales and in-depth cooperation with customers.

*(5) Talent Development*

The Company have formed a visionary, experienced and foresighted management team. The management team consists of industry veterans with professional backgrounds and rich experience in specialized PCB production equipment, as well as a profound experience and understanding of industry developments and trends. The management team has been working with the Company for over 10 years, demonstrating strong team cohesion and high stability. The talent development mechanism of the Company continuously optimize by increasing the proportion of R&D and sales personnel with diverse industry experience and technical skills, thus accelerating the R&D progress of the Company's innovative solutions and enhancing relationships with industry-leading customers. In line with the innovation-driven market environment, the Company actively recruit high-quality talent worldwide. The Company have also established a systematic training system to improve the professional capabilities and comprehensive qualities of employees through leadership training, special training for R&D employees, and general competency training, providing a strong talent reserve for the Company's innovative and sustainable development. The corporate governance and corporate culture are centered on the principle of "innovation-driven and win-win collaboration", adhere to the concepts of standardized operations and sustainable development and have maintained a healthy talent governance framework. In terms of talent development, the Company has established a tiered development mechanism, improve the quality of our key talent through "Young Eagle Program" and "Flying Eagle Program" and have implemented a long-term incentive mechanism covering our management team and key R&D employees.

The Company adhere to the principle of "performance-driven and benefit-sharing", which tightly links remuneration packages with respective R&D contributions and market performance. A sound talent development mechanism not only ensures a strong talent pool for the Company's quality, sustainable and international expansion, but also enables the Company to stand out among the fierce competition and maintain our leading industry position.

***3. Competitive Weaknesses***

Currently, the core end customers for high-tech products such as substrate-like PCBs and IC packaging substrates remain predominantly international enterprises. Domestic PCB manufacturers and locally produced specialized equipment face limited market recognition, while the accumulation of collaborative experience across the upstream and downstream supply chain is insufficient. As a result, the Company faces certain disadvantages in capturing demand for advanced PCB manufacturing technologies and securing supporting high-end critical components. The expansion of international clientele is also constrained, and the global brand strategy is still at an early stage of promotion.

In response to these challenges, the Company will continue to advance the development and application of innovative process solutions, such as new laser technologies, with a focus on overcoming traditional technical bottlenecks, thereby further enhancing its technological influence in the global high-end PCB manufacturing sector and strengthening the trust in the HANS CNC brand. At the same time, the Company will intensify its global marketing efforts and build a more robust client coverage system. Leveraging industry collaboration as an opportunity, it will accelerate the recruitment of top global talent and actively engage local elites who identify with the Company's core values, with the goal of gaining deep trust from customers in major overseas PCB industry clusters, thereby advancing its international operations to a higher level.

## INDUSTRY CONDITIONS DURING THE REPORTING PERIOD

### Basic Information of the Industry in which the Company Operates

The Company's principal activities are the R&D, production and sale of specialized PCB equipment. According to the Classification and Code for Industrial Statistical of Listed Companies (JR/T 0020–2024) issued by the China Securities Regulatory Commission, the Company is classified under: C35 Specialized Equipment Manufacturing Industry. According to the Classification of Industrial Strategic New and Emerging Industries (2023) promulgated by the National Bureau of Statistics of the PRC, the Company is classified under 1. New Generation Information Technology Industry, specifically 1.2 Electronic Core Industries, sub-category 1.2.1 Manufacturing of New Electronic Components and Equipment. The Company's downstream customers are PCB manufacturers. There is a positive correlation between the demand for end-user electronics and investment in specialized equipment; consequently, the market size of the Company's products is indirectly influenced by the macroeconomic demand within the electronics industry.

According to analysis by Prismark, a renowned industry research institution, investment in infrastructure for the AI computing power industry chain keeps rising and demand for end-user electronic products such as servers, data storage, and wired infrastructure remains robust, driving significant revenue growth of 8.5% in the global end-user electronics industry in 2025.

**ELECTRONICS SYSTEMS MARKET FORECAST**

| | $Bn | 2023 | '24/'23 | 2024 | '25E/'24 | 2025E | '26F/'25E | 2026F | 2029F | CAAGR '24/'29* |
|---|---|---|---|---|---|---|---|---|---|---|
| **Computers** | PC | 226 | 3.50% | 234 | 6.10% | 248 | 2.00% | 253 | 286 | 4.10% |
| | Server/Data Storage | 200 | 45.50% | 291 | 39.90% | 407 | 18.40% | 482 | 557 | 13.90% |
| | Other Computer | 147 | -2.80% | 143 | 1.10% | 145 | 1.70% | 147 | 169 | 3.40% |
| **Communication** | Mobile Phones | 390 | 6.80% | 416 | 2.90% | 428 | 2.30% | 438 | 535 | 5.20% |
| | Wired Infrastructure | 161 | -3.40% | 156 | 9.20% | 170 | 5.90% | 180 | 203 | 5.50% |
| | Wireless Infrastructure | 81 | -9.90% | 73 | 6.50% | 78 | 5.10% | 82 | 94 | 5.10% |
| **Consumer** | TV | 87 | 0.70% | 87 | -2.60% | 85 | -2.10% | 83 | 78 | -2.30% |
| | Audio Video/Personal | 143 | 1.00% | 144 | 6.50% | 154 | 3.20% | 158 | 178 | 4.30% |
| | Other Consumer | 99 | -1.10% | 98 | 3.10% | 101 | 3.60% | 105 | 117 | 3.70% |
| **Automotive** | | 282 | -4.80% | 268 | 2.10% | 274 | 3.40% | 283 | 336 | 4.60% |
| **Industrial** | | 307 | 1.80% | 312 | 4.10% | 325 | 5.10% | 342 | 417 | 5.90% |
| **Medical** | | 138 | 4.70% | 144 | 5.80% | 152 | 5.00% | 160 | 181 | 4.70% |
| **Military/Aerospace** | | 172 | 8.70% | 187 | 8.60% | 203 | 7.40% | 218 | 251 | 6.10% |
| | Total | $2,431 | 5.00% | $2,554 | 8.50% | $2,770 | 5.80% | $2,931 | $3,401 | 5.90% |

* *Assumes constant currency exchange rate*
*Updated 21 November 2025*

Data Source: Prismark 202601

The surge in demand for AI computing power has propelled the PCB industry to new heights. Prismark estimates that global PCB industry revenue will grow by 15.4% to US$84.9 billion in 2025. The growth rates for PCBs related to servers & data storage and wired infrastructure reach as high as 46.3% and 36.3%, respectively. Furthermore, PCBs related to servers & data storage have emerged as the largest specific scenarios. This fuels strong demand for capacity in corresponding products such as high multilayer boards (18 layers and above), advanced high multilayer HDI boards, and large-sized advanced packaging FC-BGA substrates, continuously expanding the market for higher-value specialized processing equipment. On the other hand, driven by electrification and intelligence, the cost proportion of automotive electronic components continues to rise, boosting the demand for PCBs per vehicle. Coupled with the recovery of terminal demand in areas such as personal computers, consumer electronics, and industrial control, these factors collectively drive significant growth in the PCB industry. PCB manufacturers, particularly those related to AI computing power, are continuously expanding their investment scale. According to Prismark's forecast, the compound annual growth rate of PCB industry revenue from 2024 to 2029 is expected to be 8.2%, with the global and domestic PCB industry scales surpassing US$100 billion and US$60 billion, respectively, by 2029.

Furthermore, from a major PCB regional market perspective, influenced by adjustments in end-customers' supply chain strategies, investment progress in emerging PCB industry hot spots in Southeast Asia, such as Thailand, Vietnam, and Malaysia, have accelerated. The market size in these regions grew by 20.5% to US$7.33 billion in 2025, accounting for 8.6% of the global industry. However, Chinese Mainland will maintain its position as the world's most crucial PCB manufacturing base over the long term, with its market size growing by 17.6% to US$48.5 billion in 2025, holding over 57% of the global market share and contributing over 60% to the global market's increment. Coupled with the current "China + N" expansion, most enterprises investing in Southeast Asia are medium and large companies from Chinese Mainland and Taiwan, China and the advantages of the localized supply chain including specialized equipment will be replicated, thereby significantly promoting the domestic brand specialized equipment industry, creating greater market space, and accelerating the international operations of related enterprises.

## Growth of Major Global PCB Regional Markets

| $M (US$ million) | 2020 | 2022 | 2023 | 2024 | 2025E | 2029F | 2025/2024 | 2024-2029 CAAGR |
|---|---|---|---|---|---|---|---|---|
| Americas | $10,852 | $3,369 | $3,206 | $3,493 | $3,786 | $4,368 | 8.40% | **4.60%** |
| Europe | $6,702 | $1,885 | $1,728 | $1,638 | $1,864 | $2,097 | 13.80% | **5.10%** |
| Japan | $11,924 | $7,280 | $6,078 | $5,840 | $6,469 | $8,078 | 10.80% | **6.70%** |
| Chinese Mainland | $3,368 | $43,553 | $37,794 | $41,213 | $48,459 | $62,463 | 17.60% | **8.70%** |
| South Korea | $2,053 | $9,052 | $6,737 | $6,631 | $6,811 | $8,189 | 2.70% | **4.30%** |
| Taiwan, China | $4,510 | $11,121 | $8,406 | $8,669 | $10,185 | $12,442 | 17.50% | **7.50%** |
| Southeast Asia and Rest of Global | $2,161 | $5,480 | $5,567 | $6,081 | $7,328 | $11,621 | 20.50% | **13.80%** |
| **Total** | **$41,570** | **$81,740** | **$69,517** | **$73,565** | **$84,891** | **$109,258** | **15.40%** | **8.20%** |

Data Source: Prismark 202601

In summary, benefiting from the simultaneous increase in volume and price of PCBs used in electronic terminals, particularly those related to AI computing power, the expansion of the domestic and overseas production capacity of PCB manufacturers will continue to rise. Coupled with the demand for more high technological value-added equipment and a greater variety of specialized equipment driven by the increased technical complexity of AI PCBs, the overall market for specialized equipment will be more extensive.

## Industry Development Stage, Cyclical Characteristics, and National Policy Support

### *1. Industry Development Stage and Cyclical Characteristics*

PCB is known as the mother of electronic products and the central nervous system of all electronic systems, making its importance in the electronic information industry increasingly prominent. According to Prismark's forecast, the compound annual growth rate of global PCB output value from 2024 to 2029 is 8.2%, indicating continuous industry advancement. In recent years, benefiting from the explosive growth of the AI computing power industry chain, PCB industry has ushered in another golden period of development opportunity. The market for specialized PCB equipment has achieved dual upgrades in volume and technology, further expanding the market space for high value-added equipment.

### *2. Sustained Support from National Industrial Policies, Specialized Equipment Industry is Full of Opportunities*

The specialized PCB equipment industry is a strategic sector of the national economy and an indispensable key link supporting the technological advancement of electronic terminals. Against the backdrop of the artificial intelligence version of "Industry 4.0", the Chinese government has introduced a series of industrial policies and plans to guide and promote the healthy and sustainable development of the industry. The following are encouraging policies from relevant national ministries and commissions in recent years.

| No. | Date | Department | Policy Name | Relevant Content |
|---|---|---|---|---|
| 1 | December 2023 | National Development and Reform Commission | Guiding Catalogue of Industrial Structure Adjustment (2024 Version) | Include "28. Information Industry 5. Manufacturing of new electronic components (High-Density Interconnect laminates, single-layer, double-layer and multi-layer flexible boards, rigid-flex printed circuit boards and packaging substrates, high-density and high-fine-line (line width/line spacing ≤0.05mm) flexible circuit boards, etc.); 6. Specialized materials used in electronic component production, including new electronic components (high-frequency microwave printed circuit boards, high-speed communication circuit boards, flexible circuit boards, high-performance copper-clad laminates, etc.)" in the encouraged industry category. |
| 2 | February 2023 | the Central Committee of the Communist Party of China, State Council | Plan for the Overall Layout of Building a Digital China | Consolidate the foundation for digital China construction. Systematically optimize the layout of computing power infrastructure, promote efficient complementarity and coordination between computing power in the eastern and western regions, and guide the rational and tiered layout of general data centers, supercomputing centers, intelligent computing centers, edge data centers, etc. |

| No. | Date | Department | Policy Name | Relevant Content |
|---|---|---|---|---|
| 3 | January 2022 | State Council | "14th Five-Year" Plan for the Development of Digital Economy | Focus on improving the supply level of basic software and hardware, core electronic components, key basic materials, and production equipment. Strengthen technology integration and product innovation for diverse application scenarios, and improve the supply chain systems for key industries such as 5G, integrated circuits, new energy automobile, artificial intelligence, and the industrial internet. |
| 4 | November 2021 | Ministry of Industry and Information Technology | "14th Five-Year" Plan for the Development of the Information and Communications Industry | Build a new national digital infrastructure, provide network and information services, and fully support strategic, foundational, and pioneering industry for economic and social development. Propose new ideas for high-quality industry development, set 20 quantitative development goals across 6 major categories; determine 26 development priorities across five aspects and 21 key projects. |

| No. | Date | Department | Policy Name | Relevant Content |
|---|---|---|---|---|
| 5 | January 2021 | Ministry of Industry and Information Technology | Action Plan for the Development of the Basic Electronic Components Industry (2021–2023) | Focus on developing high-frequency and high-speed, low-loss, miniaturized optoelectronic connectors; ultra-high-speed, ultra-low-loss, low-cost optical fiber cables; high-voltage, high-temperature, high-tensile strength electrical equipment cables; high-frequency and high-speed, high-layer and high-density printed circuit boards, integrated circuit packaging substrates, and special printed circuit boards. Seize the global 5G and industrial internet opportunity, focusing on the construction of 5G networks, the industrial internet, and data centers, and vigorously promoting the application of electronic components that affect high-speed transmission in communication equipment, such as radiofrequency resistive and capacitive components, medium and high-frequency electronics, special printed circuit boards, high-speed transmission cables and connectors, and optical communication electronics. |

Whether it is the evolution of the electronics industry encouraged by policies, such as AI computing power, high-speed transmission, artificial intelligence, or automative electrification and intelligence, it is inseparable from the PCB. The evolution of electronic products drives the increasing complexity of PCB technology, and intelligent specialized processing equipment is a necessary factor for promoting the mass production of PCBs with high technical difficulty. Therefore, the specialized PCB equipment industry will deeply benefit from these related policies.

## The Company's Industry Position

The Company maintained its market-leading position in 2025, consistently ranking first in the Instruments and Specialized Equipment category on the CPCA Top 100 List for the sixteenth consecutive time, with revenue scale significantly ahead of competitors. Our products are exported to major overseas PCB industry regions, including Europe, Japan, South Korea, Malaysia, Thailand, Vietnam in Southeast Asia, and Taiwan, China. Over the years, the Company has consistently earned cooperation awards from numerous renowned companies in the industry, including the "Excellent Technology Cooperation Award" (優秀技術合作獎) from Asia Semiconductor (越亞半導體), "Gold Supplier Award" (金牌供應商) from Shennan Circuits (002916.SZ), "Annual Strategic Cooperation Award" (年度戰略合作獎) from Aoshikang (002913.SZ), and "Gold Partner Award" (金牌合作夥伴) from Founder Technology (600601.SH). This demonstrates the transformation of customer relationships from mere supplier to partner, proactively providing downstream customers with innovative solutions to jointly create higher value and achieve mutual benefit and win-win outcomes.

The Company focuses on the PCB market, concentrating on high-value scenarios such as AI computing power. Its product portfolio is extensive, covering a number of key equipment for core PCB production processes. According to statistics from industry professional institution CIC, the Company held a global market share of 6.5% in 2024, making it the largest supplier in the global specialized PCB equipment sector. The Company's main product, the mechanical drilling machine–particularly the through-hole drilling machine with ultra-high aspect ratio and the high-precision 3D integrated drilling-and-measuring mechanical drilling machine used in AI computing power scenarios–has been widely acclaimed by the industry. Based on market forecasts by Prismark and the Company's delivery data, the global market share for these products was approximately 50% in 2025. At the same time, benefiting from the Company's innovative management structure, multi-dimensional synergies have been formed across equipment and materials, application scenarios, processes, products, technologies, supply chain, and customers, enabling the delivery of differentiated comprehensive solutions for various market segments within the industry.

The Company is a national high-tech enterprise, a Guangdong Provincial Engineering Technology Research Center for Specialized PCB Equipment, a Guangdong Provincial Industrial Design Center, and a well-known brand in Shenzhen. It has been approved to establish the "Shenzhen Postdoctoral Innovation Practice Bases", and it is also a outstanding employer for "Talent Attraction Award" in Bao'an District, and listed among the Shenzhen Enterprise Patent Innovation Strength Top 100 (深圳企業專利創新實力百強榜). The Company's PCB mechanical routing machine product (R6AHP) and UV laser drilling machine product (UVDRILLER L650) were awarded "Guangdong Province Famous and Excellent High-tech Products" by the Guangdong High-tech Enterprise Association. Its mechanical drilling equipment (HANS-F6MH), PCB laser drilling equipment UVDRILLER L650BS, and laser routing equipment (HRD400A) were selected for the Shenzhen Innovation Product Promotion and Application Catalogue (深圳市創新產品推廣應用目錄). Its "R&D and Industrialization Project of New Laser Micromachining Equipment for Packaging Substrates" (封裝基板新型激光微加工裝備的研發及產業化項目) has passed the acceptance inspection for the fourth batch of Strategic Emerging Industry Support Plan Projects in 2024 by the Shenzhen Development and Reform Commission. Mr. YANG Chaohui, the Company's Chairman, was honored on the 2025 Guangdong-Hong Kong-Macao Greater Bay Area "Innovation Outstanding Figures List" and awarded the 24th Shenzhen "Outstanding Innovation Contributor" title, thanks to his vision and foresight.

## ANALYSIS OF CORE COMPETITIVENESS

### 1. Increasingly Mature Multi-Dimensional Product Matrix with Concurrent Expansion in Breadth and Depth

There are various types of PCB boards, and the production and manufacturing process is relatively long, with significant differences in technical principles and processing requirements across different process stages, necessitating a diverse range of processing equipment. The Company continuously breaks through key technologies, consistently refines its product structure and optimizes product solutions, fostering an increasingly mature multi-dimensional product matrix that covers different PCB market and application scenarios, as well as various process stages. This always maintained the leading market position of the Company's products. During the Reporting Period, the Company deeply explored market opportunities in AI computing power scenarios. In terms of product depth expansion, in the rapidly developing high-multilayer board market, to address the demand for enhanced high-speed signal integrity in AI servers and high-speed switches, the Company is tackling the increasingly stringent requirements for the concentricity and STUB value of back-drilled holes in high-multilayer board. By improving the measurement accuracy of its integrated drilling-and-measuring CCD six-axis independent mechanical drilling machine, the Company continuously optimized its 3D inner layer measurement process and post-back-drilling measurement techniques, successfully achieving an ultra-high precision requirement of 0–100μm stubs for back-drilled holes. This contributed to the mass production of a new generation of server PCBs and significantly deepened the moat of the Company's back-drilling solutions. In terms of product breadth expansion, in response to technical demands such as new materials and new processes for AI PCB products, the Company intensified efforts to upgrade and promote cold and hot lamination systems, new laser drilling equipment, laser direct imaging equipment with ultra-high pattern fidelity, high-precision automated optical inspection equipment (AOI/AVI), and high-pin-count four-wire electrical testers, aiming to further expand the scale of the Company's product matrix in the high-multilayer board market. Notably, the new laser drilling machine, utilizing an innovative cold laser process, will continue to support the technological advancement of the AI computing power PCB industry.

### 2. Implementing Multi-Dimensional Synergy to Drive Value Maximization

The Company has innovated its business development model, creating an operational system where different segments empower each other. This encompasses research into market segment and application scenario demands, product and solution R&D, and the establishment of general technology and professional talent platforms. By deploying key processes in PCB manufacturing and a diverse range of core products, the Company provides tailored one-stop solutions to different customer groups. This has fostered organic multi-dimensional synergy across technology, supply chain, equipment and materials, products, processes, application scenarios, and customers, thereby enhancing the value for customers, supply chain partners, and various organizations of the Company.

Technological synergy enables one technology to serve multiple purposes. For instance, the XY-axis motion control platform is applied in both mechanical drilling machines and mechanical routers. The Company has strengthened its technology R&D teams, building a technology and talent platform to coordinate research into common core technologies applicable across various market segments. This effectively avoids duplicate R&D efforts and continuously achieves rapid upgrades across different product technologies. Concurrently, technological synergy facilitates the unification of technical standards for processing equipment used in the same application scenario, enabling a product development model featuring classic designs.

Supply chain synergy facilitates the integrated management of common components, similar assembly processes, and quality requirements across different equipment types. This generates economies of scale in procurement and establishes standardized production and quality control systems, significantly improving material turnover. Furthermore, by strengthening the construction of comprehensive partnerships with key enterprises in the supply chain, the Company can further explore and industrialize technologies with added value, thereby continuously reducing product costs and enhancing product performance of the Company to strengthen competitiveness.

Equipment and material synergy is achieved through collaboration with PCB material companies. Leveraging their respective professional expertise, they jointly seek optimal processing parameters for materials. This enables the provision of prescriptive processing formulas to customers that guide efficiency improvements, quality optimization, or cost reduction, minimizing the need for downstream customers factories to experiment with suitable processes and significantly reducing industry trial-and-error risks and costs.

Product synergy enables the Company to offer customers a one-stop solution comprising multiple equipment categories and process solutions. This substantially reduces customer-end equipment procurement and maintenance costs and addresses their multi-process requirements. Through in-depth engagement with customer production lines and continuous technical collaboration, the Company deepens its mastery of technologies related to upstream and downstream equipment and materials associated with its existing products. This has accumulated key technologies for the Company's subsequent product line expansion, thereby further enriching the connotation of its one-stop solution.

Process synergy forms the foundation for creating digital and intelligent comprehensive factory-wide solutions. The Company strategically deploys key equipment across critical processes. Through unified scheduling based on processing formulas and leveraging the comprehensive factory-wide global linkage of Han's data system, product processing information spanning hundreds of consecutive processes can be rapidly exchanged, enabling powerful error correction between processes. This significantly enhances the comprehensive yield rate of the production line.

Application scenario synergy enables the Company to rapidly provide customers with key equipment for different processes within the same scenario. Through an in-depth grasp of scenario-specific technologies, the Company progressively optimized the performance of various products used in that scenario, helping different customers within the scenario to quickly implement new processes for mass production or enter new end markets to secure more orders.

Customer synergy enables maximizing value at the user end. Through business and process research, as well as interaction between the Company's various product departments and corresponding departments at the user end, the Company continuously explores the value of industry-leading customers within the scenario. Leveraging the demonstration effect of these industry-leading customers, the Company can rapidly achieve product sales to different user ends within the same application scenario, thereby achieving effective customer synergy and reducing customer development costs.

Through this multi-dimensional synergy, where each element reinforces the others, the Company achieves a resonant strengthening effect. This continuously enhances the Company's product technology capabilities and customer service capabilities, better meeting the evolving demands of advanced PCB manufacturing. It provides customers with cost reduction and efficiency improvement solutions that exceed expectations, delivering tangible value gains for customers.

### 3. Deeply Exploring Customer Value and Continuously Optimizing the Service System

Leveraging its competitive product matrix, one-stop solutions, and strong customer relationships, the Company has accumulated substantial customer resources. The Company's customer encompasses most of the world's renowned enterprises and over a thousand small- to medium-sized PCB companies. The Company has established strategic cooperative partnerships with numerous domestic and international leading PCB enterprises in the AI computing power industry chain and maintains ongoing, in-depth communication with end customers. This facilitates comprehensive collaboration in areas such as the R&D and design of new PCB products, process innovation, and technological upgrades, leading to the co-development of pioneering industry products. This collaboration drives progress in the PCB industry, achieves high-standard domestic substitution, and enhances competitiveness in the international market.

The Company continues to deepen its focus on the PCB field. Committed to the goal of helping industry customers maximize their benefits, the Company builds value-added services throughout the full lifecycle, encompassing rational equipment configuration, factory and production line planning, and equipment maintenance and upgrades, all tailored to customers' actual needs regarding production capacity allocation, technical requirements, and order types. Complemented by a "Chief Service Officer" system, the Company aims to create a "zero-perceived-fault" worry-free operation for customers to maximize their benefits, consistently meeting end-users' requirements for efficient equipment operation.

### 4. Commitment to Innovative R&D to Facilitate the High-Level Development of the Industry

The Company has established a sound R&D system and possesses a strong R&D team, with expertise spanning multiple fields, including mechanical design, electrical engineering, electronic technology, optoelectronics and laser technology, automatic control technology, computer software. During the Reporting Period, the Company intensified its efforts to attract high-end technical talent, leading to a significant increase in the number of highly educated personnel. The number of employees with master's degrees or above increased to 93, substantially increasing the density of highly skilled technical professionals and effectively facilitating the rapid advancement of the Company's key new technologies and products.

Under the Company's unique proprietary R&D management system, the niche application scenario research platforms, product development platforms, and general technology R&D platforms operate with clear divisions of labor and focused R&D priorities. R&D personnel from diverse professional backgrounds collaborate closely and engage in in-depth interaction with leading PCB manufacturers, key component suppliers, and major PCB material vendors. This fosters a close strategic cooperative partnership that enables the Company to precisely grasp the evolving needs of downstream PCB customers, continuously break through bottlenecks in PCB product processing technology, and launch differentiated turnkey solutions for PCB product processing in niche application scenarios such as automotive electronic millimeter-wave radar and AI computing servers, thereby driving the transformation of the PCB industry. In the future, the Company will continue to increase its technological investment in areas such as fully digitalized smart factories, next-generation AI server PCB boards, mSAP process solutions, and complete glass substrate solutions. It will continuously accumulate R&D achievements to facilitate the development of high-potential scenarios within the PCB industry.

### 5. Dual-track Operation of the A+H Model to Accelerate the Company's International Operations

In February 2026, the Company was successfully listed on the Stock Exchange of Hong Kong, officially becoming an A+H share listed company. Benefiting from HANS CNC's unique business model, coupled with multiple innovative integrated solutions that have empowered the rapid implementation of next-generation AI computing power and gained widespread recognition from downstream customers, the Company has attracted significant attention from global investors. Several leading international institutions participated as cornerstone investors, including well-known domestic and international institutions such as Hongxing International (a subsidiary of Victory Giant Technology), GIC, Schroders, HHLRA, MSIP, Fullgoal, Tibet Longrising, ICBC Wealth, Wind Sabre, and OmniVision HK (a subsidiary of OmniVision Group). Leveraging the capital market platform of the Stock Exchange of Hong Kong, the Company can attract the attention of global investors, which is expected to significantly enhance the global visibility of the HANS CNC brand. Simultaneously, this will promote the Company's rapid adaptation to international rules, seizing the initiative to accelerate overseas market expansion, core technology R&D, and global industry chain integration, thereby further realizing the transition from being a "China-leading" to a "globally leading" enterprise.

# FINANCIAL REVIEW

## Overview

For the details of the analysis of the principal operating results, please see "Principal Business of the Company during the Reporting Period".

For the year 2025, the operating revenue was RMB5,772.9 million, the profit before tax was RMB931.3 million, and the net profit attributable to owners of the parent was RMB824.3 million, representing an increase of 72.68%, 182.58%, and 173.68%, respectively, compared to the previous year. As of 31 December 2025, the Company's total assets amounted to RMB10,615.0 million, total liabilities were RMB4,530.1 million, and the equity attributable to owners of the parent was RMB6,070.8 million. The gearing ratio was 42.68% (this ratio is calculated based on total liabilities as a percentage of total assets).

For the year 2025, net cash inflow from operating activities amounted to RMB180.6 million, net cash outflow from investing activities was RMB154.4 million, net cash inflow from financing activities was RMB252.4 million and the net increase in cash and cash equivalents was RMB276.8 million.

During the Reporting Period, the Company's operating revenue increased significantly compared to the same period last year. This was primarily attributable to the continued strong demand for infrastructure such as servers and high-speed switches within the AI computing power industry chain. Coupled with technological upgrades in end markets such as consumer electronics, automotive electronics, and industrial control, the demand for high-value high-multilayer boards and high-multilayer HDI boards grew rapidly, consequently further expanding the market demand for specialized PCB processing equipment.

*Note: This financial review was prepared in accordance with International Financial Reporting Standards (IFRS).*

## Operating Revenue

| | 2025 | | 2024 | | |
|---|---|---|---|---|---|
| | **Amount** *RMB'000* | **% of Operating Revenue** | Amount *RMB'000* | % of Operating Revenue | Year-on-Year Change |
| Total Operating Revenue | **5,772,935** | **100.00%** | 3,343,091 | 100.00% | 72.68% |
| **By Industry Sector** | | | | | |
| PCB | **5,772,935** | **100.00%** | 3,343,091 | 100.00% | 72.68% |
| **By Product** | | | | | |
| Drilling Equipment | **4,167,353** | **72.19%** | 2,100,645 | 62.84% | 98.38% |
| Photolithography Equipment | **322,176** | **5.58%** | 340,306 | 10.18% | -5.33% |
| Testing Equipment | **533,520** | **9.24%** | 274,139 | 8.20% | 94.62% |
| Formation Equipment | **270,186** | **4.68%** | 254,138 | 7.60% | 6.31% |
| Attachment Equipment | **118,537** | **2.05%** | 81,940 | 2.45% | 44.66% |
| Lamination Equipment | **18,256** | **0.32%** | 9,804 | 0.29% | 86.21% |
| Others | **342,907** | **5.94%** | 282,119 | 8.44% | 21.55% |
| **By Geographic Region** | | | | | |
| South China | **3,272,797** | **56.69%** | 1,410,067 | 42.18% | 132.10% |
| East China | **1,247,351** | **21.61%** | 1,164,847 | 34.84% | 7.08% |
| Southwest China | **542,508** | **9.40%** | 343,854 | 10.28% | 57.77% |
| North China | **101,150** | **1.75%** | 62,402 | 1.87% | 62.09% |
| Overseas | **609,129** | **10.55%** | 361,921 | 10.83% | 68.30% |
| **By Sales Model** | | | | | |
| Direct Sales | **5,711,441** | **98.93%** | 3,316,306 | 99.20% | 72.22% |
| Distribution | **61,494** | **1.07%** | 26,785 | 0.80% | 129.58% |

*Note: Any discrepancies between the total amounts shown above and the sum of the individual figures are due to rounding.*

The Group's total operating revenue for 2025 reached RMB5,772.9 million, representing a year-on-year increase of 72.68% compared with RMB3,343.1 million in 2024. The overall business achieved rapid growth, primarily benefiting from the strong performance of core product lines and the continued release of market demand.

Drilling Equipment: Revenue for 2025 reached RMB4,167.4 million, representing a year-on-year increase of 98.38% compared with RMB2,100.6 million in 2024. Its contribution to total operating revenue increased from 62.84% to 72.19%, establishing it as the Company's core growth driver. This growth was primarily attributable to the explosive growth of AI computing power applications, which has driven a significant increase in the demand for mechanical drilling equipment for corresponding high multilayer boards. In particular, the proportion of higher-priced CCD drilling equipment has risen rapidly, thereby boosting both the shipment volume and the average unit price of drilling equipment.

Photolithography Equipment: Revenue for 2025 amounted to RMB322.2 million, representing a year-on-year decrease of 5.33% compared with RMB340.3 million in 2024. Its contribution to total operating revenue decreased from 10.18% to 5.58%. This decline was primarily attributable to shifts in market dynamics, particularly changes in demand among leading PCB manufacturers. Market demand for high-end photolithography equipment, especially high-precision and large-format models which typically command higher selling prices, increased significantly. Although the Company has made progress in upgrading its photolithography equipment, it is still in the process of enhancing its production capacity to respond to the aforementioned trends. Consequently, it did not fully capture the growth in demand for high-end photolithography equipment, while the addressable market for lower-end equipment diminished, resulting in this revenue decline. In response to these market dynamics, we are actively optimizing our sales strategies and upgrading our product portfolio, and actively accelerating the development and commercialization of high-end photolithography equipment, including high-precision, solder mask and large-format models.

Testing Equipment: Revenue for 2025 reached RMB533.5 million, representing a year-on-year increase of 94.62% compared with RMB274.1 million in 2024. Its contribution to total operating revenue increased from 8.20% to 9.24%. This growth was primarily attributable to the structural increase in testing demand in downstream application markets such as AI servers, consumer electronics, and automotive electronics, which drove higher sales volume; and an increase in the average selling price resulting from increased sales of high-precision testing equipment.

Formation Equipment: Revenue for 2025 reached RMB270.2 million, representing a year-on-year increase of 6.31% compared with RMB254.1 million in 2024. Its contribution to total operating revenue decreased from 7.60% to 4.68%. This growth was primarily attributable to increased sales volume driven by the structural growth in demand from downstream application markets such as AI servers, consumer electronics, and automotive electronics. During the same period, the average selling price of formation equipment remained stable.

Attachment Equipment: Revenue for 2025 reached RMB118.5 million, representing a year-on-year increase of 44.66% compared with RMB81.9 million in 2024. Its contribution to total operating revenue decreased from 2.45% to 2.05%. This growth was primarily attributable to increased sales volume driven by the structural growth in downstream application markets, as well as an increase in the average selling price resulting from increased sales of more advanced models of attachment equipment.

Lamination Equipment: Revenue for 2025 reached RMB18.3 million, representing a year-on-year increase of 86.21% compared with RMB9.8 million in 2024. Its contribution to total operating revenue increased slightly from 0.29% to 0.32%. This relatively rapid growth was primarily attributable to the demand for lamination equipment driven by the capacity expansion of high-layer count PCBs and substrates, with the Company's small-batch products gradually gaining market recognition.

Other: Revenue for 2025 reached RMB342.9 million, representing a year-on-year increase of 21.55% compared with RMB282.1 million in 2024. Its contribution to total operating revenue decreased from 8.44% to 5.94%. This primarily comprises businesses such as spare parts, maintenance services, and supporting consumables. As sales volume of core equipment grew, demand for aftermarket services correspondingly increased, but its growth rate lagged behind that of overall revenue, resulting in a decrease in its revenue contribution.

### Cost of Operation

| By Product | 2025 Amount *RMB'000* | 2025 % of Cost of Operation | 2024 Amount *RMB'000* | 2024 % of Cost of Operation | Year-on-Year Change |
|---|---|---|---|---|---|
| Drilling Equipment | **2,817,808** | **74.06%** | 1,602,710 | 65.81% | 75.82% |
| Photolithography Equipment | **196,221** | **5.16%** | 221,969 | 9.11% | -11.60% |
| Testing Equipment | **315,560** | **8.29%** | 162,034 | 6.65% | 94.75% |
| Formation Equipment | **202,213** | **5.32%** | 201,621 | 8.28% | 0.29% |
| Attachment Equipment | **74,598** | **1.96%** | 48,990 | 2.01% | 52.27% |
| Lamination Equipment | **16,912** | **0.44%** | 10,370 | 0.43% | 63.09% |
| Others | **181,456** | **4.77%** | 187,727 | 7.71% | -3.34% |
| **Total** | **3,804,768** | **100.00%** | 2,435,421 | 100.00% | 56.23% |

The Group's total cost of operation for 2025 reached RMB3,804.8 million, representing a year-on-year increase of 56.23% compared with RMB2,435.4 million in 2024. The overall cost scale expanded in tandem with the growth in operating revenue, primarily benefiting from the economies of scale driven by increased sales volume of core products. Concurrently, certain changes in the product mix affected the cost contribution.

Drilling Equipment: Costs for 2025 reached RMB2,817.8 million, representing a year-on-year increase of 75.82% compared with RMB1,602.7 million in 2024. Its contribution to total cost of operation increased from 65.81% to 74.06%. This was primarily attributable to a significant increase in sales volume of such equipment (revenue increased by 98.38% year-on-year), driving the expansion of raw material procurement, production, and labor costs. Concurrently, increased production volume generated certain economies of scale, resulting in cost growth lagging behind revenue growth and an overall improvement in gross profit margin.

Photolithography Equipment: Costs for 2025 reached RMB196.2 million, representing a year-on-year decrease of 11.60% compared with RMB222.0 million in 2024. Its contribution to total cost of operation decreased from 9.11% to 5.16%. This was primarily attributable to the reduction in revenue scale for such equipment (revenue decreased by 5.33% year-on-year), leading to a corresponding decrease in production volume and raw material procurement. Concurrently, the Company optimized its supply chain and production processes, further reducing unit production costs.

Testing Equipment: Costs for 2025 reached RMB315.6 million, representing a year-on-year increase of 94.75% compared with RMB162.0 million in 2024. Its contribution to total cost of operation increased from 6.65% to 8.29%. This growth was primarily attributable to the rapid increase in sales volume of such equipment (revenue increased by 94.62% year-on-year), leading to a corresponding increase in the procurement of core components, assembly labor, and manufacturing overhead. The cost growth was broadly in line with the revenue growth, and the gross profit margin remained stable.

Formation Equipment: Costs for 2025 reached RMB202.2 million, representing a year-on-year increase of 0.29% compared with RMB201.6 million in 2024. Its contribution to total cost of operation decreased from 8.28% to 5.32%. This was primarily attributable to stable sales volume growth for such equipment (revenue increased by 6.31% year-on-year), with the cost scale remaining largely stable. Concurrently, the Company effectively controlled the cost increase through enhanced production efficiency and optimized procurement costs, resulting in cost growth being significantly lower than revenue growth.

Attachment Equipment: Costs for 2025 reached RMB74.6 million, representing a year-on-year increase of 52.27% compared with RMB49.0 million in 2024. Its contribution to total cost of operation decreased from 2.01% to 1.96%. This was primarily attributable to increased sales volume of such equipment (revenue increased by 44.66% year-on-year), driving an increase in raw material and assembly costs.

Lamination Equipment: Costs for 2025 reached RMB16.9 million, representing a year-on-year increase of 63.09% compared with RMB10.4 million in 2024. Its contribution to total cost of operation increased slightly from 0.43% to 0.44%. This was primarily attributable to the rapid growth in sales volume of such equipment (revenue increased by 86.21% year-on-year), with small-batch orders driving a corresponding increase in raw material and production costs. Concurrently, cost investments during the R&D and trial production phase for new products also increased.

Others: Costs for 2025 reached RMB181.5 million, representing a year-on-year decrease of 3.34% compared with RMB187.7 million in 2024. Its contribution to total cost of operation decreased from 7.71% to 4.77%. This primarily comprises costs related to spare parts, maintenance services, and supporting consumables. While demand for aftermarket services increased in tandem with the growth in sales volume of core equipment (with revenue increasing by 21.55% year-on-year). Due to our strengthened maintenance service management and the implementation of enhanced preventive maintenance measures for equipment, we reduced the equipment failure rate and related repair service costs, thereby improving overall profitability.

## Gross Profit and Gross Profit Margin

| By Product | 2025 Amount RMB'000 | 2025 Gross Profit Margin | 2024 Amount RMB'000 | 2024 Gross Profit Margin | Year-on-Year Change Change in Amount | Year-on-Year Change Change in Gross Profit Margin |
|---|---|---|---|---|---|---|
| Drilling Equipment | **1,349,545** | **32.38%** | 497,935 | 23.70% | 171.03% | increase by 8.68 percentage points |
| Photolithography Equipment | **125,955** | **39.10%** | 118,337 | 34.77% | 6.44% | increase by 4.33 percentage points |
| Testing Equipment | **217,960** | **40.85%** | 112,105 | 40.89% | 94.42% | decrease by 0.04 percentage points |
| Formation Equipment | **67,973** | **25.16%** | 52,517 | 20.66% | 29.43% | increase by 4.50 percentage points |
| Attachment Equipment | **43,939** | **37.07%** | 32,950 | 40.21% | 33.35% | decrease by 3.14 percentage points |
| Lamination Equipment | **1,344** | **7.36%** | -566 | -5.77% | 337.46% | increase by 13.13 percentage points |
| Others | **161,451** | **47.08%** | 94,392 | 33.46% | 71.04% | increase by 13.62 percentage points |
| **Total** | **1,968,167** | **34.09%** | 907,670 | 27.15% | 116.84% | increase by 6.94 percentage points |

The Group's total gross profit for the year 2025 reached RMB1,968.2 million, representing a year-on-year increase of 116.84% compared with RMB907.7 million for the year 2024. The overall gross profit margin increased from 27.15% to 34.09%, representing an increase of 6.94 percentage points, primarily attributed to the optimization of the core product mix, the realization of economies of scale, and the improvement of product profitability.

Drilling Equipment: Gross profit for the year 2025 reached RMB1,349.5 million, representing a year-on-year increase of 171.03% compared with RMB497.9 million for the year 2024. The gross profit margin increased from 23.70% to 32.38%, representing an increase of 8.68 percentage points. This was primarily attributable to the significant increase in sales volume of such equipment, with economies of scale significantly reducing unit production costs. Concurrently, the increased proportion of sales of high-precision drilling equipment, which carries a relatively higher gross profit margin, drove a significant improvement in the overall gross profit margin, establishing it as the core driver of the Group's gross profit growth.

Photolithography Equipment: Gross profit for the year 2025 reached RMB126.0 million, representing a year-on-year increase of 6.44% compared with RMB118.3 million for the year 2024. The gross profit margin increased from 34.77% to 39.10%, representing an increase of 4.33 percentage points. This was primarily attributable to the Company's optimization of product mix and production processes, and to the effective control of costs. Concurrently, the increased proportion of sales of models with relatively higher gross profit margins led to an improvement in gross profit margin despite minor fluctuations in revenue.

Testing Equipment: Gross profit for the year 2025 reached RMB218.0 million, representing a year-on-year increase of 94.42% compared with RMB112.1 million for the year 2024. The gross profit margin was 40.85%, representing a decrease of 0.04 percentage points compared with 40.89% for the year 2024. This was primarily attributable to the rapid growth in sales volume of such equipment, with cost growth broadly in line with revenue growth. Concurrently, the Company maintained a stable pricing strategy, resulting in stable product profitability.

Formation Equipment: Gross profit for the year 2025 reached RMB68.0 million, representing a year-on-year increase of 29.43% compared with RMB52.5 million for the year 2024. The gross profit margin increased from 20.66% to 25.16%, representing an increase of 4.50 percentage points. This was primarily attributable to increased sales volume of high-precision formation equipment, which carries a relatively higher gross profit margin, driving a significant improvement in the gross profit margin.

Attachment Equipment: Gross profit for the year 2025 reached RMB43.9 million, representing a year-on-year increase of 33.35% compared with RMB33.0 million for the year 2024. The gross profit margin decreased from 40.21% to 37.07%, representing a decrease of 3.14 percentage points. This was primarily due to pricing pressure resulting from intensified market competition, coupled with a slight increase in raw material costs, leading to a decline in gross profit margin. However, the overall margin remained at a relatively high level.

Lamination Equipment: Gross profit for the year 2025 reached RMB1.3 million, compared with a loss of RMB0.6 million for the year 2024, achieving profitability. The gross profit margin increased from -5.77% to 7.36%, representing an increase of 13.13 percentage points. This was primarily attributable to the rapid growth in sales volume of such equipment, with economies of scale gradually emerging. Concurrently, the Company optimized its production processes and cost control, successfully reversing the loss position.

Others: Gross profit for the year 2025 reached RMB161.5 million, representing a year-on-year increase of 71.04% compared with RMB94.4 million for the year 2024. The gross profit margin increased from 33.46% to 47.08%, representing an increase of 13.62 percentage points. This was primarily attributable to our enhanced management of maintenance services. We strengthened preventive maintenance measures for our equipment, reducing equipment failure rates and associated maintenance service costs, thereby driving a significant increase in the overall gross profit margin.

### Other Income and Gains, Net

The Group's other income and gains, net for the year 2025 amounted to RMB198.7 million, representing a year-on-year increase of 3.48% compared with RMB192.0 million for the year 2024. This was primarily attributable to (i) an increase in government grants, which mainly aim to encourage technological advancement, industrial growth, and operational stability; (ii) an increase in additional VAT deductions, primarily due to higher purchase volumes resulting from increased sales in 2025, which led to a greater amount of input VAT eligible for such deductions.

### Administrative Expenses

The Group's administrative expenses for the year 2025 amounted to RMB297.6 million, representing a year-on-year increase of 46.08% compared with RMB203.7 million for the year 2024. The administrative expense ratio for 2025 was 5.16%, representing a decrease of 0.93 percentage points compared with 6.09% for 2024. This was primarily attributable to (i) increased salary expenses due to talent acquisition and team expansion; (ii) increased depreciation and amortization expenses for long-term assets; and (iii) increased service fees paid to intermediaries in connection with the issue of the H-share and initial public offerings. A decrease in share-based payment expenses during the period partially offset the increase in administrative expenses.

### Selling and Marketing Expenses

The Group's selling and marketing expenses for the year 2025 amounted to RMB311.4 million, representing a year-on-year increase of 58.80% compared with RMB196.1 million for the year 2024. The selling and marketing expense ratio for 2025 was 5.39%, representing a decrease of 0.48 percentage points compared with 5.87% for 2024. This was primarily attributable to the expansion of the Company's business scale, with corresponding increases in expenses such as sales personnel remuneration, business entertainment expenses, advertising and promotion expenses, and travel expenses driven by business development. Concurrently, a decrease in share-based payment expenses during the period partially offset the increase in selling and marketing expenses.

### Research and Development Expenses

The Group's research and development expenses for the year 2025 amounted to RMB457.5 million, representing a year-on-year increase of 71.47% compared with RMB266.8 million for the year 2024. The research and development expense ratio for 2025 was 7.93%, representing a decrease of 0.05 percentage points compared with 7.98% for 2024. This was primarily attributable to (i) the Company's continuous increase in R&D investment, with expanded R&D headcount and talent acquisition leading to higher salary expenses.; and (ii) a corresponding increase in material expenses and depreciation expenses. A decrease in share-based payment expenses partially offset the increase in research and development expenses.

### Impairment Losses on Financial Assets and Contract Assets under Expected Credit Loss, Net

The Group's net impairment losses on financial assets and contract assets under expected credit loss for the year 2025 amounted to RMB26.1 million, representing a year-on-year increase of 11.62% compared with RMB23.4 million for the year 2024. This was primarily attributable to the increase in accounts receivable and contract assets in line with the expansion of business operations.

### Other Expenses

The Group's other expenses for the year 2025 amounted to RMB129.7 million, representing a year-on-year increase of 55.88% compared with RMB83.2 million for the year 2024. This was primarily attributable to an increase in foreign exchange differences, net, due to foreign exchange losses, and an increase in losses on debt restructuring.

### Finance Costs

The Group's finance costs for the year 2025 amounted to RMB19.0 million, representing a year-on-year increase of 89.09% compared with RMB10.1 million for the year 2024. This was primarily attributable to an increase in interest expense on bank loans.

### Profit for the Year

The Group's profit for the year 2025 amounted to RMB818.3 million, representing a year-on-year increase of 173.16% compared with RMB299.6 million for the year 2024. The profit margin for the year increased from 8.96% in 2024 to 14.18% in 2025, representing an increase of 5.22 percentage points. This was primarily attributable to the continued release of market demand and the improvement of profitability of the Company's core products.

### Cash Flows

| **Item** | **2025** | 2024 | |
|---|---|---|---|
| | ***RMB'000*** | *RMB'000* | Year-on-Year Change |
| Net cash flow generated from operating activities | **180,607** | 154,986 | 16.53% |
| Net cash flow used in investing activities | **(154,443)** | (623,967) | -75.25% |
| Net cash flow generated from financing activities | **252,394** | 93,786 | 169.12% |
| Net increase/(decrease) in cash and cash equivalents | **278,558** | (375,195) | 174.24% |
| Foreign exchange gains on cash and cash equivalents | **(1,709)** | (2,639) | -35.24% |
| Cash and cash equivalents at beginning of the year | **1,539,131** | 1,916,965 | -19.71% |
| Cash and cash equivalents at end of the year | **1,815,980** | 1,539,131 | 17.99% |

(1) Net cash inflow generated from operating activities increased year-on-year, primarily attributable to: the significant increase in sales collection driven by the expansion of revenue scale of the Company during the Reporting Period, the strengthening of control over purchase payment, current accounts and costs and expenses, the optimization of cash outflow structure, and the superimposition of tax refund and other factors, which jointly promoted the year-on-year increase in net cash inflow from operating activities.

(2) Net cash outflow used in investing activities decreased year-on-year, primarily attributable to: during the Reporting Period, the main construction of Asia Foundation Industrial Park Urban Renewal Project of the subsidiary Asia Foundation Shenzhen reaching its intended usable state, meeting the recognition conditions of fixed assets and being transferred to fixed assets, with remaining renovation works still in progress. The capital expenditure related to construction in progress in this period decreased significantly compared with the same period of last year, resulting in the narrowing of net cash outflow from investing activities year-on-year.

(3) Net cash inflow generated from financing activities increased year-on-year, primarily attributable to: new bank borrowings obtained of the Company during the Reporting Period, and the fulfilment of vesting conditions for the first vesting period of the Company's 2023 Restricted Share Incentive Scheme, leading to an increase in cash received from capital contributions from the private placement of new shares in the current period.

## Liquidity and Financial Resources

The Group maintains sufficient cash and cash equivalents to preserve financial flexibility. The Company's cash and cash equivalents primarily comprise cash and bank deposits. The following table sets forth the Company's cash and cash equivalents as of 31 December 2025 and 31 December 2024:

| | **As at 31 December 2025** ***RMB'000*** | As at 31 December 2024 *RMB'000* |
|---|---|---|
| Cash and bank deposits | **1,815,980** | 1,539,131 |
| **Total** | **1,815,980** | 1,539,131 |

The Group's cash and cash equivalents increased from RMB1,539.1 million as at 31 December 2024 to RMB1,816.0 million as at 31 December 2025, primarily due to new bank borrowings raised during the period as the Company optimized its capital structure, adjusted debt maturity profiles and financing costs. Meanwhile, the principal business maintained stable cash flow performance, consistently contributing positive net inflows and providing internal support for cash reserves. As of 31 December 2025, cash and cash equivalents of the Company are generally held in RMB.

The Group conducted financing activities based on interest rate market conditions and its fund management plans. The Company's bank loans were sourced from commercial banks and financial institutions in Chinese Mainland. The table below sets forth the Company's bank loans and discounted unmatured bills as at 31 December 2025 and 31 December 2024:

| | **31 December 2025** ***RMB'000*** | 31 December 2024 *RMB'000* |
|---|---|---|
| Bank loans | **503,507** | 1,891 |
| Discounted unmatured bills | **1,560** | 535 |
| Sub-total — current | **505,067** | 2,426 |
| Bank loans | **179,950** | 211,050 |
| Sub-total — non-current | **179,950** | 211,050 |
| **Total** | **685,017** | 213,476 |

The Group's current borrowings increased from RMB2.4 million as at 31 December 2024 to RMB505.1 million as at 31 December 2025, primarily due to an increase in short-term financing amounts and the reclassification of non-current borrowings of the Company.

The Group's non-current borrowings decreased from RMB211.1 million as at 31 December 2024 to RMB180.0 million as at 31 December 2025, primarily due to the repayment of part of the borrowings.

As of 31 December 2025, the borrowings of the Group are generally held in RMB, and the majority of the loans are at fixed interest rates.

The Group expects that there will be no significant changes in the availability of financing to fund the Company's operations in the future.

## CAPITAL STRUCTURE

The financial department of the Group is responsible for its financial risk management, aiming to ensure that the liquidity structure of the assets, liabilities and other commitments of the Group could meet its funding needs on an ongoing basis. The borrowings of the Group were mainly settled in RMB, while its cash and cash equivalents were mainly held in RMB, U.S. dollars and Hong Kong dollars. As of 31 December 2025, the outstanding loans of the Group were mainly RMB-denominated loans. Our bank borrowings were unsecured bank loans, with effective interest rates ranging from 2.08% to 3.98% per annum.

The Group maintains a stable capital ratio to support its business and manages its asset structure through the gearing ratio. The table below sets forth the Company's total assets/liabilities and gearing ratio as at 31 December 2025 and 31 December 2024:

| | **31 December 2025** ***RMB'000*** | 31 December 2024 *RMB'000* |
|---|---|---|
| Total assets | **10,615,027** | 7,186,497 |
| Total liabilities | **4,530,139** | 2,050,120 |
| Gearing ratio | **42.68%** | 28.53% |

## ASSETS AND LIABILITIES

### *Changes in Key Assets and Liabilities*

| | **End of 2025** | | Beginning of 2025 | | Year-on-year change in amount | Change in percentage of total assets |
|---|---|---|---|---|---|---|
| | **Amount** ***RMB'000*** | **Percentage of total assets** | Amount *RMB'000* | Percentage of total assets | | |
| **Current Assets** | | | | | | |
| Inventories | **1,893,114** | **17.83%** | 898,185 | 12.50% | 110.77% | 5.33% |
| Trade and bills receivables | **4,285,077** | **40.37%** | 2,676,146 | 37.24% | 60.12% | 3.13% |
| Contract assets | **47,454** | **0.45%** | 24,880 | 0.35% | 90.73% | 0.10% |
| Cash and cash equivalents | **1,815,980** | **17.11%** | 1,539,131 | 21.42% | 17.99% | -4.31% |
| **Non-current Assets** | | | | | | |
| Property, plant and equipment | **792,776** | **7.47%** | 677,804 | 9.43% | 16.96% | -1.96% |
| Investment properties | **1,725** | **0.02%** | 1,803 | 0.03% | -4.33% | -0.01% |
| Right-of-use assets | **467,550** | **4.40%** | 493,578 | 6.87% | -5.27% | -2.47% |
| Goodwill | **12,924** | **0.12%** | 74,323 | 1.03% | -82.61% | -0.91% |
| Other intangible assets | **5,257** | **0.05%** | 5,185 | 0.07% | 1.39% | -0.02% |
| Investments in associates | **54,494** | **0.51%** | 51,310 | 0.71% | 6.21% | -0.20% |
| Deferred tax assets | **164,985** | **1.55%** | 49,967 | 0.70% | 230.19% | 0.85% |
| Trade receivables-non-current | **418,220** | **3.94%** | 170,002 | 2.37% | 146.01% | 1.57% |
| **Current Liabilities** | | | | | | |
| Trade and bills payables | **2,707,735** | **25.51%** | 1,275,637 | 17.75% | 112.27% | 7.76% |
| Other payables and accruals | **748,980** | **7.06%** | 411,581 | 5.73% | 81.98% | 1.33% |
| Interest-bearing borrowings | **505,067** | **4.76%** | 2,426 | 0.03% | 20,718.92% | 4.73% |
| Lease liabilities | **16,795** | **0.16%** | 34,716 | 0.48% | -51.62% | -0.32% |
| Income tax payable | **102,360** | **0.96%** | 9,250 | 0.13% | 1,006.59% | 0.83% |

| | End of 2025 | | Beginning of 2025 | | Year-on-year change in amount | Change in percentage of total assets |
|---|---|---|---|---|---|---|
| | Amount *RMB'000* | Percentage of total assets | Amount *RMB'000* | Percentage of total assets | | |
| **Non-current Liabilities** | | | | | | |
| Interest-bearing borrowings | **179,950** | **1.70%** | 211,050 | 2.94% | -14.74% | -1.24% |
| Provision | **34,268** | **0.32%** | 6,841 | 0.10% | 400.92% | 0.22% |
| Lease liabilities | **11,041** | **0.10%** | 12,798 | 0.18% | -13.73% | -0.08% |

The Group's inventories increased from RMB898.2 million as at 31 December 2024 to RMB1,893.1 million as at 31 December 2025, primarily due to business scale expansion and a significant increase in stock preparation due to higher order volumes, leading to a 110.77% year-on-year growth in inventory value.

The Group's trade and bills receivables included in the current assets increased from RMB2,676.1 million as at 31 December 2024 to RMB4,285.1 million as at 31 December 2025, primarily due to robust demand for infrastructure such as AI computing power, servers, and high-speed switches, along with technological upgrades in end markets including consumer electronics, automotive electronics, and industrial control, and the expansion in revenue scale driven by growth in high-value products and PCB specialty processing equipment, resulting in a 60.12% year-on-year increase in this item.

The Group's contract assets increased from RMB24.9 million as at 31 December 2024 to RMB47.5 million as at 31 December 2025, primarily due to higher sales revenue leading to an increase in contract warranty receivables from customers. This item recorded a year-on-year growth of 90.73%.

The Group's cash and cash equivalents increased from RMB1,539.1 million as at 31 December 2024 to RMB1,816.0 million as at 31 December 2025, primarily due to improved cash flows from financing activities, cash inflows from financing activities and decreased cash used in investing activities, resulting in a 17.99% year-on-year increase in this item.

The Group's property, plant and equipment increased from RMB677.8 million as at 31 December 2024 to RMB792.8 million as at 31 December 2025, primarily due to the transfer of construction in progress at Yachuang Industrial Park (亞創工業園) to fixed assets upon ready for the intended use, resulting in a 16.96% year-on-year increase in this item.

The Group's investment properties decreased from RMB1.8 million as at 31 December 2024 to RMB1.7 million as at 31 December 2025, primarily due to depreciation charges on investment properties, leading to a 4.33% year-on-year decrease in this item.

The Group's right-of-use assets decreased from RMB493.6 million as at 31 December 2024 to RMB467.6 million as at 31 December 2025, primarily due to depreciation and amortisation charges on land use rights and leased assets, resulting in a 5.27% year-on-year decrease in this item.

The Group's goodwill decreased from RMB74.3 million as at 31 December 2024 to RMB12.9 million as at 31 December 2025, primarily due to impairment provisions recognized on goodwill following impairment testing on the subsidiary, Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. (深圳市大族瑞利泰德精密塗層有限公司), leading to an 82.61% year-on-year decrease in this item.

The Group's deferred tax assets increased from RMB50.0 million as at 31 December 2024 to RMB165.0 million as at 31 December 2025, primarily due to an increase in deductible temporary differences arising from provisions for asset impairment, share-based payments, employee compensation payable and accrued expenses, leading to a 230.19% year-on-year increase in this item.

The Group's trade receivables included in the non-current assets increased from RMB170.0 million as at 31 December 2024 to RMB418.2 million as at 31 December 2025, primarily due to business scale expansion resulting in a corresponding increase in long-term receivables under installment collection terms, leading to a 146.01% year-on-year increase in this item.

The Group's trade and bills payables increased from RMB1,275.6 million as at 31 December 2024 to RMB2,707.7 million as at 31 December 2025, primarily due to business scale expansion leading to a corresponding increase in procurement scale, resulting in a 112.27% year-on-year increase in this item.

The Group's other payables and accruals increased from RMB411.6 million as at 31 December 2024 to RMB749.0 million as at 31 December 2025, primarily due to an increase in salaries payable, driven by workforce expansion to support the Company's development and strong operating performance during the Reporting Period, resulting in an 81.98% year-on-year increase in this item.

The Group's interest-bearing borrowings (current) increased from RMB2.4 million as at 31 December 2024 to RMB505.1 million as at 31 December 2025, primarily due to the new bank borrowings during the period as the Company optimized the capital structure, adjusted debt maturity profiles and financing costs, resulting in a 20,718.92% year-on-year increase in this item.

The Group's lease liabilities (current) decreased from RMB34.7 million as at 31 December 2024 to RMB16.8 million as at 31 December 2025, primarily due to rental payments made and the expiration of certain leases during the Reporting Period, leading to a 51.62% year-on-year decrease in this item.

The Group's income tax payable increased from RMB9.3 million as at 31 December 2024 to RMB102.4 million as at 31 December 2025, primarily due to a significant increase in taxable income driven by profit growth, resulting in a 1,006.59% year-on-year increase in this item.

The Group's interest-bearing borrowings (non-current) decreased from RMB211.1 million as at 31 December 2024 to RMB180.0 million as at 31 December 2025, primarily due to the repayment of certain long-term borrowings and the reclassification of long-term borrowings due within one year, leading to a 14.74% year-on-year decrease in this item.

The Group's provisions increased from RMB6.8 million as at 31 December 2024 to RMB34.3 million as at 31 December 2025, primarily due to an increase in product warranty provisions recognized in line with sales revenue growth during the Reporting Period, resulting in a 400.92% year-on-year increase in this item.

The Group's lease liabilities (non-current) decreased from RMB12.8 million as at 31 December 2024 to RMB11.0 million as at 31 December 2025, primarily due to the reclassification of lease liabilities due within one year from lease liabilities, leading to a 13.73% year-on-year decrease in this item.

***Restriction on Asset Rights as of the End of the Reporting Period***

Restricted cash amounted to RMB542,000 and RMB333,000 as at 31 December 2025 and 31 December 2024, respectively, representing amounts frozen by judicial authorities in connection with certain litigation cases.

## CAPITAL COMMITMENTS

The Group had the following contractual commitments at the end of the year:

| | **2025** ***RMB'000*** | 2024 *RMB'000* |
|---|---|---|
| Acquisition of property, plant and equipment and other non-current assets | **104,158** | 139,668 |

## EXTERNAL GUARANTEES

The Company was not involved in any external guarantees during the Reporting Period. The guarantees provided by the Company to its subsidiaries are as follows:

**Guarantees provided by the Company to its subsidiaries**

| The guaranteed party | Date of disclosure of relevant announcement in relation to the limit on the guaranteed amount | Limit on guaranteed amount *RMB'000* | Actual effective date | Actual guaranteed amount *RMB'000* | Type of guarantee | Collateral (if any) | Counter guarantee (if any) | Period of guarantee | Completed or not | Whether the guarantee is given for any related party *RMB'000* |
|---|---|---|---|---|---|---|---|---|---|---|
| Han's CNC Technology (Xinfeng) Co., Ltd. (大族數控科技(信豐)有限公司) | 9 November 2023 | 156,930 | 10 November 2023 | 156,930 | General guarantee | No | No | Two years commencing from the day immediately following the expiration date for the performance of the last debt or the fulfillment of the last contractual obligation (whichever is later) under all master agreements for Xinfeng CNC | No | No |
| Total limit on the amount of guarantees for subsidiaries approved during the Reporting Period (B1) | | 156,930 | | Total actual amount of guarantees for subsidiaries during the Reporting Period (B2) | | | | | | 0 |
| Total limit on the amount of guarantees for subsidiaries which has been approved at the end of the Reporting Period (B3) | | 156,930 | | Total balance of actual amount of guarantees for subsidiaries at the end of the Reporting Period (B4) | | | | | | 156,930 |

| Guarantees provided by the subsidiaries to the subsidiaries | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| The guaranteed party | Date of disclosure of relevant announcement in relation to the limit on the guaranteed amount | Limit on guaranteed amount *RMB'000* | Actual effective date | Actual guaranteed amount *RMB'000* | Type of guarantee | Collateral (if any) | Counter guarantee (if any) | Period of guarantee | Completed or not | Whether the guarantee is given for any related party *RMB'000* |

| Total guaranteed amount of the Company (being the sum of the previous three major items) | | | |
|---|---|---|---|
| Total limit on the amount of guarantees approved during the Reporting Period (A1+B1+C1) | 156,930 | Total actual amount of guarantees during the Reporting Period (A2+B2+C2) | 0 |
| Total limit on the amount of guarantees which has been approved at the end of the Reporting Period (A3+B3+C3) | 156,930 | Total balance of actual amount of guarantees at the end of the Reporting Period (A4+B4+C4) | 156,930 |
| The ratio of total balance of amount of guarantees (i.e., A4+B4+C4) to the Company's net assets | | | 2.58% |

## CONTINGENT LIABILITIES

The Group had the following outstanding letters of guarantee issued by banks at the end of each year:

| | **2025** ***RMB'000*** | 2024 *RMB'000* |
|---|---|---|
| Outstanding letters of guarantee | **45,508** | 35,507 |

## PROSPECTS FOR THE COMPANY'S FUTURE DEVELOPMENT

### INDUSTRY TRENDS

According to Prismark, the global electronics industry is expected to maintain high growth in 2026, driven by the continued expansion of the AI computing power sector. Notably, the server market is projected to grow by 18.4%, becoming the largest segment among electronic end-use applications. Its CAGR is forecasted to reach 13.9% from 2024 to 2029. Furthermore, the growth of AI computing power is closely tied to the development of data switching equipment; thus, demand from AI data centers is expected to drive sustained expansion of the upstream PCB market over the long term. From the perspective of composite growth rates across different electronic end-use applications, PCB demand in servers/storage and wired infrastructure is projected to grow by 18.7% and 15.7%, respectively, significantly exceeding the industry average of 8.2%.

**PCB Demand by Electronic End-Use Application**

| $M | 2020 | 2023 | 2024 | 2025F | 2029F | 2025/2024 | 2024-2029 CAAGR |
|---|---|---|---|---|---|---|---|
| PC | $11,210 | $9,391 | $9,429 | $10,100 | $11,202 | 7.10% | **3.50%** |
| Server/Storage | $5,876 | $8,201 | $10,916 | $15,975 | $25,729 | 46.30% | **18.70%** |
| Other Computer | $3,801 | $3,661 | $3,649 | $3,830 | $4,110 | 5.00% | **2.40%** |
| Mobile Phones | $14,150 | $13,085 | $13,886 | $14,793 | $17,670 | 6.50% | **4.90%** |
| Wired Infrastructure | $4,958 | $5,955 | $6,153 | $8,385 | $12,759 | 36.30% | **15.70%** |
| Wireless Infrastructure | $2,771 | $3,118 | $3,177 | $3,611 | $4,800 | 13.70% | **8.60%** |
| Consumer | $9,366 | $9,129 | $8,972 | $9,610 | $10,755 | 7.10% | **3.70%** |
| Automotive | $6,457 | $9,153 | $9,195 | $9,712 | $11,365 | 5.60% | **4.30%** |
| Industrial | $2,543 | $2,871 | $2,918 | $3,157 | $3,823 | 8.20% | **5.60%** |
| Medical | $1,263 | $1,440 | $1,500 | $1,603 | $1,893 | 6.90% | **4.80%** |
| Military/Aerospace | $2,824 | $3,514 | $3,770 | $4,116 | $5,154 | 9.20% | **6.50%** |
| **Total** | **$65,218** | **$69,517** | **$73,565** | **$84,891** | **$109,258** | **15.40%** | **8.20%** |

Data Source: Prismark 202601

The scale of demand for specialized PCB equipment is strongly correlated with the area demand for PCBs. Based on estimates of PCB area demand across different segments, growth is expected to be particularly pronounced in sectors associated with servers–especially AI computing servers–including high-multilayer boards (≥18 layers), HDI boards, and packaging substrates. These segments are projected to achieve CAGRs of 28%, 14.3% and 12.8%, respectively, from 2024 to 2029. Notably, in Chinese Mainland, the CAGRs for these product categories are forecasted to be even higher, reaching 31.9%, 14.8% and 12.9%, respectively. By 2029, Chinese Mainland is expected to account for 75% of the global PCB market, solidifying its position as the world's largest market.

## Global PCB Demand Forecast, by Area, 2029

| (Unit: Million m²) | Single/ Double-Sided | 4-6 Layers | 8-16 Layers | ≥8 Layers | HDI | Packaging Substrates | Flexible Circuits | Total |
|---|---|---|---|---|---|---|---|---|
| Americas | 1.6 | 1.6 | 0.8 | 0.1 | 0.3 | **0** | **1.4** | **5.9** |
| Europe | 2.3 | 1.7 | 0.2 | 0 | 0.4 | **0.1** | **1.2** | **5.8** |
| Japan | 4.7 | 2.7 | 0.7 | 0.1 | 0.9 | **2.2** | **4.7** | **16.1** |
| Chinese Mainland | 187.7 | 196.8 | 29.5 | 4.8 | 30.4 | **8.8** | **51.8** | **509.9** |
| Asia (excluding Japan and Chinese Mainland) | 50.2 | 23.8 | 7.2 | 1.1 | 11.7 | **13.6** | **32** | **139.6** |
| **Total** | **246.6** | **226.7** | **38.3** | **6.2** | **43.7** | **24.6** | **91.1** | **677.3** |

## CAAGR of Global PCB Demand, by Area, 2024–2029

| CAAGR | Single/ Double-Sided | 4-6 Layers | 8-16 Layers | ≥8 Layers | HDI | Packaging Substrates | Flexible Circuits | Total |
|---|---|---|---|---|---|---|---|---|
| Americas | 5.5% | 6.9% | 6.0% | 6.2% | 8.9% | **20.7%** | **4.3%** | **5.9%** |
| Europe | 6.2% | 6.0% | 4.1% | 6.5% | 8.5% | **79.7%** | **3.5%** | **5.9%** |
| Japan | 5.3% | 5.3% | 7.4% | 10.4% | 8.1% | **11.4%** | **5.1%** | **6.2%** |
| Chinese Mainland | 6.4% | 9.4% | 11.1% | 31.9% | 14.8% | **12.9%** | **7.6%** | **8.6%** |
| Asia (excluding Japan and Chinese Mainland) | 11.0% | 8.0% | 13.3% | 20.5% | 14.2% | **12.8%** | **7.1%** | **10.0%** |
| **Total** | **7.2%** | **9.1%** | **11.3%** | **28.0%** | **14.3%** | **12.8%** | **7.2%** | **8.7%** |

Data Source: Prismark 202512

The sustained growth of the global PCB industry is driven by the development of AI computing infrastructure. As computing power density in AI data centers increases significantly, the corresponding transmission rates of PCBs are rapidly advancing to SerDes 224Gbps and beyond. This escalation in transmission speed is driving profound changes in PCB product performance, structure and manufacturing processes. New processes, materials, and technologies are emerging continuously. The requirements for signal integrity and power integrity in high-speed, high-frequency AI PCBs and advanced packaging are steadily rising. Innovations such as co-packaged optics (CPO), PCB-substrate integration (CoWoP), cable-like PCB designs (orthogonal backplanes), and the processing of new materials including M9, PTFE, ceramics, and glass present greater challenges and expanded opportunities for the specialized equipment industry. Moreover, in 2026, the scale of capital investment by leading global PCB industry players continues to reach new heights, with several companies planning investment budgets exceeding US$1 billion. Based on preliminary statistics, the total investment scale in the AI PCB industry is expected to exceed 50 billion over the coming years. Coupled with the rapid advancement of AI PCB technologies in new plant expansion projects, demand for specialized equipment capacity is significantly increasing. This trend further promotes the development of innovative, high-volume production solutions tailored to emerging industry trends and new requirements.

## CORPORATE DEVELOPMENT STRATEGIES

Since its establishment, the Company has consistently focused on the PCB specialty equipment industry, continuously expanding into key process equipment segments characterized by high technical complexity and added value within the PCB manufacturing process. It remains committed to providing customers with one-stop solutions. Concurrently, the Company is rebuilding its value chain by focusing on auxiliary tools, auxiliary materials, and processing objects related to its specialty processing equipment. The AI computing power industry chain represents the primary direction for future PCB industry development. In alignment with the global expansion of its supply chain, the Company will follow the path of ALL IN AI. It aims to fully capitalize on the opportunities for robust growth in specialty equipment, arising from technological upgrades in the PCB industry and the evolving competitive landscape. By building production capacity both domestically and internationally and engaging deeply in global competition, the Company seeks to achieve sustainable business growth.

The Company will continue to pursue its strategic vision of “become the most respected and trusted PCB equipment service provider in the world.” It will focus comprehensively on the AI computing power industry chain, with strategic enhancements planned in the following key areas to strengthen its core competitiveness.

1. The Company focuses on the high-multilayer boards, high-multilayer HDI boards, substrate-like boards, and packaging substrate markets within the AI computing power scenario, which features rapid market growth and higher technological barriers. By anchoring on the drilling process, it continues to strengthen its cutting-edge market position in drilling solutions. Leveraging the synergistic advantages of multiple products and multiple scenarios, the Company continuously develops competitive intelligent manufacturing solutions that address the technical needs of different market segments in the AI computing power scenario and cover the core processes of the entire PCB production process. The Company strives not only to achieve continuous breakthroughs at the product performance level, but also to realize the mass production of a new generation of AI PCB products from the dimension of comprehensive intelligent manufacturing solutions for the entire AI PCB process.

2. Leveraging its core process solutions built on advanced technologies as a strategic entry point, the Company will collaborate closely with leading downstream PCB manufacturers, upstream key component suppliers, and critical PCB material vendors. By comprehensively mastering the industry's leading production technologies and evolving process trends, the Company will establish an integrated R&D linkage mechanism spanning the upstream, midstream, and downstream segments of the industrial chain. This will enable the gradual extension of its product line from key PCB processes to full-process coverage, strengthening its one-stop supply of PCB processing solutions. As product technologies further mature, the Company will assist PCB industry clients in expanding into advanced packaging sectors.

3. The Company is committed to transforming the existing value chain by enhancing value capture around its existing specialty equipment. Through the integration of new technologies, materials, and processes in PCB industry with specialized processing equipment, the Company will develop systematic process solutions under the HANS CNC brand, significantly improving PCB processing efficiency and quality. Compared to standalone models offering specialized processing equipment or raw materials, HANS CNC systematic solutions can help PCB manufacturers achieve substantial reductions in overall operating costs and maintain leadership in advanced technologies.

4. The Company will continue to strengthen its service capabilities, leveraging its rapid-response advantage to provide customers with full-lifecycle value-added services — from technical consulting and equipment selection to operation, maintenance, and technology upgrades. This will transform traditional product sales into ongoing value interactions with customers, advancing its evolution toward a one-stop solution provider. Additionally, the Company will actively expand its overseas supply and service systems to align with the global diversification trends in the PCB industry, thereby enhancing its global competitiveness.

5. The Company will fully embrace the AI transformation by building a digital intelligence development roadmap. AI will empower innovation across all business segments, facilitating the deployment of intelligent agents across various business scenarios. By pioneering digital and intelligent transformation in the PCB specialty processing equipment sector, the Company aims to secure a competitive advantage.

## BUSINESS PLAN FOR THE UPCOMING YEAR

### *1. Focus on AI Computing Power Scenarios and Seize New Technology Upgrade Opportunities*

The AI computing power industry continues to evolve, with ongoing specification upgrades for AI servers from companies such as NVIDIA and Google. Correspondingly, PCBs are advancing to support higher operating frequencies and faster computing speeds. In addition to continuous improvements in GPU computing power, data switching capabilities have become a critical factor in enhancing server performance. This dual driver is increasing demand for high-speed high-multilayer boards (including ultra-high-multilayer boards or high-multilayer HDI boards) and SLP. Simultaneously, as PCBs replace copper cable connections, demand for orthogonal backplane boards — potentially exceeding 100 layers — is rising. Notable PCB manufacturers worldwide are directing new investments primarily toward these product segments. Leveraging innovative products such as ultra-high precision backdrilling and comprehensive blind-via solutions for high-speed materials, the Company will participate deeply in new product and process R&D initiatives with leading industry clients. Capitalizing on its flexible deployment of highly skilled talent and its advantage in timely, efficient service response, the Company will meet increasingly demanding processing requirements across various stages–including diverse through-hole types, fine-line formation, multiple lamination cycles, and high-reliability quality inspection–through joint experimentation, testing, and other validation methods.

From AI infrastructure to high-speed data transmission and end-user applications, the Company will focus on capturing demand for new specialty processing equipment targeting high-value PCB segments driven by AI computing power scenarios, including high-multilayer HDI boards (HLC+HDI) for servers, 800G/1.6T high-speed optical modules, and SLP for AI smartphones. To address the requirements of high-multilayer HDI boards, such as diverse drilling types, finer line widths, and enhanced reliability, the Company will continue to offer mechanical drilling equipment, laser drilling equipment, testing equipment and other products with enhanced technical capabilities. These offerings are designed to meet the needs of next-generation AI server high-end HDI boards and ultra-high-multilayer switch boards for higher precision back drilling and higher stacking blind via processing to ensure signal integrity. In response to the growing adoption of substrate-like PCBs (SLP) in applications such as 800G and above optical modules and AI smartphones, the Company will expand the application scope of new laser processing technologies. This will address technical requirements for smaller holes and higher-precision outlines, overcoming the limitations of traditional $CO_2$ laser drilling in small-hole formation and the tolerance constraints of mechanical routers, thereby improving production yields for SLP products. The Company is also actively developing mSAP 3.0 process technologies to meet the finer-feature processing demands of next-generation RCC materials for SLP. The Company will deeply engage in new product development aligned with the industry's highest technical requirements, continuing to collaborate with leading industry clients on pioneering integrated solutions. These efforts will support the implementation and mass production of emerging concepts such as CoWoP, CPO, and orthogonal backplane technology.

**2. *Accelerate Expansion into High-End Packaging Substrates and Advanced Packaging***

As traditional transistor scaling becomes increasingly difficult and costly, highlighting the limits of Moore's law, advanced packaging has emerged as a key enabler of performance gains through innovative interconnection and integration technologies. This sector is experiencing rapid growth. The Company has developed novel laser-based integrated solutions tailored for the advanced packaging substrate industry, including capabilities such as micro-via drilling in ABF and PSPI materials, high-precision cavity formation (Cavity), through-glass via (TGV) processing, and singulation. These solutions are applicable to a range of advanced packaging substrates including FC-CSP, FC-BGA, glass-based substrates, EMIB, and FOPLP, serving downstream applications such as SoCs for smartphones, AiP modules, and CPUs, GPUs, FPGAs, and ASICs for AI computing servers. The Company's relevant products have successfully passed process qualification trials and obtained certified supplier status from multiple renowned domestic and international customers. The Company will continue collaborating with these customers on full-process reliability validation to facilitate the conversion of pilot projects into volume orders. Additionally, the Company can provide innovative solutions to downstream customers extending into the advanced packaging field, helping to reduce their upfront process qualification time. Through its strategic positioning in the advanced packaging sector, the Company is committed to aggressively developing innovative solutions to cultivate new profit growth drivers.

**3. *Further penetrating overseas markets and enhancing our international operation capabilities***

The reshaping of the supply chain has triggered a wave of PCB industry capacity expansion in Southeast Asian. The Company actively responds to this industry shift by deeply penetrating the Southeast Asian market together with our existing domestic customers. Building on enhanced cooperation with overseas agents, the Company will focus on expanding our footprint alongside our key domestic customers, while formulating tailored development strategies that account for local business models, supply chain ecosystems, and talent resources. In addition, the Company has established overseas companies and built localized operation teams to accelerate our internationalization process.

Currently, the target markets for capacity expansion in Southeast Asian are also aligned with the AI computing power industry chain. In high-value areas such as high-multilayer boards, high-multilayer HDI boards, and substrate-like PCBs, the main customer groups are our existing clients. Leveraging our competitive advantages in comprehensive AI PCB solutions, the Company will proactively seize expansion opportunities arising from this industry shift. At the same time, overseas packaging substrate projects, particularly those related to AI computing power chips, are gradually increasing across regions such as Taiwan China, Japan, Korea, and Malaysia, with major investments from internationally renowned substrate manufacturers. Capitalizing on the enhanced brand recognition from our H share listing, the Company will accelerate overseas market expansion by establishing permanent offices and R&D teams in Southeast Asian regions such as Singapore. From this base, the Company aims to attract global international talent and build localized teams to forge close connections with enterprises in the advanced packaging industry chain. Through the market promotion of high-technical-value-added products, the Company will participate in high-level global competition, thereby enhancing our international operation capabilities and achieving coverage across the global industrial chain.

***4. Enhancing Talent Development and Expanding Global Talent Acquisition***

As we expand across multiple dimensions within different PCB market segments, the Company faces increasing challenges in market development, product R&D, and process innovation. This has led to a significant rise in demand for high-caliber talent across various fields. To address this, the Company is not only continuously recruiting external professionals to bring fresh energy and expertise into our team, but the Company has also established a comprehensive internal training system. This system is designed to continuously enhance the professional capabilities of our employees, enabling them to accurately grasp the current state and future trends of the industry. The Company will actively advance our "Elite Talent Program", which focuses on leadership development, talent pipeline construction, and succession planning for key positions. Through this initiative, the Company aims to cultivate versatile, high-end technical experts and build a well-rounded, multi-disciplinary talent pool. Furthermore, the Company will proactively develop a reserve of high-level talent to support fundamental technology R&D and provide agile, responsive support to all functional departments. This will help ensure the swift resolution of critical challenges and comprehensively contribute to the advancement of our products and the enhancement of our overall competitiveness.

As the technological value-added of our products increases, our opportunities to engage with international customers and supply chain companies grow substantially. Coupled with the relocation of some PCB production capacity to Southeast Asian, the demand for talent with international perspectives and capabilities has surged. The Company will continue to intensify our efforts in international talent recruitment and localization.

***5. Increasing Investment in Processing Technology Research to Continuously Overcome Manufacturing Challenges in the Industry***

The technological advancement of PCB processes is accelerating, driven largely by the iterative evolution of equipment and materials. The Company plans to shift from offering standalone products to delivering comprehensive process solutions that integrate personnel, machinery, materials, methods, environment, and measurement, while gradually fostering organic synergy across different processes. As the PCB industry's development shifted from overseas to China, related process standards, production workflows, equipment specifications, and industrial software have long been defined by foreign enterprises. To achieve disruptive innovation in the domestic PCB industry, it is essential to increase investment in fundamental process R&D and establish close collaboration mechanisms with upstream and downstream partners. Process innovation can be effectively realized through joint development on specific projects. Moreover, digital and intelligent production will significantly shorten product development cycles and enhance both production efficiency and product quality for PCB manufacturers. The Company will continue to strengthen collaborative R&D with copper clad laminate (CCL) and drill bit suppliers, steadily reduce processing costs for traditional materials, improve the manufacturability of newly developed materials, and provide downstream customers with standard drilling process recipes, helping them save on R&D expenses. The Company intends to gradually extend this collaborative model to other processes such as lamination and pattern transfer. By broadening the scope of fundamental process innovation, the Company aims to create new space for overall technological progress across the industry. Automation and digitalization also form the foundation of intelligent PCB manufacturing. The Company will continue to enhance the MES in our drilling and routing workshops to achieve fully automated operations across all processes, and establish relevant data analysis models to enable continuous improvement in workshop intelligence. In the field of AI-based image recognition, our AOI and AVI products will continue to accumulate data. The Company will also collaborate with industry partners and national laboratories to further improve the accuracy of optical inspection.

***6. Fully Embracing Artificial Intelligence to Vigorously Empower Innovation and Development***

AI is already influencing all aspects of the social economy. Facing this new wave of technological advancement centered on artificial intelligence, the Company will closely monitor industry developments, increase investment in R&D innovation and market expansion, and seize the significant opportunities presented by this new round of industry growth.

As a provider of specialized PCB equipment and processing solutions, the Company can, on one hand, leverage AI to empower our product design, process innovation, and performance enhancement. On the other hand, the Company will actively promote the application of AI within the PCB industry, supporting the innovative development of hardware in the AI industry chain. At the same time, leveraging our multi-product portfolio and one-stop solution capabilities for specific scenarios, the Company will utilize HANS CNC optimization models for specialized PCB production processes to continuously refine product R&D and solution design. We aim to eliminate the shortcomings of existing solutions and create disruptive, innovative products, offering competitively advantageous whole-plant solutions for PCB production to the industry. The Company will increase collaboration with industry institutions, including integrating AI into the Company management, establishing digital connections for production equipment, and building large models for optical inspection. By skillfully utilizing AI while also empowering AI, the Company aims to be the first to create AI agents within the specialized PCB processing equipment industry.

## Potential Risks

***1. Risk of Technology Being Surpassed or Replaced***

The Company has strategically placed our core products across multiple key PCB processes, and each product category faces intense competition from established international players. Examples include Germany's Schmoll, Japan's Mitsubishi Electric and Via Mechanics in drilling process products; the United States' KLA and Japan's ORC in pattern transfer products; and Japan's Nidec-Read in testing process products. Meanwhile, domestic manufacturers are also increasing their R&D investments, with several listed companies entering the field through acquisitions or by developing new product lines. The Company faces the risk that our core technologies could be overtaken by other domestic competitors.

The Company continuously upgrades our R&D hardware capabilities by establishing cutting-edge laboratories and has been approved to establish a Shenzhen Postdoctoral Innovation Base. Leveraging postdoctoral workstations at institutions like Harbin Institute of Technology, the Company aims to attract more top-tier technical talent in the industry and continue to deepen collaborations with upstream and downstream enterprises. This enhances our technological foresight, competitiveness, and adaptability, enabling us to meet the equipment demands arising from the technological upgrades of high-value-added PCBs, such as high-end AI PCB substrates for AI computing scenarios, thereby mitigating the risk of our technologies being surpassed or replaced.

***2. Risk of Reliance on Overseas Sources and Single Suppliers for Certain Raw Materials***

The Company focuses on diversifying our sources of raw materials; however, certain raw materials still rely on overseas brands. The Company has established long-term, stable cooperative relationships with most of our overseas suppliers. However, if risks in the international market intensify, or particularly if the increased technical demands of our newly developed R&D products trigger export restrictions on components by relevant overseas countries, it could adversely affect our production and operations.

The Company will actively explore resources from leading raw material manufacturers in different countries overseas, strengthen positive interactions and deepen cooperative relationships with our suppliers, and master the core technologies of key components. Additionally, the Company will increase efforts to cultivate potential domestic raw material suppliers by providing advanced technical guidance and engaging in R&D for products that advance our product development, thereby broadening our supply channels and mitigating related procurement risks.

***3. Risk of Market Competition***

As China places greater emphasis on the PCB industry and the overall technological level of China's PCB industry improves, domestic PCB equipment manufacturers are gradually challenging the original dominant position of European, American, and Japanese companies in the industry. This has drawn the attention of foreign PCB equipment companies, making the international market competition environment more severe. Concurrently, due to the sustained growth in market demand within the domestic PCB industry, more enterprises are expected to enter, leading to an intensifying competitive environment in the domestic market. Therefore, the Company faces the risk that intensified competition in both domestic and international markets could lead to a decline in our profitability.

Leveraging our extensive customer resource advantages, the Company will engage deeply in the front-end technological R&D of leading industry customers. By mastering the latest technological trends and developing products tailored to customer needs, the Company aims to meet the ongoing cost-reduction and efficiency-improvement demands of the multilayer board market, overcomes existing processing bottlenecks in ultra-high multilayer boards and IC packaging substrates, and actively addresses the process requirements of emerging PCB technologies such as CoWoS, orthogonal backplanes, and CPO. These efforts will help customers enhance their industry competitiveness and establish stronger technological moats, significantly increasing customer stickiness, maintaining our advantageous market position, and ensuring our sustained profitability.

### 4. *Risk of Product Quality Control*

Our equipment covers multiple key processes in PCB manufacturing, and the Company offers a wide variety of product types and models. The proportion of higher-precision equipment is continuously increasing, which raises the difficulty of product quality control. As our business continues to expand and our product categories and structure become more diverse, coupled with the increasing quality requirements of downstream customers for specialized processing equipment, our quality control efforts will face greater challenges. If the Company is unable to continuously maintain a comprehensive, robust, and effective quality control system, or if our quality control measures are not effectively implemented, resulting in product non-conformance, defects, or other quality issues that lead to returns or customer complaints, which could adversely affect our cooperative relationships with existing customers and our future business development.

The Company will continue to adhere to the ISO-9001 quality system standards, intensify training on standardized production and quality management, and foster a dynamic and comprehensive quality management philosophy. By establishing quality management that is all-encompassing, process-wide, and employee-involved, the Company aims to mitigate the risk of improper product quality control.

### 5. *Risk of Changes in Industrial Policies*

The development of the specialized PCB equipment industry is influenced not only by its own industrial policies but also by those of its upstream and downstream industries. In recent years, China has provided significant policy support to industries related to specialized PCB equipment. However, if the intensity of national policy support diminishes in the future, it could have a certain negative impact on the Company.

The Company will closely follow changes in industrial policies, promptly adjust our production and operation strategies to meet the requirements of the latest national industrial policies, and continue to research and develop green manufacturing solutions with higher efficiency and lower energy consumption to promote industrial upgrading in the sector.

### 6. *Risk of PCB Industry Relocation*

The "China + N" supply chain strategy of global electronic terminal manufacturers is gradually deepening. The PCB industry and its downstream customers are increasingly making new investments in Southeast Asian, further expanding related production capacity. Domestic PCB enterprises are increasing their overseas production capacity to meet the demands of end customers. Although the Company maintains stable cooperation with our existing customers, if end customers mandate that PCB enterprises procure specialized processing equipment from specific brands or countries of origin, or if workers in the Southeast Asian PCB industry are not accustomed to using domestic equipment, the Company may be unable to capitalize on the new equipment opportunities presented by this industry shift, potentially leading to a decline in our market share for related equipment.

The Company will maintain positive interactions with our downstream customers. By aligning with our customers' product plans, the Company will determine the specialized equipment technologies and product solutions for their overseas factories in advance. The Company will increase the availability of local language interfaces, such as English and Thai, and enhance the level of automation in our specialized equipment. This will create equipment that suits the habits of local operators while reducing reliance on skilled technicians. The Company will also establish overseas companies. Beyond promptly meeting customer needs for equipment purchase or technical support, the Company will actively promote the construction of overseas R&D and manufacturing centers in real-time, building overseas supply capabilities to respond to the procurement strategies of international end customers.

### *7. Foreign Exchange Risk*

The Company's consolidated financial statements are presented in RMB. Our bank deposits are primarily denominated in currencies such as RMB, US dollars, and HK dollars, exposing us to exchange rate fluctuation risk. This risk mainly arises from the monetary exposure in foreign currencies resulting from our export sales settled in US dollars and import purchases settled in Euros. During the Reporting Period, our export sales were primarily settled in US dollars. Although the RMB appreciated against the US dollar during the year, the exchange rate fluctuations between the US dollar and the Euro created a natural risk hedge. Consequently, exchange rate movements did not have a material impact on our results of operations or financial condition.

The Company will continuously monitor exchange rate movements and actively manage the risk of exchange rate fluctuations by implementing measures in a timely manner, including but not limited to foreign exchange hedging, optimizing foreign exchange settlement management, and adjusting internal settlement and financing structures.

## GENERAL INFORMATION

| Name | Gender | Age | Position | Office status |
|---|---|---|---|---|
| YANG Chaohui | Male | 51 | Chairman of the Board, executive Director and general manager | Incumbent |
| ZHANG Jianqun | Male | 60 | Non-executive Director | Incumbent |
| ZHOU Huiqiang | Male | 53 | Non-executive Director | Incumbent |
| DU Yonggang | Male | 56 | Non-executive Director | Incumbent |
| QIU Yunliang | Male | 47 | Independent non-executive Director | Incumbent |
| LI Weiwei | Female | 64 | Independent non-executive Director | Incumbent |
| XIN Guosheng | Male | 73 | Independent non-executive Director | Incumbent |
| XIA Liya | Female | 44 | Independent non-executive Director | Incumbent |
| HUANG Linting | Female | 43 | Non-executive Director (Employee representative Director) | Incumbent |
| HUANG Linting | Female | 43 | Supervisor | Departure |
| ZHOU Xiaodong | Male | 52 | Deputy general manager, financial director and Board secretary | Incumbent |
| ZHAI Xuetao | Male | 50 | Deputy general manager | Incumbent |
| LI Yongjun | Male | 50 | Deputy general manager | Incumbent |
| KOU Lian | Female | 50 | Deputy general manager | Incumbent |
| SHE Rong | Female | 47 | Deputy general manager | Incumbent |
| SONG Jiangtao | Male | 46 | Deputy general manager | Incumbent |
| ZHANG Jianzhong | Male | 48 | Deputy general manager | Incumbent |
| LYU Hongjie | Male | 45 | Deputy general manager | Incumbent |
| LIU Tao | Male | 43 | Chairman of the Supervisory Committee | Departure |
| YUAN Yangbo | Male | 39 | Supervisor | Departure |
| HU Zhiyi | Male | 36 | Supervisor | Departure |

Changes in Directors, Supervisors and senior management of the Company during the Reporting Period

1. Mr. HU Zhiyi, a non-employee representative supervisor, resigned from the position of non-employee representative supervisor of the Second Session of the Supervisory Committee of the Company due to personal work reasons on 15 January 2025. After his resignation, he no longer holds any position in the Company.

2. As the Company no longer establishes a the Supervisory Committee, Mr. LIU Tao, the Chairman of the Supervisory Committee, has no longer served as the Chairman of the Second Session of the Supervisory Committee of the Company since 12 May 2025. After his resignation, he no longer holds any position in the Company.

3. As the Company no longer establishes a the Supervisory Committee, Mr. YUAN Yangbo, a non-employee representative supervisor, has no longer served as a supervisor of the Second Session of the Supervisory Committee of the Company since 12 May 2025. After his resignation, he no longer holds any position in the Company.

4. As the Company no longer establishes a the Supervisory Committee, Ms. HUANG Linting, an employee Representative Supervisor, has no longer served as a supervisor of the Second Session of the Supervisory Committee of the Company since 12 May 2025, and was elected as an employee representative Director of the Second Session of the Board of Directors of the Company on 14 May 2025.

5. Ms. XIA Liya, an independent Director, has served as an independent Director of the Second Session of the Board of Directors of the Company since 6 February 2026, until the expiry of the term of the Second Session of the Board of Directors of the Company.

## EMPLOYMENT INFORMATION

Professional background, major work experiences and duties of the incumbent Directors and senior management members of the Company

### Directors

***Executive Director***

**Mr. YANG Chaohui (楊朝輝)**, graduated from Northwestern Polytechnical University with a major in mechanical electronics engineering. He joined HANS CNC in 2003 and currently serves as the Chairman of the Board and general manager of HANS CNC, the Chairman of the Board of Shenzhen Mason Electronics Co., Ltd. (深圳麥遜電子有限公司), the Chairman of the Board of Advanced Intelligent Machine Co., Ltd. (深圳市升宇智能科技有限公司), and executive director and general manager of Asia Foundation Shenzhen. He is also the vice chairman of the CPCA and president of the CPCA Special Equipment Branch. He also held positions such as deputy general manager at Han's Laser, the deputy director of the quality department in the product division of Shenzhen ZTE Corporation Co., Ltd. (深圳市中興通訊股份有限公司, currently known as ZTE CORPORATION (中興通訊股份有限公司)) (000063.SH/0763.HK) and the vice supervisor of the CPCA.

***Non-executive Director***

**Mr. ZHANG Jianqun (張建群)**, obtained a bachelor's degree in computer science. He served as a director of CNC Limited (數控有限) from October 2014 to November 2020. He has served as a Director of HANS CNC since November 2020, the marketing director of Han's Laser since April 1997, and currently holds the positions of the deputy Chairman of the board and an executive deputy director of the management and decision committee of Han's Laser. He has been a limited partner of Shanghai Zhiyue Shaohan Investment Center (Limited Partnership) (上海智越韶瀚投資中心(有限合夥)), currently known as Zhoushan Zhiyue Shaohan Venture Investment Center (Limited Partnership) (舟山智越韶瀚創業投資中心(有限合夥)) since August 2016, the general partner of Shenzhen Heno Investment Enterprise (Limited Partnership) (深圳市合諾投資企業(有限合夥)) since March 2017 and a director of Shenzhen Quantum Bio-Information Technology Co., Ltd. (深圳市量子生物信息科技有限公司) since December 2018.

**Mr. ZHOU Huiqiang (周輝強)**, obtained a bachelor's degree in accounting, an Executive Master of Business Administration (EMBA) degree and the title of accountant, and is a Certified Public Accountant in China. He has served as a Director of HANS CNC since November 2020; he joined Han's Laser in March 2001, and currently serves as a director, an executive deputy director of the management and decision committee and the financial director of Han's Laser. He previously served as a director of Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人股份有限公司), a director of Tianjin Han's Haihe Investment Management Co., Ltd. (天津大族海河投資管理有限公司), and an independent director of Shenzhen Increase Technology Co., Ltd. (深圳市英可瑞科技股份有限公司) (300713.SZ).

**Mr. DU Yonggang (杜永剛)**, obtained a bachelor's degree in economics, an Executive Master of Business Administration (EMBA) degree, and the board secretary qualification. He has served as a Director of HANS CNC since November 2020; he joined Han's Laser since December 2008, and currently serves as the deputy director of the management and decision committee and the board secretary of Han's Laser, and a director of GYX Optoelectronics Co., Ltd. (深圳國冶星光電科技股份有限公司).

**Ms. HUANG Linting (黃麟婷)**, obtained a bachelor's degree in human resources and the intermediate economist certificate (human resources management) (中級經濟師(人力資源方向)). She joined HANS CNC in October 2020, served as an employee representative supervisor of HANS CNC from October 2020 to May 2025 and was elected as an employee representative Director of HANS CNC in May 2025. She previously served as an appraisal specialist of Shenzhen Splendid China Development Co., Ltd. (深圳錦繡中華發展有限公司), the project manager of the appraisal center of Han's Laser, a supervisor of Han's Microelectronics and a supervisor of Han's CNC Technology (Dongguan) Co., Ltd. (大族數控科技(東莞)有限公司).

***Independent non-executive Directors***

**Mr. QIU Yunliang (丘運良)**, obtained a bachelor's degree in accounting and an Executive Master of Business Administration (EMBA) degree, and is a Certified Public Accountant in China. He has served as an independent Director of HANS CNC since November 2020; the partner of Lixin Accounting Firm (LLP) (立信會計師事務所(特殊普通合夥)) since January 2012; an independent director of Guangzhou Zhongshan New Materials Co., Ltd. (廣州眾山新材料股份有限公司) since June 2025; an independent director of Shenzhen Saiyuan Microelectronics Co., Ltd. (深圳市賽元微電子股份有限公司) since August 2025; and a visiting professor at the School of Accounting of Jiangxi University of Finance and Economics (江西財經大學) since November 2024. He previously served as an auditor of Shenzhen Tianjian Xinde Accounting Firm (深圳天健信德會計師事務所), auditor, senior auditor and manager of Ernst & Young Hua Ming LLP (安永華明會計師事務所), and a salary partner of Lixin Dahua Accounting Firm (立信大華會計師事務所). He previously served as an independent director of Shenzhen Jianyi Decoration Group Co., Ltd. (深圳市建藝裝飾集團股份有限公司) (002789.SZ), an independent director of Chengxin Lithium Group Co., Ltd. (盛新鋰能集團股份有限公司) (002240.SZ), an independent director of Shenzhen Capol International & Associates Co., Ltd. (深圳市華陽國際工程設計股份有限公司) (002949.SZ), an independent director and a member of the audit committee of Shenzhen Clou Electronics Co., Ltd. (深圳市科陸電子科技股份有限公司) (002121.SZ), an independent director of Fujian Foctek Optoelectronics Co., Ltd. (福建福特科光電股份有限公司), an independent director and a member of the audit committee of Chipsea Technologies (Shenzhen) Corp., Ltd. (芯海科技(深圳)股份有限公司) (688595.SH), and an independent director and a member of the audit committee of Changyuan Technology Group Co., Ltd. (長園科技集團股份有限公司) (600525.SH).

**Ms. LI Weiwei (李薇薇)**, obtained a master's degree in law, the qualification of law professor and qualification of independent director of listed companies. She has served as an independent Director of HANS CNC since February 2024; and the independent director at Shenzhen Fangxiang Electronics Co., Ltd. (深圳市方向電子股份有限公司) since May 2021. She previously served as a law professor at Shenzhen University (深圳大學), the deputy director of the Legal Affairs Committee of the Shenzhen Municipal Committee of the China Democratic League (深圳市民盟), a council member of the Chinese Society of International Law (中國國際法學會), and an independent director of Shenzhen Zhongxing Innovative Material Technologies Co., Ltd. (深圳市中興新材料技術股份有限公司).

**Dr. XIN Guosheng (辛國勝)**, obtained a bachelor's degree in arts, an MBA degree, a doctor of business administration degree, the qualification of senior economist, senior planner and qualification of independent director of listing companies. He has served as an independent Director of HANS CNC since May 2024; an independent director of Guangdong Dingtai High Tech Technology Co., Ltd. (廣東鼎泰高科技術股份有限公司) (301377.SZ) since August 2020; a director of Guangdong Zhongneng Medical Equipment Co., Ltd. (廣東中能醫療裝備有限公司) since October 2020; an independent director of Ganzhou Chaoyue Technology Co., Ltd. (贛州市超躍科技股份有限公司) since November 2023; and an independent director of Shenzhen Jingwang Electronic Co., Ltd. (深圳市景旺電子股份有限公司) (603228.SH) since July 2025. He previously served as the deputy general manager of Shekou Shuanglong Pen Industry Co., Ltd. (蛇口雙龍筆業有限公司), the deputy factory director, factory director, deputy general manager and general manager of HT Electronic (Shenzhen) Co., Ltd. (永捷電子(深圳)有限公司), the general manager at HT Electronic (Shixing) Co., Ltd. (永捷電子(始興)有限公司), and a director and deputy general manager of HT Electronic and Technology (Tianjin) Co., Ltd. (永捷電子科技(天津)股份有限公司). He previously served as the legal representative of Shenzhen Xiongxinsheng Electronics Co., Ltd. (深圳雄欣盛電子有限公司), the Chairman of the board of Dongguan Shengda Fu Copper Plate Co., Ltd. (東莞市勝達敷銅板有限公司), a director and legal representative of Shenzhen Fangji Electronics Co., Ltd. (深圳市方基電子有限公司), and a supervisor of Shenzhen Taimo Print Circuit Information Co., Ltd. (深圳市泰漠印製電路資訊有限公司). Mr. XIN Guosheng also previously served as the party branch secretary of the Shenzhen Circuit Board Industry Association (深圳市線路板行業協會), secretary general (founding president) of the Guangdong Circuit Board Industry Association (廣東省電路板行業協會), and senior vice Chairman of the council of the China Electronic Circuit Industry Association (中國電子電路行業協會).

**Ms. XIA Liya (夏麗雅)**, obtained a bachelor's degree in economics and a master's degree in engineering business administration. She has served as an independent Director of HANS CNC since February 2026, and currently serves as an assistant to director at the University of Hong Kong (香港大學). She previously served as a project coordinator under the department of orthopaedics and traumatology at the Chinese University of Hong Kong (香港中文大學), a research assistant at the Hong Kong Polytechnic University (香港理工大學), and a senior head of administration at Lingnan University (嶺南大學).

## SENIOR MANAGEMENT

**Mr. YANG Chaohui (楊朝輝)** is the Chairman of the Board, executive Director and general manager of the Company, and for the biographical details of Mr. YANG, see "Directors and Senior Management — Executive Director."

**Mr. ZHOU Xiaodong (周小東)**, obtained a bachelor's degree in financial accounting. He has served as a deputy general manager, board secretary and the financial director of HANS CNC since November 2020; a supervisor of Xinfeng CNC since November 2022; a director of Advanced Intelligent Machine Co., Ltd. (深圳市升宇智能科技有限公司) since April 2023; and a director of Han's Rayleigh Taide since August 2022. He previously served as an accountant at Wanjia Department Store Co., Ltd. (萬佳百貨有限公司), and an accountant, the chief director and other positions at Han's Laser.

**Mr. ZHAI Xuetao (翟學濤)**, obtained a bachelor's degree in engineering and a master's degree in electronics and communication engineering. He has served as the deputy general manager of HANS CNC since November 2020, primarily responsible for managing the daily affairs of the laser product center; he joined HANS CNC in March 2004 and served successively as the design engineer, department manager, director of laser product center, the person-in-charge of the product platform and a supervisor of CNC Limited. Mr. ZHAI Xuetao has over 20 years of experience in the specialized PCB equipment industry. He received the National Torch Program Project Award (國家火炬計劃項目獎) in 2007, the Shenzhen Science and Technology Innovation Award (深圳市科技創新獎) in 2010, the Shenzhen Science and Technology Progress First Award (深圳市科技進步一等獎) in 2013, the Shenzhen Science and Technology Progress Second Award (深圳市科技進步二等獎) in 2020, and the Guangdong Provincial Science and Technology Progress Second Award (廣東省科技進步二等獎) in 2021.

**Mr. LI Yongjun (黎勇軍)**, obtained a bachelor's degree in engineering and a master's degree in engineering. He has served as the deputy general manager of HANS CNC since November 2020, primarily responsible for managing the daily affairs of the Company's mechanical product center; he joined HANS CNC in October 2002 and served successively as the design engineer and department manager of the R&D department, deputy chief engineer and the director of the mechanical product center of CNC Limited. He previously held part-time positions at Guangdong Higher Vocational Education Mechanical Manufacturing Professional Teaching Steering Committee (廣東省高職教育機械製造類專業教學指導委員會). Mr. LI Yongjun led the R&D and design work of PCB mechanic drilling equipment at HANS CNC for a long period, and received the 2012 Shenzhen Science and Technology Progress First Award (深圳市科技進步一等獎), and Guangdong Provincial Science and Technology Progress First Award (廣東省科技進步一等獎) in 2023.

**Ms. KOU Lian (寇煉)**, obtained a Master of Business Administration (MBA) degree. She has served as the deputy general manager of HANS CNC since November 2020, primarily responsible for managing the daily affairs of the Company's supply chain platform; and an executive director and the general manager of Xinfeng CNC since November 2022. She previously served as an assistant and director of Han's Laser; and served successively as a director of the production and operation center and the person-in-charge of the supply chain and delivery platform of CNC Limited, and a supervisor of CNC Limited.

**Ms. SHE Rong (佘蓉)**, obtained a bachelor's degree in law and an Executive Master of Business Administration (EMBA) degree. She has served as the deputy general manager of HANS CNC since November 2020, primarily responsible for managing the daily affairs of the Company's customer value-added service platform. She served successively as a department manager, a director of the customer value-added service center, and the person in charge of the customer value-added service platform of CNC Limited.

**Mr. SONG Jiangtao (宋江濤)**, has served as the deputy general manager of HANS CNC since April 2022, primarily responsible for managing the daily affairs of the Company's key account customer management platform. Mr. SONG Jiangtao has extensive experience in sales, and has served as the executive deputy general manager of key account department of HANS CNC (including the stage when it was a limited liability company) since December 2019. He served successively as a senior market manager and a director of the South China key account sales department of CNC Limited.

**Mr. LYU Hongjie (呂洪傑)**, obtained a bachelor's degree in engineering. He has served as the deputy general manager of HANS CNC since April 2022, primarily responsible for managing the daily affairs of the new laser product center. He has served as the deputy general manager and the product general manager of the new laser product center of HANS CNC (including the stage when it was a limited liability company) since January 2019. He currently serves as the standing deputy general manager of Han's Microelectronics, where he is responsible for the overall management of the product platform of Han's Microelectronics. He served successively as a product manager in the laser cutting machine product department and the product director of laser cutting machine product center of CNC Limited.

**Mr. ZHANG Jianzhong (張建中)**, has served as the deputy general manager of HANS CNC since April 2022, and the person-in-charge of the small and medium customer management platform of HANS CNC (including the stage when it was a limited liability company) since May 2014, where he is primarily responsible for the management of the daily affairs thereof; and a director of Shanghai Han's Machinery Co., Ltd. since February 2023. He previously served as the sales director at Shenzhen Mason Electronics Co., Ltd. (深圳麥遜電子有限公司).

## Employment in shareholder entities

| Name of employee | Name of shareholder entities | Positions held in shareholder entities | Start date of term | End date of term | Entitlement to compensation and allowances from shareholder entities |
|---|---|---|---|---|---|
| ZHANG Jianqun (張建群) | Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司) | Deputy Chairman of the board | 11 April 2003 | 7 May 2027 | Yes |
| ZHANG Jianqun (張建群) | Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司) | Executive deputy director of the management and decision committee | 6 May 2022 | 14 May 2026 | Yes |
| ZHOU Huiqiang (周輝強) | Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司) | Director | 28 April 2021 | 7 May 2027 | Yes |
| ZHOU Huiqiang (周輝強) | Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司) | Executive deputy director of the management and decision committee | 6 May 2022 | 14 May 2026 | Yes |
| ZHOU Huiqiang (周輝強) | Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司) | Financial director | 10 September 2007 | 7 May 2027 | Yes |
| DU Yonggang (杜永剛) | Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司) | Board secretary | 23 December 2008 | 7 May 2027 | Yes |
| DU Yonggang (杜永剛) | Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司) | Executive deputy director of the management and decision committee | 6 May 2022 | 14 May 2026 | Yes |

## Employment in other entities

| Name of employee | Name of other entities | Positions held in other entities | Start date of term | End date of term | Entitlement to compensation and allowances from other entities |
|---|---|---|---|---|---|
| YANG Chaohui (楊朝輝) | Shenzhen Mingxin Test Equipment Co., Ltd. (深圳市明信測試設備股份有限公司) | Director | 29 June 2023 | 29 June 2026 | No |
| YANG Chaohui (楊朝輝) | Shenzhen Mason Electronics Co., Ltd. (深圳麥遜電子有限公司) | Chairman of the board | 8 April 2008 | | No |
| YANG Chaohui (楊朝輝) | Advanced Intelligent Machine Co., Ltd. (深圳市升宇智能科技有限公司) | Chairman of the board | 29 April 2016 | | No |
| YANG Chaohui (楊朝輝) | Asia Foundation (Shenzhen) Wood Industry Co., Ltd. (亞洲創建(深圳)木業有限公司) | Executive director and general manager | 16 March 2021 | | No |
| YANG Chaohui (楊朝輝) | Suzhou MASON Electronics Testing Co., Ltd. (蘇州明信電子測試有限公司) | Executive director | 14 June 2011 | | No |
| YANG Chaohui (楊朝輝) | Shenzhen Han's Microelectronics Technology Co., Ltd. (深圳市大族微電子科技有限公司) | Director and manager | 7 June 2021 | | No |
| YANG Chaohui (楊朝輝) | Hong Kong Mason Electronics Co., Limited (香港麥遜電子有限公司) | Executive director | 4 June 2021 | | Yes |
| YANG Chaohui (楊朝輝) | Han's Mason Electronics (HK) Co., Limited (大族明信電子(香港)有限公司) | Executive director | 14 October 2008 | | No |
| YANG Chaohui (楊朝輝) | Shanghai Han's Machinery Co., Ltd. (上海大族機械有限公司) | Chairman of the board | 8 February 2023 | | No |
| YANG Chaohui (楊朝輝) | Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. (深圳市大族瑞利泰德精密塗層有限公司) | Chairman of the board | 30 May 2023 | | No |
| YANG Chaohui (楊朝輝) | HANS CNC TECHNOLOGY (THAILAND) CO., LTD. | Executive director | 12 June 2024 | | No |
| YANG Chaohui (楊朝輝) | HANS CNC SINGAPORE PTE. LTD. | Director | 6 November 2024 | | Yes |
| ZHANG Jianqun (張建群) | GD HAN'S YUEMING LASER GROUP CO., LTD. (廣東大族粵銘激光集團股份有限公司) | Chairman of the board | 30 December 2008 | | No |
| ZHANG Jianqun (張建群) | Shenzhen Han's Motor Technology Co., Ltd. (深圳市大族電機科技有限公司) | Chairman of the board | 29 March 2010 | | No |
| ZHANG Jianqun (張建群) | Shenzhen Mingxin Test Equipment Co., Ltd. (深圳市明信測試設備股份有限公司) | Supervisor | 29 June 2023 | 29 June 2026 | No |
| ZHANG Jianqun (張建群) | Shenzhen Han's Assembly and Testing Technology Co., Ltd. (深圳市大族封測科技股份有限公司) | Director | 30 May 2025 | | No |
| ZHANG Jianqun (張建群) | GYX Optoelectronics Co., Ltd. (深圳國冶星光電科技股份有限公司) | Chairman of the board | 1 November 2013 | | No |
| ZHANG Jianqun (張建群) | Wuhan Hans Goldensky Laser System Co., Ltd. (武漢大族金石凱激光系統有限公司) | Director | 8 April 2011 | | No |

| Name of employee | Name of other entities | Positions held in other entities | Start date of term | End date of term | Entitlement to compensation and allowances from other entities |
|---|---|---|---|---|---|
| ZHANG Jianqun (張建群) | Suzhou Han's Laser Technology Co., Ltd. (蘇州市大族激光科技有限公司) | Director | 8 November 2007 | | No |
| ZHANG Jianqun (張建群) | Shanghai Fortrend Technology Co., Ltd. (上海大族富創得科技股份有限公司) | Director | 28 March 2017 | | No |
| ZHANG Jianqun (張建群) | Songgu Laser Technology (Jiangsu) Co., Ltd. (松谷激光科技(江蘇)有限公司) | Chairman of the board | 26 January 2010 | | No |
| ZHANG Jianqun (張建群) | Shenzhen Quantum Bio-Information Technology Co., Ltd. (深圳市量子生物信息科技有限公司) | Director | 30 August 2017 | | No |
| ZHANG Jianqun (張建群) | Zhejiang Guoyexing Intelligent Manufacturing Technology Co., Ltd. (浙江國冶星智造技術有限公司) | Executive director | 14 October 2021 | | No |
| ZHANG Jianqun (張建群) | Shenzhen Dazu Berry Equipment Co., Ltd. (深圳市大族貝瑞裝備有限公司) | Chairman of the board | 24 April 2021 | | No |
| ZHANG Jianqun (張建群) | Guangdong Han's Semiconductor Equipment Technology Co., Ltd. (廣東大族半導體裝備科技有限公司) | Director | 10 October 2017 | | No |
| ZHANG Jianqun (張建群) | Shenzhen Huatron Technology Co., Ltd. (深圳市華創智企科技有限公司) | Director | 10 September 2021 | | No |
| ZHANG Jianqun (張建群) | Han's Laser Technology (Zhangjiagang) Co., Ltd. (大族激光科技(張家港)有限公司) | Director | 8 December 2021 | | No |
| ZHANG Jianqun (張建群) | Shenzhen Han Inverter Grid Technology Co., Ltd. (深圳市大族逆變併網技術有限公司) | Director | 5 November 2008 | | No |
| ZHANG Jianqun (張建群) | Dongguan Han Chuan Technology Co., Ltd. (東莞市漢傳科技有限公司) | Chairman of the board | 2 August 2022 | | No |
| ZHANG Jianqun (張建群) | Shenzhen Han's Beijin Equipment Co., Ltd. (深圳市大族貝金裝備有限公司) | Director | 12 August 2022 | | No |
| ZHANG Jianqun (張建群) | Han's Measurement and Control Technology (Suzhou) Co., Ltd. (大族測控技術(蘇州)有限公司) | Chairman of the board | 17 January 2022 | | No |
| ZHANG Jianqun (張建群) | Guangdong Dazu Xianshi Equipment Technology Co., Ltd. (廣東大族顯視裝備科技有限公司) | Director | 31 July 2023 | | No |
| ZHANG Jianqun (張建群) | Suzhou Solastand Solar Photovoltaic Co., Ltd. (蘇州索拉斯坦德太陽能光伏有限公司) | Chairman of the board and general manager | 16 November 2023 | | No |
| ZHANG Jianqun (張建群) | Guangdong Hanzhishi Semiconductor Technology Co., Ltd. (廣東漢之石半導體科技有限公司) | Director | 4 February 2024 | | No |
| ZHANG Jianqun (張建群) | Guangdong Hanzhijiang Semiconductor Technology Co., Ltd. (廣東漢之匠半導體科技有限公司) | Director | 2 February 2024 | | No |

| Name of employee | Name of other entities | Positions held in other entities | Start date of term | End date of term | Entitlement to compensation and allowances from other entities |
|---|---|---|---|---|---|
| ZHANG Jianqun (張建群) | Chengdu Hanzhiyun Semiconductor Technology Co., Ltd. (成都市漢之運半導體科技有限公司) | Director | 28 May 2024 | 11 October 2025 | No |
| ZHANG Jianqun (張建群) | Foshan Dazu Juxian Technology Co., Ltd. (佛山市大族聚顯科技有限公司) | Director | 10 May 2024 | 8 July 2025 | No |
| ZHANG Jianqun (張建群) | Dongguan Dazu Berry Equipment Co., Ltd. (東莞市大族貝瑞裝備有限公司) | Chairman of the board | 7 March 2025 | | No |
| ZHOU Huiqiang (周輝強) | Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人股份有限公司) | Director | 7 September 2017 | 22 May 2025 | No |
| ZHOU Huiqiang (周輝強) | GD HAN'S YUEMING LASER GROUP CO., LTD. (廣東大族粵銘激光集團股份有限公司) | Director | 14 April 2016 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Han's Motor Technology Co., Ltd. (深圳市大族電機科技有限公司) | Director | 17 July 2017 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Mingxin Test Equipment Co., Ltd. (深圳市明信測試設備股份有限公司) | Director | 29 June 2023 | 29 June 2026 | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Han's Super Energy Laser Technology Co., Ltd. (深圳市大族超能激光科技有限公司) | Director | 23 November 2022 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Han's Assembly and Testing Technology Co., Ltd. (深圳市大族封測科技股份有限公司) | Director | 26 January 2022 | | No |
| ZHOU Huiqiang (周輝強) | GYX Optoelectronics Co., Ltd. (深圳國冶星光電科技股份有限公司) | Director | 24 May 2007 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Han's Photovoltaic Equipment Co., Ltd (深圳市大族光伏裝備有限公司) | Director | 28 May 2019 | | No |
| ZHOU Huiqiang (周輝強) | Shanghai Fortrend Technology Co., Ltd. (上海大族富創得科技股份有限公司) | Director | 28 March 2017 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Han's Semiconductor Equipment Technology Co., Ltd. (深圳市大族半導體裝備科技有限公司) | Director | 17 May 2018 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Han's Semiconductor Test Technology Co., Ltd. (深圳市大族半導體測試技術有限公司) | Director | 10 September 2018 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Han's Lithium Battery Smart Equipment Co., Ltd. (深圳市大族鋰電智能裝備股份有限公司) | Director | 4 July 2018 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Hans Lidar Technology Co., Ltd. (深圳市大族銳視科技有限公司) | Executive director and general manager | 7 January 2021 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Dazu Guangyao Technology Co., Ltd. (深圳市大族光耀科技有限公司) | Chairman of the board | 12 December 2018 | | No |

| Name of employee | Name of other entities | Positions held in other entities | Start date of term | End date of term | Entitlement to compensation and allowances from other entities |
|---|---|---|---|---|---|
| ZHOU Huiqiang (周輝強) | Shenzhen Hansheng Refrigeration Technology Co., Ltd. (深圳市漢盛製冷科技有限公司) | Chairman of the board | 6 January 2022 | | No |
| ZHOU Huiqiang (周輝強) | Han's Hanshi High Power Laser Equipment Technology Co., Ltd. (北京大族漢獅高功率激光裝備科技有限公司) | Director | 22 September 2013 | 26 February 2026 | No |
| ZHOU Huiqiang (周輝強) | Han's Seiko Semicon Technology (Changzhou) Co., Ltd. (大族精工半導體科技(常州)有限公司) | Director | 5 September 2014 | | No |
| ZHOU Huiqiang (周輝強) | Nextec Technologies (Shenzhen) Co., Ltd. (耐斯泰科技(深圳)有限公司) | Director | 19 June 2014 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Dazu Berry Equipment Co., Ltd. (深圳市大族貝瑞裝備有限公司) | Director | 23 April 2021 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Dazu Precision Cutting Software Technology Co., Ltd. (深圳市大族精密切割軟件技術有限公司) | Director | 5 June 2019 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Dazu Micro Processing Software Technology Co., Ltd. (深圳市大族微加工軟件技術有限公司) | Director | 5 June 2017 | 26 December 2025 | No |
| ZHOU Huiqiang (周輝強) | Guangdong Han's Semiconductor Equipment Technology Co., Ltd. (廣東大族半導體裝備科技有限公司) | Director | 10 October 2017 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Han's Cloud Technology Co., Ltd. (深圳市大族雲成科技有限公司) | Director | 16 August 2018 | | No |
| ZHOU Huiqiang (周輝強) | Xiamen Hans Jingwei Technology Co., Ltd. (廈門市大族精微科技有限公司) | Director | 2 July 2014 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Dazu Industrial Park Development Co., Ltd. (深圳市大族工業園開發有限公司) | Supervisor | 18 October 2018 | | No |
| ZHOU Huiqiang (周輝強) | Tianjin Han's Haihe Investment Management Co., Ltd. (天津大族海河投資管理有限公司) | Director | 8 April 2019 | 25 November 2025 | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Han Inverter Grid Technology Co., Ltd. (深圳市大族逆變併網技術有限公司) | Supervisor | 5 November 2008 | | No |
| ZHOU Huiqiang (周輝強) | HAN'S ASSEMBLY AND TESTING TECHNOLOGY (SINGAPORE) PTE. LTD (大族封測(新加坡)) | Director | 30 May 2018 | | No |
| ZHOU Huiqiang (周輝強) | Jiangsu Han's Smart Welding Equipment Group Co., Ltd. (江蘇大族智能焊接裝備集團有限公司) | Director | 10 December 2021 | | No |
| ZHOU Huiqiang (周輝強) | Han's Laser Technology (Zhangjiagang) Co., Ltd. (大族激光科技(張家港)有限公司) | Director | 8 December 2021 | | No |

| Name of employee | Name of other entities | Positions held in other entities | Start date of term | End date of term | Entitlement to compensation and allowances from other entities |
|---|---|---|---|---|---|
| ZHOU Huiqiang (周輝強) | Shenzhen Dazu Lingchuang Software Technology Co., Ltd. (深圳市大族領創軟件技術有限公司) | Director | 13 April 2022 | | No |
| ZHOU Huiqiang (周輝強) | Dongguan Han Chuan Technology Co., Ltd. (東莞市漢傳科技有限公司) | Director | 2 August 2022 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Han's Beijin Equipment Co., Ltd. (深圳市大族貝金裝備有限公司) | Director | 12 August 2022 | | No |
| ZHOU Huiqiang (周輝強) | Guangdong Dazu Xianshi Equipment Technology Co., Ltd. (廣東大族顯視裝備科技有限公司) | Director | 31 July 2023 | | No |
| ZHOU Huiqiang (周輝強) | Suzhou Solastand Solar Photovoltaic Co., Ltd. (蘇州索拉斯坦德太陽能光伏有限公司) | Director | 16 November 2023 | | No |
| ZHOU Huiqiang (周輝強) | Guangdong Hanzhishi Semiconductor Technology Co., Ltd. (廣東漢之石半導體科技有限公司) | Director | 4 February 2024 | | No |
| ZHOU Huiqiang (周輝強) | Guangdong Hanzhijiang Semiconductor Technology Co., Ltd. (廣東漢之匠半導體科技有限公司) | Director | 2 February 2024 | | No |
| ZHOU Huiqiang (周輝強) | Chengdu Hanzhiyun Semiconductor Technology Co., Ltd. (成都市漢之運半導體科技有限公司) | Director | 28 May 2024 | 11 October 2025 | No |
| ZHOU Huiqiang (周輝強) | Foshan Dazu Juxian Technology Co., Ltd. (佛山市大族聚顯科技有限公司) | Director | 10 May 2024 | 8 July 2025 | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Dazu Anlai Semiconductor Co., Ltd. (深圳市大族安萊半導體有限公司) | Director | 2 July 2025 | | No |
| ZHOU Huiqiang (周輝強) | Dazu Anlai (Ji'an) Semiconductor Technology Co., Ltd. (大族安萊(吉安)半導體科技有限公司) | Director | 16 July 2025 | | No |
| ZHOU Huiqiang (周輝強) | Shenzhen Dazu Weichuang Technology Co., Ltd. (深圳市大族唯創科技有限公司) | Chairman of the board | 30 December 2024 | | No |
| DU Yonggang (杜永剛) | GYX Optoelectronics Co., Ltd. (深圳國冶星光電科技股份有限公司) | Director | 20 April 2021 | | No |
| QIU Yunliang (丘運良) | Changyuan Technology Group Co., Ltd. (長園科技集團股份有限公司) | Independent director | 1 November 2024 | 22 August 2025 | Yes |
| QIU Yunliang (丘運良) | Guangzhou Zhongshan New Materials Co., Ltd. (廣州眾山新材料股份有限公司) | Independent director | 6 June 2025 | | Yes |
| QIU Yunliang (丘運良) | Shenzhen Saiyuan Microelectronics Co., Ltd. (深圳市賽元微電子股份有限公司) | Independent director | 14 August 2025 | | Yes |
| XIN Guosheng (辛國勝) | Ganzhou Chaoyue Technology Co., Ltd. (贛州市超躍科技股份有限公司) | Independent director | 15 November 2023 | 14 November 2026 | Yes |

| Name of employee | Name of other entities | Positions held in other entities | Start date of term | End date of term | Entitlement to compensation and allowances from other entities |
|---|---|---|---|---|---|
| XIN Guosheng (辛國勝) | Guangdong Dingtai High Tech Technology Co., Ltd. (廣東鼎泰高科技術股份有限公司) | Independent director | 7 August 2020 | | Yes |
| XIN Guosheng (辛國勝) | Shenzhen Songbai Industry Development Co., Ltd. (深圳市松柏科工股份有限公司) | Independent director | 20 December 2023 | | Yes |
| XIN Guosheng (辛國勝) | Guangdong Zhongneng Medical Equipment Co., Ltd. (廣東中能醫療裝備有限公司) | Director | 27 October 2020 | | No |
| XIN Guosheng (辛國勝) | Shenzhen Kinwong Electronic Co., Ltd. (深圳市景旺電子股份有限公司) | Independent director | 13 August 2025 | | Yes |
| LI Weiwei (李薇薇) | Shenzhen Fangxiang Electronics Co., Ltd. (深圳市方向電子股份有限公司) | Independent director | 1 May 2021 | | Yes |
| LI Weiwei (李薇薇) | Shenzhen Bamboocloud Technology Co., Ltd. (深圳竹雲科技股份有限公司) | Independent director | 1 May 2025 | 30 April 2028 | Yes |
| HUANG Linting (黃麟婷) | Shenzhen Han's Microelectronics Technology Co., Ltd. (深圳市大族微電子科技有限公司) | Supervisor | 7 June 2021 | 23 January 2025 | No |
| ZHOU Xiaodong (周小東) | GYX Optoelectronics Co., Ltd. (深圳國冶星光電科技股份有限公司) | Supervisor | 15 June 2015 | 27 February 2025 | No |
| ZHOU Xiaodong (周小東) | Shenzhen Han's Laser Welding Software Technology Co., Ltd. (深圳市大族激光焊接軟件技術有限公司) | Director | 25 April 2017 | 15 January 2025 | No |
| ZHOU Xiaodong (周小東) | Han's Hanshi High Power Laser Equipment Technology Co., Ltd. (北京大族漢獅高功率激光裝備科技有限公司) | Supervisor | 22 September 2013 | 12 February 2025 | No |
| ZHOU Xiaodong (周小東) | Nextec Technologies (Shenzhen) Co., Ltd. (耐斯泰科技(深圳)有限公司) | Supervisor | 19 June 2014 | 15 January 2025 | No |
| ZHOU Xiaodong (周小東) | Xiamen Hans Jingwei Technology Co., Ltd. (廈門市大族精微科技有限公司) | Supervisor | 2 July 2014 | 22 January 2025 | No |
| ZHOU Xiaodong (周小東) | Shanghai Han's Machinery Co., Ltd. (上海大族機械有限公司) | Director | 8 February 2023 | | No |
| ZHOU Xiaodong (周小東) | Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. (深圳市大族瑞利泰德精密塗層有限公司) | Director | 1 August 2022 | | No |
| ZHOU Xiaodong (周小東) | Han's CNC Technology (Xinfeng) Co., Ltd. (大族數控科技(信豐)有限公司) | Supervisor | 15 November 2022 | | No |
| ZHOU Xiaodong (周小東) | Advanced Intelligent Machine Co., Ltd. (深圳市升宇智能科技有限公司) | Director | 19 April 2023 | | No |
| ZHOU Xiaodong (周小東) | HANS CNC SINGAPORE PTE. LTD. | Director | 6 November 2024 | | No |
| KOU Lian (寇煉) | Han's CNC Technology (Xinfeng) Co., Ltd. (大族數控科技(信豐)有限公司) | Executive director and general manager | 15 November 2022 | | No |
| SHE Rong (佘蓉) | HANS CNC SINGAPORE PTE. LTD. | General manager | 6 November 2024 | | Yes |
| SHE Rong (佘蓉) | Han's CNC Technology (Xinfeng) Co., Ltd. (大族數控科技(信豐)有限公司) | Deputy general manager | 1 December 2022 | | Yes |

| Name of employee | Name of other entities | Positions held in other entities | Start date of term | End date of term | Entitlement to compensation and allowances from other entities |
|---|---|---|---|---|---|
| SONG Jiangtao (宋江濤) | Shanghai Han's Machinery Co., Ltd. (上海大族機械有限公司) | Director | 8 February 2023 | | No |
| SONG Jiangtao (宋江濤) | Han's CNC Technology (Xinfeng) Co., Ltd. (大族數控科技(信豐)有限公司) | Deputy general manager | 1 December 2022 | | Yes |
| ZHANG Jianzhong (張建中) | Shanghai Han's Machinery Co., Ltd. (上海大族機械有限公司) | Director | 8 February 2023 | | No |
| ZHANG Jianzhong (張建中) | Shenzhen Mason Electronics Co., Ltd. (深圳麥遜電子有限公司) | Deputy general manager | 16 March 2009 | | Yes |

Neither the Company's current directors and senior management, nor those who left office during the Reporting Period, have been subject to any sanctions by securities regulatory authorities in the past three years.

## PRINCIPAL ACTIVITIES

The Group primarily engages in the R&D, manufacturing and trading of specialized PCB production equipment. Details of the principal activities are set out in the section headed "Management Discussion and Analysis".

Details of the principal activities of the Group's major subsidiaries are set out in note 1 to the consolidated financial statements. During the Reporting Period, there were no significant changes in the nature of the Group's principal activities.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to promoting sustainable development practices, advancing social responsibility, and maintaining robust governance standards, reflecting our adherence to ESG principles. A comprehensive set of policies and procedures covering environmental protection, workplace safety, employee welfare, and anti-corruption efforts have been established by the Group.

The Group will review its environmental practices from time to time, and will implement further eco-friendly measures and practices closely to enhance environmental sustainability.

For the details, please refer to the environmental, social and governance report issued by the Company.

## BUSINESS REVIEW

A review of the business of the Group including a discussion and analysis of the Group's performance during the Reporting Period and the material factors underlying its financial performance and financial position, events after the Reporting Period as well as the future development of the Group's business are included in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. In addition, further details regarding the Group's principal risks and uncertainties can be found throughout this annual report. The sections headed "Chairman's Statement" and "Management Discussion and Analysis" form part of this Directors' Report.

## RESULTS

The results of the Group for the Reporting Period and the Group's financial position as at 31 December 2025 are set out in the consolidated financial statements section and the notes to the financial statements of this annual report..

## DIVIDENDS

The Board has resolved to recommend the declaration of a final dividend for the year ended 31 December 2025. Based on the total share capital in respect of the A shares and H shares on the date of shareholding registration as determined in the announcement of the implementation of the equity distribution, a cash dividend of RMB6 (tax inclusive) per 10 shares will be distributed to all shareholders, with no bonus shares and no capitalisation by way of capitalisation of capital reserves. Based on the share capital of 483,528,652 A shares and H Shares as at the disclosure date of the Company's profit distribution proposal, the total estimated amount is approximately RMB290.1 million. The final dividend is denominated and declared in Renminbi, with dividends payable to holders of A Shares to be paid in Renminbi and dividends payable to holders of H Shares to be paid in Hong Kong dollars. The actual amount of the H Share dividend will be calculated based on the average benchmark exchange rate of Renminbi to Hong Kong dollars as published by the People's Bank of China for the five business days immediately preceding the date of the Company's 2025 annual general meeting.

The above proposal is subject to approval by the shareholders at the Company's 2025 annual general meeting, and it is expected to be paid to eligible shareholders within two months after the conclusion of such Shareholders' Meeting. Should the Company's share capital change after the disclosure of the profit distribution proposal but prior to the implementation of the equity distribution, the total dividend amount will be adjusted based on the total share capital entitled to profit distribution as at the date of shareholding registration for the implementation of the distribution plan, while maintaining the per-share distribution amount unchanged. That is, the cash dividend of RMB6 (tax inclusive) per 10 shares will be maintained, with the total cash dividend amount adjusted accordingly.

Details regarding the book closure period and record date in connection with the distribution of the final dividend will be announced in due course.

The Board is not aware of any Shareholders who have waived or agreed to waive any dividends.

## SHARE CAPITAL

Details of the issued shares during the year ended 31 December 2025 are set out in note 34 to the consolidated financial statements.

## RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves and distributable reserves of the Group during the Reporting Period are set out in the section headed "Consolidated Statement of Changes in Equity" in consolidated financial statements in this annual report and note 36 to the consolidated financial statements.

## MAJOR SUBSIDIARIES

Details of the principal activities of the Company's major subsidiaries are set out in note 1 to the consolidated financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the amounts and percentages attributable to the top five customers and suppliers of the Group are as follows:

| | |
|---|---|
| Total sales to the top five customers *(RMB'000)* | 2,173,796 |
| Percentage of total sales to the top five customers in total annual sales | 37.65% |
| Percentage of sales to the largest customer in total annual sales | 27.24% |
| Percentage of sales to related parties among sales to the top five customers in total annual sales | 0.00% |

| | |
|---|---|
| Total purchase from the top five suppliers *(RMB'000)* | 1,251,196 |
| Percentage of total purchase from the top five suppliers in total annual purchases | 28.23% |
| Percentage of purchase from related parties among purchases from the top five suppliers in total annual purchases | 0.00% |

As of the Latest Practicable Date, none of our Directors and any of their associates or any of shareholders (which, to the knowledge of the Directors, holds more than 5% of the number of issued shares of the Company) had interests in five top customers of the Group.

## FINANCIAL SUMMARY

A summary of the financial information for the last four financial years is set out in the section headed "Financial Highlights" of this annual report.

## BANK BORROWINGS

Particulars of the bank borrowings of the Group as at 31 December 2025 are set out in note 31 to the consolidated financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Reporting Period are set out in note 15 to the consolidated financial statements.

## SUFFICIENCY OF PUBLIC FLOAT

As of the Latest Practicable Date, based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the public float requirements under the Hong Kong Listing Rules.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the PRC that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

## COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Company has formulated compliance procedures to ensure compliance with laws and regulations applicable to the Company. The Company has always persisted in operating in compliance with laws and regulations and followed the national laws and regulations and provisions issued by regulatory authorities.

During the Listing Date and up to the date of this annual report, the Group was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

## KEY RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that various stakeholders including suppliers, employees, Shareholders and other business partners are key to the Group's success. The Group strives to achieve corporate sustainability by cultivating strong relationships with them.

# EMPLOYEES

## 1. Number of Employees, Professions and Education Background

| | |
|---|---|
| Number of working employees of the parent as at the end of the Reporting Period | 2,219 |
| Number of working employees of major subsidiaries as at the end of the Reporting Period | 1,351 |
| Total number of working employees as at the end of the Reporting Period | 3,570 |
| Total number of employees receiving remuneration during the Period | 3,570 |
| Number of retired employees requiring the parent and major subsidiaries to bear their costs | 0 |

**Professions**

| Type of Professions | Number of Professions |
|---|---|
| Production | 1,395 |
| Sales | 783 |
| Technicians | 908 |
| Accounting | 61 |
| Administration | 423 |
| **Total** | 3,570 |

**Education Background**

| Type of Education Background | Number of Employees |
|---|---|
| Doctoral degree | 24 |
| Master degree | 115 |
| Bachelor degree | 1,283 |
| Other tertiary education | 1,268 |
| Secondary school or below | 880 |
| **Total** | 3,570 |

## 2. Remuneration Policy

During the Reporting Period, the annual remuneration of the Company's employees was paid monthly in accordance with the provisions of the Company's relevant wage management and grade standards. At the end of the year, performance-based wages were paid based on the Company's performance results and assessment outcomes. For financial year 2025, total employee costs amounted to approximately RMB934.6 million (financial year 2024: RMB595.1 million).

### 3. Training Plans

In 2025, centering on the core objectives of talent cultivation and training repository development, the Company systematically carried out training initiatives with a modular and refined approach. A total of 80 training sessions were held throughout the year, covering over 4,000 participants. Through modular and detailed training design, the programs precisely addressed the capability enhancement needs of all employees, facilitating comprehensive advancement in their overall competence. Concurrently, a points-based management system was implemented, effectively stimulating employee participation in training and fostering a positive atmosphere conducive to proactive learning and universal growth.

The Company focuses on both deep professional expertise and workplace skills empowerment, adopting multiple measures to support employee growth and development, thereby constructing a comprehensive, multi-tiered talent cultivation system:

(1) Precisely conducted special training for new employees, with specially designed learning content on core product processes for R&D personnel. This comprehensively covers the entire PCB process flow and key points of each procedure, consolidating the professional foundation of new employees, rapidly enhancing their job competency, and facilitating their efficient integration into the work environment.

(2) Launched exclusive project management classes focusing on enhancing core project management capabilities. These programs systematically optimize employees' project management thinking and practical skills, empowering them to advance various tasks efficiently and providing talent support for the Company's project implementation.

(3) Initiated the "Energy Recharge Series" training under the Skills Replenishment Station, encompassing comprehensive courses covering office skills, golden interviewer techniques, project management, workplace communication and expression, etc. This comprehensively addresses employees' workplace skill gaps and supports the holistic improvement of their comprehensive abilities.

(4) Advanced position-specific general technical training and standardized departmental product operation guide training. This reinforces the systematic accumulation of technical knowledge, standardizes training content and procedures, and propels the Company's technical training efforts to a new starting point.

(5) Improved the training system for campus recruits. Through a job rotation model, campus recruits are helped to comprehensively understand various job functions and business processes, broaden their cognitive boundaries, accelerate their growth and development, and reserve fresh talent for the Company's talent echelon construction.

The Company strictly complies with relevant laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, establishing a standardized management system to comprehensively protect the legitimate rights and interests of employees, creating a respectful, equal and harmonious working environment for them. The Company has constructed diversified career development paths covering the entire spectrum including R&D, marketing, functions, and production, and has established a tiered and categorized training system throughout the employee growth cycle. Through online and offline platforms, targeted empowerment is provided to employees at all levels and positions, achieving mutual promotion and integration of talent growth and corporate development. The Company has established a comprehensive occupational health and safety management system, effectively controlling various occupational health and safety risks through systematic systems and procedures, with special attention paid to the safety rights and interests of particular employee groups, providing comprehensive safety guarantees for all employees. The Company continuously improves its employee care and welfare guarantee system, providing support for special-needs and financially disadvantaged employees, organizing a variety of enriching cultural and sports activities, and striving to create a harmonious, friendly, and vibrant working environment for employees, thereby enhancing their sense of well-being.

## SHAREHOLDERS

The Company strictly adheres to the Company Law of the PRC, the Securities Law of the PRC and relevant regulatory provisions. It continuously optimizes its corporate governance structure and improves its internal control system, effectively ensuring shareholders' rights to information, participation and voting in accordance with the law. The Company standardizes the procedures for convening, consideration and voting at shareholders' meetings in accordance with the Articles of Association, rules of procedure for the Shareholders' meeting, and other systems. It guarantees shareholders' equal and convenient participation in the Company's major decisions through a dual-channel approach of "on-site meetings + online voting". In terms of investor returns, the Company consistently values sharing development achievements with its shareholders. Since its listing of A Share in 2022, the Company has implemented cash dividends four consecutive times, distributing a cumulative cash dividend of RMB1.533 billion (tax included). Through a stable dividend policy, it tangibly enhances shareholder returns, practicing the concept of responsible value sharing.

## CUSTOMERS

Innovation drives development, quality builds trust. The Company consistently takes technological innovation as its engine, continuously optimizing product performance and reliability. Through efficient and agile service responses and a collaborative, win-win sustainable supply chain system, it transforms each technological breakthrough into tangible customer value, assisting partners in achieving manufacturing excellence.

## SUPPLIERS

The Company has constructed a full-cycle management mechanism covering supplier selection, evaluation, cooperation and development. It continuously standardizes supplier management and explores incorporating ESG factors into supplier management processes and key decisions. It actively guides and empowers suppliers to collaboratively improve ESG performance, jointly driving the evolution of the value chain towards being greener, more transparent, more resilient, and more sustainable.

## DIRECTORS AND SENIOR MANAGEMENT

The biographies of the Directors and senior management of the Company as at the date of this annual report are set out in section headed "Directors and Senior Management" of this annual report.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As the Company was not listed on the Hong Kong Stock Exchange as of 31 December 2025, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "**SFO**") and section 352 of the SFO were not applicable to the Directors or chief executive of the Company as of 31 December 2025.

As of the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under relevant provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code contained in Appendix C3 of the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange were as follows:

### Interest in Shares in the Company

| Name | Position | Nature of Interest | Number and Description of Shares[1] | Approximate percentage of shareholding in the relevant type of Shares[2] | Approximate percentage of shareholding in the total issued share capital[2] |
|---|---|---|---|---|---|
| YANG Chaohui | Chairman of the Board, executive Director and General Manager | Beneficial owner [3] | 3,972,217 A Shares (L) | 0.93% | 0.82% |
| | | Beneficial owner [3] | 2,814,000 A Shares (L) | 0.66% | 0.58% |
| ZHANG Jianqun | Non-executive Director | Beneficial owner | 284,225 A Shares (L) | 0.07% | 0.06% |
| ZHOU Huiqiang | Non-executive Director | Beneficial owner | 284,225 A Shares (L) | 0.07% | 0.06% |
| DU Yonggang | Non-executive Director | Beneficial owner | 174,597 A Shares (L) | 0.04% | 0.04% |

*Notes:*

*(1) The letter "L" denotes the person's long position in the Shares.*

*(2) As of the Latest Practicable Date, the Company had a total of 483,528,652 issued shares, comprising 425,509,152 A Shares and 58,019,500 H Shares.*

*(3) As of the Latest Practicable date, Mr. YANG Chaohui directly held 3,972,217 A Shares in the Company. As of the Latest Practicable Date, Mr. YANG Chaohui has been granted 4,200,000 restricted Shares under the 2023 Restricted Share Incentive Scheme, (i) 1,386,000 of which were vested and issued to Mr. YANG Chaohui in May 2025, (ii) 1,386,000 of which shall be vested since the first trading day of 28 months after the grant date and until the last trading day before 40 months after the grant date, and (iii) 1,428,000 of which shall be vested since the first trading day of 40 months after the grant date and until the last trading day before 52 months after the grant date.*

### Interests in the Associated Corporations

| Name of Director | Name of Associated Corporation | Nature of Interest | Number and Description of shares[1] | Approximate Percentage of Interest |
|---|---|---|---|---|
| YANG Chaohui | Shenzhen Han's Microelectronics Technology Co., Ltd. | Beneficial owner | 3,750,000 shares (L) | 7.50% |
| ZHANG Jianqun | Han's Laser | Beneficial owner | 248,718 A shares (L) | 0.02% |
| ZHANG Jianqun | Shenzhen Han's Assembly and Testing Technology Co., Ltd. | Beneficial owner | 1,259,319 shares (L) | 0.35% |
| ZHANG Jianqun | Shanghai Fortrend Technology Co., Ltd. | Beneficial owner | 425,454 shares (L) | 0.50% |
| ZHOU Huiqiang | Han's Laser | Beneficial owner | 196,822 A shares (L) | 0.02% |
| ZHOU Huiqiang | Shenzhen Han's Assembly and Testing Technology Co., Ltd. | Beneficial owner | 1,739,328 shares (L) | 0.48% |
| ZHOU Huiqiang | Shanghai Fortrend Technology Co., Ltd. | Beneficial owner | 442,182 shares (L) | 0.52% |
| DU Yonggang | Han's Laser | Beneficial owner | 167,702 A shares (L) | 0.02% |

*Notes:*

*(1) The letter "L" denotes the person's long position in the shares of the associated corporation.*

*(2) Shenzhen Han's Microelectronics Technology Co., Ltd., Shenzhen Han's Assembly and Testing Technology Co., Ltd. and Shanghai Fortrend Technology Co., Ltd. are unlisted companies and have not publicly issued any shares. The number of shares directly held in the above table represents the registered capital (or share capital) equivalent to RMB.*

*(3) The above information is provided based on publicly available materials and to the best knowledge of the Company.*

Save as disclosed above and to the best knowledge of the Directors, as of the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As the Company was not listed on the Hong Kong Stock Exchange as of 31 December 2025, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable to the substantial shareholders and other persons of the Company as of 31 December 2025.

As of the Latest Practicable Date, to the best knowledge of the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under the SFO:

## Interest in Shares of the Company

| Name of substantial Shareholder | Nature of Interest | Type of Share | Number and Description of Shares[1] | Approximate percentage of shareholding in the relevant type of Shares[2] | Approximate percentage of shareholding in the total issued share capital[2] |
|---|---|---|---|---|---|
| Mr. GAO Yunfeng | Interests in controlled corporation[3] | A Share | 359,100,000 Shares (L) | 84.39% | 74.27% |
| Han's Global | Interest in controlled corporation[3] | A Share | 359,100,000 Shares (L) | 84.39% | 74.27% |
| Dazu Holdings | Interest in controlled corporation[3] | A Share | 355,868,100 Shares (L) | 83.63% | 73.60% |
| | Beneficial owner | A Share | 3,231,900 Shares (L) | 0.76% | 0.67% |
| Han's Laser | Beneficial owner | A Share | 355,868,100 Shares (L) | 83.63% | 73.60% |
| Li Haoji (李浩基) | Interest in controlled corporation | H Share | 3,526,300 Shares (L) | 6.08% | 0.73% |
| Aspex Holdings (HK) Limited | Interest in controlled corporation | H Share | 3,526,300 Shares (L) | 6.08% | 0.73% |
| Aspex Management (HK) Limited | Investment manager | H Share | 3,526,300 Shares (L) | 6.08% | 0.73% |
| Aspex Master Fund | Beneficial owner | H Share | 3,526,300 Shares (L) | 6.08% | 0.73% |
| China International Capital Corporation Limited | Interest in controlled corporation | H Shares | 10,197,100 Shares (L) | 17.58% | 2.11% |
| | | | 10,197,000 Shares (S) | 17.58% | 2.11% |
| China International Capital Corporation (International) Limited | Interest in controlled corporation | H Share | 10,197,100 Shares (L) | 17.58% | 2.11% |
| | | | 10,197,000 Shares (S) | 17.58% | 2.11% |
| CICC Financial Holdings Limited | Interest in controlled corporation | H Share | 10,197,100 Shares (L) | 17.58% | 2.11% |
| | | | 10,197,000 Shares (S) | 17.58% | 2.11% |
| CICC Financial Trading Limited | Beneficial owner | H Share | 10,197,100 Shares (L) | 17.58% | 2.11% |
| | | | 10,197,000 Shares (S) | 17.58% | 2.11% |

| Name of substantial Shareholder | Nature of Interest | Type of Share | Number and Description of Shares[1] | Approximate percentage of shareholding in the relevant type of Shares[2] | Approximate percentage of shareholding in the total issued share capital[2] |
|---|---|---|---|---|---|
| GIC Private Limited | Investment manager | H Share | 8,581,900 Shares (L) | 14.79% | 1.77% |
| Schroders PLC | Investment manager | H Share | 7,953,100 Shares (L) | 13.71% | 1.64% |
| Morgan Stanley | Interest in controlled corporation | H Share | 3,754,960 Shares (L) | 6.47% | 0.78% |
| | | | 6,300 Shares (S) | 0.01% | 0.00% |

*Notes:*

*(1) The letter "L" represents a long position in shares held by the person/entity, and the letter "S" represents a short position in shares held by the person/entity.*

*(2) As of the Latest Practicable Date, the Company had a total of 483,528,652 issued shares, comprising 425,509,152 A Shares and 58,019,500 H Shares.*

*(3) Han's Laser is a company established in the PRC, the A shares of which have been listed on the SZSE (stock code: 002008.SZ) and a consolidated subsidiary of Dazu Holdings. As of the Latest Practicable Date, (i) Han's Laser was held by Dazu Holdings, Mr. GAO Yunfeng and other shareholders of A share as to 15.71%, 9.36% and 74.93%, respectively; and (ii) Dazu Holdings was directly held as to 99.875% by Mr. GAO Yunfeng, and as to 0.125% by Han's Global, which was in turn wholly and beneficially owned by Mr. GAO Yunfeng. As such, as of the Latest Practicable Date, each of Mr. GAO Yunfeng, Han's Global and Dazu Holdings was taken to be interested in the 359,100,000 A Shares of the Company under the SFO.*

Save as disclosed above and to the best knowledge of the Directors, as of the Latest Practicable Date, no other persons/entities (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under the SFO.

## EQUITY-LINKED AGREEMENTS

Save as disclosed in this report, the Company had not entered or participated in any equity-linked agreements that will or may result in the Company issuing Shares during the year ended 31 December 2025.

## DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, neither the Company nor any of its subsidiaries, the holding company, entered into any arrangement to enable a Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other corporations.

## MANAGEMENT CONTRACTS

During the Reporting Period, the Company did not enter into any contract relating to the management and administration of the whole or any material part of the Company's business.

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Reporting Period, none of the Directors is considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Hong Kong Listing Rules.

## CONNECTED TRANSACTIONS

The Company has entered into continuing connected transaction agreements and arrangements with connected persons in the ordinary and usual course of business and in compliance with the provisions of Chapter 14A of the Hong Kong Listing Rules. Since the Company has not been listed for the year ended 31 December 2025, annual review and reporting requirements under Chapter 14A of the Hong Kong Listing Rules are not applicable to the Company for the year ended 31 December 2025. Details of the Group's continuing connected transactions are set out below.

## CONNECTED PERSONS

The Company has entered into certain transactions with the following connected persons, which will constitute continuing connected transactions of the Company upon Listing Date:

| Name of Connected Person | Connected Relationship |
|---|---|
| Han's Laser (together with its subsidiaries apart from the Group, the "**Han's Laser Group**") | Han's Laser is a member of Controlling Shareholders Group of the Company. |
| Han's TianCheng Semiconductor Co., Ltd. ("**Beijing Tiancheng**") and its subsidiary | Beijing Tiancheng is owned as to over 30% by Han's Laser, a member of Controlling Shareholders Group of the Company. Accordingly, Beijing Tiancheng is an associate of Han's Laser, and therefore a connected person of the Company under the Hong Kong Listing Rules. |
| Dazu Holdings and its associates (apart from the Han's Laser Group) | Dazu Holdings is a member of Controlling Shareholders Group of the Company. |

## CONTINUING CONNECTED TRANSACTIONS

### 1. Procurement of Products and Services from Han's Laser Group

On 29 January 2026, the Company (for and on behalf of the Group) entered into a framework agreement with Han's Laser (for and on behalf of Han's Laser Group) ("**Procurement Framework Agreement**"), pursuant to which, the Group would procure from Han's Laser Group comprehensive products and services, including but not limited to, accessories, raw materials and repair services ("**Supporting Products and Services**") as the Group may require from time to time.

The initial term of the Procurement Framework Agreement will commence on the Listing Date of the Company's H shares and will end on 31 December 2028, subject to renewal upon the mutual agreement of both parties thereto. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principles provided in the Procurement Framework Agreement.

***Reasons for the transaction:***

The Group has a long-term and stable business cooperation with Han's Laser Group. Han's Laser Group provides the Supporting Products and Services which we may require in the process of our productions and operations. In our ordinary and usual course of business, the Group has been procuring the Supporting Products and Services from Han's Laser Group from time to time, which enables them to be familiar with our business needs, quality standards and operational requirements in respect of our production and assembly lines. Our Directors believe that maintaining a stable and quality business relationship with Han's Laser Group will facilitate our business operations and growth.

***Pricing policies:***

The fees to be paid to Han's Laser Group by the Group under the Procurement Framework Agreement shall be determined based on arm's length negotiation between the Group and Han's Laser Group with reference to (i) the historical and prevailing market price, (ii) the type of products and services to be procured, (iii) the terms, price and conditions offered by other independent third-party suppliers, and (iv) the transaction volume of the products and services to be procured. The terms shall be no less favorable to the Group compared to those transactions between the Group and independent third parties, which are in the best interests of the Company and our Shareholders as a whole.

The actual transaction amounts for the year ended 2025 are as follows:

| Scope of Connected Transactions | Actual amount for the year ended 31 December 2025<br>*RMB in millions* |
|---|---|
| Procurement of Products and Services from Han's Laser Group | 59.8 |

The Company has confirmed that the above transactions did not exceed the annual cap.

The caps for the continuing connected transactions for the three years ending 31 December 2026, 2027 and 2028 are set out below:

| Scope of Connected Transactions | For the year ending 31 December 2026<br>*RMB in millions* | For the year ending 31 December 2027<br>*RMB in millions* | For the year ending 31 December 2028<br>*RMB in millions* |
|---|---|---|---|
| Procurement of Products and Services from Han's Laser Group | 99.7 | 124.6 | 157.7 |

The annual caps are determined based on:

(i) the historical amounts of the transactions between the Group and Han's Laser Group in respect of the transactions contemplated under the Procurement Framework Agreement. The major Supporting Products and Services we procure from Han's Laser Group include, among others, motors, sensors, chillers and controllers (and corresponding repairing services), which are components of our PCB production equipment products. Therefore, our demand for the Supporting Products and Services is largely related to the number of PCB production equipment products that we produce and sell. As the Han's Laser Group is not the exclusive supplier of the Supporting Products and Services of the Group, our relevant purchase therefrom also depends on procurement allocation among all our suppliers, the transaction amount for the year ended 31 December 2023 decreased from that in the year ended 31 December 2022, primarily due to the market downturn of the sales of our PCB production equipment products. For the year ended 31 December 2024, as our previous procurement was sufficient to satisfy our production needs, the procurement amount remained steady as compared to that in the previous year despite the gradual recovery of the market. As of 31 December 2025, the procurement amount increased due to the increased production quantity and sales revenue of our PCB production equipment.

(ii) the expected amount of procurement of the Supporting Products and Services by the Group from Han's Laser Group taking into account the needs of our future business growth and development. With respect to the proposed annual caps for the years ending 31 December 2026, 2027 and 2028, we also take into account the projected growth of the PCB industry and our business expansion in the coming years.

(iii) other factors including but not limited to the expected prices of the Supporting Products and Services and their potential fluctuations, taking into account the costs and expenses relating to labor and market trends. Establishing a long-term procurement mechanism with Han's Laser Group helps ensure production continuity, control costs, and buffer against price volatility.

## 2. Provision of Products and Services to Han's Laser Group

On 29 January 2026, the Company (for and on behalf of the Group) entered into a framework agreement with Han's Laser (for and on behalf of Han's Laser Group) ("**Provision Framework Agreement**"), pursuant to which the Group would provide PCB equipment products and related services, including but not limited to, PCB equipment and machinery, and related accessories and repair services to Han's Laser Group as Han's Laser Group may require from time to time.

The initial term of the Provision Framework Agreement will commence on the Listing Date and will end on 31 December 2028, subject to renewal upon the mutual agreement of both parties thereto. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principles provided in the Provision Framework Agreement.

***Reasons for the transaction:***

Han's Laser Group has been one of our distributors. The Group is engaged in, among others, the provision of PCB equipment products and solutions to PCB manufacturers. Given our competitive edge in the PCB equipment industry and the suitability and quality of our products, certain manufacturing processes of some downstream non-PCB manufacturers of Han's Laser Group can also utilise our equipment products. The Provision Framework Agreement is entered into solely for the purpose of supplying the Group's PCB equipment products and solutions to Han's Laser Group from time to time, for onward distribution to some of its downstream non-PCB manufacturers.

***Pricing policies:***

The products and services fees to be paid by Han's Laser Group to us under the Provision Framework Agreement shall be determined based on arm's length negotiation between the Group and Han's Laser Group with reference to (i) the historical and prevailing market price, (ii) the type of products and services to be provided, (iii) the terms, price and conditions offered to other independent third party customers, and (iv) the transaction volume of the products and services to be provided. The terms shall be no less favorable to the Group compared to those transactions between the Group and independent third parties, which are in the best interests of the Company and our Shareholders as a whole.

The actual transaction amounts for the year ended 2025 are as follows:

| Scope of connected transactions | Actual amount for the year ended 31 December 2025<br>*RMB in millions* |
|---|---|
| Provision of products and services to Han's Laser Group | 8.1 |

The Company has confirmed that the above transactions did not exceed the annual cap.

The following table sets forth the annual caps for the continuing connected transactions for the three years ending 31 December 2026, 2027 and 2028 respectively:

| Scope of connected transactions | For the year ending 31 December 2026<br>*RMB in millions* | For the year ending 31 December 2027<br>*RMB in millions* | For the year ending 31 December 2028<br>*RMB in millions* |
|---|---|---|---|
| Provision of products and services to Han's Laser Group | 90.1 | 120.1 | 176.2 |

The annual caps are determined based on:

(i) the historical amounts of the transactions contemplated under the Provision Framework Agreement. The major products and services we provide to the Han's Laser Group include our PCB production equipment products and associated accessories (along with corresponding repair services) for Han's Laser Group's further distribution, the sales of which fluctuated as the demand of the downstream customers. In particular, the historical amount of the transactions contemplated under the Provision Framework Agreement decreased from RMB2.4 million in the year ended 31 December 2023 to RMB0.9 million in the year ended 31 December 2024, primarily due to the decrease in the downstream customers' demand due to market fluctuations. Although the PCB market has shown general signs of recovery, the downstream customers are in different industries and hence have not picked up the market recovery in the PCB market in time in 2024. However, the market started to pick up again for the year ended 31 December 2025 and the Group has commenced the sales of our PCB production equipment products to a Singapore subsidiary of Han's Laser;

(ii) the expected amount of sales of the above products and services by the Group to Han's Laser Group to meet the needs of the downstream customers of Han's Laser Group as well as the potential business growth thereof. In particular, the Group has commenced the sales of our PCB production equipment products to a Singapore subsidiary of Han's Laser, which was established in August 2023 and has been operating for over two years and has been part of our new overseas distributorship since 2025. Driven by the overall growth trend of the PCB industry, demand from the subsidiary's downstream customers is expected to further increase. In particular, the annual cap for 2026 was determined based on the fact that, as of 31 December 2025, we had secured unexecuted orders totaling approximately RMB26 million from Han's Laser, which will be executed in 2026. Additionally, Han's Laser's Singapore subsidiary has begun fulfilling orders for overseas markets. It is expected that the amount of purchases by Han's Laser's Singapore subsidiary from the Group is projected to increase substantially to meet demand in overseas market from 2026; and

(iii) other factors including but not limited to the expected prices of the above products and services sold by the Group and their potential fluctuations, taking into account the costs and expenses relating to labor and market trends.

### 3. Procurement of lasers from Beijing Tiancheng and its subsidiary

On 29 January 2026, the Company entered into a framework agreement with Beijing Tiancheng ("**Beijing Tiancheng Procurement Framework Agreement**"), pursuant to which, the Company would procure from Beijing Tiancheng and its subsidiary lasers and related products as our production and operation may require from time to time. The initial term of the Beijing Tiancheng Procurement Framework Agreement will commence on the Listing Date and will end on 31 December 2028, subject to renewal upon the mutual agreement of both parties thereto. The parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Beijing Tiancheng Procurement Framework Agreement.

***Reasons for the transaction:***

The Group has a long-term and stable business cooperation with Beijing Tiancheng and its subsidiary. In our ordinary and usual business, we have been procuring lasers from Beijing Tiancheng and its subsidiary from time to time, which enables them to be familiar with our business needs, quality standards and operational requirements in respect of our production and assembly lines. Our Directors believe that maintaining a stable and quality business relationship with Beijing Tiancheng and its subsidiary will facilitate our business operations and growth.

***Pricing policies:***

The purchase price to be paid to Beijing Tiancheng and its subsidiary by us under the Beijing Tiancheng Procurement Framework Agreement shall be determined based on arm's length negotiation between the Company and Beijing Tiancheng and its subsidiary with reference to (i) the historical and prevailing market price, (ii) the type of products to be procured, (iii) the terms, price and conditions offered by other independent third party suppliers, and (iv) the transaction volume of the products to be procured. The terms shall be no less favorable to us compared to those transactions between the Company and independent third parties, which are in the best interests of the Company and our Shareholders as a whole.

The actual transaction amounts for the year ended 2025 are as follows:

| **Scope of connected transactions** | **Actual amount for the year ended 31 December 2025** *RMB in millions* |
|---|---|
| Procurement of lasers and related products from Beijing Tiancheng and its subsidiary | 34.0 |

The Company has confirmed that the above transactions did not exceed the annual cap.

The following table sets forth the annual caps for the continuing connected transactions for the three years ending 31 December 2026, 2027 and 2028 respectively:

| **Scope of connected transactions** | **For the year ending 31 December 2026** *RMB in millions* | **For the year ending 31 December 2027** *RMB in millions* | **For the year ending 31 December 2028** *RMB in millions* |
|---|---|---|---|
| Procurement of lasers and related products from Beijing Tiancheng and its subsidiary | 40.0 | 45.0 | 50.0 |

The annual caps are determined based on:

(i) the historical amounts of the transactions contemplated under the Beijing Tiancheng Procurement Framework Agreement. The lasers and related products we procure from Beijing Tiancheng and its subsidiary are components of our PCB production equipment products, the demand for which is therefore primarily based on the number of PCB production equipment products that we produce and sell, as well as our procurement allocation plan among all our suppliers;

(ii) the expected amount of procurement of lasers and related products by the Group from Beijing Tiancheng and its subsidiary to meet the needs of our future business development. Specifically: (a) given the increase in the Company's order volume and capacity planning for 2026, the procurement of lasers, as a critical component, is expected to be correspondingly expanded, and (b) to mitigate upstream supply chain fluctuations and ensure delivery stability, the Company plans to increase safety stock of critical components in 2026. As a long-term related supplier, Beijing Tiancheng, which was established in November 2011 and began its cooperation with us in December 2014, has proven product quality and delivery capability and we expect to maintain a long-term partnership with them. In particular, the annual cap for 2026 was determined in consideration of the fact that the items procured from Beijing Tiancheng, which will primarily be used in photolithography equipment, are expected to experience growth in 2026. Accordingly, the annual transaction amount under the Beijing Tiancheng Procurement Framework Agreement in 2026 is anticipated to be significantly higher than in 2025; and

(iii) other factors including but not limited to the expected prices of lasers and related products, and their potential fluctuations, taking into account the costs and expenses relating to labor and market trends.

### 4. Procurement of property and construction management services from Dazu Holdings

On 29 January 2026, the Company entered into a framework agreement with Dazu Holdings, a member of our Controlling Shareholders Group ("**Dazu Service Procurement Framework Agreement**"), pursuant to which we would procure from Dazu Holdings and its associates (apart from the Han's Laser Group) property management services and project construction management services for (i) the operation of our industrial parks, offices and employee dormitories; (ii) the construction management services for our industrial park currently under construction; and (iii) the subsequent property management services required by our industrial park following the completion of construction. The initial term of the Dazu Service Procurement Framework Agreement will commence on the Listing Date and will end on 31 December 2028, subject to renewal upon the mutual agreement of both parties thereto. The parties will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Dazu Service Procurement Framework Agreement.

***Reasons for the transaction:***

The Group has a long-term and stable business cooperation with Dazu Holdings. In our ordinary and usual business, we have been procuring property management services and project construction management services from Dazu Holdings and its subsidiaries from time to time, which enables them to be familiar with our business needs, requirements and standards of the Group's properties and construction projects. Our Directors believe that maintaining a stable and quality business relationship with Dazu Holdings will facilitate the management of the Group's properties and construction projects, including the Group's industrial parks.

***Pricing policies:***

The service fee payable by the Group to Dazu Holdings shall be determined based on arm's length negotiation between the parties with reference to (i) the price of the project construction services as required by the relevant rules and regulations, (ii) the type of services to be procured, (iii) the size, location and type of the relevant properties and construction projects, and (iv) the transaction volume of the services to be procured. The terms shall be no less favorable to us compared to those transactions between us and independent third parties, which are in the best interests of the Group and our Shareholders as a whole.

The actual transaction amounts for the year ended 2025 are as follows:

| **Scope of connected transactions** | **Actual amount for the year ended 31 December 2025**<br>*RMB in millions* |
|---|---|
| Procurement of property and construction management services from Dazu Holdings | 16.7 |

The Company has confirmed that the above transactions did not exceed the annual cap.

The following table sets forth the annual caps for the continuing connected transactions for the three years ending 31 December 2026, 2027 and 2028 respectively:

| **Scope of connected transactions** | **For the year ending 31 December 2026**<br>*RMB in millions* | **For the year ending 31 December 2027**<br>*RMB in millions* | **For the year ending 31 December 2028**<br>*RMB in millions* |
|---|---|---|---|
| Procurement of property and construction management services from Dazu Holdings | 36.0 | 30.0 | 30.0 |

The annual caps are determined based on:

(i) the relevant service rates of project construction services as required by the Administrative Measures for Agent Construction of Nanshan District Government-Invested Projects (《南山區政府投資項目代建制管理辦法》), which serves as a reference material for the pricing under the relevant transactions as it contains standard price charges for similar projects;

(ii) the construction plans of the relevant projects currently under construction, including our industrial parks, that require construction project management services. Since April 2022, we have engaged Dazu Holdings for project construction management services for our industrial park project under construction, which is expected to be completed and management services to be ended by 30 June 2026;

(iii) the payment schedule of project construction management services, taking into account the installment of project construction management services to be paid upon completion of construction of our industrial park by 30 June 2026;

(iv) the size, location, type, relocation and development plans of the relevant properties during the term of the Dazu Service Procurement Framework Agreement. The property management services required from Dazu Holdings are expected to have a substantial increase, particularly in 2026, as a relatively large area will require property management services when our industrial park starts to operate following its completion of construction by 30 June 2026. Furthermore, upon the completion of the construction of our industrial park, the project construction management service fees will be settled, and no such expenses will occur in 2027 and 2028. Therefore, the expected annual caps under the Dazu Service Procurement Framework Agreement will decrease slightly in 2027 and 2028; and

(v) other factors including but not limited to the expected prices of the above services and their potential fluctuations, taking into account the costs and expenses relating to labor and construction materials.

### 5. Opinions of the Company and independent non-executive Directors

The Company confirms that the continuing connected transactions in 2025 followed the above-mentioned pricing policies and guidelines when determining the price and terms of the transactions conducted during the year, and complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules. Save as disclosed above, no other related party transactions set out in the "Notes to the Consolidated Financial Statements" constitute connected transactions or continuing connected transactions that are required to be disclosed under Chapter 14A of the Hong Kong Listing Rules.

Our independent non-executive Directors have reviewed the above continuing connected transactions and have confirmed that:

(i) such continuing connected transactions were entered into in the ordinary course of business of the Group;

(ii) such continuing connected transactions were on normal commercial terms or better; and

(iii) such continuing connected transactions were conducted under the agreements of corresponding transactions and in accordance with their terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Reporting Period, none of the Directors or entities connected with the Directors had an interest, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

## SIGNIFICANT CONTRACTS

During the Reporting Period, save for the disclosed connected transactions and continuing connected transactions, the Company or any of its subsidiaries does not have any significant contract with controlling shareholders or its subsidiaries, and there are no significant contracts of services provided by the controlling shareholders or its subsidiaries to the Company or subsidiaries.

## NON-COMPETITION UNDERTAKINGS OF CONTROLLING SHAREHOLDERS

Mr. GAO Yunfeng, Dazu Holdings and Han's Laser each executed a non-competition undertaking in favour of the Company on 11 May 2021. For details of the non-competition undertakings, please refer to the prospectus dated 29 January 2026.

Each controlling shareholder has issued an annual declaration to the Company confirming compliance with the non-competition undertakings as set out above.

The independent non-executive Directors of the Company have reviewed the compliance and implementation of the non-competition undertakings and confirmed that all such undertakings have been complied with during the year.

## PERMITTED INDEMNITY PROVISION AND DIRECTORS' AND SENIOR MANAGEMENT'S LIABILITY INSURANCE

A permitted indemnity provision for the benefit of the Directors came into effect in January 2026. The Company has arranged appropriate insurance coverage for potential legal actions and liabilities against the Directors and the senior management.

## TAX RELIEF

### 1. A shareholders

In accordance with the Notice on Relevant Issues of Implementation of Individual Income Tax Policy of Dividends and Bonus Differentiation of Listed Companies (Cai Shui [2012] No. 85)(《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2012]85號)) and the Notice on Relevant Issues of Individual Income Tax Policy of Dividends and Bonus Differentiation of Listed Companies (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)), for dividends and bonus of individual investors obtained from listed companies from the date when individual investors obtain shares of the Company to the equity registration date, if shareholding period is more than one year, personal income tax will be exempted; if shareholding period is less than one year (including one year), the listed company will not withhold and remit personal income tax and the amount of tax payable will be calculated based on the shareholding period when individual investors transfer their shares. As for shareholders of resident enterprises, income tax of cash bonus will be paid by themselves.

Listed companies will withhold and remit enterprise income tax at the tax rate of 10% for qualified foreign institutional investors (QFII) in accordance with provisions of the Notice on Relevant Issues Regarding the Withholding and Payment of Enterprise Income tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII (Guo Shui Han [2009] No. 47)(《關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函[2009]47號)). If dividends and bonus obtained by QFII shareholders need to enjoy tax convention (arrangement) treatment, they can put forward or entrust obligor of withholding and remitting tax to put forward application for enjoying tax convention treatment to the competent taxation authority of the listed company.

In accordance with provisions of the Notice on Tax Policies about Inter-communication Pilot of Shenzhen-Hong Kong Stock Exchange Mechanism (Cai Shui [2016] No. 127)(《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), as for dividends and bonus of Hong Kong market investors (including enterprise and individual) by investing A shares listed on SZSE, differentiated taxation policy will not be temporarily implemented as per shareholding time before Hong Kong Securities Clearing Company Limited complies with conditions to provide detailed data including identities of investors and shareholding time for China Securities Depository and Clearing Corporation Limited, and the listed company will deduct income tax at the tax rate of 10% and go through deduction declaration with the competent taxation authority. As for Hong Kong investors who belong to tax residents of other countries and dividends income tax rate specified in tax convention signed by their countries and China is lower than 10%, enterprises or individuals can put forward or entrust obligor of withholding and remitting tax to put forward application for enjoying tax convention treatment to the competent taxation authority of the listed company.

## 2. H shareholders

In accordance with provisions of the Notice of the State Administration of Taxation on Personal Income Tax Collection Issues after the Document with the Number of Guo Shui Fa [1993] No. 045 has been Abolished (Guo Shui Han [2011] No. 348)(《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), withholding and remitting obligor will withhold and remit personal income tax as per item of "interest, dividends and bonus income" for dividends and bonus income of overseas resident individual shareholders from domestic non-foreign-funded enterprise by issuing shares in Hong Kong. When domestic non-foreign-funded enterprise issues shares in Hong Kong, its overseas resident individual shareholders shall file applications in accordance with tax convention signed by the country stated in the residential identity and China and tax arrangement of Mainland and Hong Kong (Macau).

Situations in which tax rate for dividends is not 10% will be handled in accordance with the following provisions: (1) as for residents of conventional country whose tax rate is less than 10%, withholding and remitting obligor can handle application for enjoying relevant convention treatment and excessive tax will be refunded with approval of competent taxation authority; (2) as for residents of conventional country whose tax rate is between 10% and 20%, withholding and remitting obligor shall withhold and remit personal income tax as per actual conventional tax rate when distributing dividends and bonus and it need not handle application and approval issues; (3) as for residents of the countries without tax convention and other situations, withholding and remitting obligor shall withhold and remit personal income tax at the tax rate of 20% when distributing dividends and bonus.

In accordance with provisions of the Notice on Relevant Issues that PRC Resident Enterprises Distribute Dividends to Overseas Non-resident Enterprise Shareholders of H Shares and Withhold and Remit Enterprise Income Tax (Guo Shui Han [2008] No. 897)(《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), when PRC resident enterprises distribute dividends of 2008 and future years to overseas non-resident enterprise shareholders of H Shares, they will uniformly withhold and remit enterprise income tax at the tax rate of 10%.

In accordance with provisions of the Notice on Tax Policies about Inter-communication Pilot of Shenzhen-Hong Kong Stock Exchange Mechanism (Cai Shui [2016] No. 127)(《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), H-share companies will deduct personal income tax at the tax rate of 20% for dividend and bonus of individual investors in the Mainland by investing in H shares listed on the Hong Kong Stock Exchange via Shenzhen-Hong Kong Stock Connect. Personal income tax will be collected in accordance with the above provisions for dividends and bonus income of the securities investment fund in the Mainland by investing in listed shares of the Hong Kong Stock Exchange via the Shenzhen — Hong Kong Stock Connect. H-share companies will not deduct dividend and bonus income tax for dividends and bonus of enterprise investors in the Mainland by investing in listed shares of the Hong Kong Stock Exchange via the Shenzhen-Hong Kong Stock Connect and income tax will be paid by enterprises. Among them, for dividends and bonus income of resident enterprises in the Mainland obtained as they have continuously held H shares for 12 months, enterprise income tax will be exempted according to laws.

In accordance with current convention of the Hong Kong Inland Revenue Department, taxes will not be paid for dividends paid by the Company in Hong Kong.

Shareholders of the company will pay relevant taxes and/or enjoy tax concession in accordance with the above provisions.

## CHANGES TO DIRECTORS' INFORMATION

Save as disclosed in this report, there are no other changes relating to the Directors that are required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

## SHARE SCHEMES

During the Reporting Period, the share scheme in existence of the Company was the A share 2023 restricted share incentive scheme (the "**2023 Restricted Share Incentive Scheme**"). As the 2023 Restricted Share Incentive Scheme does not involve any share awards granted by the Company after its listing, the provisions of the 2023 Restricted Share Incentive Scheme are not required to comply with the provisions of Chapter 17 of the Hong Kong Listing Rules.

(1) On 20 November 2023, the Company convened the Second Meeting of the Second Session of the Board, considered and approved the Proposal on the Company's 2023 Restricted Share Incentive Scheme (Draft) and Its Summary (《關於公司〈2023年限制性股票激勵計劃(草案)〉及其摘要的議案》), the Proposal on the Company's Appraisal Management Measures for the Implementation of the 2023 Restricted Share Incentive Scheme (《關於公司〈2023年限制性股票激勵計劃實施考核管理辦法〉的議案》), and the Proposal on Requesting the Shareholders' Meeting to Authorize the Board to Handle Matters Relating to Equity Incentives (《關於提請股東大會授權董事會辦理股權激勵事項相關事宜的議案》). It proposed to grant 16.80 million shares of the second type of restricted stocks to 388 incentive participants, at a grant price of RMB19.38 per share. Independent Directors of the Company issued independent opinions expressing agreement.

On the same date, the Company convened the Second Meeting of the Second Session of the Supervisory Committee, considered and approved the Proposal on the Company's 2023 Restricted Share Incentive Scheme (Draft) and Its Summary (《關於公司〈2023年限制性股票激勵計劃(草案)〉及其摘要的議案》), the Proposal on the Company's Appraisal Management Measures for the Implementation of the 2023 Restricted Share Incentive Scheme (《關於公司〈2023年限制性股票激勵計劃實施考核管理辦法〉的議案》), and the Proposal on Verifying the List of Incentive Participants under the Company's 2023 Restricted Share Incentive Scheme (《關於核實〈公司2023年限制性股票激勵計劃激勵對象名單〉的議案》).

(2) From 21 November 2023 to 30 November 2023, the Company published the list of incentive participants on its internal website. During the publication period, the Supervisory Committee of the Company did not receive any objections to the proposed list of incentive participants. The Supervisory Committee verified the list of incentive participants to whom restricted stocks were proposed to be granted. On 2 December 2023, the Company disclosed the Verification Opinions of the Supervisory Committee on the List of Incentive Participants under the Company's 2023 Restricted Share Incentive Scheme and Explanation of Publication Status (《監事會關於公司2023年限制性股票激勵計劃激勵對象名單的核查意見及公示情況說明》).

(3) On 8 December 2023, the Company convened the second extraordinary shareholders' meeting of 2023, considered and approved the Proposal on the Company's 2023 Restricted Share Incentive Scheme (Draft) and Its Summary (《關於公司〈2023年限制性股票激勵計劃(草案)〉及其摘要的議案》), the Proposal on the Company's Appraisal Management Measures for the Implementation of the 2023 Restricted Share Incentive Scheme (《關於公司〈2023年限制性股票激勵計劃實施考核管理辦法〉的議案》), and the Proposal on Requesting the shareholders' meeting to Authorize the Board to Handle Matters Relating to Equity Incentives (《關於提請股東大會授權董事會辦理股權激勵事項相關事宜的議案》). On 9 December 2023, the Company disclosed the Self-Inspection Report on Trading of Shares of the Company by Insiders under the 2023 Restricted Share Incentive Scheme (《關於2023年限制性股票激勵計劃內幕信息知情人買賣公司股票的自查報告》).

(4) On 8 December 2023, the Company convened the Third Meeting of the Second Session of the Board and the Third Meeting of the Second Session of the Supervisory Committee, considered and approved the Proposal on the Grant of Restricted Share to Incentive Participants (《關於向激勵對象授予限制性股票的議案》). Independent directors of the Company issued independent opinions expressing agreement, confirming that the grant conditions had been satisfied, the qualifications of the incentive participants were legal and valid, and the determined grant date was in compliance with relevant regulations. The Supervisory Committee of the Company verified the list of incentive participants to whom restricted shares were granted.

(5) On 6 May 2025, the Company convened the Thirteenth Meeting of the Second Session of the Board and the Tenth Meeting of the Second Session of the Supervisory Committee, considered and approved the Proposal on Adjusting the Grant Price of the 2023 Restricted Share Incentive Scheme (《關於調整2023年限制性股票激勵計劃授予價格的議案》), the Proposal on Cancellation of Part of the Granted but Unvested Restricted Stocks under the 2023 Restricted Share Incentive Scheme (《關於作廢2023年限制性股票激勵計劃部分已授予尚未歸屬的限制性股票的議案》), and the Proposal on the Satisfaction of Vesting Conditions for the First Vesting Period of the 2023 Restricted Share Incentive Scheme (《關於2023年限制性股票激勵計劃第一個歸屬期歸屬條件成就的議案》). The Remuneration and Appraisal Committee and independent Directors of the Company issued opinions expressing agreement. Pursuant to the authorization granted by the second extraordinary shareholders' meeting of 2023 of the Company, the Board considered that the vesting conditions for the first vesting period of the Company's 2023 Restricted Shares Incentive Scheme had been satisfied. As certain incentive participants resigned or failed to meet the personal performance assessment criteria, 95,550 shares of restricted Shares granted to them but not yet vested were not eligible for vesting and were cancelled by the Company. The number of restricted Shares eligible for vesting in this round is 5,509,152 shares. In light of the implementation of the 2024 annual profit distribution plan by the Company, the grant price of the restricted Shares was adjusted from RMB19.38 per share to RMB18.98 per share.

The Company has completed the share registration for the first vesting period of the 2023 Restricted Share Incentive Scheme. A total of 5,509,152 restricted Shares under the first vesting period of the 2023 Restricted Share Incentive Scheme were listed and traded on 22 May 2025.

The details of A share equity incentives granted to the Directors and senior management are as follows:

| Name | Position | Number of stock options held at the beginning of the year | Number of new stock options granted during the Reporting Period | Number of exercisable stock options during the Reporting Period | Number of stock options exercised during the Reporting Period | Exercise price of stock options exercised during the Reporting Period (RMB/share) | Number of stock options held at the end of the period | Market price at the end of the Reporting Period (RMB/share) | Number of restricted shares held at the beginning of the period (share) | Number of unlocked shares in the current period (share) | Number of new restricted shares granted during the Reporting Period (share) | Grant price of restricted shares (RMB/share) | Number of restricted shares held at the end of the period (share) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| YANG Chaohui | Chairman of the Board, executive Director and general manager | – | – | – | – | – | – | – | 4,200,000 | 1,386,000 | 0 | 18.98 | 2,814,000 |
| ZHOU Xiaodong | Deputy general manager, financial director and board secretary | – | – | – | – | – | – | – | 300,000 | 99,000 | 0 | 18.98 | 201,000 |
| ZHAI Xuetao | Deputy general manager | – | – | – | – | – | – | – | 300,000 | 99,000 | 0 | 18.98 | 201,000 |
| LI Yongjun | Deputy general manager | – | – | – | – | – | – | – | 330,000 | 108,900 | 0 | 18.98 | 221,100 |
| KOU Lian | Deputy general manager | – | – | – | – | – | – | – | 300,000 | 99,000 | 0 | 18.98 | 201,000 |
| SHE Rong | Deputy general manager | – | – | – | – | – | – | – | 300,000 | 99,000 | 0 | 18.98 | 201,000 |
| SONG Jiangtao | Deputy general manager | – | – | – | – | – | – | – | 300,000 | 99,000 | 0 | 18.98 | 201,000 |
| ZHANG Jianzhong | Deputy general manager | – | – | – | – | – | – | – | 270,000 | 89,100 | 0 | 18.98 | 180,900 |
| LYU Hongjie | Deputy general manager | – | – | – | – | – | – | – | 270,000 | 89,100 | 0 | 18.98 | 180,900 |
| **Total** | – | 0 | 0 | 0 | 0 | – | 0 | – | 6,570,000 | 2,168,100 | 0 | – | 4,401,900 |

*Notes* The 2023 Restricted Share Incentive Scheme grants the above-mentioned Directors and senior management the second type of restricted Shares, which can only be registered for vesting upon satisfaction of the corresponding vesting conditions. The "Number of restricted Shares held at the beginning of the period" and "Number of restricted shares held at the end of the period" in the table refer to the number of unvested second type of restricted Shares of the Company held by the above-mentioned directors and senior management; the "Grant price of restricted shares" in the table is the adjusted grant price in accordance with the Company's 2024 annual equity distribution plan.

## EVALUATION MECHANISM AND INCENTIVE OF SENIOR MANAGEMENT

The remuneration of the Company's senior management is determined in accordance with the procedures stipulated in the Rules of Procedure for the Remuneration and Appraisal Committee of the Company and implemented upon approval by the Board of Directors. The Company adopts an annual salary assessment system for senior management, and the specific annual income is calculated in accordance with the relevant assessment systems of the Company. With the implementation of the 2023 Restricted Share Incentive Scheme launched by the Company, the long-term incentive mechanism will be further improved to stimulate the enthusiasm of the management team and bring higher operating results and intrinsic value to the Company.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On 6 May 2025, the Company convened the Thirteenth Meeting of the Second Session of the Board and the tenth Meeting of the Second Session of the Supervisory Committee, at which the Proposal on the Satisfaction of Vesting Conditions for the First Vesting Period of the 2023 Restricted Share Incentive Scheme (《關於2023年限制性股票激勵計劃第一個歸屬期歸屬條件成就的議案》) was considered and approved. It was determined that the vesting conditions for the first vesting period of the 2023 Restricted Share Incentive Scheme had been satisfied, with 5,509,152 shares to be vested in this tranche. The registration of 5,509,152 new shares was completed with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司深圳分公司) on 21 May 2025, and such shares were listed and traded on 22 May 2025. As a result, the total share capital of the Company increased from 420,000,000 shares to 425,509,152 shares.

On 6 February 2026, the Company conducted a global offering of 50,451,800 H shares and listed such H shares on the Main Board of the Stock Exchange for trading, at an offer price of HK$95.80 per H share. Subsequently, the Company agreed to the full exercise of the Over-allotment Option by the sponsor-overall coordinator on 5 March 2026, pursuant to which 7,567,700 H shares were issued at an offer price of HK$95.80 per H share. The relevant shares were listed and traded on the Main Board of the Stock Exchange on 10 March 2026. The Company issued a total of 58,019,500 H shares in this offering and raised a total proceeds of HK$5,558.3 million from the global offering. The total share capital of the Company increased from 425,509,152 shares to 483,528,652 shares accordingly.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including the sale of treasury shares) in both Hong Kong Stock Exchange and SZSE during the year ended 31 December 2025. As of 31 December 2025 and up to the date of this annual report, our Company did not hold any H shares of our Company as treasury shares.

## CHARITABLE DONATION

For the year ended 31 December 2025, the Group did not make charitable contributions. For the year ended 31 December 2024, the Group made charitable contributions totalling approximately RMB55,000.

## CONTINGENT LIABILITIES

As of 31 December 2025, save as disclosed in note 39 to the consolidated financial statements, the Company had no other material contingent liabilities.

## CAPITAL COMMITMENTS

As of 31 December 2025, save as disclosed in note 41 to the consolidated financial statements, the Company had no other material capital commitments.

## PLEDGE OF ASSETS

As of 31 December 2025, the Group did not pledge any assets as collateral for bank borrowings or any other financing activities.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

## MATERIAL INVESTMENTS AND SIGNIFICANT MATTERS DURING THE REPORTING PERIOD

As of 31 December 2025, the Group did not hold any material investments, and the Company is not aware of any significant events that may have a material impact on our operations and financial performance.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, as at 31 December 2025, the Group had no plans for material investments and capital assets.

## MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period, nor were the Directors aware of any material litigation or claims that were pending or threatened against the Company. The details of other litigations of the Group that do not meet the disclosure criteria for material litigations are as follows:

| Basic information of litigation (arbitration) | Involved amount (RMB'0,000) | Whether a provision for expected liabilities is recognized | Progress of litigation (arbitration) | Adjudication result and impact of litigation (arbitration) | Enforcement status of litigation (arbitration) judgment | Disclosure date | Disclosure index |
|---|---|---|---|---|---|---|---|
| Other litigations where the Company and its holding subsidiaries are the plaintiffs and which do not meet the disclosure criteria for material litigations (arbitrations) | 2,345.47 | No | Under trial and enforcement | The relevant cases are all under trial and enforcement, with some cases pending trial; the above cases do not have a material adverse impact on the Company's production, operations, financial condition, or future development | Some pending enforcement | None | None |
| Other litigations where the Company and its holding subsidiaries are the defendants and which do not meet the disclosure criteria for material litigations (arbitrations) | 139.22 | Yes, a provision for expected liabilities of RMB723,000 is recognized | Some under trial and enforcement and some concluded | The relevant cases are all under trial and enforcement, with some cases pending trial and some concluded; the above cases do not have a material adverse impact on the Company's production, operations, financial condition, or future development | Some pending enforcement | None | None |

## CORPORATE GOVERNANCE

The Company is committed to the high standards of corporate governance and has adopted the code provisions set out in the CG Code. Form the Listing Date and up to the date of this annual report, the Company complied with all applicable code provisions set out in the CG Code.

In order to maintain the high standards of corporate governance, the Board will review and monitor the Company's compliance with the CG Code on an ongoing basis.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report of this report.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all the Directors, all the Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code from the Listing Date and up to the date of this annual report.

## USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

### Utilization of A Share Raised Funds

#### *1. Overall Utilization of Raised Funds*

| Year of fund-raising | Fund-raising method | Securities listing date | Total raised funds *(RMB'0,000)* | Net raised funds[1] *(RMB'0,000)* | Total raised funds used in the current period *(RMB'0,000)* | Cumulative total raised funds used[2] *(RMB'0,000)* | Utilization proportion of raised funds at the end of the Reporting Period [3]=[2]/[1] | Total raised funds with changed purposes during the Reporting Period *(RMB'0,000)* | Cumulative total raised funds with changed purposes *(RMB'0,000)* | Proportion of cumulative total raised funds with changed purposes | Balance of raised funds carried forward to 1 January 2025 *(RMB'0,000)* | Total unused raised funds as of 31 December 2025 *(RMB'0,000)* | Purpose of unused raised funds | Amount of raised funds idle for more than two years *(RMB'0,000)* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2022 | Initial public offering | 28 February 2022 | 321,552 | 308,177.83 | 56,497.56 | 264,187.37 | 85.73% | 0 | 0 | 0.00% | 100,488.03 | 43,990.46 | Save for the idle funds used to supplement current asset upon approval, all the Company's raised funds are deposited in the special accounts for raised funds and used for the construction of fund-raising projects. | 0 |
| **Total** | | | 321,552 | 308,177.83 | 56,497.56 | 264,187.37 | 85.73% | 0 | 0 | 0.00% | 100,488.03 | 43,990.46 | | 0 |

Explanation on the overall utilization of raised funds:

*(a) Actual amount of raised funds and fund receipt date*

Pursuant to the Approval on the Registration of the Initial Public Offering by Shenzhen Han's CNC Technology Co., Ltd. (Zheng Jian Xu Ke [2021] No.4134) by the China Securities Regulatory Commission, the Company issued 42,000,000 RMB-denominated ordinary shares (A Shares) to the public in February 2022 at an issue price of RMB76.56 per share. The total amount of proceeds to be raised was RMB3,215.52 million, after deducting issuance expenses of RMB133.7417 million in accordance with applicable regulations, the actual net proceeds amounted to RMB3,081.7783 million. Such proceeds were received on 22 February 2022, and the receipt thereof was verified by RSM China CPA LLP in its Capital Verification Report (RSM Yan Zi [2022] No. 518Z0010). The Company has adopted special account management for the proceeds.

*(b) Utilization and balance of raised funds*

As of 31 December 2025, the usage and balance of the Company's proceeds are as follows:

The total amount of proceeds raised by the Company was RMB3,215.52 million. After deducting issuance expenses of RMB133.7417 million, the net proceeds amounted to RMB3,081.7783 million. The cumulative proceeds used amounted to RMB2,663.5457 million (including interest income and cash management income), of which RMB1,266.6274 million was directly invested in fund-raising projects (covering the replacement of self-raised funds of RMB386.6418 million that were previously invested in fund-raising projects using proceeds), RMB440.0 million was used to temporarily supplement liquidity, and RMB1,396.9183 million was used to permanently supplement liquidity. The cumulative net interest income from bank deposits, after deducting handling fees, amounted to RMB60.3407 million. As of 31 December 2025, the balance of the Company's special account for proceeds was RMB38.5734 million.

The 12th meeting of the Second Session of the Board of Directors and the 9th meeting of the Second Session of the Supervisory Committee of the Company deliberated and approved the "Proposal on the Company Using Part of the Idle Proceeds to Temporarily Supplement Working Capital". As of 31 December 2025, the Company transferred a total of RMB750 million of idle proceeds from the proceeds account to temporarily supplement working capital, with RMB440 million of such temporarily replenished working capital outstanding. As of 17 March 2026, the Company had fully repaid the RMB750 million used to temporarily supplement working capital to the special proceeds account of the Company.

The 17th meeting of the First Session of the Board of Directors, the 9th meeting of the First Session of the Supervisory Committee, and the 2021 annual shareholders' meeting deliberated and approved the "Proposal on Using Part of the Over-raised Funds to Permanently Supplement Liquidity", approving the use of RMB0.4 billion of over-raised funds to permanently supplement liquidity. The 23rd meeting of the First Session of the Board of Directors, the 14th meeting of the First Session of the Supervisory Committee, and the 2022 annual shareholders' meeting deliberated and approved the "Proposal on Using Part of the Over-raised Funds to Permanently Supplement Liquidity", approving the use of RMB0.4 billion of over-raised funds to permanently supplement liquidity. The 5th meeting of the Second Session of the Board of Directors, the 4th meeting of the Second Session of the Supervisory Committee, and the 2023 annual shareholders' meeting deliberated and approved the "Proposal on the Company's Use of Part of the Over-raised Funds to Permanently Supplement Liquidity", approving the use of RMB0.4 billion of over-raised funds to permanently supplement liquidity. The 12th meeting of the Second Session of the Board of Directors, the 9th meeting of the Second Session of the Supervisory Committee, and the 2024 annual shareholders' meeting deliberated and approved the "Proposal on the Company's Use of the Remaining Over-raised Funds to Permanently Supplement Liquidity", approving the use of the remaining over-raised funds of RMB197 million (including interest income and cash management income) to permanently supplement liquidity. As of 24 July 2025, the Company had fully utilized the above aggregate of RMB1.397 billion of over-raised funds (including interest income and cash management income) to supplement liquidity.

The 12th meeting of the Second Session of the Board of Directors, the 9th meeting of the Second Session of the Supervisory Committee, and the 2024 annual shareholders' meeting deliberated and approved the "Proposal on the Company Using Part of the Idle Proceeds and Self-owned Funds for Cash Management". As of 31 December 2025, the balance of idle proceeds used by the Company to purchase cash management products was RMB35.5932 million (negotiated deposits), and the remaining proceeds of RMB2.9802 million were deposited in the Company's special account for proceeds.

## 2. *Implementation of Committed Raised Fund Projects*

| Name of financing project | Securities listing date | Committed investment projects and direction of over-raised funds | Project nature | Whether the project has been changed (including partial change) | Committed total investment of raised funds *(RMB'0,000)* | Adjusted total investment [1] *(RMB'0,000)* | Investment amount in the Reporting Period *(RMB'0,000)* | Cumulative investment amount as of the end of the period [2] *(RMB'0,000)* | Investment progress as of the end of the period [3]=[2]/[1] | Unused amount as of the end of the Reporting Period *(RMB'0,000)* | Expected date of the project reaching the intended state of use | Benefits achieved in the Reporting Period | Cumulative benefits achieved as of the end of the Reporting Period | Whether the expected benefits are achieved | Whether there is a material change in the feasibility of the project |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Committed investment projects** | | | | | | | | | | | | | | |
| Specialized PCB Equipment Production Expansion and Renovation Project | 28 February 2022 | For the Specialized PCB Equipment Production Expansion and Renovation Project | Production and construction | No | 152,393.03 | 152,393.03 | 35,520.28 | 115,261.44 | 75.63% | 37,131.59 | 30 June 2026 | Not applicable | Not applicable | Not applicable | No |
| Specialized PCB Equipment Technology R&D Center Construction Project | 28 February 2022 | For the Specialized PCB Equipment Technology R&D Center Construction Project | Production and construction | No | 18,260.17 | 18,260.17 | 3,452.65 | 11,401.3 | 62.44% | 6,858.87 | 30 June 2026 | Not applicable | Not applicable | Not applicable | No |
| Subtotal of committed investment projects | | | | — | 170,653.2 | 170,653.2 | 38,972.93 | 126,662.74 | — | | — | Not applicable | Not applicable | — | — |
| | **Direction of over-raised funds** | | | | | | | | | | | | | | |
| Permanent supplement of liquidity | 28 February 2022 | For permanent supplement of liquidity | Liquidity supplement | No | 137,524.63 | 137,524.63 | 17,524.63 | 137,524.63 | 100.00% | 0.00 | — | Not applicable | Not applicable | Not applicable | No |
| Repayment of bank loans (if any) | | | | — | — | — | — | — | — | | — | — | — | — | — |
| Supplement of liquidity (if any) | | | | — | | | | | — | | — | — | — | — | — |
| Subtotal of direction of over-raised funds | | | | — | 137,524.63 | 137,524.63 | 17,524.63 | 137,524.63 | — | | — | — | — | — | — |
| **Total** | | | | — | 308,177.83 | 308,177.83 | 56,497.56 | 264,187.37 | — | | — | — | — | — | — |

| | |
|---|---|
| Explanation on the failure to meet the planned progress and expected benefits by project | The 8th meeting of the Second Session of the Board of Directors and the 7th meeting of the Second Session of the Supervisory Committee of the Company held on 18 October 2024 deliberated and approved the Proposal on the Postponement of Fund-raising Investment Projects, agreeing that the Company extend the expected date of the "Specialized PCB Equipment Production Expansion and Renovation Project" and the "Specialized PCB Equipment Technology R&D Center Construction Project" reaching the intended state of use to September 2025 on the premise that the implementation entity, implementation method, construction content, purpose and investment scale of the fund-raising projects remain unchanged.<br><br>The 16th meeting of the Second Session of the Board of Directors of the Company held on 30 September 2025 deliberated and approved the Proposal on the Adjustment of Construction Subject, Addition of Implementation Entities and Locations and Postponement of the Company's Certain Fund-raising Investment Projects, agreeing that the Company extend the expected date of the "Specialized PCB Equipment Production Expansion and Renovation Project" and the "Specialized PCB Equipment Technology R&D Center Construction Project" reaching the intended state of use to June 2026.<br><br>The main works of the Company's fund-raising investment projects of the "Specialized PCB Equipment Production Expansion and Renovation Project" and the "Specialized PCB Equipment Technology R&D Center Construction Project" have been completed, and the internal decoration, equipment procurement and commissioning, and external acceptance are in progress. With the continuous breakthroughs in AI large model technology, driving the acceleration of AI applications, cloud solution providers at home and abroad continue to increase investment in computing power centers, the demand for terminal products such as servers, switches and optical modules of AI computing power data centers maintains a strong growth momentum, and the demand for relevant PCB technologies is constantly rising. New materials and higher characteristic specifications pose higher challenges to PCB processing technologies, which leads to a substantial increase in the demand and proportion of the Company's special equipment with higher technical level, higher precision and higher reliability, and puts forward higher requirements for environmental parameters such as the cleanliness of production and assembly workshops and R&D laboratories. Based on the above situation, the Company has adjusted and designed the actual decoration plan of the fund-raising projects, resulting in a longer time investment. In addition, part of the pending payment of the projects can only be settled and paid after the completion of the acceptance procedures by the relevant departments. As part of the acceptance work involves multiple government departments and the acceptance process is relatively complex, the investment progress of the Company's fund-raising projects is lower than expected. Considering the current changes in the market and product demand, out of prudent consideration for the investment of raised funds, to ensure the construction effect of the fund-raising projects, allocate resources rationally and effectively, and better safeguard the rights and interests of all Shareholders, the Company decides to postpone the date when the fund-raising projects reach the intended state of use. |
| Explanation on material changes in the feasibility of the project | Not applicable |

| | |
|---|---|
| Amount, purpose and implementation progress of over-raised funds | The Company raised a total of RMB3,215.52 million from its initial public offering of shares, and the net actual raised funds after deducting relevant issuance expenses of RMB133.7417 million were RMB3,081.7783 million. After deducting the capital demand of the above fund-raising investment projects, the excess raised funds were RMB1,375.2463 million.<br><br>The 17th meeting of the First Session of the Board of Directors and the 9th meeting of the First Session of the Supervisory Committee of the Company held on 29 March 2022 deliberated and approved the Proposal on Using Part of the Over-raised Funds to Permanently Supplement Liquidity, agreeing to use RMB0.4 billion of over-raised funds to permanently supplement liquidity. The proposal came into effect upon approval at the 2021 annual shareholders' meeting held on 20 April 2022. As of 9 May 2022, the Company had completed the supplement of liquidity.<br><br>The 23rd meeting of the First Session of the Board of Directors and the 14th meeting of the First Session of the Supervisory Committee of the Company held on 6 April 2023 deliberated and approved the Proposal on Using Part of the Over-raised Funds to Permanently Supplement Liquidity, agreeing to use RMB0.4 billion of over-raised funds to permanently supplement liquidity. The proposal came into effect upon approval at the 2022 annual shareholders' meeting held on 8 May 2023. As of 11 May 2023, the Company had completed the supplement of liquidity.<br><br>The 5th meeting of the Second Session of the Board of Directors and the 4th meeting of the Second Session of the Supervisory Committee of the Company held on 10 April 2024 deliberated and approved the Proposal on the Company's Use of Part of the Over-raised Funds to Permanently Supplement Liquidity, agreeing to use RMB0.4 billion of over-raised funds to permanently supplement liquidity. The proposal came into effect upon approval at the 2023 annual shareholders' meeting held on 6 May 2024. As of 21 May 2024, the Company had completed the supplement of liquidity.<br><br>The 12th meeting of the Second Session of the Board of Directors, the 9th meeting of the Second Session of the Supervisory Committee and the 2024 annual shareholders' meeting of the Company held on 17 April 2025 and 12 May 2025 respectively deliberated and approved the Proposal on the Company's Use of the Remaining Over-raised Funds to Permanently Supplement Liquidity, agreeing to use the remaining over-raised funds of RMB197 million (including interest income and cash management income) to permanently supplement liquidity, which was completed as of 24 July 2025. |
| Whether there is any unauthorized change in the purpose of raised funds or illegal occupation of raised funds | Not applicable |

Changes in the implementation locations of fund-raising investment projects

The production plan corresponding to the original implementation location of the Company's fund-raising investment project of the "Specialized PCB Equipment Production Expansion and Renovation Project" is difficult to meet the demand for mass and rapid delivery of high-end equipment. To seize the development opportunity of the AI computing power industry and continuously enhance the Company's core competitiveness and market share, the Company decides to add implementation locations based on the industry development trend and actual production situation to further optimize the production capacity layout, improve the production efficiency of high-end products, accelerate the pace of mass delivery, and timely meet the capacity expansion demand of downstream customers.

The 16th meeting of the Second Session of the Board of Directors of the Company held on 30 September 2025 deliberated and approved the Proposal on the Adjustment of Construction Subject, Addition of Implementation Entities and Locations and Postponement of the Company's Certain Fund-raising Investment Projects, agreeing that the Company adjust the construction subject, add implementation entities and locations and postpone the "Specialized PCB Equipment Production Expansion and Renovation Project" of the fund-raising investment projects from the initial public offering of shares, and postpone the "Specialized PCB Equipment Technology R&D Center Construction Project". For the "Specialized PCB Equipment Production Expansion and Renovation Project", the Company added the implementation location of "No.604, Fengtang Avenue, Fuhai Street, Bao'an District, Shenzhen" on the basis of the original implementation location. After the addition, the implementation locations include: Southeast side of the Intersection of Chongqing Road and Tongfu Road, Fuhai Street, Bao'an District, Shenzhen; No.604, Fengtang Avenue, Fuhai Street, Bao'an District, Shenzhen.

The 20th meeting of the Second Session of the Board of Directors of the Company held on 19 January 2026 deliberated and approved the Proposal on Adding Implementation Locations for Some Fund-raising Projects, agreeing that the Company add implementation locations for the "Specialized PCB Equipment Production Expansion and Renovation Project" of the fund-raising investment projects from the initial public offering of shares. The Company added the implementation location of "Part of the factory building in Building 3, Han's Laser Intelligence Manufacturing Center, 12 Chongqing Road, Heping Community, Fuhai Street, Bao'an District, Shenzhen" (the existing leased site) on the basis of the original implementation locations. After the addition, the implementation locations include: Southeast side of the Intersection of Chongqing Road and Tongfu Road, Fuhai Street, Bao'an District, Shenzhen; No.604, Fengtang Avenue, Fuhai Street, Bao'an District, Shenzhen; Part of the factory building in Building 3, Han's Laser Intelligence Manufacturing Center, 12 Chongqing Road, Heping Community, Fuhai Street, Bao'an District, Shenzhen.

Adjustments to the implementation method of fund-raising investment projects

On 6 May 2022, the Company held the 19th meeting of the First Session of the Board of Directors and the 11th meeting of the First Session of the Supervisory Committee, which considered and approved the "Proposal on Adding the Implementation Entities for Fund-raising Projects and Using Part of the Proceeds to Provide Loans to Wholly-owned Subsidiaries for the Implementation of the fund-raising Investment Projects". It was agreed to add the wholly-owned subsidiary, Asia Foundation Shenzhen as one of the implementation entities for the fund-raising investment projects "Specialized PCB Equipment Production Expansion and Renovation Project" and "Specialized PCB Equipment Technology R&D Center Construction Project". The implementation entity was changed from HANS CNC to HANS CNC and Asia Foundation Shenzhen.

On 30 September 2025, the Company held the 16th meeting of the Second Session of the Board of Directors, which considered and approved the "Proposal on Adjusting the Construction Subject, Increasing Implementation Entities and Locations, and Postponing Certain Fund-raising Projects of the Company". It was agreed to adjust the construction subject of the fund-raising investment project "Specialized PCB Equipment Production Expansion and Renovation Project" from the initial public offering of shares and to add implementation entities.

Based on the actual construction progress of the project and changes in the industry in which the Company operates, in order to better seize market development opportunities, arrange production capacity more scientifically and reasonably, facilitate management, maximize production efficiency, and maintain production stability, the Company added its wholly-owned subsidiaries, Shenzhen Mason Electronics Co., Ltd. and Advanced Intelligent Machine Co., Ltd., as implementation entities for the "Specialized PCB Equipment Production Expansion and Renovation Project". The project will continue to implement the production of drilling and testing products as per the original plan, while adjusting the original construction scale and extending the implementation period. The production capacity planning is that the first year after commissioning reaches 70% of the normal output value, achieving full production capacity in the second year. Upon completion and full operation, the project is expected to achieve an annual production capacity of 3,780 units of specialized PCB equipment, including drilling products, testing products, attachment and automation products, with an annual output value of approximately RMB2,520.0 million.

Advanced investment and replacement of fund-raising investment projects

On 29 March 2022, the Company held the 17th meeting of the First Session of the Board of Directors and the 9th meeting of the First Session of the Supervisors Committee, which considered and approved the "Proposal on Using Raised Funds to Replace Self-raised Funds for Advance Investments and Issuance Expenses". It was agreed to use raised funds to replace self-raised funds of RMB386,641,785.86 for advance investments in fund-raising investment projects and self-raised funds of RMB12,946,952.83 (excluding VAT) paid for issuance expenses, totaling RMB399,588,738.69. On 24 April 2022, the Company completed the replacement of the pre-invested self-raised funds.

On 12 November 2025, the Company held the 18th meeting of the Second Session of the Board of Directors, which considered and approved the "Proposal on Using Self-owned Funds to Pay Part of the Payments for Fund-raising Projects Payments and Replacing Them with Equivalent Amounts of Proceeds". It was agreed that during the implementation of the proceeds-funded projects, the Company may use self-owned funds to pay part of the payments for the projects and subsequently replace them with equivalent amounts of proceeds on a regular basis, transferring the equivalent amount from the special proceeds account to the Company's own account. This equivalent replacement amount is deemed as funds used for the fund-raising investment projects. As of 31 December 2025, the amount of proceeds replaced by the Company was RMB0.0 million.

| | |
|---|---|
| Use of idle proceeds to temporarily supplement working capital | On 29 March 2022, the Company held the 17th meeting of the First Session of the Board of Directors and the 9th meeting of the First Session of the Supervisory Committee, which reviewed and approved the "Proposal on Using Part of the Temporarily Idle Proceeds to Temporarily Supplement Working Capital". It was approved to use idle proceeds not exceeding RMB1.0 billion to temporarily supplement working capital, subject to ensuring the funding needs for the construction of fund-raising investment projects. The usage period shall not exceed 12 months from the date of approval of this proposal by the Board of Directors meeting, and the funds shall be returned to the special proceeds account before maturity. In 2022, the Company transferred a total of RMB861.9166 million (of which RMB536.9166 million was over-raised funds) from the proceeds account to temporarily supplement working capital, which was repaid as of 24 March 2023.<br><br>On 6 April 2023, the Company held the 23rd meeting of the First Session of the Board of Directors and the 14th meeting of the First Session of the Supervisory Committee, which reviewed and approved the "Proposal on Using Part of the Temporarily Idle Proceeds to Temporarily Supplement Working Capital". It was approved to use idle proceeds not exceeding RMB1.0 billion to temporarily supplement working capital, subject to ensuring the funding needs for the construction of proceeds-funded projects. The usage period shall not exceed 12 months from the date of approval of this proposal by the Board of Directors meeting, and the funds shall be returned to the special proceeds account before maturity. As of 2023, the Company transferred a total of RMB1.0 billion (of which RMB280 million was over-raised funds) from the proceeds account to temporarily supplement working capital, which was repaid as of 1 April 2024.<br><br>On 10 April 2024, the Company held the 5th meeting of the Second Session of the Board of Directors and the 4th meeting of the Second Session of the Supervisory Committee, which reviewed and approved the "Proposal on the Company Using Part of the Idle Proceeds to Temporarily Supplement Working Capital". It was approved to use idle proceeds not exceeding RMB1.0 billion to temporarily supplement working capital, subject to ensuring the funding needs for the construction of proceeds-funded projects. The usage period shall not exceed 12 months from the date of approval of this proposal by the Board of Directors meeting, and the funds shall be returned to the special proceeds account before maturity. In 2024, the Company transferred a total of RMB1.0 billion (of which RMB195 million was over-raised funds) from the proceeds account to temporarily supplement working capital, which was repaid as of 7 April 2025.<br><br>On 17 April 2025 and 12 May 2025, the Company held the 12th meeting of the Second Session of the Board of Directors, the 9th meeting of the Second Session of the Supervisory Committee, and the 2024 annual shareholders' meeting, respectively, which reviewed and approved the "Proposal on the Company Using Part of the Idle Proceeds to Temporarily Supplement Working Capital". It was approved to use idle proceeds not exceeding RMB800 million to temporarily supplement working capital, with a usage period not exceeding 12 months from the date of approval by the Board of Directors, and the funds shall be returned to the special proceeds account before maturity. In 2025, the Company transferred a total of RMB750 million from the proceeds account to temporarily supplement working capital, which was repaid as of 17 March 2026. |
| Amount and reasons for any surplus proceeds from project implementation | Not Applicable |

| | |
|---|---|
| Use and destination of unused proceeds | On 6 April 2023, the Company held the 23rd meeting of the First Session of the Board of Directors and the 14th meeting of the First Session of the Supervisory Committee, which reviewed and approved the "Proposal on the Company Using Part of the Idle Proceeds and Self-owned Funds for Cash Management". It was approved to use idle proceeds for cash management with an aggregate limit not exceeding RMB2.0 billion (inclusive), subject to not affecting the construction of proceeds-funded projects and the normal operation of the Company. The limit is valid from the date of approval by the 2022 annual shareholders' meeting until the date of the 2023 annual shareholders' meeting. The term of investment products shall not exceed twelve months. Within the aforementioned limit and validity period of the resolution, funds can be used on a revolving basis. On 8 May 2023, the Company's 2022 annual shareholders' meeting reviewed and approved the "Proposal on the Company Using Part of the Idle Proceeds and Self-owned Funds for Cash Management".<br><br>On 10 April 2024, the Company held the 5th meeting of the Second Session of the Board of Directors and the 4th meeting of the Second Session of the Supervisory Committee, which reviewed and approved the "Proposal on the Company Using Part of the Idle Proceeds and Self-owned Funds for Cash Management". It was approved to use idle proceeds for cash management with an aggregate limit not exceeding RMB1.0 billion (inclusive), subject to not affecting the construction of proceeds-funded projects and the normal operation of the Company. The limit is valid from the date of approval by the 2023 annual shareholders' meeting until the date of the 2024 annual shareholders' meeting. The term of investment products shall not exceed twelve months. Within the aforementioned limit and validity period of the resolution, funds can be used on a revolving basis. On 6 May 2024, the Company's 2023 annual shareholders' meeting reviewed and approved the "Proposal on the Company Using Part of the Idle Proceeds and Self-owned Funds for Cash Management".<br><br>On 17 April 2025 and 12 May 2025, the Company held the 12th meeting of the Second Session of the Board of Directors, the 9th meeting of the Second Session of the Supervisory Committee, and the 2024 annual shareholders' meeting, respectively, which reviewed and approved the "Proposal on the Company Using Part of the Idle Proceeds and Self-owned Funds for Cash Management". It was approved to use idle proceeds not exceeding RMB800 million and idle self-owned funds not exceeding RMB2.5 billion for cash management, with a usage period from the date of approval by the 2024 annual shareholders' meeting until the date of the 2025 annual shareholders' meeting. Within the validity period and limit of the aforementioned resolution, funds can be used on a rolling basis. As of 31 December 2025, the balance of cash management products purchased by the Company using idle proceeds was RMB35.5932 million (agreement deposits), and the remaining proceeds of RMB2.9802 million were deposited in the Company's special proceeds accounts. |
| Issues or other situations in the use and disclosure of proceeds | The Company has fully, truthfully and timely disclosed all information relating to the proceeds raised, and there are no instances of non-compliance in the management of the raised funds. |

### Use of H Share Proceeds

The Company's H Shares were listed on the Hong Kong Stock Exchange on 6 February 2026. The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the global offering (including the full exercise of the over-allotment option) of approximately HK$5,392.0 million and has not utilized any of the proceeds as of the Latest Practicable Date. The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus. The details of intended use of net proceeds from the global offering are set out as follows:

| Item | Approximate % of total net proceeds | Net proceeds from the Global Offering *(HK$ million)* | Expected timeline of full utilisation of the proceeds |
|---|---|---|---|
| Enhancing the R&D and operational capabilities | 50% | 2,696.0 | By the end of 2030 |
| Enhancing the production capacity of specialized PCB equipment | 40% | 2,156.8 | By the end of 2027 |
| Working capital and for general corporate uses to support daily operations and future business development | 10% | 539.2 | By the end of 2030 |

*Note:*

*The expected timeline for the utilisation of proceeds represents the Group's best estimates based on the anticipated market conditions, which may be subject to change in response to current and future market developments.*

## EVENTS AFTER THE REPORTING PERIOD

The Company issued 50,451,800 H shares under Global Offering on 6 February 2026, and was listed and traded on the Main Board of the Hong Kong Stock Exchange at an offer price of HK$95.80 per H share. Subsequently, the Company agreed to have the sponsor and overall coordinator fully exercise the over-allotment option on 5 March 2026, issuing an additional 7,567,700 H shares at an offer price of HK$95.80 per H share. These shares were listed and traded on the Main Board of the Hong Kong Stock Exchange on 10 March 2026. The Company issued a total of 58,019,500 H shares in the Global Offering, with gross proceeds from the Global Offering amounting to HK$5,558.3 million. The Company's total share capital increased from 425,509,152 shares to 483,528,652 shares.

## REVIEW OF THE ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2025.

## INDEPENDENT AUDITOR

There has been no change in the auditor of the Company since the Listing Date.

On behalf of the Board
**Mr. YANG Chaohui**
*Chairman of the Board, executive Director and General Manager*

30 March 2026

## CORPORATE GOVERNANCE CULTURE AND VALUE

The Company believes that a healthy corporate culture is critical to the achievement of the Group's mission, vision and strategy, and good corporate governance practices can safeguard the long-term interests of the Shareholders as well as create greater value for the Shareholders and other stakeholders. The Board and senior management of the Group lead by example through attaching importance to and continuously strengthening corporate culture development, and are committed to promoting the corporate culture and values within the Group.

The Company regards the enhancement of corporate governance as an essential safeguard for high-quality development, establishing a governance structure with clear rights and responsibilities, and efficient collaboration. It continuously strengthens its compliance and internal control systems, remains committed to protecting investors' rights and interests and fulfills its tax obligations in good faith, thereby creating long-term value. The Company has established and continuously improves a risk management and control system covering operations, finance, legal affairs, and market-related matters, and systematically implemented compliance measures related to anti-commercial bribery, anti-corruption, and supplier management. The Company strictly complies with relevant laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China. The Company has established a systematic, end-to-end protection system, and strictly implements data security standards and privacy protection policies to safeguard stakeholders from the impact of data security and privacy incidents, such as information leakage. The Company strictly complies with relevant laws and regulations including the PRC Labor Law, and the PRC Labor Contract Law, establishing a standardized management system to comprehensively protect the legitimate rights and interests of employees. The Company provides employees with a respectful, equitable, and harmonious working environment and introduces share incentive schemes when appropriate, thereby enabling employees to benefit from success and growth of the Company. The Company also values the long-term trust of the Shareholders and consistently rewards them through dividend distribution. In terms of environmental and social aspects, the Company actively responds to the national "dual carbon" goals, adheres to the green and low-carbon development orientation, integrates environmental management requirements into its operational management and business activities, continuously improves environmental protection-related management mechanisms, promotes energy conservation, consumption reduction, and efficient resource utilization, enhances resource utilization efficiency and the level of green development, supports the green transformation of the industrial chain, and strives to contribute to the improvement of the ecological environment.

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance practices. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the CG Code contained in Appendix C1 to the Hong Kong Listing Rules as the basis for the corporate governance practices of the Company.

As the Company's shares were not listed on the Hong Kong Stock Exchange as of 31 December 2025, the CG Code set out in Appendix C1 to the Hong Kong Listing Rules were not applicable to the Company during the year ended 31 December 2025 but has applied to the Company since the Listing Date.

Save as disclosed below, the Company has complied with all applicable code provisions under the CG Code during the period from the Listing Date to the date of this report.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, companies listed on the Hong Kong Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the Chairman and the Chief Executive Officer should be segregated and should not be performed by the same individual. The Company does not have a separate Chairman and General Manager, and Mr. YANG Chaohui currently performs the above two roles. The Board believes that vesting the roles of both Chairman and General Manager in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman and General Manager of the Company when and if appropriate taking into account the circumstances of the Group as a whole.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for dealing in securities of the Company by the Directors.

As the Company's shares were not listed on the Hong Kong Stock Exchange as of 31 December 2025, the relevant rules of the Model Code, to which the Directors were subject, were not applicable to the Company during the year ended 31 December 2025.

Specific inquires has been made to all the Directors, all the Directors have confirmed that they have complied with the Model Code since the Listing Date.

The Model Code also applies to all employees who, because of their office or employment, are likely to possess inside information in relation to the Company or its securities. No incident of non-compliance of the Model Code by the employees was noted by the Company.

## BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for leadership and control and collectively promotes the success of the Company by directing and supervising its affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company and whether the Director is allocating sufficient time to perform such responsibilities commensurate with their role and the Board responsibilities. The Board comprises a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) thereby ensuring a strong independent element within the Board, which can effectively exercise independent judgement.

### Board Composition

The Board currently comprises the following Directors:

### Executive Director

Mr. YANG Chaohui *(Chairman of the Board and General Manager)*

### Non-executive Directors

Mr. ZHANG Jianqun
Mr. ZHOU Huiqiang
Mr. DU Yonggang
Ms. HUANG Linting *(Employee Representative Director)*

### Independent Non-executive Directors

Mr. QIU Yunliang
Ms. LI Weiwei
Dr. XIN Guosheng
Ms. XIA Liya

Each of our Directors has confirmed that he/she obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules regarding the requirements under the Hong Kong Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Hong Kong Stock Exchange on 21, 22 or 27 May 2025, and he/she has confirmed he/she understood his/her obligations as a director of a listed issuer.

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" of this annual report. Save as disclosed above, there were no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

### Board Meetings and Directors' Attendance Records

Board meetings should be held at least four times a year, roughly once a quarter, with active participation from a majority of Directors either in person or through electronic means of communication. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda thereof.

For other Board meetings, reasonable notice has to be given generally. For other committee meetings, a notice shall be given as prescribed in the terms of reference prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies dispatched to all Directors for information and records.

As the Company's shares were listed on the Hong Kong Stock Exchange on 6 February 2026, the provisions in relation to the number of board meetings and Board committees meetings held during the Reporting Period set out in the CG Code were not applicable to the Company during the year ended 31 December 2025. During the period from the Listing Date and up to the date of this report, the Board held one Board meeting and did not hold any general meeting. The attendance of the individual Directors at Board meeting of the Company is set out below:

| Name of Directors | Number of attendance/ meeting(s) held Board meeting |
|---|---|
| **Executive Director** | |
| Mr. YANG Chaohui | 1/1 |
| **Non-executive Directors** | |
| Mr. ZHANG Jianqun | 1/1 |
| Mr. ZHOU Huiqiang | 1/1 |
| Mr. DU Yonggang | 1/1 |
| Ms. HUANG Linting | 1/1 |
| **Independent Non-executive Directors** | |
| Mr. QIU Yunliang | 1/1 |
| Ms. LI Weiwei | 1/1 |
| Dr. XIN Guosheng | 1/1 |
| Ms. XIA Liya | 1/1 |

### Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company as well as for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides instructions to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, bring a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective operation. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

### Chairman and General Manager

The Chairman and General Manager of the Company are held by Mr. YANG Chaohui.

The Board believes that vesting the roles of both Chairman and General Manager in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman and General Manager of the Company when and if appropriate taking into account the circumstances of the Group as a whole.

### Independent Non-executive Directors

From the Listing Date to the date of this report, the Board has met the requirements of the Hong Kong Listing Rules relating to the appointment of at least three independent non-executive Directors representing no less than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

### Board Independence Evaluation

To promote more objective and effective board decision-making, the Company has established the Rules of Procedure for the Board of Directors (《董事會議事規則》), the Working Rules of the Independent Directors (《獨立董事工作制度》) and other systems, so as to ensure that independent views and opinions of all Directors can be presented to the Board.

(1) The Rules of Procedure for the Board of Directors and Working Rules of the independent Directors and other systems provide guidance for the duty performance of each Director to ensure orderly and compliant operations and informed decision-making by the Board, and stipulate actions to be taken by the Directors to avoid any conflict of interests;

(2) The Board of the Company consists of nine members; eight of them are non-executive Directors, including four independent non-executive Directors in accordance with the rules of Shenzhen Stock Exchange and the Hong Kong Listing Rules of Hong Kong Stock Exchange with a balanced composition thereby ensuring a strong independent element within the Board;

(3) Before nomination of candidates for new independent non-executive Directors, the Nomination Committee will make a comprehensive assessment on their independence, working experience and professional skills, etc. It will also assess ongoing independence of the existing independent non-executive Directors and their time commitment for their performance of duties on an annual basis. According to Article 6 of the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), all independent non-executive Directors are required to confirm in writing that they meet the independence requirements on an annual basis;

(4) The Chairman holds a meeting with independent non-executive Directors annually without the presence of other Directors;

(5) The Company convenes meetings attended solely by independent non-executive Directors from time to time to consider relevant matters stipulated in the Measures for the Administration of Independent Directors of Listed Companies, or study other matters of the Company as necessary; and

(6) The specific committees under the Board may, in the course of performing their duties, engage intermediaries to provide independent professional advice for their performance of duties at the expenses of the Company.

The Company believes that the aforementioned measures and policies have been effectively implemented from the date of listing to the date of this report.

### Appointment and Re-election of Directors

Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The independent non-executive Directors shall not serve for more than six consecutive years pursuant to the relevant PRC laws and regulations.

### Particulars of Directors' Service Contracts and Appointment Letters

We have entered into a service contract or appointment letter with each of the Directors. The material terms of such service contracts and letters of appointment include (a) the term of the service; (b) termination in accordance with their respective term; and (c) dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with any member of the Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

### Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Hong Kong Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

Prior to the listing, the Company arranged training sessions for each Director, covering topics such as the legal and regulatory responsibilities of directors and the Hong Kong Listing Rules.

## BOARD COMMITTEES

The Board has established four Board committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and Strategy Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company have adopted specific written terms of reference which clearly define their authority and duties. The terms of reference of the Board committees are published on the Company's website and the Stock Exchange's website and are available to Shareholders upon request. The Board committees are provided with sufficient resources to discharge their duties.

### Audit Committee

The Audit Committee consists of three members, namely Mr. QIU Yunliang, Mr. ZHOU Huiqiang and Ms. LI Weiwei, with Mr. QIU Yunliang as the Chairman of the Audit Committee and is the director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and provide advice and recommendations to the Board.

During the period from the Listing Date to the date of this report, the Audit Committee held two meetings to review and discuss the audited consolidated financial statements and annual results announcement of the Group for the year ended 31 December 2025, the annual internal and external audit work reports, re-appointment of external auditor and other relevant matters.

The attendance of members of the Audit Committee is set out below:

| Name of members of the Audit Committee | Number of attendance/ meeting(s) held |
|---|---|
| Mr. QIU Yunliang *(Chairman)* | 2/2 |
| Mr. ZHOU Huiqiang | 2/2 |
| Ms. LI Weiwei | 2/2 |

During the period from the Listing Date to the date of this report, the Audit Committee also met the external auditors twice without the presence of the executive Director.

### Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of three members, namely Mr. ZHOU Huiqiang, Mr. QIU Yunliang and Dr. XIN Guosheng. Dr. XIN Guosheng is the Chairman of the Remuneration and Appraisal Committee.

The terms of reference of the Remuneration and Appraisal Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Remuneration and Appraisal Committee include reviewing and making recommendations to the Board on the terms of remuneration packages, bonuses, and other compensation payable to the Directors and other senior management.

During the period from the Listing Date to the date of this report, the Remuneration and Appraisal Committee held one meeting to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management.

The attendance of members of the Remuneration and Appraisal Committee is set out below:

| Name of members of the Remuneration and Appraisal Committee | Number of attendance/ meeting(s) held |
|---|---|
| Dr. XIN Guosheng *(Chairman)* | 1/1 |
| Mr. ZHOU Huiqiang | 1/1 |
| Mr. QIU Yunliang | 1/1 |

Details of the emoluments of the Directors and five highest paid individuals of the Group are set out in Notes 10 and 11 to the consolidated financial statements of this report. The remuneration payable to members of senior management by band for the year ended 31 December 2025 is set out below:

| Remuneration (CURRENCY) | Number of Individuals |
|---|---|
| HK$2,500,001 to HK$3,000,000 | 1 |
| HK$3,000,001 to HK$3,500,000 | 5 |
| HK$3,500,001 to HK$4,000,000 | 1 |
| HK$4,000,001 to HK$4,500,000 | 1 |

For the year ended 31 December 2025, no emolument was paid by the Group to any Directors or any of the five highest paid individuals as inducement to join or upon joining the Group as compensation for loss of office. For the year ended 31 December 2025, none of the Directors has waived or agreed to waive any emoluments.

Remuneration Policy: During the Reporting Period, employees' annual remuneration was comprehensively determined based on factors including their knowledge, skills, job grade, performance, market remuneration levels, and the Company's operating performance. Monthly salaries were paid in accordance with the Company's remuneration management policies, and annual performance-based bonuses were paid at year-end based on the Company's annual operating results and individual performance evaluations.

### Nomination Committee

The Nomination Committee consists of three members, namely Mr. DU Yonggang, Ms. LI Weiwei and Dr. XIN Guosheng. Ms. LI Weiwei is the Chairwoman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include make recommendations to our Board on the appointment of Directors and management of Board succession.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the period from the Listing Date and up to the date of this report, the Nomination Committee did not hold any meeting.

## Strategy Committee

The Strategy Committee consists of three members, namely Mr. YANG Chaohui, Mr. ZHANG Jianqun, and Mr. QIU Yunliang. Mr. YANG Chaohui is the Chairman of the Strategy Committee. The primary duties of the Strategy Committee are to make recommendations to the Board on the long-term development strategy and major investments and projects of the Company.

During the period from the Listing Date and up to the date of this report, one meeting of the Strategy Committee was held.

The attendance of members of the Strategy Committee is set out below:

| Name of members of the Strategy Committee | Number of attendance/ meeting(s) held |
|---|---|
| Mr. YANG Chaohui *(Chairman)* | 1/1 |
| Mr. ZHANG Jianqun | 1/1 |
| Mr. QIU Yunliang | 1/1 |

## Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach for achieving the Board diversity. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of the Company, the Nomination Committee will consider a number of factors, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, integrity, and industry and regional experience.

The Company currently has three female Directors in the Board and will continue to work towards enhancing the gender diversity of the Board. The Directors have a balanced mix of knowledge and skills, and the Company has four independent non-executive Directors, with different industry backgrounds. Taking into account the Company's existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies the Board Diversity Policy. Pursuant to the Board Diversity Policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board targets to maintain at least the current level of female representation, and will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified. In considering the Board's successors to ensure the Board diversity, the Nomination Committee would engage independent professional search firm(s) to help identify potential candidates for non-executive Directors, as and when appropriate. The Nomination Committee will review the Board Diversity Policy at least annually and monitor the implementation to ensure its effectiveness.

### Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at 31 December 2025:

| | **Female** ***Percentage (Number of personnel)*** | **Male** ***Percentage (Number of personnel)*** |
|---|---|---|
| Board | 25.0% (2) | 75.0% (6) |
| Senior Management | 22.2% (2) | 77.8% (7) |
| Other employees | 13.2% (470) | 86.8% (3,090) |

The Group is dedicated to increasing female representation in senior management and across the workforce. The Board considers that the current gender diversity in senior management and across the workforce meets the business needs.

Based on business development and operational requirements, the Company fully considers factors such as skills, age, and gender diversity when recruiting employees and is committed to maintaining a balanced workforce in terms of skills, age, and gender.

The Company is not aware of any factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

### Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process set out in the Director Nomination Policy is as follows:

***Appointment of New Director***

(i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.

(ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

(iii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

(iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

(v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

***Re-election of Director at General Meeting***

(i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.

(ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.

(iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Hong Kong Listing Rules and/or applicable laws and regulations.

The Director Nomination Policy sets out the criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications, including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the candidates of independent non-executive Directors in accordance with the Hong Kong Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

Throughout the period from the Listing Date to the date of this report, there was no change in the composition of the Board.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

### Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, compliance with the Model Code and the Regulations on Information Disclosure, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report during the Reporting Period.

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control system.

The Audit Committee, assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has established and continuously improves a risk management and control system covering operational, financial, legal and market aspects, and systematically addresses various potential risks through institutionalized and standardized internal control mechanisms. The Company regularly reviews the effectiveness of its risk management policies, which are implemented in key processes such as procurement, production, sales and product quality monitoring.

The Company's risk management and internal control systems have been developed in accordance with the following principles, features and processes:

| | |
|---|---|
| The First Line of Defense<br>Business Unit Defense | The Business Unit Defense primarily consists of the Company's product centers, functional departments, and subsidiaries. It is responsible for the day-to-day operations and management of its respective units and, as the primary risk responders and accountable parties, independently identifies material risks arising from business activities and designs appropriate risk response measures. In conjunction with the Company's operations and risk management activities, it establishes and maintains suitable structures and processes to ensure that all business activities comply with the laws, regulations, and ethical standards. Through risk identification, assessment, and implementation of mitigation actions, it achieves closed-loop risk management. |
| Second Line of Defense<br>Internal Oversight and Monitoring Defense | The Internal Oversight and Monitoring Defense primarily consists of the Company's Finance, Quality, Legal, Safety and other relevant departments. It provides professional expertise, support and oversight on risk management matters to the first line of defense, and makes reasonable recommendations. In conjunction with the relevant business processes, it is responsible for planning and overseeing risk management activities and improving the risk management system. |

| | |
|---|---|
| Third Line of Defense<br>Internal Audit Defense | The Board's Audit Committee and the Internal Audit Department constitute the third line of defense for risk management and control. The Internal Audit Department regularly conducts audits on the Company's various business operations and provides independent assessments and assurance regarding risk exposures and the effectiveness of internal controls in relation to those operations; continuously manages identified risks and tracks and monitors the improvements and enhancements of the Company's management in internal controls; and regularly reports to the Audit Committee of the Company's Board to ensure the independence of its audit work. |

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provided treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported/confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 2025.

The Internal Audit Department is responsible for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The Internal Audit Department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, conducted an annual/half-yearly/quarterly review of the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting, internal audit function and staff qualifications, experiences and relevant resources.

The Company has in place the Whistleblowing Policy and system for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Internal Audit Department about possible improprieties in any matters related to the Company.

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the Internal Audit Department, which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

During the year ended 2025, the Company held 1 anti-corruption training and briefing to all employees. There were no non-compliance cases in relation to bribery and corruption.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL REPORT

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The Directors have prepared the financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern/The financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended 31 December 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of this Annual Report.

## EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

Ernst & Young provides audit and reporting accountant services and internal control consulting services for the Company's overseas issuance and listing of H shares. The Company has appointed RSM China CPA LLP (容誠會計師事務所(特殊普通合夥)) and Ernst & Young as its domestic and overseas auditors for the year 2025.

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

RSM China (容誠會計師事務所):

| **Type of Services** | **Fees Paid/Payable *(tax inclusive)* *RMB'000*** |
|---|---|
| Audit Services | 700 |
| Non-audit Services | 140 |
| **Total** | 840 |

Ernst & Young:

| **Type of Services** | **Fees Paid/Payable *(tax inclusive)* *RMB'000*** |
|---|---|
| Audit Services | 5,467 |
| Non-audit Services | 427 |
| **Total** | 5,894 |

## COMPANY SECRETARIES

Ms. ZHOU Yuanyuan and Ms. WONG Nga Sim are the joint company secretaries of the Company.

Ms. ZHOU Yuanyuan joined the Company in March 2021, and served as a securities affairs commissioner until December 2021. She has served as securities affairs representative since January 2022. From June 2014 to February 2021, Ms. ZHOU served as an accountant at Han's Laser. Ms. ZHOU obtained the bachelor's degree in accounting from Tianjin University of Commerce (天津商業大學) in July 2011. Ms. ZHOU obtained intermediate accounting qualification (中級會計職稱) by Guangdong Provincial Department of Human Resources and Social Security in January 2017.

Ms. WONG Nga Sim is a manager of Tricor Services Limited. Ms. WONG has over 8 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. WONG obtained a bachelor's degree in business administration (hons.) from Hong Kong Baptist University in 2015. She is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

The primary contact person at the Company is Ms. ZHOU Yuanyuan.

The Company was not listed on the Hong Kong Stock Exchange for the year ended 31 December 2025. The joint company secretaries of the Company will receive no less than 15 hours of relevant professional training annually pursuant to the requirements of Rule 3.29 of the Hong Kong Listing Rules.

All Directors may have access to the advice and services of the joint company secretaries on corporate governance and routine Board matters.

## SHAREHOLDERS' RIGHTS

### Convening of Shareholders' Meeting

Shareholders who separately or jointly hold more than 10% of the Company's shares (excluding the treasury shares) have the right to request the Board to convene an extraordinary general meeting and shall submit the request in writing to the Board. The Board shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary general meeting.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of the Shareholders' meeting within 5 days after making the Board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant Shareholders.

If the Board does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days after receiving the request, shareholders who separately or jointly hold more than 10% of the Company's shares have the right to propose to the Audit Committee to convene an extraordinary general meeting and shall submit the request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the Shareholders' meeting within 5 days after receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant Shareholders.

If the Audit Committee fails to issue the notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee shall not to convene and preside over the shareholders' meeting, and shareholders separately or jointly holding more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or Shareholders decide to convene the Shareholders' meeting on their own, they shall notify the Board in writing and, at the same time, in accordance with the securities regulatory rules of the stock listing place of the Company and the regulations of the stock exchange, complete the necessary reports, announcements or filings.

Before the announcement of the shareholders' meeting resolution, the shareholding ratio of the convening shareholders shall not be less than 10%.

The Audit Committee and convening Shareholders shall complete the necessary reports, announcements or filings and submit relevant proof materials to the stock exchange when issuing the notice of the Shareholders' meeting and the announcement of the Shareholders' meeting resolution in accordance with the securities regulatory rules of the stock listing place of the Company and the regulations of the stock exchange.

The Board and the secretary of the Board will cooperate with the Audit Committee or Shareholders in convening a Shareholders' meeting on their own. The Board shall provide a register of shareholders as at the shareholding registration date.

The register of members obtained by the convener shall not be used for any purpose other than convening the Shareholders' meeting.

The expenses necessary for the Shareholders' meeting convened by the Audit Committee or the Shareholders themselves shall be borne by the Company.

### Putting Forward Proposals at Shareholders' Meetings

When the Company convenes a Shareholders' meeting, the Board, the Audit Committee, and Shareholders separately or jointly holding more than 1% of the Company's total issued share capital have the right to submit proposals to the Company.

Shareholders who separately or jointly hold more than 1% of the Company's shares may submit an interim proposal in writing to the convenor 10 days before the Shareholders' meeting. The convenor shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, informing the content of the interim proposal and submitting it for deliberation at the shareholders' meeting. However, this does not apply if the interim proposal violates laws, administrative regulations, or the Articles of Association, or if it is outside the scope of the Shareholders' meeting's authority. If the Shareholders' meeting needs to be postponed due to the issuance of a supplementary notice as required by the security's regulatory rules of the stock listing location, the Shareholders' meeting shall be postponed in accordance with these rules.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the Shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

### Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

### Contact Details

Shareholders and investors may send their enquiries or requests as mentioned above to the following:

Address: No. 101 of Building 3, 1–2/F, 4/F and 7/F of Building 3, and 1/F and 4/F of Building 4
Han's Laser Intelligence Manufacturing Center
12 Chongqing Road, Heping Community
Fuhai Street
Bao'an District
Shenzhen, Guangdong Province
PRC

Email: hanscnc2002@hanscnc.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, apart from the registered office of the Company, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

## INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Hong Kong Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each general meeting.

### Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

#### (a) Corporate Communication

"Corporate Communication" as defined under the Hong Kong Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its financial summary report; (b) the interim/half-year report and its interim/half-year report summary; (c) the quarterly report; (d) a notice of meeting; (e) a listing document; (f) a circular; and (g) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Hong Kong Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Hong Kong Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

#### (b) Announcements and Other Documents pursuant to the Hong Kong Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Hong Kong Listing Rules.

### (c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.hanscnc.com). Other corporate information about the Company's business developments, goals and strategies, corporate governance and risk management will also be available on the Company's website.

### (d) Shareholders' Meetings

The annual general meeting and other shareholders' meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a shareholders' meeting in a timely manner in accordance with the Hong Kong Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in shareholders' meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairman of board committees or their delegates, and the external auditors should attend shareholders' meetings of the Company to answer Shareholders' questions (if any).

### (e) Shareholders' Enquiries

***Enquiries about Shareholdings***

Shareholders should direct their enquiries about their shareholdings to the Company's H share registrar, Tricor Investor Services Limited, via its online holding enquiry service at website of share registrar, or send email to email address of share registrar or call its hotline at telephone no. of share registrar, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

***Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company***

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email or by post as set out in the section headed "Contact Details".

### (f) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched as and when necessary.

## CONSTITUTIONAL DOCUMENTS

During the period from the Listing Date to the date of this report, the Company has not made any changes to its Articles of Association. An up-to-date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

## DIVIDEND POLICY

The Company has adopted a dividend policy. The dividend policy states that in principle the Company shall distribute profits once a year; the specific distribution plan shall be formulated by the Board in accordance with relevant regulations and operating conditions, and deliberated and approved by Shareholders' general meeting. The Company does not currently have any fixed dividend pay-out ratio. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination, or other methods permitted by laws and regulations, and the Company preferentially adopts cash dividends. Any proposed distribution is subject to the discretion of the Board and approval at the Shareholders' meetings as described above, after considering the Company's results of operations, financial condition, operating and capital requirements, shareholders' interests and other conditions deemed relevant.

# Independent Auditor's Report

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**To the shareholders of Shenzhen Han's CNC Technology Co., Ltd.**
*(Incorporated in the People's Republic of China with limited liability)*

## Opinion

We have audited the consolidated financial statements of Shenzhen Han's CNC Technology Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 147 to 253, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## Key audit matters (Continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition**<br><br>Revenue of the Group is mainly derived from the manufacture and sale of specialised printed circuit board ("**PCB**") production equipment.<br><br>During the year ended 31 December 2025, revenue from the sale of specialised PCB production equipment amounted to RMB5,430,028,000, accounting for approximately 94.06% of the total revenue of the Group.<br><br>Revenue is a key performance indicator for evaluating the Group's financial results. Furthermore, due to the large volume of transactions and customers involving in PCB production equipment revenue, the inherent risk of misstatement in terms of revenue recognition of PCB production equipment is relatively high. Inappropriate revenue recognition might have a material impact on the financial statements. Therefore, revenue recognition was identified as a key audit matter.<br><br>Details of the revenue recognition are disclosed in notes 2.4 and 5 to the consolidated financial statements. | Our audit procedures included, among others, the following:<br><br>(1) Understood, evaluated and tested the effectiveness of the design and operation of internal controls around the Group's sales transactions from customer orders' approval to sale recording;<br><br>(2) inquired management and obtained key sales contracts, validated and identified the terms and conditions in the contracts which were related to the transfer of control and revenue recognition and evaluated whether the accounting policies on revenue recognition were in compliance with the relevant accounting standards;<br><br>(3) for each type of revenue stream, tested, on a sample basis, whether the timing and amount of revenue recognition were appropriate by tracing to the relevant supporting documents, including but not limited to, terms of control transfer in the sales contracts, customers' acceptance documents, sales orders, receipts and customs declaration forms, where appropriate;<br><br>(4) combining with the results of background check and site visits; |

## Key audit matters (Continued)

| Key audit matter | How our audit addressed the key audit matter |
| --- | --- |
| | (5) conducted analytical review procedures by comparing the revenue and gross profit margin with prior year and evaluated the reasonableness of the fluctuations; |
| | (6) tested sales transactions recorded before and after the reporting date, on a sample basis, by tracing to the relevant customers' acceptance documents to assess whether revenue was recognised in the correct reporting periods; |
| | (7) checked whether there was any significant reversal of revenue or sales return after the reporting period; and |
| | (8) checked the adequacy of the disclosures of revenue in the notes to the consolidated financial statements. |

## Key audit matters (Continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Expected credit losses on trade receivables**<br><br>As at 31 December 2025, the Group had gross trade receivables of RMB4,305,990,000 and provision for impairment of trade receivables of RMB138,805,000, respectively.<br><br>Given the significant balance of trade receivables and the involvement of significant judgments on expected credit losses of trade receivables, expected credit losses of trade receivables is considered as a key audit matter.<br><br>The accounting policies and disclosures of the expected credit losses of trade receivables were included in notes 2.4, 3, 22 and 45 to the consolidated financial statements. | Our audit procedures included, among others, the following:<br><br>(1) Understood, evaluated and tested the effectiveness of the design and operation of internal controls over the expected credit losses of trade receivables;<br><br>(2) Discussed with management on the groupings of credit risk characteristic and the estimates of expected credit losses, assessed their accuracy based on historical loss rate, and evaluated the reasonableness of management's expected credit loss model considering current economic conditions;<br><br>(3) For accounts receivables assessed collectively, obtained management's assessment on the expected credit losses of trade receivables by using roll rate method and reperformed the calculation of the provision;<br><br>(4) For accounts receivables assessed individually, selecting samples and reviewing the supporting documents (including the going concern condition and the historical collection of the clients) to evaluate the reasonableness of bad debts accrual by the management;<br><br>(5) Tested on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices;<br><br>(6) Tested on a sample basis, the subsequent settlement of trade receivables against bank receipts; and<br><br>(7) Checked the adequacy of the disclosures of expected credit losses of trade receivables in the notes to the consolidated financial statements. |

## Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lok Man Ho (practising certificate number: P07045).

**Ernst & Young**
*Certified Public Accountants*
Hong Kong

30 March 2026

# Consolidated Statement of Profit or Loss

Year ended 31 December 2025

| | Notes | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|---|
| **REVENUE** | 5 | **5,772,935** | 3,343,091 |
| Cost of sales | | **(3,804,768)** | (2,435,421) |
| **Gross profit** | | **1,968,167** | 907,670 |
| Other income and gains, net | 6 | **198,699** | 192,013 |
| Selling and marketing expenses | | **(311,404)** | (196,103) |
| Administrative expenses | | **(297,626)** | (203,743) |
| Research and development expenses | | **(457,541)** | (266,829) |
| Impairment losses on financial assets and contract assets under expected credit loss model ("**ECL**"), net | | **(26,070)** | (23,355) |
| Other expenses | 9 | **(129,656)** | (83,175) |
| Finance costs | 8 | **(19,024)** | (10,061) |
| Share of profits of associates | | **5,796** | 13,166 |
| **PROFIT BEFORE TAX** | 7 | **931,341** | 329,583 |
| Income tax expense | 12 | **(113,012)** | (30,001) |
| **PROFIT FOR THE YEAR** | | **818,329** | 299,582 |
| Attributable to: | | | |
| Owners of the parent | | **824,267** | 301,180 |
| Non-controlling interests | | **(5,938)** | (1,598) |
| | | **818,329** | 299,582 |
| **EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT** | | | |
| Basic (RMB per share) | 14 | **1.95** | 0.72 |
| Diluted (RMB per share) | 14 | **1.90** | 0.71 |

# Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **PROFIT FOR THE YEAR** | **818,329** | 299,582 |
| **OTHER COMPREHENSIVE INCOME** | | |
| Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods: | | |
| Share of other comprehensive (loss)/income of associates | **(62)** | 60 |
| Exchange differences on translation of foreign operations | **(393)** | 343 |
| **OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX** | **(455)** | 403 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | **817,874** | 299,985 |
| Attributable to: | | |
| Owners of the parent | **823,812** | 301,583 |
| Non-controlling interests | **(5,938)** | (1,598) |
| | **817,874** | 299,985 |

# Consolidated Statement of Financial Position

31 December 2025

| | Notes | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 15 | **792,776** | 677,804 |
| Investment properties | 16 | **1,725** | 1,803 |
| Right-of-use assets | 17(a) | **467,550** | 493,578 |
| Goodwill | 18 | **12,924** | 74,323 |
| Other intangible assets | 19 | **5,257** | 5,185 |
| Investments in associates | 20 | **54,494** | 51,310 |
| Trade and bills receivables at amortised cost | 22 | **418,220** | 170,002 |
| Prepayments, other receivables and other assets | 23 | **32,200** | 69,030 |
| Contract assets | 24 | **4,706** | — |
| Deferred tax assets | 33 | **164,985** | 49,967 |
| Time deposits | 25 | **419,053** | 400,000 |
| Total non-current assets | | **2,373,890** | 1,993,002 |
| **CURRENT ASSETS** | | | |
| Inventories | 21 | **1,893,114** | 898,185 |
| Trade and bills receivables | 22 | **4,285,077** | 2,676,146 |
| Contract assets | 24 | **47,454** | 24,880 |
| Prepayments, other receivables and other assets | 23 | **198,970** | 54,820 |
| Restricted cash | 25 | **542** | 333 |
| Cash and cash equivalents | 25 | **1,815,980** | 1,539,131 |
| Total current assets | | **8,241,137** | 5,193,495 |
| **CURRENT LIABILITIES** | | | |
| Trade and bills payables | 26 | **2,707,735** | 1,275,637 |
| Contract liabilities | 27 | **198,421** | 54,895 |
| Other payables and accruals | 30 | **748,980** | 411,581 |
| Liabilities from contingent consideration | 32 | **—** | 8,523 |
| Interest-bearing borrowings | 31 | **505,067** | 2,426 |
| Lease liabilities | 17(b) | **16,795** | 34,716 |
| Income tax payable | | **102,360** | 9,250 |
| Provision | 29 | **19,920** | 15,570 |
| Total current liabilities | | **4,299,278** | 1,812,598 |
| **NET CURRENT ASSETS** | | **3,941,859** | 3,380,897 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **6,315,749** | 5,373,899 |

31 December 2025

| | Notes | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|---|
| **NON-CURRENT LIABILITIES** | | | |
| Interest-bearing borrowings | 31 | **179,950** | 211,050 |
| Deferred income | 28 | **1,054** | 1,769 |
| Provision | 29 | **34,268** | 6,841 |
| Lease liabilities | 17(b) | **11,041** | 12,798 |
| Deferred tax liabilities | 33 | **4,548** | 5,064 |
| Total non-current liabilities | | **230,861** | 237,522 |
| **Net assets** | | **6,084,888** | 5,136,377 |
| **EQUITY** | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | 34 | **425,509** | 420,000 |
| Reserves | 36 | **5,645,330** | 4,706,923 |
| | | **6,070,839** | 5,126,923 |
| Non-controlling interests | | **14,049** | 9,454 |
| Total equity | | **6,084,888** | 5,136,377 |

**YANG Chaohui**
*Director*

**ZHOU Huiqiang**
*Director*

# Consolidated Statement of Changes in Equity

Year ended 31 December 2025

| | Attributable to owners of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital *RMB'000* (note 34) | Share premium *RMB'000* (note 36(a)) | Share-based payment reserve *RMB'000* (note 36(b)) | Other reserve *RMB'000* (note 36(c)) | Translation reserve *RMB'000* (note 36(d)) | Statutory reserve *RMB'000* (note 36(e)) | Retained profits *RMB'000* | Total *RMB'000* | Non-controlling interests *RMB'000* | Total equity *RMB'000* |
| At 1 January 2024 | 420,000 | 4,067,102 | 12,736 | 1,175 | 746 | 174,300 | 1,434 | 4,677,493 | 11,052 | 4,688,545 |
| Profit for the year | – | – | – | – | – | – | 301,180 | 301,180 | (1,598) | 299,582 |
| Other comprehensive income for the year: | | | | | | | | | | |
| Share of other comprehensive income of associates | – | – | – | – | 60 | – | – | 60 | – | 60 |
| Exchange differences on translation of foreign operations | – | – | – | – | 343 | – | – | 343 | – | 343 |
| Total comprehensive income for the year | – | – | – | – | 403 | – | 301,180 | 301,583 | (1,598) | 299,985 |
| Changes due to passive dilution of investment in an associate | – | – | – | (4,224) | – | – | – | (4,224) | – | (4,224) |
| Share-based payment compensation | – | – | 152,071 | – | – | – | – | 152,071 | – | 152,071 |
| Transfer from retained profits | – | – | – | – | – | 29,452 | (29,452) | – | – | – |
| At 31 December 2024 | 420,000 | 4,067,102* | 164,807* | (3,049)* | 1,149* | 203,752* | 273,162* | 5,126,923 | 9,454 | 5,136,377 |

# Consolidated Statement of Changes in Equity

Year ended 31 December 2025

| | Attributable to owners of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital *RMB'000* (note 34) | Share premium *RMB'000* (note 36(a)) | Share-based payment reserve *RMB'000* (note 36(b)) | Other reserve *RMB'000* (note 36(c)) | Translation reserve *RMB'000* (note 36(d)) | Statutory reserve *RMB'000* (note 36(e)) | Retained profits *RMB'000* | Total *RMB'000* | Non-controlling interests *RMB'000* | Total equity *RMB'000* |
| At 1 January 2025 | 420,000 | 4,067,102 | 164,807 | (3,049) | 1,149 | 203,752 | 273,162 | 5,126,923 | 9,454 | 5,136,377 |
| Profit for the year | – | – | – | – | – | – | 824,267 | 824,267 | (5,938) | 818,329 |
| Other comprehensive loss for the year: | | | | | | | | | | |
| Share of other comprehensive loss of associates | – | – | – | – | (62) | – | – | (62) | – | (62) |
| Exchange differences on translation of foreign operations | – | – | – | – | (393) | – | – | (393) | – | (393) |
| Total comprehensive income for the year | – | – | – | – | (455) | – | 824,267 | 823,812 | (5,938) | 817,874 |
| Capital injection by non-controlling interests | – | – | – | – | – | – | – | – | 10,533 | 10,533 |
| Dividends declared | – | – | – | – | – | – | (168,000) | (168,000) | – | (168,000) |
| Exercise of share options | 5,509 | 198,490 | (99,440) | – | – | – | – | 104,559 | – | 104,559 |
| Share-based payment compensation | – | – | 94,917 | – | – | – | – | 94,917 | – | 94,917 |
| Deferred tax on share based payment | – | – | 88,628 | – | – | – | – | 88,628 | – | 88,628 |
| Transfer from retained profits | – | – | – | – | – | 9,002 | (9,002) | – | – | – |
| At 31 December 2025 | 425,509 | 4,265,592* | 248,912* | (3,049)* | 694* | 212,754* | 920,427* | 6,070,839 | 14,049 | 6,084,888 |

* These reserve accounts comprise total reserves of RMB5,645,330,000 (2024: RMB4,706,923,000) in the consolidated statements of financial position.

# Consolidated Statement of Cash Flows

Year ended 31 December 2025

| | Notes | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit before tax | | **931,341** | 329,583 |
| Adjustment for: | | | |
| Finance costs | 8 | **19,024** | 10,061 |
| Share of profits of associates | | **(5,796)** | (13,166) |
| Bank interest income | 6 | **(58,699)** | (20,699) |
| Losses on disposal of property, plant and equipment, right-of-use assets and other non-current asset | 6 | **17** | 84 |
| Fair value gains on liabilities from contingent consideration | 6 | **(8,523)** | (60,160) |
| Depreciation of property, plant and equipment | 7 | **43,728** | 29,330 |
| Depreciation of right-of-use assets | 7 | **43,162** | 44,239 |
| Amortisation of intangible assets | 7 | **2,657** | 2,612 |
| Depreciation of investment properties | 7 | **78** | 77 |
| Write-down of inventories to net realisable value | 7 | **37,815** | 25,490 |
| Impairment losses recognised on financial assets and contract assets under ECL model, net | 7 | **26,070** | 23,355 |
| Gains on derecognition of financial liabilities measured at amortised cost | 6 | **(623)** | (930) |
| Impairment of goodwill | 7 | **61,399** | 79,640 |
| Share-based payment compensation | 35 | **94,917** | 152,071 |
| Foreign exchange differences, net | | **35,470** | 2,345 |
| Operating profit before working capital changes | | **1,222,037** | 603,932 |
| (Increase)/decrease in inventories | | **(1,046,492)** | 11,518 |
| Increase in trade and bills receivables | | **(2,692,197)** | (1,813,724) |
| Increase in contract assets | | **(27,800)** | (5,387) |
| Increase in prepayments, other receivables and other assets | | **(91,537)** | (40,125) |
| (Increase)/decrease in restricted cash | | **(209)** | 1,483 |
| Increase in trade and bills payables | | **2,206,921** | 1,361,730 |
| Increase in other payables and accruals | | **446,567** | 25,418 |
| Increase/(decrease) in contract liabilities | | **143,526** | (10,859) |
| Decrease in deferred income | | **(715)** | (513) |
| Increase in provision | | **31,777** | 8,065 |
| Cash generated from operations | | **191,878** | 141,538 |
| Interests received | | **35,537** | 20,699 |
| Income tax paid | | **(46,808)** | (7,251) |
| Net cash flows from operating activities | | **180,607** | 154,986 |

## Consolidated Statement of Cash Flows

Year ended 31 December 2025

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchases of items of property, plant and equipment and other non-current assets | **(157,340)** | (224,111) |
| Proceeds from disposal of items of property, plant and equipment and other non-current asset | **347** | 144 |
| Dividend received from an associate | **2,550** | — |
| Placement of time deposits | **—** | (400,000) |
| Net cash flows used in investing activities | **(154,443)** | (623,967) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from exercising share options | **104,563** | — |
| Proceeds from capital injection by non-controlling interests | **10,533** | — |
| Listing expense paid | **(13,772)** | — |
| New borrowings from banks | **2,350,056** | 867,063 |
| Repayment of borrowings from banks | **(1,975,278)** | (728,845) |
| Interest paid | **(13,032)** | (3,676) |
| Lease payment and payment for lease related deposits | **(42,676)** | (40,756) |
| Dividends paid | **(168,000)** | — |
| Net cash flows from financing activities | **252,394** | 93,786 |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | **278,558** | (375,195) |
| Cash and cash equivalents at beginning of year | **1,539,131** | 1,916,965 |
| Effect of foreign exchange rate changes, net | **(1,709)** | (2,639) |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | **1,815,980** | 1,539,131 |

## 1. CORPORATE INFORMATION

The Company is incorporated in the People's Republic of China ("**PRC**") and was converted into a joint stock company on 11 November 2020. The registered office of the Company is located at Han's Laser Global Intelligent Manufacturing Center, Baoan District, Shenzhen, Guangdong province, China.

The Company's shares were listed on both the Shenzhen Stock Exchange ("**A shares**") and the Stock Exchange of Hong Kong Limited ("**H shares**") on 28 February 2022 and 6 February 2026, respectively.

During the year, the Company and its subsidiaries (collectively the "**Group**") were involved in the research, manufacture and trading of production equipment for printed circuit board ("**PCB**").

The immediate holding company of the Company is Han's Laser Technology Industry Group Co., Ltd. ("**Han's Laser**"), a listed company on the Shenzhen Stock Exchange, the ultimate holding company of the Company is Dazu Holdings Group Co., Ltd., and the ultimate controlling person of the Company is Mr. GAO Yunfeng.

### Information about subsidiaries

As at 31 December 2025, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies. Particulars of the Company's principal subsidiaries are as follows:

| Name | Place and date of incorporation/ registration and place of operations | Nominal value of registered share capital | Percentage of equity attributable to the Company | | Principal activities |
|---|---|---|---|---|---|
| | | | Direct | Indirect | |
| Han's CNC Technology (Xinfeng) Co., Ltd.*<br>大族數控科技(信豐)有限公司 | PRC/Chinese mainland<br>15 November 2022 | Renminbi ("**RMB**")140,000,000 | 100% | — | Manufacture and trading of PCB equipment |
| Asia Foundation (Shenzhen) Wood Industry Co., Ltd.*<br>亞洲創建(深圳)木業有限公司 | PRC/Chinese mainland<br>14 January 2000 | RMB82,884,000 | 100% | — | Park operation |
| Shanghai Han's Machinery Co., Ltd.*<br>上海大族機械有限公司 | PRC/Chinese mainland<br>8 February 2023 | RMB50,000,000 | 100% | — | Research, manufacture and trading of PCB equipment |
| Shenzhen Han's Microelectronics Technology Co., Ltd.* ("**Han's Microelectronics**")<br>深圳市大族微電子科技有限公司 | PRC/Chinese mainland<br>7 June 2021 | RMB50,000,000 | 70% | — | Research, manufacture and trading of PCB equipment |

## 1. CORPORATE INFORMATION (Continued)

### Information about subsidiaries (Continued)

| Name | Place and date of incorporation/ registration and place of operations | Nominal value of registered share capital | Percentage of equity attributable to the Company | | Principal activities |
|---|---|---|---|---|---|
| | | | Direct | Indirect | |
| Shenzhen Mason Electronics Co., Ltd.* 深圳麥遜電子有限公司 | PRC/Chinese mainland 17 November 1999 | RMB100,000,000 | 100% | — | Research, manufacture and trading of PCB equipment |
| Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd.* ("**Rayleigh Taide**") 深圳市大族瑞利泰德精密塗層有限公司 | PRC/Chinese mainland 1 August 2022 | RMB20,000,000 | 70% | — | Research, manufacture and trading of components |
| Advanced Intelligent Machine Co., Ltd.* 深圳市升宇智能科技有限公司 | PRC/Chinese mainland 17 January 2014 | RMB10,000,000 | 100% | — | Research, manufacture and trading of PCB equipment |
| Mason Electronics (Xinfeng) Co., Ltd.* 麥遜電子(信豐)有限公司 | PRC/Chinese mainland 15 November 2022 | RMB5,000,000 | — | 100% | Manufacture and trading of PCB equipment |
| Suzhou Mason Electronics Testing Co., Ltd.* 蘇州明信電子測試有限公司 | PRC/Chinese mainland 25 September 2007 | RMB1,000,000 | — | 100% | Provision of processing services |
| Han's Mason Electronics (HK) Co., Ltd. | Hong Kong 14 October 2008 | Hong Kong Dollar ("**HKD**")10,000 | — | 100% | Trading of PCB equipment |
| Hong Kong Mason Electronics Co., Ltd. | Hong Kong 4 June 2021 | HKD200,000 | — | 100% | Trading of PCB equipment |
| Han's CNC Technology (Thailand) Co., Ltd. | Thailand 12 June 2024 | Thai Bhat ("**THB**")15,000,000 | — | 99% | After-sales service |
| Han's CNC Singapore Pte., Ltd. | Singapore 6 November 2024 | Singapore dollar ("**SGD**")100,000 | 100% | — | Research, manufacture and trading of PCB equipment |
| Han's CNC Technology (Vietnam) Co., Ltd. | Vietnam 16 December 2025 | Vietnamese dong ("**VND**") 13,120 million | — | 100% | After-sales service |

* The English names of the above companies registered in the PRC represent the best efforts made by the directors of the Company in directly translating the Chinese names of these companies as no English names have been registered.

## 2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board ("**IASB**"). They have been prepared under the historical cost convention, except for certain portion of trade and bills receivables and liabilities from contingent consideration which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

## 2.1 BASIS OF PREPARATION (Continued)

### Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the translation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and no material impact on the Group's financial statements.

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

| | |
|---|---|
| IFRS 18 | *Presentation and Disclosure in Financial Statements*[2] |
| IFRS 19 and its amendments | *Subsidiaries without Public Accountability: Disclosures*[2] |
| Amendments to IFRS 9 and IFRS 7 | *Amendments to the Classification and Measurement of Financial Instruments*[1] |
| Amendments to IFRS 9 and IFRS 7 | *Contracts Referencing Nature-dependent Electricity*[1] |
| Amendments to IFRS 10 and IAS 28 | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3] |
| Amendments to IAS 21 | *Translation to a Hyperinflationary Presentation Currency*[2] |
| *Annual Improvements to IFRS Accounting Standards — Volume 11* | Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1] |

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

(Continued)

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. The standard was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

(Continued)

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

(Continued)

*Annual Improvements to IFRS Accounting Standards — Volume 11* set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION

### Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

**Business combinations and goodwill** (Continued)

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Impairment of non-financial assets (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

### Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

**Related parties** (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

**Property, plant and equipment and depreciation**

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

| | |
|---|---|
| Buildings | 2.4% to 10% |
| Machinery | 9.6% to 19.2% |
| Motor vehicles | 19.2% |
| Electronic equipment | 19.2% |
| Other equipment | 19.2% |
| Leasehold improvements | Over the shorter of the lease terms and 5 years (20%) |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

### Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less any impairment losses and are amortised to its residual value on the straight-line basis over their estimated useful lives of 40 years.

### Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Intangible assets (other than goodwill) (Continued)

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets are as follows:

| | Estimated useful lives |
|---|---|
| Software | 3 to 10 years |
| Patents | 3 to 10 years |

The estimated useful lives of intangible assets are determined by considering the period of the economic benefits to the Group or the periods of validity of intangible assets protected by the relevant laws, as well as by referring to the industry practice.

***Research and development costs***

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Leases (Continued)

***Group as a lessee*** (Continued)

*(a) Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

| | |
|---|---|
| Land use rights | 50 years |
| Buildings | 2 to 10 years |

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

*(b) Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Leases (Continued)

***Group as a lessee*** (Continued)

*(c) Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

***Group as a lessor***

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### Investments and other financial assets

***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Investments and other financial assets (Continued)

***Initial recognition and measurement*** (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification as follows:

***Financial assets at amortised cost (debt instruments)***

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

***Financial assets at fair value through other comprehensive income (debt instruments)***

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair changes are recognised in other comprehensive income. Upon derecognition the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *General approach*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Impairment of financial assets (Continued)

***General approach*** (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

***Simplified approach***

For trade receivables, commercial acceptance bills receivable and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Financial liabilities

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as liabilities from contingent consideration, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals and interest-bearing borrowings and liabilities from contingent consideration.

The Group classifies financial liabilities that arise from a supplier finance arrangement within interest-bearing borrowings in the statement of financial position because based on the Group's assessment, the supplier finance arrangement is not part of the working capital used in the Group's normal operating cycle, the terms of the liabilities that are part of the supply chain finance arrangement are substantially different from the terms of trade and bills payables that are not part of the arrangement. The assessment has considered factors such as the commercial purpose, the nature and specific terms of the arrangement, as well as the credit terms in place with the financial institutions and suppliers. Therefore, cash flows related to liabilities arising from supplier finance arrangements that are classified in interest-bearing borrowings in the statement of financial position are included in financing activities in the statement of cash flows.

***Subsequent measurement***

The subsequent measurement of financial liabilities depends on their classification as follows:

***Financial liabilities at amortised cost (trade and bills payables, other payables and accruals and interest-bearing bank borrowings)***

After initial recognition, trade and bills payables, other payables and accruals, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Provisions (Continued)

The Group provides for warranties in relation to the sale of certain industrial products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

### Revenue recognition

***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Revenue recognition (Continued)

***Revenue from contracts with customers*** (Continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

*(a) Sale of industrial products*

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which for domestic sales are generally at the time of the completion of installation and commissioning of the goods or generally on delivery of the goods as agreed in the sales contracts, and for overseas sales are generally at the time of shipment in accordance with Incoterms.

The periods and terms of product quality warranty are provided in accordance with the laws and regulations related to the products. The Group has not provided any additional services or product quality warranty, so the product quality warranty does not constitute a separate performance obligation.

*(b) Provision of after-sales and processing services*

The Group provides after-sales services to customers, including repair and maintenance. Revenue from after-sales services is recognised on a straight-line basis over the contract period. The Group also provides processing services. Revenue from processing services is recognised when the services are rendered.

***Revenue from other sources***

*Rental income*

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

*Other income*

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

### Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

### Share-based payments

The Company operates a Share-based payments scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, further details of which are given in note 35 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Share-based payments (Continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancelation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### Employee benefits

***Pension scheme***

The employees of the Company and its subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. Other than the monthly contributions, the Group has no further payment obligations once the contributions have been paid.

***Housing fund and other social insurances — Chinese mainland***

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include a housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each reporting period.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

### Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 2.4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries and associates are currencies other than the RMB. As at the end of each reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

***Development expenses***

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Determining the amounts of development costs to be capitalised requires the use of judgements and estimation.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

### Judgements (Continued)

***Deferred tax assets***

Deferred tax assets are recognised in respect of deductible temporary differences and unused tax losses. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the losses can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

### Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the end of each reporting period. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

### Inventory provision determined on net realisable value

According to the accounting policy, the Group measures the inventories at the lower of cost and net realisable value, and makes inventory provision for the obsolete inventories, slow-moving inventories and the inventories of which the cost is higher than their net realisable value. At the end of each reporting period, the Group reviews whether individual inventory items are obsolete or stagnant and whether their net realisable value is lower than their cost. The impairment of inventories is based on the assessment of the inventories' merchantability and their net realisable value. Identification of inventory impairment requires management to make judgements and estimates based on solid evidence and factors such as the purpose of holding the inventories and the impact of events after the end of each reporting period. The difference between the actual result and the original estimate will affect the carrying amount of inventories and the accrual or reversal of inventory provision during the period in which the estimate is changed.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB12,924,000 (2024: RMB74,323,000). Further details are given in note 18 to the financial statements.

### Provision for expected credit losses on trade receivables, commercial acceptance bills receivable and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables, commercial acceptance bills receivable and contract assets. The provision rates are based on invoice date for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables, commercial acceptance bills receivable and contract assets is disclosed in notes 22 and 24 to the financial statements, respectively.

### Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

## 4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in one single operating segment, i.e., research, manufacture and trading of manufacturing equipment for printed circuit board. Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no operating segment information is presented.

### Geographical information

***(a) Revenue from external customers***

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Chinese mainland | **5,151,627** | 2,965,452 |
| Other countries/region | **609,129** | 361,920 |
| | **5,760,756** | 3,327,372 |

***(b) Non-current assets***

The geographical information of non-current assets is not presented as more than 90% of the non-current assets of the Group are located in the Chinese mainland.

### Information about major customers

Revenue from the major customers which amounted to 10% or more of the Group's revenue is set out below:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Customer A | **1,572,422** | N/A* |

* The corresponding revenue from the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

## 5. REVENUE

An analysis of revenue is as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Revenue from contracts with customers | **5,760,756** | 3,327,372 |
| Revenue from other sources | | |
| Rental income | **12,179** | 15,719 |
| Total | **5,772,935** | 3,343,091 |

## 5. REVENUE (Continued)

### Revenue from contracts with customers

***(a) Disaggregated revenue information***

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Types of goods or services** | | |
| Drilling equipment | **4,167,353** | 2,100,645 |
| Photolithography equipment | **322,176** | 340,306 |
| Testing equipment | **533,520** | 274,139 |
| Formation equipment | **270,186** | 254,138 |
| Attachment equipment | **118,537** | 81,940 |
| Lamination equipment | **18,256** | 9,804 |
| Others | **330,728** | 266,400 |
| Total | **5,760,756** | 3,327,372 |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | **5,589,919** | 3,204,618 |
| Services transferred over time | **170,837** | 122,754 |
| **Total** | **5,760,756** | 3,327,372 |

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period: | **41,086** | 65,754 |

***(b) Performance obligations***

Information about the Group's performance obligations is summarised below:

*Sale of industrial products*

The performance obligation is satisfied upon delivery of the industrial products and completion of installation and customer acceptance.

*Maintenance services*

The performance obligation is satisfied over time as services are rendered and payment is generally due by instalments upon completion of maintenance services and customer acceptance, except for certain customers, where payment in advance is normally required.

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The Group elected to apply the practical expedient for not to disclose the remaining performance obligations. The amounts disclosed above do not include variable consideration which is constrained.

## 6. OTHER INCOME AND GAINS, NET

An analysis of other income and gains, net, is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Other income** | | |
| Government grants* | **82,076** | 60,043 |
| Bank interest income | **58,699** | 20,699 |
| Additional VAT deduction** | **47,017** | 48,308 |
| Total other income | **187,792** | 129,050 |
| **Other gains, net** | | |
| Losses on disposal of property, plant and equipment, right-of-use assets and other non-current asset | **(17)** | (84) |
| Fair value gains on contingent consideration | **8,523** | 60,160 |
| Gains on derecognition of financial liabilities measured at amortised cost | **623** | 930 |
| Others | **1,778** | 1,957 |
| Total other gains | **10,907** | 62,963 |
| Total other income and gains, net | **198,699** | 192,013 |

* Government grants related to income that is received or receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs recognised in profit or loss in the period upon actual receipt and purchases of items of property, plant and equipment. There are no unfulfilled conditions or contingencies relating to these grants.

** According to the regulations of the Ministry of Finance and the State Administration of Taxation, certain entities within the Group can enjoy an additional 5% or 15% deduction calculated based on the input value-added tax ("**VAT**") from the VAT payable since 1 January 2023. The amount of additional deduction was recognised in profit or loss when the entities declared and enjoyed the preferential tax treatment.

## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

| | Notes | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|---|
| Cost of inventories sold | | **3,659,383** | 2,361,863 |
| Cost of services provided | | **107,570** | 48,068 |
| Depreciation of investment properties | 16 | **78** | 77 |
| Depreciation of property, plant and equipment * | 15 | **43,728** | 29,330 |
| Depreciation of right-of-use assets* | 17(a) | **43,162** | 44,239 |
| Amortisation of other intangible assets* | 19 | **2,657** | 2,612 |
| Research and development costs | | **457,541** | 266,829 |
| Impairment of goodwill# | 18 | **61,399** | 79,640 |
| Expense relating to short-term leases and leases of low-value assets | 17(c) | **25,735** | 18,075 |
| Auditor's remuneration | | **2,380** | 700 |
| Listing expense | | **1,895** | — |
| Employee benefit expense (excluding directors' and supervisors' remuneration (note 10)): | | | |
| Wages and salaries | | **781,948** | 402,476 |
| Pension scheme contributions | | **52,448** | 37,178 |
| Equity-settled share-based payment expense | | **70,782** | 113,863 |
| Foreign exchange differences, net | | **35,711** | 2,345 |
| Impairment of financial and contract assets | | | |
| Impairment of trade and bills receivables | | **23,452** | 22,243 |
| Provision for impairment of contract assets | | **520** | 153 |
| Impairment of financial assets included in prepayments, other receivables and other assets | | **2,098** | 959 |
| | | **26,070** | 23,355 |
| Write-down of inventories to net realisable value | | **37,815** | 25,490 |
| Product warranty provision | | **44,285** | 33,553 |
| Gains on derecognition of financial liabilities measured at amortised cost | | **(623)** | (930) |
| Bank interest income | | **(58,699)** | (20,699) |
| Losses on disposal of property, plant and equipment, right-of-use assets and other non-current asset | | **17** | 84 |

## 7. PROFIT BEFORE TAX (Continued)

* The depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of other intangible assets are included in "Cost of sales", "Administrative expenses", "Selling and marketing expenses" and "Research and development expenses" in the consolidated statement of profit or loss.

# The impairment of goodwill is included in "Other expenses" in the consolidated statement of profit or loss.

## 8. FINANCE COSTS

An analysis of finance costs is as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Interest on loans | **13,550** | 3,882 |
| Interest expense on discounted bills | **3,734** | 3,138 |
| Interest on lease liabilities | **1,740** | 3,041 |
| Total | **19,024** | 10,061 |

## 9. OTHER EXPENSES

An analysis of other expenses is as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Foreign exchange differences, net | **35,711** | 2,345 |
| Donations | **—** | 55 |
| Impairment of goodwill | **61,399** | 79,640 |
| Compensation | **404** | 134 |
| Others | **32,142** | 1,001 |
| Total | **129,656** | 83,175 |

## 10. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Hong Kong Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Fees | **360** | 350 |
| Other emoluments: | | |
| Salaries, allowances and benefits in kind | **2,637** | 2,301 |
| Performance related bonuses | **2,160** | 555 |
| Share-based payment compensation | **24,135** | 38,208 |
| Pension scheme contributions | **169** | 153 |
| Total | **29,461** | 41,567 |

Certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 35 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and supervisors' remuneration disclosures.

### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Mr. QIU Yunliang | **120** | 120 |
| Mr. CHEN Changsheng (ii) | **—** | 40 |
| Ms. LI Weiwei (i) | **120** | 110 |
| Mr. XIN Guosheng (iii) | **120** | 80 |
| Total | **360** | 350 |

(i) Ms. LI Weiwei was appointed as an independent non-executive director of the Company with effect from 2 February 2024.

(ii) Mr. CHEN Changsheng resigned as an independent non-executive director of the Company on 6 May 2024.

(iii) Mr. XIN Guosheng was appointed as an independent non-executive director of the Company with effect from 6 May 2024.

There were no other emoluments payable to the independent non-executive directors during the year.

## 10. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

### (b) Executive director, non-executive directors and supervisors

Year ended 31 December 2024

| | Fees *RMB'000* | Salaries, allowances and benefits in kind *RMB'000* | Performance related bonuses *RMB'000* | Share-based payment compensation *RMB'000* | Pension scheme contributions *RMB'000* | Total remuneration *RMB'000* |
|---|---|---|---|---|---|---|
| **Executive director** | | | | | | |
| Mr. YANG Chaohui (i) | — | 1,903 | 411 | 38,208 | 101 | 40,623 |
| **Non-executive directors** | | | | | | |
| Mr. ZHANG Jianqun (ii) | — | — | — | — | — | — |
| Mr. ZHOU Huiqiang (iii) | — | — | — | — | — | — |
| Mr. DU Yonggang (iv) | — | — | — | — | — | — |
| Subtotal | — | — | — | — | — | — |
| **Supervisors** | | | | | | |
| Mr. HU Zhixiong (v) | — | — | — | — | — | — |
| Mr. HU Zhiyi (vi) | — | — | — | — | — | — |
| Ms. HUANG Linting (vii) | — | 398 | 144 | — | 52 | 594 |
| Mr. LIU Tao (viii) | — | — | — | — | — | — |
| Subtotal | — | 398 | 144 | — | 52 | 594 |
| Total | — | 2,301 | 555 | 38,208 | 153 | 41,217 |

## 10. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

### (b) Executive director, non-executive directors and supervisors (Continued)

**Year ended 31 December 2025**

| | Fees *RMB'000* | Salaries, allowances and benefits in kind *RMB'000* | Performance related bonuses *RMB'000* | Share-based payment compensation *RMB'000* | Pension scheme contributions *RMB'000* | Total remuneration *RMB'000* |
|---|---|---|---|---|---|---|
| **Executive director** | | | | | | |
| Mr. YANG Chaohui (i) | — | 2,204 | 1,960 | 24,135 | 110 | 28,409 |
| **Non-executive directors** | | | | | | |
| Mr. ZHANG Jianqun (ii) | — | — | — | — | — | — |
| Mr. ZHOU Huiqiang (iii) | — | — | — | — | — | — |
| Mr. DU Yonggang (iv) | — | — | — | — | — | — |
| Ms. HUANG Linting (vii) | — | 433 | 200 | — | 59 | 692 |
| Subtotal | — | 433 | 200 | — | 59 | 692 |
| **Supervisors** | | | | | | |
| Mr. HU Zhixiong (v) | — | — | — | — | — | — |
| Mr. HU Zhiyi (vi) | — | — | — | — | — | — |
| Ms. HUANG Linting (vii) | — | — | — | — | — | — |
| Mr. LIU Tao (viii) | — | — | — | — | — | — |
| Mr. YUAN Yangbo (ix) | — | — | — | — | — | — |
| Subtotal | — | — | — | — | — | — |
| Total | — | 2,637 | 2,160 | 24,135 | 169 | 29,101 |

## 10. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

### (b) Executive director, non-executive directors and supervisors (Continued)

(i) Mr. YANG Chaohui was appointed as an executive director of the Company with effect from 6 November 2020. Mr. YANG Chaohui was also serving as the general manager of the Company since May 2003.

(ii) Mr. ZHANG Jianqun was appointed as a non-executive director of the Company with effect from 6 November 2020.

(iii) Mr. ZHOU Huiqiang was appointed as a non-executive director of the Company with effect from 6 November 2020.

(iv) Mr. DU Yonggang was appointed as a non-executive director of the Company with effect from 6 November 2020.

(v) Mr. HU Zhixiong was appointed as a supervisor of the Company with effect from 6 November 2020 and resigned on 8 November 2023.

(vi) Mr. HU Zhiyi was appointed as a supervisor of the Company with effect from 20 March 2021 and retired on 15 January 2025.

(vii) Ms. HUANG Linting was appointed as a supervisor of the Company with effect from 6 November 2020 and retired on 12 May 2025. Ms. HUANG Linting was appointed as a non-executive director (employee director) of the Company with effect from 14 May 2025.

(viii) Mr. LIU Tao was appointed as a supervisor of the Company with effect from 8 November 2023 and retired on 12 May 2025.

(ix) Mr. YUAN Yangbo was appointed as a supervisor of the Company with effect from 15 January 2025. and retired on 12 May 2025.

No emoluments were paid by the Company to the directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office during the year. No compensation was paid to, or receivable by, any director, former director or any of the five highest-paid individuals for the loss of any other office in connection with the management of the affairs of any member of the Group.

## 11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year ended 31 December 2025 included one (2024: one) director of the Company, details of whose remuneration are set out in note 10 to the financial statements above. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a director nor a supervisor of the Company are as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Salaries, allowances and benefits in kind | **3,855** | 3,326 |
| Performance related bonuses | **5,062** | 2,360 |
| Share-based payment compensation | **7,241** | 12,781 |
| Pension scheme contributions | **263** | 210 |
| Total | **16,421** | 18,677 |

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

| | **2025** | 2024 |
|---|---|---|
| HKD4,000,001 to HKD4,500,000 | **2** | — |
| HKD4,500,001 to HKD5,000,000 | **2** | 2 |
| HKD5,000,001 to HKD5,500,000 | **—** | 1 |
| HKD5,500,001 to HKD6,000,000 | **—** | 1 |
| Total | **4** | 4 |

Share options were granted to four non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 35 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements during the year ended 31 December 2025 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

## 12. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

### Chinese mainland

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries was 25% during the year except for those that are entitled to tax concession set out below.

According to the Administrative Measures for Determination of High and New Tech Enterprises, which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation and became effective on 1 January 2016, an enterprise recognised as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law. The Company and Shenzhen Mason Electronics Co., Ltd. were entitled to a preferential income tax rate of 15% from 2023 to 2025. Advanced Intelligent Machine Co., Ltd. and Shanghai Han's Machinery Co., Ltd. were entitled to a preferential income tax rate of 15% from 2025 to 2027.

Pursuant to the Circular of Extending the Period of Western Development Strategies Preferential Tax Rate (circular of the Ministry of Finance, State Taxation Administration and National Development and Reform Commission [2020] No. 23), from 1 January 2021 to 31 December 2030, enterprises located in Western China that are engaged in encouraged industries shall be entitled to a reduced enterprise income tax at a rate of 15%. The enterprises in the encouraged industries shall mainly engage in the industries set out in the Catalogue of Encouraged Industries in Western China, and the revenue from the main business of such enterprises shall exceed 60% of the total revenue. Han's CNC Technology (Xinfeng) Co., Ltd. operated in Western China was entitled to a preferential income tax rate of 15% from 2022 to 2025. Mason Electronics (Xinfeng) Co., Ltd. was entitled to a preferential income tax rate of 15% from 2024 to 2025.

Pursuant to the Corporate Income Tax Law of the People's Republic of China and its Implementation Regulations, for the period from 1 January 2021 to 31 December 2022, small and low-profit enterprises were entitled to a reduced effective corporate income tax rate of 2.5% on the portion of their annual taxable income not exceeding RMB1,000,000; effective 1 January 2023 through 31 December 2027, this reduced rate on taxable income up to RMB1,000,000 is 5%; concurrently, for the period spanning 1 January 2022 to 31 December 2027, the portion of annual taxable income between RMB1,000,000 and RMB3,000,000 (inclusive) for such enterprises is subject to corporate income tax at a reduced effective rate of 5%. Suzhou Mason Electronic Testing Co., Ltd., Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd., and Shenzhen Han's Microelectronics Technology Co., Ltd. meet the criteria for small and low-profit enterprises and thus enjoy the aforementioned corporate income tax incentives.

## 12. INCOME TAX (Continued)

### Additional deduction for research and development expense

Additional deductible allowance was for qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC enterprises engaging in research and development activities are entitled to claim 200% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits during the years. Pursuant to the Corporate Income Tax Law of the People's Republic of China and its Implementation Regulations, qualified industrial machine tool enterprises are eligible for the new research and development super deduction. An extra 100% or 120% of the amount of research and development expenses actually incurred during the period from 1 January 2023 to 31 December 2027 is deductible before tax payment, in addition to the deduction of actual expenses as prescribed, provided that the said expenses are not recognized as intangible asset and included in the current profits or loss; if the said expenses have been recognised as an intangible asset, such expenses may be amortised at the rate of 220% of the costs of the intangible assets before tax payment in the above period. The Company benefits from the 120% deduction, while Shenzhen Mason Electronics Co., Ltd., Advanced Intelligent Machine Co., Ltd., Shanghai Han's Machinery Co., Ltd., Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. and Shenzhen Han's Microelectronics Technology Co., Ltd. are eligible for the 100% deduction in 2024 and 2025, in accordance with applicable tax regulations.

### Hong Kong

Pursuant to the Inland Revenue (Amendment) (No. 3) Ordinance 2018, the two-tiered profits tax rates regime will be applicable to any year of assessment commencing on or after 1 April 2018. Under the two-tiered profits tax rates regime, the first HKD2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HKD2 million are taxed at 16.5%. The subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong.

### Thailand and Singapore

No provision for profits tax in Thailand and Singapore was made as the Group did not have any assessable income subject to profits tax in Thailand and Singapore during the year.

The income tax expense of the Group for the year is analysed as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Current income tax | **139,923** | 12,878 |
| Deferred income tax | **(26,911)** | 17,123 |
| Total | **113,012** | 30,001 |

## 12. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the applicable rate to the tax expense at the effective tax rate is as follows:

| | **2025** ***RMB'000*** | 2024 *RMB'000* |
|---|---|---|
| Profit before tax | **931,341** | 329,583 |
| Tax at the statutory tax rate | **143,126** | 51,333 |
| Adjustments in respect of current tax of previous periods | **7,522** | (14) |
| Income not subject to tax | **(869)** | (1,988) |
| Expenses not deductible for tax | **16,361** | 16,423 |
| Additional deductible allowance for research and development expenses | **(57,828)** | (37,173) |
| Tax losses and deductible temporary differences utilised from previous periods | **(3,699)** | (2,088) |
| Tax losses and deductible temporary differences not recognised | **8,399** | 3,388 |
| Effect on deferred tax balances due to change in income tax rate | **—** | 120 |
| Tax charge at the Group's effective rate | **113,012** | 30,001 |

## 13. DIVIDENDS

| | **2025** ***RMB'000*** | 2024 *RMB'000* |
|---|---|---|
| Dividends in respect of the previous year, declared or paid during the year (tax inclusive) | **168,000** | — |

The final dividends of RMB0.40 (inclusive of tax) for each ordinary share in respect of the year ended 31 December 2025 (2024: Nil), were approved by the Annual General Meeting of the Company.

On 30 March 2026, the board of directors of the Company proposed a final dividend of RMB6 per 10 shares (tax inclusive) of the Company for the year ended 31 December 2025. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## 14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of share capital outstanding during the year.

The share options granted by the Company has potential dilutive effect on the earnings per share. The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

| | **2025** | 2024 |
|---|---|---|
| **Earnings** | | |
| Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000) | **824,267** | 301,180 |
| **Shares** | | |
| Weighted average number of ordinary shares outstanding during the year, used in the basic earnings per share calculation ('000) | **423,214** | 420,000 |
| Effect of dilution — weighted average number of ordinary shares ('000): | | |
| Share options | **9,663** | 1,748 |
| Weighted average number of ordinary shares used in the diluted earnings per share calculation ('000) | **432,877** | 421,748 |

## 15. PROPERTY, PLANT AND EQUIPMENT

| | Machinery *RMB'000* | Motor vehicles *RMB'000* | Electronic equipment *RMB'000* | Other equipment *RMB'000* | Leasehold improvements *RMB'000* | Construction in progress *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|---|
| **31 December 2024** | | | | | | | |
| As at 1 January 2024: | | | | | | | |
| Cost | 71,393 | 5,914 | 13,485 | 52,453 | 62,976 | 314,083 | 520,304 |
| Accumulated depreciation | (31,985) | (3,341) | (7,083) | (29,136) | (33,380) | — | (104,925) |
| Net carrying amount | 39,408 | 2,573 | 6,402 | 23,317 | 29,596 | 314,083 | 415,379 |
| At 1 January 2024, net of accumulated depreciation | 39,408 | 2,573 | 6,402 | 23,317 | 29,596 | 314,083 | 415,379 |
| Additions | 1,073 | 680 | 3,222 | 6,645 | 962 | 242,706 | 255,288 |
| Disposals | (338) | (14) | (57) | (48) | — | — | (457) |
| Depreciation provided during the year | (6,426) | (813) | (2,271) | (7,053) | (12,767) | — | (29,330) |
| Transfers | — | — | — | — | 147 | (147) | — |
| Transfer from inventories | 36,116 | — | 193 | 615 | — | — | 36,924 |
| At 31 December 2024, net of accumulated depreciation | 69,833 | 2,426 | 7,489 | 23,476 | 17,938 | 556,642 | 677,804 |
| As at 31 December 2024 | | | | | | | |
| Cost | 105,238 | 6,209 | 16,347 | 58,759 | 63,591 | 556,642 | 806,786 |
| Accumulated depreciation | (35,405) | (3,783) | (8,858) | (35,283) | (45,653) | — | (128,982) |
| Net carrying amount | 69,833 | 2,426 | 7,489 | 23,476 | 17,938 | 556,642 | 677,804 |

## 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

| | Buildings *RMB'000* | Machinery *RMB'000* | Motor vehicles *RMB'000* | Electronic equipment *RMB'000* | Other equipment *RMB'000* | Leasehold improvements *RMB'000* | Construction in progress *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|---|---|
| **31 December 2025** | | | | | | | | |
| As at 1 January 2025: | | | | | | | | |
| Cost | — | 105,238 | 6,209 | 16,347 | 58,759 | 63,591 | 556,642 | 806,786 |
| Accumulated depreciation | — | (35,405) | (3,783) | (8,858) | (35,283) | (45,653) | — | (128,982) |
| Net carrying amount | — | 69,833 | 2,426 | 7,489 | 23,476 | 17,938 | 556,642 | 677,804 |
| At 1 January 2025, net of accumulated depreciation | — | 69,833 | 2,426 | 7,489 | 23,476 | 17,938 | 556,642 | 677,804 |
| Additions | — | 2,932 | 1,924 | 15,874 | 12,162 | 193 | 112,216 | 145,301 |
| Disposals | — | (294) | — | (10) | (42) | (3) | — | (349) |
| Depreciation provided during the year | (7,582) | (9,762) | (820) | (4,470) | (8,239) | (12,855) | — | (43,728) |
| Transfers | 634,400 | 7,348 | — | — | 2,204 | 686 | (644,638) | — |
| Transfer from inventories | — | 11,787 | — | 492 | 1,469 | — | — | 13,748 |
| At 31 December 2025, net of accumulated depreciation | 626,818 | 81,844 | 3,530 | 19,375 | 31,030 | 5,959 | 24,220 | 792,776 |
| As at 31 December 2025 | | | | | | | | |
| Cost | 634,400 | 126,318 | 8,134 | 32,568 | 74,488 | 64,467 | 24,220 | 964,595 |
| Accumulated depreciation | (7,582) | (44,474) | (4,604) | (13,193) | (43,458) | (58,508) | — | (171,819) |
| Net carrying amount | 626,818 | 81,844 | 3,530 | 19,375 | 31,030 | 5,959 | 24,220 | 792,776 |

At 31 December 2025, no property, plant and equipment of the Group were pledged (2024: Nil).

## 16. INVESTMENT PROPERTIES

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| At the beginning of the year | | |
| Cost | **3,219** | 3,219 |
| Accumulated depreciation | **(1,416)** | (1,339) |
| Net carrying amount | **1,803** | 1,880 |
| At the beginning of the year, net of accumulated depreciation | **1,803** | 1,880 |
| Depreciation provided during the year | **(78)** | (77) |
| At the end of the year, net of accumulated depreciation | **1,725** | 1,803 |
| At the end of the year | | |
| Cost | **3,219** | 3,219 |
| Accumulated depreciation | **(1,494)** | (1,416) |
| Net carrying amount | **1,725** | 1,803 |

The Group's investment properties consist of a residential property in the Chinese mainland. The directors of the Company have determined that the investment properties are commercial properties, based on the nature, characteristics and risks of the properties. As at 31 December 2024 and 2025, the fair values of the investment properties of the Group were not materially different from their original costs.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 17 to the financial statements.

# 17. LEASES

## The Group as a lessee

During the year, the Group entered into certain long-term lease contracts for buildings which generally have lease terms between two and ten years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

### *(a) Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

| | **Land use rights** *RMB'000* | **Buildings** *RMB'000* | **Total** *RMB'000* |
|---|---|---|---|
| As at 1 January 2024 | 459,896 | 74,652 | 534,548 |
| Additions | — | 4,923 | 4,923 |
| Termination | — | (1,654) | (1,654) |
| Depreciation provided during the year | (9,712) | (34,527) | (44,239) |
| As at 31 December 2024 and 1 January 2025 | **450,184** | **43,394** | **493,578** |
| Additions | **214** | **17,755** | **17,969** |
| Termination | **—** | **(835)** | **(835)** |
| Depreciation provided during the year | **(9,212)** | **(33,950)** | **(43,162)** |
| As at 31 December 2025 | **441,186** | **26,364** | **467,550** |

## 17. LEASES (Continued)

### The Group as a lessee (Continued)

***(b) Lease liabilities***

The carrying amount of lease liabilities and the movements during the year are as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Carrying amount at the beginning of the year | **47,514** | 80,508 |
| New leases | **17,755** | 4,923 |
| Accretion of interest recognised during the year | **1,740** | 3,041 |
| Payments | **(38,299)** | (39,244) |
| Termination | **(874)** | (1,714) |
| Carrying amount at the end of the year | **27,836** | 47,514 |
| Analysed into: | | |
| Current portion | **16,795** | 34,716 |
| Non-current portion | **11,041** | 12,798 |

The maturity analysis of lease liabilities is disclosed in note 45 to the financial statements.

***(c)*** The amounts recognised in profit or loss in relation to leases are as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Interest on lease liabilities | **1,740** | 3,041 |
| Depreciation charge of right-of-use assets | **43,162** | 44,239 |
| Expense relating to short-term leases and low-value assets* | **25,735** | 18,075 |
| Total amount recognised in profit or loss | **70,637** | 65,355 |

* Included in "Cost of sales", "Administrative expenses", "Selling and marketing expenses" and "Research and development expenses" in the consolidated statement of profit or loss.

## 17. LEASES (Continued)

### The Group as a lessee (Continued)

***(d)*** The total cash outflow for leases is set out in note 38 to the financial statements.

*The Group as a lessor*

The Group leases its machinery and investment properties (note 16) consisting of a residential property in the Chinese mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB12,179,000 (2024: RMB15,719,000), respectively, details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within one year | **510** | 469 |
| After one year but within two years | **517** | 492 |
| After two years but within three years | **129** | 492 |
| Total | **1,156** | 1,453 |

## 18. GOODWILL

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| At beginning of year: | | |
| Cost | **163,341** | 163,341 |
| Accumulated impairment | **(89,018)** | (9,378) |
| Carrying amount at the beginning of the year | **74,323** | 153,963 |
| Cost at the beginning of year, net of impairment | **74,323** | 153,963 |
| Impairment during the year | **(61,399)** | (79,640) |
| Carrying amount at the end of the year | **12,924** | 74,323 |
| At end of year: | | |
| Cost | **163,341** | 163,341 |
| Accumulated impairment | **(150,417)** | (89,018) |
| Net carrying amount | **12,924** | 74,323 |

### Impairment testing of goodwill

A cash-generating unit to which goodwill has been allocated is tested for impairment by the management annually, and whenever there is an indication that the cash-generating unit may be impaired.

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Shenzhen Mason Electronics Co., Ltd. cash-generating unit (the "**Mason CGU**");
- Advanced Intelligent Machine Co., Ltd. cash-generating unit (the "**Advanced Intelligent CGU**"); and
- Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. cash-generating unit (the "**Rayleigh CGU**").

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Mason CGU | **12,924** | 12,924 |
| Advanced Intelligent CGU | **—** | — |
| Rayleigh CGU | **—** | 61,399 |
| | **12,924** | 74,323 |

## 18. GOODWILL (Continued)

### Impairment testing of goodwill (Continued)

For the purpose of impairment review, the recoverable amount of a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Assumptions were used in the calculation of the recoverable amounts of the Mason CGU and Rayleigh CGU. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Discount rates — The discount rates used are before tax for the recoverable amount calculated based on value in use and after tax for the recoverable amount calculated based on fair value less costs of disposal, respectively, and reflect specific risks relating to the relevant units.

Growth rates — The growth rates are determined based on historical experience and forecast of market development in which the cash-generating unit operates.

***Mason CGU***

Impairment reviews on the goodwill of the Mason CGU were conducted by the management as at 31 December 2025 according to IAS 36 "Impairment of assets". As at 31 December 2025, the management considered and assessed all available internal and external sources of information and did not identify any indications that an impairment loss of goodwill might have occurred during the year. Therefore, the management did not make a formal estimate of the recoverable amount of the Mason CGU as at 31 December 2025.

For the purposes of impairment review, the recoverable amount of the Mason CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the senior management. Based on the results of the impairment assessments for goodwill of the Mason CGU, the headroom measured by the excess of the recoverable amount over the carrying amount of the Mason CGU as at 31 December 2025 was RMB57,028,000. As at 31 December 2025, the pre-tax discount rate applied to the cash flow projections is 18.81% (2024: 15.94%). The growth rate used to extrapolate the cash flows of the Mason CGU beyond the five-year period is 0.00%.

For the sensitivity analysis conducted during the impairment review on the goodwill of the Mason CGU, had there been reasonably possible changes with an increase in pre-tax discount rate by 1%, or with reduction of the growth rate used to extrapolate the cash flows of the Mason CGU beyond the five-year period by 0.5%, it would cause the reduction of the recoverable amount of the Mason CGU as follows, if one of the key assumptions was to change while other variables were held constant: As at 31 December 2025, the recoverable amount would decrease by RMB27,554,000 and RMB10,694,000, respectively.

***Advanced Intelligent CGU***

The carrying amount of the Advanced Intelligent CGU was fully impaired prior to the beginning of the year.

## 18. GOODWILL (Continued)

### Impairment testing of goodwill (Continued)

***Rayleigh CGU***

According to IAS 36 "Impairment of assets", impairment reviews on the goodwill of the Rayleigh CGU have been conducted by management annually. And due to the intense market competition during the second half of 2025, the business growth of the Rayleigh CGU was well below expectations thus there was an impairment indicator for the goodwill of Rayleigh CGU and impairment review was conducted by management as at 31 October 2025. As at 31 December 2024, the recoverable amount of the Rayleigh CGU was determined based on the value in use which was the higher of fair value less costs of disposal and value in use. The value in use calculation was determined using cash flow projections based on financial budgets covering a five-year period approved by the senior management. As at 31 December 2024, the pre-tax discount rate applied to the cash flow projections is 17.89%. As at 31 October 2025, the recoverable amount of Rayleigh CGU was determined based on the fair value less costs of disposal as it was higher than the amount of value in use. The fair value less costs of disposal calculation was determined using discounted cash flow projections of which the accuracy and reliability of the information is reasonably assured by the appropriate budgeting, forecast and control process established by the Group. The post-tax discount rate applied to the cash flow projections is 17.44%. As at 31 October 2025, the growth rate used to extrapolate the cash flows of the Han's Rayleigh CGU beyond the five-year period was 2.00% (31 December 2024: 2.00%).

Based on the results of the impairment assessments, the recoverable amounts of the Rayleigh CGU were RMB99,820,000 and RMB5,228,000 as at 31 December 2024 and 31 October 2025, respectively. Accordingly, the Group recognised an impairment provision of approximately RMB61,399,000 for the year ended 31 December 2025 (2024: RMB79,640,000) against the carrying amount of goodwill relating to Rayleigh CGU. The impairment for the years ended 31 December 2024 and 2025 were attributable to the overall decline in forecasted revenue generated by the Rayleigh CGU in the cash flow projection prepared by the directors of the Group with reference to the market activities of Rayleigh Taide.

For the sensitivity analysis of Rayleigh conducted during the impairment review, had there been reasonably possible changes with an increase in pre-tax discount rate by 0.50%, or with reduction of the growth rate used to extrapolate the cash flows of the Rayleigh CGU beyond the five-year period by 0.5%, it would cause the reduction of the recoverable amount of Rayleigh CGU as follows, if one of the key assumptions was to change while other variable held constant: As at 31 December 2024, the recoverable amount would decrease by RMB4,386,000 and RMB1,211,000, respectively. As at 31 October 2025, the recoverable amount would decrease by RMB454,000 and RMB79,000, respectively.

## 19. OTHER INTANGIBLE ASSETS

| | Software<br>*RMB'000* | Patents<br>*RMB'000* | Total<br>*RMB'000* |
|---|---|---|---|
| **31 December 2024** | | | |
| Cost at 1 January 2024, net of accumulated amortisation | 6,778 | 62 | 6,840 |
| Additions | 957 | — | 957 |
| Amortisation during the year | (2,599) | (13) | (2,612) |
| At 31 December 2024 | 5,136 | 49 | 5,185 |
| At 31 December 2024: | | | |
| Cost | 13,332 | 65 | 13,397 |
| Accumulated amortisation | (8,196) | (16) | (8,212) |
| Net carrying amount | 5,136 | 49 | 5,185 |
| **31 December 2025** | | | |
| Cost at 1 January 2025, net of accumulated amortisation | **5,136** | **49** | **5,185** |
| Additions | **2,257** | **472** | **2,729** |
| Amortisation during the year | **(2,620)** | **(37)** | **(2,657)** |
| At 31 December 2025 | **4,773** | **484** | **5,257** |
| At 31 December 2025: | | | |
| Cost | **12,597** | **536** | **13,133** |
| Accumulated amortisation | **(7,824)** | **(52)** | **(7,876)** |
| Net carrying amount | **4,773** | **484** | **5,257** |

## 20. INVESTMENTS IN ASSOCIATES

| | 2025<br>*RMB'000* | 2024<br>*RMB'000* |
|---|---|---|
| Share of net assets | **110,262** | 107,078 |
| Less: Impairment | **(55,768)** | (55,768) |
| | **54,494** | 51,310 |

In the opinion of the directors, no investments in associates are material to the Group.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

| | 2025<br>*RMB'000* | 2024<br>*RMB'000* |
|---|---|---|
| Share of the associates' profit for the year | **5,796** | 13,166 |
| Share of the associates' other comprehensive (loss)/income for the year | **(62)** | 60 |
| Share of the associates' total comprehensive income for the year | **5,734** | 13,226 |
| Changes of reserve due to passive dilution of investment in an associate | **—** | (4,224) |
| Dividends received from an associate | **(2,550)** | — |

| | 2025<br>*RMB'000* | 2024<br>*RMB'000* |
|---|---|---|
| Aggregate carrying amount of the Group's investments in the associates | **54,494** | 51,310 |

## 21. INVENTORIES

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Raw materials | **456,665** | 226,303 |
| Work in progress | **778,475** | 247,439 |
| Semi-finished goods | **120,946** | 58,254 |
| Materials consigned for processing | **35,273** | 20,495 |
| Finished goods | **52,844** | 36,581 |
| Goods in transit | **510,088** | 352,143 |
| | **1,954,291** | 941,215 |
| Write-down of inventories to net realisable value | **(61,177)** | (43,030) |
| Total | **1,893,114** | 898,185 |

The inventories are net of a write-down of approximately RMB61,177,000 in the consolidated statements of financial position as at 31 December 2025 (2024: RMB43,030,000).

## 22. TRADE AND BILLS RECEIVABLES

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Trade and bills receivables at amortised cost** | | |
| Trade receivables | **4,305,990** | 2,586,503 |
| Bills receivable | **508,403** | 307,833 |
| Less: Allowance for credit losses | **(160,856)** | (137,604) |
| Total | **4,653,537** | 2,756,732 |
| Less: Trade receivables due after one year | **(418,220)** | (170,002) |
| Trade and bills receivables — current | **4,235,317** | 2,586,730 |
| **Bills receivable at fair value through other comprehensive income** | | |
| Bills receivable — current | **49,760** | 89,416 |
| Total | **4,285,077** | 2,676,146 |

## 22. TRADE AND BILLS RECEIVABLES (Continued)

The Group's trading terms with its customers are mainly on credit. The credit period is generally 3 to 18 months, extending up to 24 months for certain major customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Credit risk is managed on a customer-by-customer basis. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

### Transfers of financial assets

***Financial assets that are derecognised in their entirety***

*Bills endorsed or discounted*

At 31 December 2025, the Group endorsed certain bills receivable accepted by banks in the Chinese mainland to certain suppliers, and discounted certain bills receivable to banks in the Chinese mainland ("**Derecognised Bills**"), with a carrying amount in aggregate of RMB391,128,000 (2024: RMB243,527,000). The Derecognised Bills had a maturity of one to ten months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence. In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

***Financial assets that are not derecognised in their entirety***

*Bills endorsed or discounted*

As part of its normal business, the Group discounted and endorsed certain bills receivable accepted by banks or commercial entities in the Chinese mainland (the "**Discounted and Endorsed Bills**") with a carrying amount of RMB202,329,000 to certain banks and certain of its suppliers as at 31 December 2025 (2024: RMB101,443,000). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted and Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted and Endorsed Bills and recognised the associated borrowings or other payables. Subsequent to the discounting and endorsement, the Group did not retain any rights on the use of the Discounted and Endorsed Bills, including the sale, transfer or pledge of the Discounted and Endorsed Bills to any other third parties. The aggregate carrying amount of the borrowings recognised as at 31 December 2025 was RMB1,560,000 (2024: RMB535,000) (note 31). The aggregate carrying amount of the other payables recognised as at 31 December 2025 was RMB200,769,000 (2024: RMB100,908,000) (note 30).

## 22. TRADE AND BILLS RECEIVABLES (Continued)

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of allowance for expected credit losses, is as follows:

### Trade receivables

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Within 1 year | **3,833,671** | 2,280,109 |
| 1 year to 2 years | **313,661** | 159,933 |
| 2 years to 3 years | **18,728** | 28,979 |
| 3 years to 5 years | **1,125** | 610 |
| Over 5 years | **—** | 245 |
| Total | **4,167,185** | 2,469,876 |

### Bills receivable

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Within 1 year | **426,637** | 280,651 |
| 1 year to 2 years | **67,210** | 67,705 |
| 2 years to 3 years | **24,592** | 27,916 |
| 3 years to 4 years | **17,673** | — |
| Total | **536,112** | 376,272 |

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| At beginning of year | **137,604** | 115,504 |
| Impairment losses, net of reversal | **23,452** | 22,243 |
| Amount written off as uncollectible | **(183)** | (148) |
| Others | **(17)** | 5 |
| Total | **160,856** | 137,604 |

## 22. TRADE AND BILLS RECEIVABLES (Continued)

For trade receivables and commercial acceptance bills receivables at amortised cost, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at an amount equal to lifetime ECLs. The Group determines the ECLs on these items by using a provision matrix, estimated based on the financial quality of the debtors and historical credit loss experience based on the ageing of the trade receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

For certain customers with different credit risk characteristics, the Group has made individual loss allowance.

The following table details the risk profile of trade receivables:

| | As at 31 December 2024 | | |
|---|---|---|---|
| | Gross carrying amount *RMB'000* | Expected credit loss rate *%* | Expected credit losses *RMB'000* |
| Within 1 year | 2,350,411 | 3% | 70,512 |
| 1 year to 2 years | 177,167 | 10% | 17,717 |
| 2 years to 3 years | 41,081 | 30% | 12,324 |
| 3 years to 4 years | 182 | 50% | 91 |
| 4 years to 5 years | 9 | 50% | 5 |
| Over 5 years | 8 | 100% | 8 |
| Subtotal | 2,568,858 | 4% | 100,657 |
| Trade receivable balances with different credit risk characteristics and being assessed separately | 17,645 | 91% | 15,970 |
| Total | 2,586,503 | 5% | 116,627 |

## 22. TRADE AND BILLS RECEIVABLES (Continued)

The following table details the risk profile of trade receivables: (Continued)

| | As at 31 December 2025 | | |
|---|---|---|---|
| | Gross carrying amount *RMB'000* | Expected credit loss rate % | Expected credit losses *RMB'000* |
| Within 1 year | **3,918,827** | **2%** | **85,217** |
| 1 year to 2 years | **342,146** | **8%** | **28,535** |
| 2 years to 3 years | **24,677** | **24%** | **5,948** |
| 3 years to 4 years | **1,713** | **35%** | **600** |
| 4 years to 5 years | **5** | **80%** | **4** |
| Over 5 years | **17** | **100%** | **17** |
| Subtotal | **4,287,385** | **3%** | **120,321** |
| Trade receivable balances with different credit risk characteristics and being assessed separately | **18,605** | **99%** | **18,484** |
| Total | **4,305,990** | **3%** | **138,805** |

The expected credit risk rate of commercial acceptance bills receivable at amortised cost ranged from 0% to 30% during the year. Bills receivable at fair value through other comprehensive income is subject to impairment under the general approach and the impairment is considered to be minimal.

## 23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

| | 2025 *RMB'000* | 2024 *RMB'000* |
|---|---|---|
| **Current portion** | | |
| Prepayments | **112,823** | 31,831 |
| Deposits | **15,627** | 6,694 |
| Prepaid income taxes | **6** | — |
| Value added tax recoverable | **56,348** | 17,077 |
| Deferred listing expenses | **15,639** | — |
| Other receivables | **4,013** | 2,606 |
| Subtotal | **204,456** | 58,208 |
| Less: Impairment losses | **(5,486)** | (3,388) |
| Total current portion | **198,970** | 54,820 |
| **Non-current portion** | | |
| Prepayments for acquisition of non-current assets | **2,628** | 203 |
| Long-term prepaid expenses | **7,320** | 17,585 |
| Long-term deposits | **—** | 5,698 |
| Other receivables | **—** | 7,453 |
| Value added tax recoverable | **22,252** | 38,091 |
| Subtotal | **32,200** | 69,030 |
| Less: Impairment losses | **—** | — |
| Total non-current portion | **32,200** | 69,030 |
| Total | **231,170** | 123,850 |

The balances of other receivables are interest-free and are not secured with collateral.

Deposits mainly represent rental deposits and deposits with suppliers. At the end of the reporting period, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of the reporting period.

## 23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

The movements in the loss allowance for impairment of other receivables are as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| At beginning of year | **3,388** | 2,429 |
| Impairment losses, net of reversal | **2,098** | 959 |
| Total | **5,486** | 3,388 |

Set out below is the information about the credit risk exposure on the financial assets included in the prepayments, other receivables and other assets using a provision matrix:

| | 2025 | 2024 |
|---|---|---|
| Expected credit loss rate | **28%** | 15% |
| Gross carrying amount (RMB'000) | **19,640** | 22,451 |
| Expected credit losses (RMB'000) | **5,486** | 3,388 |

## 24. CONTRACT ASSETS

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Retention receivables | **53,505** | 25,705 |
| Less: Impairment | **(1,345)** | (825) |
| Net carrying amount | **52,160** | 24,880 |

Contract assets are initially recognised for revenue earned from the sale of industrial products as the receipt of consideration is conditional on successful assurance during the warranty periods. When passing the warranty periods, the amounts recognised as contract assets are reclassified to trade receivables.

## 24. CONTRACT ASSETS (Continued)

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Within one year | **47,454** | 24,880 |
| After one year | **4,706** | — |
| Total | **52,160** | 24,880 |

The movements in the loss allowance for impairment of contract assets are as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| At the beginning of the year | **825** | 672 |
| Impairment losses, net | **520** | 153 |
| At the end of the year | **1,345** | 825 |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade and bills receivables as the contract assets and the trade and bills receivables are from the same customer bases. The provision rates of contract assets are based on historical data adjusted by forward-looking information. The calculation is adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Set out below is the information about the credit risk exposure on contract assets using a provision matrix:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Expected credit loss rate | **2.51%** | 3.21% |
| Gross carrying amount | **53,505** | 25,705 |
| Expected credit losses | **1,345** | 825 |

## 25. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

| | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|---|---|
| Cash and bank balances | **2,235,575** | 1,939,464 |
| Less: Restricted cash | **(542)** | (333) |
| Less: Time deposits | **(419,053)** | (400,000) |
| Total cash and cash equivalents | **1,815,980** | 1,539,131 |
| Denominated in: | | |
| United States Dollar ("**USD**") | **69,944** | 17,338 |
| HKD | **7,744** | 12,261 |
| RMB | **1,734,623** | 1,509,532 |
| THB | **2,203** | — |
| SGD | **1,466** | — |
| Total | **1,815,980** | 1,539,131 |

As at 31 December 2025, included in restricted cash of RMB542,000 (2024: RMB333,000), was frozen by judicial authority for certain lawsuit cases.

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. As at 31 December 2024 and 2025, the Group have assessed the credit risk of cash and cash equivalents, time deposits and restricted cash to be minimal as they were placed in reputable financial institutions.

The carrying amounts of the cash and cash equivalents approximated to their fair values due to their short-term maturity.

## 26. TRADE AND BILLS PAYABLES

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Trade payables | **1,557,602** | 664,080 |
| Bills payable | **1,150,133** | 611,557 |
| Total | **2,707,735** | 1,275,637 |

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Within one year | **1,544,232** | 652,541 |
| 1 to 2 years | **1,718** | 2,046 |
| 2 to 3 years | **3,674** | 3,361 |
| over 3 years | **7,978** | 6,132 |
| Total | **1,557,602** | 664,080 |

Trade and bills payables are non-interest-bearing and are normally settled within three months. As at the end of the reporting period, the carrying amounts of trade and bills payables approximated to their fair values.

## 27. CONTRACT LIABILITIES

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Sale of goods | **198,421** | 54,895 |

The contract liabilities represent the advances received from customers.

## 28. DEFERRED INCOME

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Government grants* | **1,054** | 1,769 |

* The Group's deferred income represented government grants received for projects and are credited to profit or loss on a straight-line basis over the expected lives of the related assets. There are no unfulfilled conditions or contingencies relating to these grants.

## 29. PROVISION

| | Warranty<br>*RMB'000* | Contingencies<br>*RMB'000* | Total<br>*RMB'000* |
|---|---|---|---|
| At 1 January 2024 | 13,868 | 478 | 14,346 |
| Provision for the year | 33,553 | 358 | 33,911 |
| Amounts utilised during the year | (25,686) | (160) | (25,846) |
| At 31 December 2024 and 1 January 2025 | **21,735** | **676** | **22,411** |
| Provision for the year | **44,285** | **484** | **44,769** |
| Amounts utilised during the year | **(12,556)** | **(436)** | **(12,992)** |
| At 31 December 2025 | **53,464** | **724** | **54,188** |

The Group generally provides warranties from 12 months to 24 months to its customers on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

## 30. OTHER PAYABLES AND ACCRUALS

| | **2025**<br>***RMB'000*** | 2024<br>*RMB'000* |
|---|---|---|
| Payroll and welfare payables | **361,977** | 179,436 |
| Endorsed bills receivable that have not been derecognised and not yet due | **200,769** | 100,908 |
| Payable for acquisition of non-current assets | **102,318** | 100,318 |
| Other tax payables | **51,021** | 15,836 |
| Accruals | **32,082** | 14,336 |
| Deposits | **813** | 691 |
| Others | **—** | 56 |
| Total | **748,980** | 411,581 |

## 31. INTEREST-BEARING BORROWINGS

| | As at 31 December 2024 | | |
|---|---|---|---|
| | Effective interest rates (%) | Maturity | *RMB'000* |
| **Current** | | | |
| Current portion of long-term bank loans — unsecured | 2.40%–2.63% | 2025 | 1,891 |
| Discounted unmatured bills | 0.85% | 2025 | 535 |
| Total — current | | | 2,426 |
| **Non-current** | | | |
| Bank loans — unsecured | 2.40%–2.63% | 2026–2027 | 211,050 |
| Total | | | 213,476 |

| | **As at 31 December 2025** | | |
|---|---|---|---|
| | **Effective interest rates (%)** | **Maturity** | ***RMB'000*** |
| **Current** | | | |
| Bank loans — unsecured | **2.08%–3.98%** | **2026** | **472,172** |
| Current portion of long-term bank loans — unsecured | **2.40%–2.63%** | **2026** | **31,335** |
| Discounted unmatured bills | **1.04%** | **2026** | **1,560** |
| Total — current | | | **505,067** |
| **Non-current** | | | |
| Bank loans — unsecured | **2.40%** | **2027** | **179,950** |
| Total | | | **685,017** |

The financial liabilities that are part of the Group's supplier finance arrangements included in interest-bearing borrowings are normally settled on 90-day terms.

## 31. INTEREST-BEARING BORROWINGS (Continued)

The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers in the Chinese mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payments, the Group pays a fee to the finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by the Group. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date or at a later date as agreed with the finance provider. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The Group provides no security to the finance provider.

All financial liabilities that are part of the supplier finance arrangements are included in interest-bearing borrowings in the statement of financial position.

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Interest-bearing borrowings of which suppliers have received payments | **104,200** | — |

An analysis of the maturity of borrowings is as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Analysed into: | | |
| Bank loans and other borrowings repayable: | | |
| Within one year or on demand | **505,067** | 2,426 |
| In the second year | **179,950** | 31,100 |
| In the third year | **—** | 179,950 |
| Total | **685,017** | 213,476 |

The Group's bank loans are all denominated in RMB.

## 32. LIABILITIES FROM CONTINGENT CONSIDERATION

Pursuant to the acquisition agreement entered into between the Company and the then shareholder of the 60% equity interest in Han's Rayleigh Taide on 30 May 2023, the total consideration shall be adjusted with reference to the net profit of Han's Rayleigh Taide for the years ended 31 December 2024 and 2025 (the "**Contingent Consideration**"). The Contingent Consideration is measured at fair value through profit or loss and the fair value was assessed by an independent professional valuer.

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Payable for acquisition of Han's Rayleigh Taide | — | 8,523 |

Significant unobservable valuation inputs for the fair value measurement of the contingent consideration are as follows:

| | |
|---|---|
| Discount rate | 1.05% to 2.34% |

A significant increase/(decrease) in the discount rate would result in a significant decrease/(increase) in the fair value of the contingent consideration liabilities.

## 33. DEFERRED TAX

The movements in deferred tax assets and liabilities during the reporting period are as follows:

### Deferred tax assets

| | Impairment of inventories *RMB'000* | Impairment losses on financial assets *RMB'000* | Share-based payment *RMB'000* | Warranty *RMB'000* | Accrued expenses *RMB'000* | Deferred income *RMB'000* | Depreciation and amortisation allowance in excess of related depreciation *RMB'000* | Tax losses *RMB'000* | Unsettled payroll payables *RMB'000* | Temporary difference on unrealised profit from intra-group transactions *RMB'000* | Lease liabilities *RMB'000* | Unrealized Financing Gain *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| At 1 January 2024 | 7,196 | 13,705 | 1,892 | 2,152 | 1,410 | 342 | 357 | 23,334 | 14,981 | 1,735 | 12,096 | – | 79,200 |
| Deferred tax credited/(charged) to profit or loss | (2,396) | 4,436 | 20,200 | 1,210 | 106 | (76) | 164 | (21,279) | (8,488) | (864) | (5,361) | – | (12,348) |
| Deferred tax credited to equity | – | 4 | – | – | – | – | – | – | – | – | – | – | 4 |
| Gross deferred tax assets at 31 December 2024 and 1 January 2025 | 4,800 | 18,145 | 22,092 | 3,362 | 1,516 | 266 | 521 | 2,055 | 6,493 | 871 | 6,735 | – | 66,856 |
| Deferred tax credited/(charged) to profit or loss | 3,755 | 5,424 | (1,471) | 4,382 | 2,388 | (108) | 155 | (271) | 12,280 | 1,049 | (4,908) | 2,542 | 25,217 |
| Deferred tax credited/(charged) to equity | – | (5) | 88,628 | – | – | – | – | – | – | – | – | – | 88,623 |
| Gross deferred tax assets at 31 December 2025 | **8,555** | **23,564** | **109,249** | **7,744** | **3,904** | **158** | **676** | **1,784** | **18,773** | **1,920** | **1,827** | **2,542** | **180,696** |

## 33. DEFERRED TAX (Continued)

### Deferred tax liabilities

| | Right-of-use assets *RMB'000* | Depreciation difference between the useful lives of long-term assets *RMB'000* | Fair value adjustment from business combination *RMB'000* | Fair value adjustments of liabilities from contingent consideration *RMB'000* | Others *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|
| At 1 January 2024 | 11,437 | 687 | 2,304 | — | 2,750 | 17,178 |
| Deferred tax charged/(credited) to profit or loss | (5,208) | (159) | — | 9,024 | 1,118 | 4,775 |
| Gross deferred tax liabilities at 31 December 2024 and 1 January 2025 | 6,229 | 528 | 2,304 | 9,024 | 3,868 | 21,953 |
| Deferred tax charged/(credited) profit or loss | (4,554) | (158) | — | 1,278 | 1,740 | (1,694) |
| Gross deferred tax liabilities at 31 December 2025 | **1,675** | **370** | **2,304** | **10,302** | **5,608** | **20,259** |

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

| | **2025** ***RMB'000*** | 2024 *RMB'000* |
|---|---|---|
| Net deferred tax assets recognised in the consolidated statement of financial position | **164,985** | 49,967 |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | **4,548** | 5,064 |

As at 31 December 2025, the Group had unutilised tax losses of approximately RMB167,133,000 (2024: RMB87,673,000), which will expire in one to ten years for offsetting against future taxable profits. As at 31 December 2025, the Group did not recognise deferred tax assets in respect of the deductible temporary differences of RMB16,202,000 (2024: RMB35,534,000). Due to the unpredictability of future profit streams, no deferred tax assets have been recognised for the above unused tax losses and deductible temporary differences.

## 34. SHARE CAPITAL

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Issued and fully paid: | | |
| Ordinary shares of RMB1.00 each | **425,509** | 420,000 |

A summary of movements in the Company's share capital is as follows:

| | Number of shares in issue '000 | Share capital RMB'000 |
|---|---|---|
| At 1 January 2024, 31 December 2024 and 1 January 2025 | 420,000 | 420,000 |
| Issue of shares (note a) | 5,509 | 5,509 |
| At 31 December 2025 | **425,509** | **425,509** |

*Notes:*

*(a) On 28 May 2025, the Company issued 5,509,152 shares upon the exercise of the vested share options granted under the 2023 Share Incentive Scheme.*

*(b) Subsequent to the end of the reporting period, on 6 February 2026, the Company issued 50,451,800 H shares under the initial public offering on the Main Board of The Stock Exchange of Hong Kong Limited at a price of HKD95.8 per share. On 10 March 2026, the Company issued 7,567,700 H Shares at a price of HKD95.8 per shares pursuant to an over-allotment option in connection with the global offering.*

## 35. SHARE-BASED PAYMENT

### Equity-settled shared-based payment arrangement

#### *(a) 2019 Share Incentive Scheme*

Han's Laser, the immediate holding company of the Group, approved the establishment of the restricted share incentive scheme for 2019 at the second extraordinary annual shareholders' meeting (the "**2019 Share Incentive Scheme**") on 11 September 2019, with the purpose of incentivising the management members and core employees of Han's Laser and the Group to further promote the development and in recognition of their contributions. Under the 2019 Share Incentive Scheme, 181 employees, officers and directors of the Group were granted with 6,597,188 shares of type II restricted shares of Han's Laser. The grant date was 11 September 2019, with an exercise price of RMB30.57 per share. The vesting periods for the restricted shares granted are 1 year, 2 years and 3 years from 8 months after the grant date. According to the Company's performance appraisal and individual performance appraisal, 33%, 33% and 34% of restricted shares of Han's Laser will be vested respectively.

## 35. SHARE-BASED PAYMENT (Continued)

### Equity-settled shared-based payment arrangement (Continued)

***(b) 2023 Share Incentive Scheme***

The Company approved the establishment of the restricted share incentive scheme for 2023 at the second extraordinary annual shareholders' meeting (the "**2023 Share Incentive Scheme**") on 8 December 2023 with the purpose of incentivizing the management members and core employees of the Group to further promote the development and in recognition of their contributions. Under the 2023 Share Incentive Scheme, the Company granted 16,800,000 shares of type II restricted shares of the Company to 388 employees, officers and directors on 8 December 2023, with an exercise price of RMB19.38 per share. The vesting periods for the restricted shares granted are 1 year, 2 years and 3 years from 4 months after the grant date. According to the Company's performance appraisal and individual performance appraisal, 33%, 33% and 34% of restricted shares will be vested respectively.

***(c) A summary of activities of the 2023 Share Incentive Scheme is presented as follows:***

| | **Year ended 31 December 2025** | | Year ended 31 December 2024 | |
|---|---|---|---|---|
| | **Weighted average exercise price per share *RMB per share*** | **Number of options** | Weighted average exercise price per share *RMB per share* | Number of options |
| At 1 January | **19.38** | **16,722,900** | 19.38 | 16,800,000 |
| Granted during the year | **—** | **—** | — | — |
| Forfeited during the year | **18.98*** | **(79,487)** | 19.38 | (77,100) |
| Exercised during the year | **18.98*** | **(5,509,152)** | — | — |
| At 31 December | **18.98*** | **11,134,261** | 19.38 | 16,722,900 |

* The exercise price of the share options of RMB18.98 has been adjusted for the distribution of cash dividend of RMB4 per 10 shares in May 2025.

The weighted average share price at the date of exercise for share options exercised during the reporting period was RMB38.32 per share (2024: Nil).

## 35. SHARE-BASED PAYMENT (Continued)

### Equity-settled shared-based payment arrangement (Continued)

**(c) *A summary of activities of the 2023 Share Incentive Scheme is presented as follows:*** (Continued)

The exercise prices and exercise periods of the share-based payments outstanding as at 31 December 2024 and 2025 are as follows:

31 December 2024

| Number of options | Exercise price* *RMB per share* | Exercise period |
|---|---|---|
| 5,518,557 | 19.38 | April 2025–April 2026 |
| 5,518,557 | 19.38 | April 2026–April 2027 |
| 5,685,786 | 19.38 | April 2027–April 2028 |
| 16,722,900 | | |

**31 December 2025**

| **Number of options** | **Exercise price* *RMB per share*** | **Exercise period** |
|---|---|---|
| **5,484,039** | **18.98** | **April 2026–April 2027** |
| **5,650,222** | **18.98** | **April 2027–April 2028** |
| **11,134,261** | | |

* The exercise price of the share options is subject to adjustment in the case of rights or bonus share issues, or other similar changes in the Company's share capital.

The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

| | **2023 Share Incentive Scheme** |
|---|---|
| Exercise price per share | RMB19.38 |
| Expiry date | Respective annual due dates |
| Share price at grant date per share | RMB37.05 |
| Expected volatility of the Company's shares | 18.36%–23.03% |
| Expected dividend yield | 0% |
| Risk-free interest rate | 1.50%–2.75% |

The fair value of the share options granted during the year ended 31 December 2023 was RMB315,020,200.

## 35. SHARE-BASED PAYMENT (Continued)

### Share-based payment expenses

Share-based payment expenses during the year are as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Equity-settled share-based payments | **94,917** | 152,071 |

## 36. RESERVES

The amounts of the Group's reserves and the movements therein for the year are presented in the consolidated statement of changes in equity.

### (a) Share premium

The share premium of the Group represents the difference between the par value of the shares issued and the consideration received.

### (b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share options as set out in note 35 to the financial statements.

### (c) Other reserve

In the prior years, the Group acquired additional equity interests in a subsidiary from a non-controlling shareholder at the consideration of RMB3,553,000. The difference of RMB1,877,000 between the carrying value of the non-controlling interest and the consideration paid was recorded as other reserve.

The other reserve arose on the decrease of share of net assets of an associate of the Group due to the withdrawal of certain shareholders of the associate at a price higher than the share of net assets as stipulated in the relevant investment agreements entered into between the associate and the investors.

### (d) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies of which the functional currencies are not RMB. The reserve is dealt with in accordance with the accounting policy set out in note 2.4 to the financial statements.

## 36. RESERVES (Continued)

### (e) Statutory reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of its registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant PRC authorities. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies.

## 37. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests are set out below:

| | **2025** | 2024 |
|---|---|---|
| Percentage of equity interest held by non-controlling interests: | | |
| Han's Rayleigh Taide | **30%** | 30% |

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Loss for the year allocated to non-controlling interests: | | |
| Han's Rayleigh Taide | **(559)** | (1,598) |
| Accumulated balances of non-controlling interests at the reporting date: | | |
| Han's Rayleigh Taide | **8,895** | 9,454 |

## 37. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

The following table illustrates the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

**Han's Rayleigh Taide**

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Revenue | **45,878** | 36,538 |
| Total expenses | **47,741** | 41,866 |
| Loss for the year | **(1,863)** | (5,328) |
| Total comprehensive loss for the year | **(1,863)** | (5,328) |
| Current assets | **44,249** | 39,150 |
| Non-current assets | **4,855** | 7,295 |
| Current liabilities | **17,923** | 11,962 |
| Non-current liabilities | **—** | 1,437 |
| Net cash flows (used in)/from operating activities | **(6,870)** | 2,545 |
| Net cash flows used in investing activities | **(190)** | (31) |
| Net cash flows used in financing activities | **(1,845)** | (1,845) |
| Effect of foreign exchange rate changes, net | **—** | 98 |
| Net (decrease)/increase in cash and cash equivalents | **(8,905)** | 767 |

## 38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Major non-cash transactions

During the year ended 31 December 2025, the Group had non-cash additions to right-of-use assets of RMB17,755,000 (2024: RMB4,923,000) and non-cash additions to lease liabilities of RMB17,755,000 (2024: RMB4,923,000) in respect of lease arrangements for buildings, respectively.

During the year ended 31 December 2025, the Group had non-cash reduction to trade and bills receivables of RMB11,689,000 (2024: RMB3,830,000) and non-cash reduction to interest-bearing borrowings of RMB11,689,000 (2024: RMB3,830,000) in respect of bills receivable discounted that are not derecognised in their entirety, respectively .

During the year ended 31 December 2025, the Group had non-cash reduction to trade and bills receivables of RMB791,002,000 (2024: RMB695,221,000) and non-cash reduction to other payables of RMB791,002,000 (2024: RMB695,221,000) in respect of bills receivable endorsed that are not derecognised in their entirety, respectively.

During the year ended 31 December 2025, the Group reclassified trade payables of RMB104,200,000 (2024: Nil) to interest-bearing borrowings in respect of the supplier finance arrangements (note 31).

## 38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

### (b) Changes in liabilities arising from financing activities

| | Interest-bearing borrowings *RMB'000* | Lease liabilities *RMB'000* | Total *RMB'000* |
|---|---|---|---|
| At 1 January 2024 | 75,744 | 80,508 | 156,252 |
| Changes from financing cash flows | 134,542 | (39,244) | 95,298 |
| Derecognition of discounted bills receivable upon their maturity | (3,830) | — | (3,830) |
| New lease addition | — | 4,923 | 4,923 |
| Accretion of interest | 7,020 | 3,041 | 10,061 |
| Lease termination | — | (1,714) | (1,714) |
| At 31 December 2024 and 1 January 2025 | **213,476** | **47,514** | **260,990** |
| Changes from financing cash flows | **361,746** | **(38,299)** | **323,447** |
| Derecognition of discounted bills receivable upon their maturity | **(11,689)** | **—** | **(11,689)** |
| New lease addition | **—** | **17,755** | **17,755** |
| Accretion of interest | **17,284** | **1,740** | **19,024** |
| Increase arising from supplier finance arrangements | **104,200** | **—** | **104,200** |
| Lease termination | **—** | **(874)** | **(874)** |
| At 31 December 2025 | **685,017** | **27,836** | **712,853** |

### (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

| | **2025** ***RMB'000*** | 2024 *RMB'000* |
|---|---|---|
| Within operating activities | **25,735** | 18,075 |
| Within financing activities | **42,676** | 40,756 |
| | **68,411** | 58,831 |

## 39. CONTINGENT LIABILITIES

### Outstanding letters of guarantee

The Group had the following outstanding letters of guarantee issued by banks at the end of the reporting period:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Outstanding letters of guarantee | **45,508** | 35,507 |

## 40. PLEDGE OF ASSETS

As at 31 December 2025, the Group had no pledge of assets (2024: Nil).

## 41. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Acquisition of property, plant and equipment and other non-current asset | **104,158** | 139,668 |

## 42. RELATED PARTY TRANSACTIONS

### (a) Names and relationships

| Name of related party | Relationship with the Group |
|---|---|
| Han's Laser Technology Industry Group Co., Ltd. (note (i))<br>大族激光科技產業集團股份有限公司 | The immediate holding company |
| Mr. GAO Yunfeng<br>高雲峰 | The ultimate controlling person |
| Mr. YANG Chaohui<br>楊朝輝 | Director and General Manager of the Company |
| Shenzhen Han's Motor Technology Co., Ltd. (note (i))<br>深圳市大族電機科技有限公司 | Controlled by the immediate holding company |
| Han's Tiancheng Semiconductor Co., Ltd. (note (i))<br>北京大族天成半導體技術有限公司 | An associate of the immediate holding company |
| GYX Optoelectronics Co., Ltd. (note (i))<br>深圳國冶星光電科技股份有限公司 | Controlled by the immediate holding company |
| Han's Laser Intelligent Equipment Group Co., Ltd. (note (i))<br>大族激光智能裝備集團有限公司 | Controlled by the immediate holding company |
| Shenzhen Han's Super Energy Laser Technology Co., Ltd. (note (i))<br>深圳市大族超能激光科技有限公司 | Controlled by the immediate holding company |
| Guangdong Yueming Intelligent Equipment Co., Ltd. (note (i))<br>廣東粵銘智能裝備股份有限公司 | Controlled by the immediate holding company |
| Shenzhen Han's Smart Tech Co., Ltd. (note (i))<br>深圳市思特光學科技有限公司<br>(曾用名：深圳市大族思特科技有限公司)* | Controlled by the immediate holding company |
| Shenzhen Han's Property Management Co., Ltd. (note (i))<br>深圳市大族物業管理有限公司 | Controlled by the ultimate controlling person |
| Dazu Holdings Group Co., Ltd. (note (i))<br>大族控股集團有限公司 | The parent company of the immediate holding company |
| HAN'S LASER TECHNOLOGY CO., LIMITED. (note (i))<br>大族激光科技股份有限公司 | Controlled by the immediate holding company |
| Shenzhen Han's Cloud Technology Co., Ltd. (note (i))<br>深圳市大族雲成科技有限公司 | Controlled by the immediate holding company |
| Shenzhen Han's Vision Technology Co., Ltd. (note (i))<br>深圳市大族視覺技術有限公司 | Controlled by the immediate holding company |

* Pursuant to relevant regulatory requirement governing disclosure of related party transactions, Shenzhen Han's Smart Tech Co., Ltd. was still regarded as a related party of the Group in the following twelve months up to February 2025 after its cessation as a subsidiary of Han's Laser in February 2024. Therefore, the amount of related party transactions with Shenzhen Han's Smart Tech Co., Ltd. during the period covered from February 2024 to February 2025, and the balance of transactions as at 31 December 2025 will no longer be presented.

## 42. RELATED PARTY TRANSACTIONS (Continued)

### (a) Names and relationships (Continued)

| Name of related party | Relationship with the Group |
|---|---|
| Shenzhen Hansheng Refrigeration Technology Co., Ltd. (note (i))<br>深圳市漢盛製冷科技有限公司 | Controlled by the immediate holding company |
| Guangdong Huayan Robot Co., Ltd. (Former Name: Shenzhen Han's Robot Co., Ltd.) (note (i))<br>廣東華沿機器人有限公司(Formerly: 深圳市大族機器人有限公司) | An associate of the parent company |
| Zhejiang Guoyexing Intelligent Manufacturing Technology Co., Ltd. (note (i))<br>浙江國冶星智造技術有限公司 | Controlled by the immediate holding company |
| Shenzhen Han's HGC Laser Technology Co., Ltd. (note (i))<br>深圳市大族和光科技有限公司 | Controlled by the immediate holding company |
| Dongguan Han Chuan Technology Co., Ltd. Shenzhen Branch (note (i))<br>東莞市漢傳科技有限公司深圳分公司 | Controlled by the immediate holding company |
| Shenzhen Han's Intelligent Control Technology Co., Ltd. (note (i))<br>深圳市大族智能控制科技有限公司 | Controlled by the immediate holding company |
| Tianjin Tiancheng Optoelectronic Technology Co., Ltd. (note (i))<br>天津大族天成光電技術有限公司 | An associate of the parent company |
| Han's Laser E-Commerce Trade (Shenzhen) Co., Ltd. (note (i))<br>大族激光電子商務貿易(深圳)有限公司 | Controlled by the immediate holding company |
| Shenzhen Han's Machine Tool Technology Co., Ltd. (note (i))<br>深圳市大族機床科技有限公司 | Controlled by the immediate holding company |
| Shenzhen Han's Semiconductor Equipment Technology Co., Ltd. (note (i))<br>深圳市大族半導體裝備科技有限公司 | Controlled by the immediate holding company |
| Yancheng Han's Machine Tool Technology Co., Ltd. (note (i))<br>鹽城市大族機床科技有限公司 | Controlled by the immediate holding company |
| Shenzhen Mingxin Test Equipment Co., Ltd. (note (i))<br>深圳市明信測試設備股份有限公司 | An associate |
| HANS HIGH-TECH SINGAPORE PTE. LTD | Controlled by the immediate holding company |
| Shenzhen Yue'an Elevator Engineering Co., Ltd (note (i))<br>深圳市悦安電梯工程有限公司 | Controlled by the ultimate controlling person |
| Wuxi Fortrend Technology Co.,Ltd<br>無錫富創得智能科技有限公司 | Controlled by the immediate holding company |

*Note:*

*(i) The English names of the companies represent management's best efforts at translating the Chinese names of these companies, as no English names have been registered or available.*

## 42. RELATED PARTY TRANSACTIONS (Continued)

### (b) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following material related party transactions during the year:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Sales of goods and services** | | |
| Han's Laser Technology Industry Group Co., Ltd. | **1,808** | 884 |
| Shenzhen Mingxin Test Equipment Co., Ltd. | **33** | 14 |
| Guangdong Huayan Robot Co., Ltd. | **—** | 38 |
| Shenzhen Han's Machine Tool Technology Co., Ltd. | **88** | 33 |
| Yancheng Han's Machine Tool Technology Co., Ltd. | **—** | 13 |
| HANS HIGH-TECH SINGAPORE PTE. LTD. | **4,059** | — |
| Zhejiang Guoyexing Intelligent Manufacturing Technology Co., Ltd. | **1** | — |
| Shenzhen Han's Motor Technology Co., Ltd. | **2,106** | — |
| Total | **8,095** | 982 |

## 42. RELATED PARTY TRANSACTIONS (Continued)

### (b) Significant related party transactions (Continued)

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Purchase of goods and services** | | |
| Han's Laser Technology Industry Group Co., Ltd. | **18,717** | 15,253 |
| Shenzhen Han's Motor Technology Co., Ltd. | **29,433** | 14,445 |
| Han's Tiancheng Semiconductor Co., Ltd. | **—** | 1,850 |
| GYX Optoelectronics Co., Ltd. | **13** | 841 |
| Shenzhen Han's Super Energy Laser Technology Co., Ltd. | **—** | 239 |
| Shenzhen Han's Smart Tech Co., Ltd. | **—** | 795 |
| Han's Laser Intelligent Equipment Group Co., Ltd. | **2** | 2 |
| Shenzhen Han's Property Management Co., Ltd. | **8,890** | 8,515 |
| Shenzhen Han's Cloud Technology Co., Ltd. | **1** | 24 |
| Shenzhen Han's Vision Technology Co., Ltd. | **—*** | 49 |
| Shenzhen Hansheng Refrigeration Technology Co., Ltd. | **10,448** | 8,194 |
| Guangdong Huayan Robot Co., Ltd. | **1,244** | 200 |
| Zhejiang Guoyexing Intelligent Manufacturing Technology Co., Ltd. | **1,128** | 338 |
| Dongguan Han Chuan Technology Co., Ltd. Shenzhen Branch | **18** | 74 |
| Tianjin Han's Tiancheng Optoelectronic Technology Co., Ltd. | **34,031** | 18,255 |
| Han's Laser E-Commerce Trade (Shenzhen) Co., Ltd. | **12** | 28 |
| Shenzhen Yue'an Elevator Engineering Co., Ltd. | **46** | — |
| Total | **103,983** | 69,102 |

* Amount less than RMB1,000.

## 42. RELATED PARTY TRANSACTIONS (Continued)

### (b) Significant related party transactions (Continued)

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Expense relating to short-term leases and low-value assets** | | |
| Han's Laser Technology Industry Group Co., Ltd. | **4,077** | 1,817 |
| Han's Laser Technology Co., Ltd. | **53** | 53 |
| Total | **4,130** | 1,870 |

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Interest on lease liabilities** | | |
| Han's Laser Technology Industry Group Co., Ltd. | **1,188** | 2,559 |

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Purchase of property, plant and equipment** | | |
| Shenzhen Han's Motor Technology Co., Ltd. | **88** | — |
| Total | **88** | — |

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Purchase of engineering management services** | | |
| Dazu Holdings Group Co., Ltd. | **7,736** | 274 |

*Notes:*

*(i) The directors of the Company are of the opinion that the above sales to related parties and purchase from related parties were conducted in the ordinary course of business and on arm's length commercial terms.*

*(ii) During the year, the Company used the trademark of Han's Laser Technology Industry Group Co., Ltd. free of charge.*

## 42. RELATED PARTY TRANSACTIONS (Continued)

### (c) Outstanding balances with related parties:

The Group had the following outstanding balances with related parties:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Trade and bills receivables** | | |
| Han's Laser Technology Industry Group Co., Ltd. | **1,804** | 826 |
| Shenzhen Mingxin Test Equipment Co., Ltd. | **3** | — |
| Shenzhen Han's Machine Tool Technology Co., Ltd. | **61** | 24 |
| Yancheng Han's Machine Tool Technology Co., Ltd. | **—** | 2 |
| Shenzhen Han's Motor Technology Co., Ltd. | **2,344** | — |
| Total | **4,212** | 852 |

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Other receivables** | | |
| Han's Laser Technology Industry Group Co., Ltd. | **1,733** | 3,326 |
| Shenzhen Mingxin Test Equipment Co., Ltd. | **100** | 119 |
| Total | **1,833** | 3,445 |

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Prepayments** | | |
| Wuxi Fortrend Technology Co., Ltd | **80** | — |

## 42. RELATED PARTY TRANSACTIONS (Continued)

### (c) Outstanding balances with related parties: (Continued)

The Group had the following outstanding balances with related parties: (continued)

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Trade and bills payables** | | |
| Shenzhen Han's Motor Technology Co., Ltd. | **26,331** | 19,974 |
| Han's Laser Technology Industry Group Co., Ltd. | **3,904** | 6,361 |
| Han's Tiancheng Semiconductor Co., Ltd. | **—** | 128 |
| GYX Optoelectronics Co., Ltd. | **1** | 218 |
| Shenzhen Han's Smart Tech Co., Ltd. | **—** | 299 |
| Shenzhen Han's Super Energy Laser Technology Co., Ltd. | **—** | 270 |
| Zhejiang Guoyexing Intelligent Manufacturing Technology Co., Ltd. | **144** | 266 |
| Shenzhen Hansheng Refrigeration Technology Co., Ltd. | **8,065** | 6,629 |
| Dongguan Han Chuan Technology Co., Ltd. Shenzhen Branch | **12** | 70 |
| Guangdong Huayan Robot Co., Ltd. | **1,504** | 311 |
| Tianjin Han's Tiancheng Optoelectronic Technology Co., Ltd. | **31,066** | 18,934 |
| Total | **71,027** | 53,460 |

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Contract liabilities** | | |
| HANS HIGH-TECH SINGAPORE PTE. LTD. | **14,170** | — |

## 42. RELATED PARTY TRANSACTIONS (Continued)

### (c) Outstanding balances with related parties: (Continued)

The Group had the following outstanding balances with related parties: (continued)

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Other payables** | | |
| Han's Laser Technology Industry Group Co., Ltd. | **2,175** | — |
| Shenzhen Han's Motor Technology Co., Ltd. | **4,675** | 1,528 |
| GYX Optoelectronics Co., Ltd. | **—** | 257 |
| Shenzhen Hansheng Refrigeration Technology Co., Ltd. | **684** | 921 |
| Shenzhen Han's Smart Tech Co., Ltd. | **—** | 370 |
| Total | **7,534** | 3,076 |

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **Lease liabilities** | | |
| Han's Laser Technology Industry Group Co., Ltd. | **9,925** | 39,420 |

### (d) Compensation of key management personnel of the Group:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| Salaries, bonuses, allowances and benefits in kind | **20,827** | 14,577 |
| Pension scheme contributions | **703** | 663 |
| Share-based payment compensation | **37,755** | 59,768 |
| Total compensation paid to key management personnel | **59,285** | 75,008 |

Further details of directors' and supervisors' emoluments are included in note 10 to the financial statements.

## 43. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Financial assets** | | |
| Financial assets at fair value through other comprehensive income: | | |
| Trade and bills receivables | **49,760** | 89,416 |
| Financial assets at amortised cost: | | |
| Trade and bills receivables — current | **4,235,317** | 2,586,730 |
| Trade and bills receivables — non-current | **418,220** | 170,002 |
| Financial assets included in prepayments, other receivables and other assets | **14,154** | 19,063 |
| Restricted cash | **542** | 333 |
| Cash and cash equivalents | **1,815,980** | 1,539,131 |
| Time deposits | **419,053** | 400,000 |
| | **6,903,266** | 4,715,259 |
| **Financial liabilities** | | |
| Financial liabilities at fair value through profit or loss: | | |
| Liabilities from contingent consideration | **—** | 8,523 |
| Financial liabilities at amortised cost: | | |
| Trade and bills payables | **2,707,735** | 1,275,637 |
| Financial liabilities included in other payables and accruals | **335,982** | 216,309 |
| Interest-bearing borrowing | **685,017** | 213,476 |
| | **3,728,734** | 1,705,422 |

## 44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

As at 31 December 2024

| | Carrying amounts *RMB'000* | Fair values *RMB'000* |
|---|---|---|
| **Financial assets** | | |
| Trade and bills receivables measured at fair value through other comprehensive income | 89,416 | 89,416 |
| **Financial liabilities** | | |
| Liabilities from contingent consideration | 8,523 | 8,523 |
| Interest-bearing borrowings | 213,476 | 208,913 |
| | 221,999 | 217,436 |

**As at 31 December 2025**

| | **Carrying amounts *RMB'000*** | **Fair values *RMB'000*** |
|---|---|---|
| **Financial assets** | | |
| Trade and bills receivables measured at fair value through other comprehensive income | **49,760** | **49,760** |
| **Financial liabilities** | | |
| Liabilities from contingent consideration | **—** | **—** |
| Interest-bearing borrowings | **685,017** | **678,886** |
| | **685,017** | **678,886** |

Management has assessed that the fair values of cash and cash equivalents, restricted cash, time deposits, trade and bills receivables at amortised cost, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and lease liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments. For deposits, management has assessed that their fair value is equal to their book value, mainly because these deposits are collateral for bills and the fair value fluctuates less and the maturity is short.

## 44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The carrying amounts of the Group's financial instruments including time deposits were not materially different from their fair values as at 31 December 2024 and 2025.

The Group's finance department headed by the financial director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings and bond payable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at the end of the reporting period were assessed to be insignificant.

The financial instruments in bills receivable are the bank acceptance bills registered by the acceptance bank with high credit rating, and the Group's management model aims at both collecting the contractual cash flow and selling the financial assets. There were no significant unobservable inputs to the valuation of financial instruments as at 31 December 2024 and 2025.

## 44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

***Financial instruments measured at fair value:***

As at 31 December 2024

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) *RMB'000* | Significant observable inputs (Level 2) *RMB'000* | Significant unobservable inputs (Level 3) *RMB'000* | Total *RMB'000* |
| **Financial assets** | | | | |
| Trade and bills receivables measured at fair value through other comprehensive income | — | 89,416 | — | 89,416 |
| **Financial liabilities** | | | | |
| Liabilities from contingent consideration | — | — | 8,523 | 8,523 |

**As at 31 December 2025**

| | **Fair value measurement using** | | | |
|---|---|---|---|---|
| | **Quoted prices in active markets (Level 1) *RMB'000*** | **Significant observable inputs (Level 2) *RMB'000*** | **Significant unobservable inputs (Level 3) *RMB'000*** | **Total *RMB'000*** |
| **Financial assets** | | | | |
| Trade and bills receivables measured at fair value through other comprehensive income | **—** | **49,760** | **—** | **49,760** |
| **Financial liabilities** | | | | |
| Liabilities from contingent consideration | **—** | **—** | **—** | **—** |

## 44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

### Fair value hierarchy (Continued)

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

The following table demonstrates a sensitivity analysis of discount rate, reflecting the impact on the fair value of the payable for acquisition of Han's Rayleigh Taide of a reasonable and probable change in discount rate, assuming other variables are constant. There were no significant inter-relationships between unobservable inputs that materially affect the fair value as at 31 December 2024 and 2025.

| | **Increase/ (decrease) in basis points of discount rate** | **(Decrease)/ increase by the fair value of payable for acquisition of Han's Rayleigh Taide** *RMB'000* |
|---|---|---|
| Year ended 31 December 2024 | | |
| RMB | 50 | (14) |
| RMB | (50) | 14 |
| Year ended 31 December 2025 | | |
| RMB | **50** | **—** |
| RMB | **(50)** | **—** |

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted cash, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, time deposits, financial liabilities included in other payables and accruals, interest-bearing borrowings and lease liabilities. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks.

### Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's non-current interest-bearing bank borrowings.

The following table demonstrates a sensitivity analysis of interest rate risk, reflecting the impact on net profit or loss (through the impact on floating rate borrowings) of a reasonably possible change in interest rates, assuming other variables are constant.

| | **Increase/ (decrease) in basis points** | **(Decrease)/ increase in net profit** *RMB'000* |
|---|---|---|
| Year ended 31 December 2024 | | |
| RMB | 50 | (134) |
| RMB | (50) | 134 |
| Year ended 31 December 2025 | | |
| RMB | **50** | **(133)** |
| RMB | **(50)** | **133** |

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the translated value of monetary assets and liabilities).

| | **Increase/ (decrease) in exchange rates of foreign currencies** | **Increase/ (decrease) in profit before tax** |
|---|---|---|
| | *%* | *RMB'000* |
| **Year ended 31 December 2024** | | |
| If RMB strengthens against USD | 50 | 100 |
| If RMB weakens against USD | (50) | (100) |
| If RMB strengthens against HKD | 50 | 41 |
| If RMB weakens against HKD | (50) | (41) |
| If RMB strengthens against EUR | 50 | (18) |
| If RMB weakens against EUR | (50) | 18 |
| **Year ended 31 December 2025** | | |
| If RMB strengthens against USD | **50** | **253** |
| If RMB weakens against USD | **(50)** | **(253)** |
| If RMB strengthens against HKD | **50** | **(25)** |
| If RMB weakens against HKD | **(50)** | **25** |
| If RMB strengthens against EUR | **50** | **(143)** |
| If RMB weakens against EUR | **(50)** | **143** |
| If RMB strengthens against THB | **50** | **52** |
| If RMB weakens against THB | **(50)** | **(52)** |
| If RMB strengthens against SGD | **50** | **2** |
| If RMB weakens against SGD | **(50)** | **(2)** |
| If RMB strengthens against JPY | **50** | **(2)** |
| If RMB weakens against JPY | **(50)** | **2** |

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

For other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

***Maximum exposure and year-end staging***

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2024

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 *RMB'000* | Stage 2 *RMB'000* | Stage 3 *RMB'000* | Simplified approach *RMB'000* | Total *RMB'000* |
| Trade and bills receivables* | — | — | — | 2,983,752 | 2,983,752 |
| Contract assets* | — | — | — | 25,705 | 25,705 |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| — Normal** | 22,451 | — | — | — | 22,451 |
| Restricted cash | 333 | — | — | — | 333 |
| Cash and cash equivalents | 1,539,131 | — | — | — | 1,539,131 |
| Time deposits | 400,000 | — | — | — | 400,000 |
| | 1,961,915 | — | — | 3,009,457 | 4,971,372 |

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Credit risk (Continued)

***Maximum exposure and year-end staging*** (Continued)

**As at 31 December 2025**

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 *RMB'000* | Stage 2 *RMB'000* | Stage 3 *RMB'000* | Simplified approach *RMB'000* | Total *RMB'000* |
| Trade and bills receivables* | **217,177** | **—** | **—** | **4,646,976** | **4,864,153** |
| Contract assets* | **—** | **—** | **—** | **53,505** | **53,505** |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| — Normal** | **19,640** | **—** | **—** | **—** | **19,640** |
| Restricted cash | **542** | **—** | **—** | **—** | **542** |
| Cash and cash equivalents | **1,815,980** | **—** | **—** | **—** | **1,815,980** |
| Time deposits | **419,053** | **—** | **—** | **—** | **419,053** |
| | **2,472,392** | **—** | **—** | **4,700,481** | **7,172,873** |

* For trade receivables, commercial acceptance bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 22 and 24 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables, commercial acceptance bills receivables and contract assets are disclosed in notes 22 and 24 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. As the end of the reporting period, the Group had certain concentrations of credit risk as 17.4% (2024: 6.1%) and 29.8% (2024: 19.4%) of the Group's trade and bills receivables and contract assets were due from the Group's largest customer and five largest customers, respectively.

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The Group's objective is to maintain continuity of funding. The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

| | As at 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | Within 1 year or on demand *RMB'000* | 1 to 2 years *RMB'000* | 2 to 5 years *RMB'000* | Over 5 years *RMB'000* | Total *RMB'000* |
| Trade and bills payables | 1,275,637 | — | — | — | 1,275,637 |
| Financial liabilities included in other payables and accruals | 216,309 | — | — | — | 216,309 |
| Liabilities from contingent consideration | 8,523 | — | — | — | 8,523 |
| Interest-bearing bank borrowings | 7,580 | 35,592 | 184,197 | — | 227,369 |
| Lease liabilities | 35,878 | 12,011 | 1,086 | — | 48,975 |
| | 1,543,927 | 47,603 | 185,283 | — | 1,776,813 |

| | **As at 31 December 2025** | | | | |
|---|---|---|---|---|---|
| | **Within 1 year or on demand *RMB'000*** | **1 to 2 years *RMB'000*** | **2 to 5 years *RMB'000*** | **Over 5 years *RMB'000*** | **Total *RMB'000*** |
| Trade and bills payables | **2,707,735** | **—** | **—** | **—** | **2,707,735** |
| Financial liabilities included in other payables and accruals | **335,982** | **—** | **—** | **—** | **335,982** |
| Liabilities from contingent consideration | **—** | **—** | **—** | **—** | **—** |
| Interest-bearing bank borrowings | **505,067** | **184,329** | **—** | **—** | **689,396** |
| Lease liabilities | **16,254** | **4,914** | **7,062** | **—** | **28,230** |
| | **3,565,038** | **189,243** | **7,062** | **—** | **3,761,343** |

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2025.

The gearing ratios as at the end of the reporting periods were as follows:

| | **2025** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Total liabilities | **4,530,139** | 2,050,120 |
| Total assets | **10,615,027** | 7,186,497 |
| Gearing ratio | **43%** | 29% |

*Note: Gearing ratio is calculated by dividing total liabilities by total assets and multiplying the product by 100%.*

## 46. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the financial statements, no significant events have occurred to the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

## 47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **NON-CURRENT ASSETS** | | |
| Property, plant and equipment | **97,634** | 89,583 |
| Right-of-use assets | **11,376** | 28,506 |
| Other intangible assets | **3,804** | 4,171 |
| Investments in subsidiaries | **926,974** | 929,356 |
| Trade and bills receivables | **392,522** | 91,782 |
| Prepayments, other receivables and other assets | **12,154** | 30,560 |
| Deferred tax assets | **150,454** | 37,370 |
| Time deposits | **419,053** | 400,000 |
| Total non-current assets | **2,013,971** | 1,611,328 |
| **CURRENT ASSETS** | | |
| Inventories | **1,130,812** | 580,436 |
| Trade and bills receivables | **2,818,489** | 2,251,280 |
| Contract assets | **34,796** | 18,216 |
| Prepayments, other receivables and other assets | **1,919,931** | 974,186 |
| Restricted cash | **542** | 330 |
| Cash and cash equivalents | **1,597,795** | 1,289,700 |
| Total current assets | **7,502,365** | 5,114,148 |
| **CURRENT LIABILITIES** | | |
| Trade and bills payables | **2,211,602** | 1,023,167 |
| Contract liabilities | **100,350** | 30,247 |
| Other payables and accruals | **445,604** | 218,718 |
| Liabilities from contingent consideration | **—** | 8,523 |
| Interest-bearing borrowings | **505,067** | 2,426 |
| Lease liabilities | **9,181** | 23,833 |
| Income tax payable | **79,932** | 2,566 |
| Provision | **19,041** | 15,053 |
| Total current liabilities | **3,370,777** | 1,324,533 |
| **NET CURRENT ASSETS** | **4,131,588** | 3,789,615 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | **6,145,559** | 5,400,943 |

## 47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

| | 2025 RMB'000 | 2024 RMB'000 |
|---|---|---|
| **NON-CURRENT LIABILITIES** | | |
| Interest-bearing borrowings | **179,950** | 211,050 |
| Deferred income | **548** | 1,105 |
| Provision | **33,310** | 6,599 |
| Lease liabilities | **3,014** | 7,564 |
| Total non-current liabilities | **216,822** | 226,318 |
| Net assets | **5,928,737** | 5,174,625 |
| **EQUITY** | | |
| **Equity attributable to owners of the parent** | | |
| Share capital | **425,509** | 420,000 |
| Reserves (note) | **5,503,228** | 4,754,625 |
| Total equity | **5,928,737** | 5,174,625 |

*Note:*

*A summary of the Company's reserves is as follows:*

| | Capital reserve RMB'000 | Share-based payment reserve RMB'000 (note 35) | Other reserve RMB'000 | Statutory reserve RMB'000 | Retained profits RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|
| At 1 January 2024 | 4,067,102 | 12,736 | 190 | 174,300 | 53,702 | 4,308,030 |
| Total comprehensive income for the year | — | — | — | — | 294,524 | 294,524 |
| Share-based payment compensation | — | 152,071 | — | — | — | 152,071 |
| Transfer from retained profits | — | — | — | 29,452 | (29,452) | — |
| At 31 December 2024 | 4,067,102 | 164,807 | 190 | 203,752 | 318,774 | 4,754,625 |
| At 1 January 2025 | **4,067,102** | **164,807** | **190** | **203,752** | **318,774** | **4,754,625** |
| Total comprehensive income for the year | **—** | **—** | **—** | **—** | **634,008** | **634,008** |
| Dividends declared | **—** | **—** | **—** | **—** | **(168,000)** | **(168,000)** |
| Exercise of share options | **198,490** | **(99,440)** | **—** | **—** | **—** | **99,050** |
| Share-based payment compensation | **—** | **94,917** | **—** | **—** | **—** | **94,917** |
| Deferred tax on share-based payment | **—** | **88,628** | **—** | **—** | **—** | **88,628** |
| Transfer from retained profits | **—** | **—** | **—** | **9,002** | **(9,002)** | **—** |
| At 31 December 2025 | **4,265,592** | **248,912** | **190** | **212,754** | **775,780** | **5,503,228** |

## 48. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.

# Definitions

| | |
|---|---|
| "A Share(s)" | domestic ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the SZSE and traded in RMB |
| "Advanced Intelligent" | Advanced Intelligent Machine Co., Ltd. (深圳市升宇智能科技有限公司) |
| "Articles of Association/Articles" | the articles of association of Shenzhen Han's CNC Technology Co., Ltd., as amended from time to time |
| "Asia Foundation Shenzhen" | Asia Foundation (Shenzhen) Wood Industry Co., Ltd. (亞洲創建(深圳)木業有限公司) |
| "Associate(s)" | has the meaning ascribed to it under the Hong Kong Listing Rules |
| "beginning of the period" | 1 January 2025 |
| "Board/Board of Directors" | the Board of Directors of the Company |
| "CG Code" | the Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules |
| "China/PRC" | the People's Republic of China |
| "Domestic" | Chinese Mainland, for the purpose of this report only, excluding Hong Kong, Macau and Taiwan |
| "CNC Limited" | Shenzhen Han's CNC Technology Limited (深圳市大族數控科技有限公司), the predecessor of the Company |
| "connected person(s)" | has the meaning ascribed to it under the Hong Kong Listing Rules |
| "connected transaction(s)" | has the meaning ascribed to it under the Hong Kong Listing Rules |
| "CSRC" | the China Securities Regulatory Commission (中國證券監督管理委員會) |
| "Dazu Holdings" | Dazu Holdings Group Co., Ltd. (大族控股集團有限公司) |
| "Director(s)" | the director(s) of the Company |
| "end of the period" | 31 December 2025 |
| "EUR" | Euro, the lawful currency of the Eurozone |

| | |
|---|---|
| "H Share(s)" | overseas ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars |
| "Han's Laser/Controlling Shareholder" | Han's Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司) |
| "Han's Microelectronics" | Shenzhen Han's Microelectronics Technology Co., Ltd. (深圳市大族微電子科技有限公司) |
| "HK$/Hong Kong dollars" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Hong Kong/HK" | the Hong Kong Special Administrative Region of the PRC |
| "Hong Kong Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| "Hong Kong Stock Exchange/ Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "IFRS" | International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Board |
| "Latest Practicable Date" | 27 March 2026, being the latest practicable date for the purpose of ascertaining certain data contained in this annual report prior to its publication |
| "Listing Date" | 6 February 2026, the date on which the Company was listed and commenced trading on the main board of the Hong Kong Stock Exchange |
| "Prospectus" | the prospectus published by the Company on 29 January 2026 |
| "Reporting Period" | 1 January 2025 to 31 December 2025 |
| "RMB/Renminbi" | Renminbi, the lawful currency of Chinese Mainland |
| "same period of the previous year" | 1 January 2024 to 31 December 2024 |
| "Share(s)" | ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Shares and H Shares |
| "Shareholder(s)" | holder(s) of the Share(s) of the Company |

| | |
|---|---|
| "Shenzhen Han's Rayleigh Taide/ Han's Rayleigh Taide" | Shenzhen Han's Rayleigh Taide Precision Coating Co., Ltd. (深圳市大族瑞利泰德精密塗層有限公司) |
| "Shenzhen Mingxin" | Shenzhen Mingxin Test Equipment Co., Ltd. (深圳市明信測試設備股份有限公司) |
| "Supervisor(s)" | the supervisor(s) of the Company |
| "SZSE" | the Shenzhen Stock Exchange |
| "the Supervisory Committee" | the supervisory committee of the Company |
| "US$/USD" | United States dollars, the lawful currency of the United States |
| "We/HANS CNC/Company/Group" | Shenzhen Han's CNC Technology Co., Ltd. (深圳市大族數控科技股份有限公司) |
| "Xinfeng CNC" | Han's CNC Technology (Xinfeng) Co., Ltd. (大族數控科技(信豐)有限公司) |
| "Year-on-year" | compared with the same period of the previous year |
| "%" | per cent |

# Glossary of Technical Terms

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

| | |
|---|---|
| "ABF" | ajinomoto build-up film |
| "AI" | artificial intelligence |
| "AiP" | antenna-in-package technology |
| "AOI" | automated optical inspection |
| "ASIC" | application-specific integrated circuit |
| "AVI" | automated visual inspection |
| "CCD" | charge-coupled device |
| "$CO_2$" | carbon dioxide |
| "CoWoP" | abbreviation for Chip on Wafer on PCB, an innovative packaging technology |
| "CPO" | abbreviation for Co-packaged optics, a new packaging technology |
| "CPU" | central processing unit |
| "CPCA" | China Printed Circuit Association |
| "EMIB" | embedded multi-die interconnect bridge |
| "FC-BGA" | flip-chip ball grid array |
| "FC-CSP" | flip-chip chip scale package |
| "FOPLP" | fan-out panel level packaging |
| "GPU" | graphics processing unit |
| "HDI" | high-density interconnect |

| | |
|---|---|
| “HLC” | high layer count |
| “mSAP” | Modified Semi-Additive Process |
| “PCB” | printed circuit board |
| “Prismark” | Prismark Partners LLC, a well-known market analysis firm in the field of PCB and its related areas |
| “RCC” | resin coated copper |
| “SoC” | system on a chip |
| “UV” | ultraviolet |