鼎泰高科
DTECH

Guangdong Dtech Technology Co., Ltd.
廣 東 鼎 泰 高 科 技 術 股 份 有 限 公 司

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

(Stock Code: 1377)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

FINANCIAL HIGHLIGHTS

- During the Reporting Period, the Group's total revenue was approximately RMB1,830.6 million, representing an increase of approximately 104.8% as compared to RMB893.7 million in the same period in 2025;
- During the Reporting Period, the Group's gross profit was approximately RMB972.8 million, representing an increase of approximately 186.5% as compared to RMB339.6 million in the same period in 2025;
- During the Reporting Period, the Group's net profit attributable to the shareholders of the listed company was approximately RMB679.1 million, representing an increase of approximately 325.0% as compared to RMB159.8 million in the same period in 2025; and
- The Company's interim profit distribution proposal for 2026 as recommended by the Board is: an interim cash dividend of RMB10 (tax inclusive) for the six months ended June 30, 2026 to be distributed to all shareholders (including A shareholders and H shareholders) per 10 shares. No bonus shares will be issued, and no share capital will be increased by conversion of the capital reserve. The Company expects to pay the Interim Dividend to H shareholders on Friday, October 9, 2026, subject to consideration and approval at the EGM.

The Board hereby announces the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended June 30, 2026, together with unaudited comparative figures for the six months ended June 30, 2025.

INTERIM FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended June 30,	
	Notes	**2026**	2025
		RMB'000	*RMB'000*
		(unaudited)	*(unaudited)*
Revenue	*5*	**1,830,563**	893,658
Cost of sales	*8*	**(857,725)**	(554,046)
Gross profit		**972,838**	339,612
Other income	*6*	**127,351**	15,172
Other (losses) and gains, net	*7*	**(5,892)**	5,221
Net impairment losses recognized on financial assets and contract assets		**(29,142)**	(7,770)
Research and development expenses	*8*	**(89,405)**	(57,828)
General and administrative expenses	*8*	**(120,374)**	(71,774)
Selling expenses	*8*	**(55,930)**	(38,651)
Finance costs	*9*	**(10,245)**	(4,140)
Profit before income tax		**789,201**	179,842
Income tax expense	*10*	**(111,165)**	(20,951)
Profit for the period		**678,036**	158,891
Profit/(loss) for the period attributable to:			
Owners of the Company		**679,131**	159,752
Non-controlling interests		**(1,095)**	(861)
		678,036	158,891
Other comprehensive loss for the period, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations, net of tax		**(17,571)**	2,882
Total comprehensive income for the period		**660,465**	161,773
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		**661,560**	162,634
Non-controlling interests		**(1,095)**	(861)
		660,465	161,773
Earnings per share ("EPS") attributable to owners of the Company			
Basic (RMB per share)	*12*	**1.66**	0.39
Diluted (RMB per share)	*12*	**1.66**	0.39

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*13*	**1,787,839**	1,381,220
Right-of-use assets		**262,642**	124,956
Intangible assets		**14,196**	15,554
Prepayments, other receivables and other assets	*18*	**299,954**	130,263
Deferred tax assets		**166,322**	135,030
		2,530,953	1,787,023
Current assets			
Inventories	*16*	**1,246,795**	579,999
Trade and notes receivables	*17*	**1,906,153**	1,220,624
Contract assets		**2,104**	1,329
Prepayments, other receivables and other assets	*18*	**110,592**	64,592
Financial assets at fair value through profit or loss	*14*	**—**	398,557
Financial assets at fair value through other comprehensive income	*15*	**112,986**	68,064
Restricted bank deposits	*19*	**90,106**	146,555
Cash and cash equivalents		**460,873**	271,331
		3,929,609	2,751,051
Current liabilities			
Trade and other payables	*20*	**1,606,468**	1,077,418
Contract liabilities		**18,878**	5,536
Borrowings	*21*	**1,338,779**	510,471
Lease liabilities		**7,486**	7,380
Income tax payable		**91,094**	52,998
		3,062,705	1,653,803
Net current assets		**866,904**	1,097,248
Total assets less current liabilities		**3,397,857**	2,884,271

	Notes	**As at June 30, 2026** *RMB'000* ***(unaudited)***	As at December 31, 2025 *RMB'000*
Non-current liabilities			
Deferred income		**92,941**	98,418
Borrowings	*21*	**126,811**	75,327
Lease liabilities		**28,324**	31,796
Deferred tax liabilities		**26,213**	29,776
		274,289	235,317
Net assets		**3,123,568**	2,648,954
EQUITY			
Share capital		**411,413**	410,000
Other reserves		**1,226,112**	1,171,118
Retained earnings		**1,485,677**	1,067,155
Equity attributable to owners of the Company		**3,123,202**	2,648,273
Non-controlling interests		**366**	681
Total equity		**3,123,568**	2,648,954

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital *RMB'000*	**Capital reserve** *RMB'000*	**Share-based payment reserves** *RMB'000* *(Note 22)*	**Other comprehensive income reserve** *RMB'000* *Note (a)*	**Statutory reserve** *RMB'000* *Note (b)*	**Retained earnings** *RMB'000*	**Sub-total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total equity** *RMB'000*
As at January 1, 2026	410,000	1,064,441	24,293	6,767	75,617	1,067,155	2,648,273	681	2,648,954
Profit/(loss) for the period	—	—	—	—	—	679,131	679,131	(1,095)	678,036
Other comprehensive loss for the period	—	—	—	(17,571)	—	—	(17,571)	—	(17,571)
Total comprehensive (loss)/income for the period	—	—	—	(17,571)	—	679,131	661,560	(1,095)	660,465
Appropriation of statutory reserve	—	—	—	—	55,609	(55,609)	—	—	—
Exercise of share options	1,413	23,835	(11,415)	—	—	—	13,833	—	13,833
Incorporation of a subsidiary	—	—	—	—	—	—	—	780	780
Dividends declared *(Note 12)*	—	—	—	—	—	(205,000)	(205,000)	—	(205,000)
Share-based payment expenses *(Note 22)*	—	—	4,536	—	—	—	4,536	—	4,536
As at June 30, 2026 ***(unaudited)***	411,413	1,088,276	17,414	(10,804)	131,226	1,485,677	3,123,202	366	3,123,568
As at January 1, 2025	410,000	1,064,441	11,415	2,999	43,802	944,136	2,476,793	2,674	2,479,467
Profit/(loss) for the period	—	—	—	—	—	159,752	159,752	(861)	158,891
Other comprehensive loss for the period	—	—	—	2,882	—	—	2,882	—	2,882
Total comprehensive (loss)/income for the period	—	—	—	2,882	—	159,752	162,634	(861)	161,773
Appropriation of statutory reserve	—	—	—	—	10,563	(10,563)	—	—	—
Dividends declared	—	—	—	—	—	(114,800)	(114,800)	—	(114,800)
Share-based payment expenses *(Note 22)*	—	—	6,552	—	—	—	6,552	—	6,552
As at June 30, 2025 ***(unaudited)***	410,000	1,064,441	17,967	5,881	54,365	978,525	2,531,179	1,813	2,532,992

Notes:

(a) Other comprehensive income reserve is the reserve due to the translation of financial statements of foreign operations.

(b) It represents the statutory reserve of the Company in the People's Republic of China (the "**PRC**"). 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 reserve until the cumulative total of the reserve reaches 50% of the company's registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory reserve is not available for dividend distribution to equity holders of the PRC companies.

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Operating activities		
Profit before income tax	**789,201**	179,842
Adjustments for:		
Depreciation of property, plant and equipment *(Note 13)*	**87,304**	67,170
Depreciation of right-of-use assets	**5,455**	4,387
Amortization of intangible assets	**1,410**	270
Gains on disposal of financial assets at fair value through profit and loss *(Note 7)*	**(1,219)**	(2,828)
Fair value gain on financial assets at fair value through profit and loss *(Note 7)*	**(592)**	(2,355)
Net losses on disposal of property, plant and equipment *(Note 7)*	**887**	143
Net impairment losses (reversed)/recognized on inventories *(Note 8)*	**(783)**	1,964
Net impairment losses of property, plant and equipment *(Note 7)*	**545**	29
Amortization of deferred income *(Note 6)*	**(5,477)**	(4,889)
Finance costs *(Note 9)*	**10,245**	4,140
Impairment losses recognized on financial assets and contract assets	**29,142**	7,770
Share-based payment expenses *(Note 22)*	**4,536**	6,552
Foreign exchange losses/(gains), net	**6,994**	(271)
Increase in trade and notes receivables and notes receivables at fair value through other comprehensive income	**(850,609)**	(157,533)
Increase in contract assets	**(827)**	(445)
Increase in prepayments, other receivables and other assets	**(31,177)**	(113,261)
Decrease/(Increase) in restricted bank deposits	**65,449**	(68,919)
Increase in inventories	**(666,013)**	(25,309)
Increase in trade and other payables	**604,908**	101,247
Increase in deferred income	**—**	10,210
Increase/(decrease) in contract liabilities	**13,342**	(277)
Cash generated from operations	**62,721**	7,637
Income tax paid	**(108,197)**	(37,035)
Net cash flows used in operating activities	**(45,476)**	(29,398)
Investing activities		
Purchase of property, plant and equipment, intangible assets and right-of-use assets	**(753,031)**	(129,369)
Proceeds from disposal of property, plant and equipment	**1,229**	829
Proceeds from sales of financial assets at fair value through profit or loss	**525,368**	1,503,464
Purchase of financial assets at fair value through profit or loss	**(125,000)**	(1,332,000)
Net cash flows (used in)/generated from investing activities	**(351,434)**	42,924

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Financing activities		
Proceeds from incorporation of a subsidiary	**780**	—
Proceeds from issue of shares	**13,833**	—
Proceeds from bank borrowings	**1,153,869**	325,103
Repayment of bank borrowings	**(226,975)**	(138,556)
Interest paid for bank borrowings	**(7,925)**	(2,045)
Payment of lease liabilities	**(4,321)**	(3,450)
Dividends paid	**(329,424)**	(61,674)
Payment of listing expenses	**(2,466)**	—
Changes of restricted bank deposits	**(9,000)**	(51,902)
Net cash flows generated from financing activities	**588,371**	67,476
Net increase in cash and cash equivalents	**191,461**	81,002
Cash and cash equivalents at beginning of period	**271,331**	165,146
Effect of foreign exchange rate changes, net	**(1,919)**	(195)
Cash and cash equivalents at end of period	**460,873**	245,953

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Guangdong Dtech Technology Co., Ltd. (the "**Company**") was a limited liability company incorporated in the PRC on August 8, 2013 and changed to a joint stock limited company on August 7, 2020. The Company's A shares are listed on Shenzhen Stock Exchange on November 22, 2022. On July 9, 2026, the Company was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited. The Company's registered address and its principal place of business are located within Room 201, Building 1, No. 39 Zhuyuan Road, Liaoxia, Houjie Town, Dongguan City, Guangdong Province, the PRC.

During the six months ended June 30, 2026, the Company and its subsidiaries (collectively the "**Group**") are principally engaged in the research, development, production, and distribution of precision cutting tools, grinding and polishing materials, functional film materials, intelligent Computer Numerical Control (CNC) equipment.

As at June 30, 2026, the Company's single largest shareholders group, comprising Ms. Wang Xin, Mr. Lin Xia, Mr. Wang Junfeng and Mr. Wang Xuefeng, held approximately 79.89% of total share capital.

This interim financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2. BASIS OF PRESENTATION AND PREPARATION

This interim financial information for the six months ended June 30, 2026 has been prepared in accordance with International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting". The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial report.

The interim financial information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value.

3. APPLICATION OF IFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's interim condensed consolidated financial information:

Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity
Annual Improvements to IFRSs	Annual Improvements to IFRS Accounting Standards — Volume 11

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial position and performance for the current and prior period and/or on the disclosures set out in the interim condensed consolidated financial information.

The Group has not early adopted the following new and amended IFRSs which have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
IFRS 18	Presentation and Disclosure in Financial Statements[1]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[1]
Amendments to IAS 21	Translation to Hyperinflationary Presentation Currency[1]
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[1]
IFRS 20	Regulatory Assets and Regulatory Liabilities[2]

[1] Effective for accounting periods beginning on or after January 1, 2027
[2] Effective for accounting periods beginning on or after January 1, 2029
[3] Effective dates not yet determined

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those of the previous financial year and corresponding interim reporting period.

5. REVENUE AND SEGMENT INFORMATION

During the six months ended June 30, 2026 and 2025, the Group is engaged in the research, development, production, and distribution of precision cutting tools, grinding and polishing materials, functional film materials, intelligent CNC equipment.

The Group's principal activities are disclosed in Note 1 to the interim financial information. The Group's revenue derived from the transfer of goods at a point in time were analyzed as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
By product types		
— Precision cutting tools	**1,601,010**	746,490
— Grinding and polishing materials	**128,415**	85,791
— Functional film materials	**26,738**	35,734
— Intelligent CNC equipment	**73,654**	25,282
— Others	**746**	361
	1,830,563	893,658

All revenue from contracts with customers within the scope of IFRS 15 are recognized at a point in time.

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's management reviews the performance of the Group as a single operating segment based on the internal organization structure, management requirements and internal reporting system. Accordingly, only entity-wide disclosure, along with the Group's result and financial position as a whole, major customers and geographic information are presented.

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are delivered.

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Revenue from external customers		
— Mainland China	**1,618,269**	815,346
— Other countries/regions	**212,294**	78,312
	1,830,563	893,658

Information about major customers

Revenue derived from customers individually contributed over 10% of the Group's revenue is as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Customer A	**196,989**	N/A*

* The corresponding revenue for the customer didn't contribute over 10% of the total revenue of the Group during the period.

6. OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Government grants *(Note)*	**8,510**	2,053
Amortization of deferred income	**5,477**	4,889
Value-added tax (VAT) reduction	**3,300**	2,523
Interest income	**1,290**	1,195
Sales of raw materials and accessories	**1,398**	1,820
Sales of scrap materials	**104,572**	1,176
Others	**2,804**	1,516
	127,351	15,172

Note: During the six months ended June 30, 2026 and 2025, there were no unfulfilled conditions or contingencies relating to these grants.

7. OTHER (LOSSES) AND GAINS, NET

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Gains on disposal of financial assets at FVTPL	**1,219**	2,828
Fair value gains on financial assets at FVTPL	**592**	2,355
Net foreign exchange (losses)/gains, net	**(6,994)**	271
Impairment losses of property, plant and equipment	**(545)**	(29)
Donations	**(1)**	(100)
Net losses on disposal of property, plant and equipment	**(887)**	(143)
Others	**724**	39
	(5,892)	5,221

8. EXPENSES BY NATURE

Expenses included in cost of sales, research and development expenses, selling expenses and general and administrative expenses are analyzed as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Changes in finished goods and work in progress	**(432,228)**	(8,604)
Raw materials consumed	**959,751**	353,835
Employee benefit expenses	**380,149**	231,673
Depreciation of property, plant and equipment *(Note 13)*	**87,304**	67,170
Depreciation of right-of-use assets	**5,455**	4,387
Amortization of intangible assets	**1,410**	270
Rent, water, electricity and property management fees	**52,125**	29,870
Net impairment losses (reversed)/recognized on inventories	**(783)**	1,964
Official and travel expenses	**9,824**	7,202
Tax and surcharges	**10,613**	7,439
Business development expenses	**9,499**	6,453
Legal and professional fees	**7,258**	6,381
Business entertainment expenses	**5,238**	3,836
Listing expenses	**5,823**	—
Auditor's remuneration	**943**	943
Other	**21,053**	9,480
	1,123,434	722,299

9. FINANCE COSTS

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Interest expense on bank borrowings	**10,421**	4,110
Less: interest capitalized	**(893)**	(520)
Net interest expense on bank borrowings	**9,528**	3,590
Interest expense on lease liabilities	**717**	550
	10,245	4,140

Note: During the six months ended June 30, 2026, interest capitalization rates were 2.61% per annum, representing the effective finance costs of the loans to finance the assets under construction.

10. INCOME TAX EXPENSE

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Current income tax	**146,293**	31,463
Deferred income tax	**(35,128)**	(10,512)
Income tax expense	**111,165**	20,951

Taxes on profits assessable have been calculated at the rate of tax prevailing in the jurisdictions in which relevant entities operate.

(a) PRC Enterprise Income Tax ("EIT")

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries are calculated at a statutory rate of 25% or a preferential rate of 15% where applicable, on their estimated taxable profits for the year based on the existing legislations, interpretations and practices in respect thereof.

In 2020, the Company was recognized as a "High and New Technology Enterprise" ("**HNTE**"), therefore enjoyed a preferential income tax rate of 15% from 2020 to 2022. The Company renewed its HNTE recognition in 2023 and enjoyed the 15% preferential income tax rate in 2023 to 2025. For the period from January to June 2026, the Company provisionally paid corporate income tax at a rate of 15% in advance.

In 2020, a subsidiary of the Group Dongguan Chaozhi New Materials Co., Ltd. was recognized as "HNTE", therefore enjoyed a preferential income tax rate of 15% in 2020 to 2022. This subsidiary renewed HNTE recognition in 2023 and enjoyed the 15% preferential income tax rate from 2023 to 2025. For the period from January to June 2026, the Company provisionally paid corporate income tax at a rate of 15% in advance.

In 2021, a subsidiary of the Group Dongguan Dingtaixin Electronics Co., Ltd. was recognized as "HNTE", therefore enjoyed a preferential income tax rate of 15% in 2021 to 2023. This subsidiary renewed HNTE recognition in 2024 and can enjoy the 15% preferential income tax rate in 2024 to 2026.

In 2022, certain subsidiaries of the Group Nanyang Dtech Technology Co., Ltd. and Guangdong Ucan Robot Technology Co., Ltd. were recognized as "HNTE", therefore enjoyed a preferential income tax rate of 15% in 2022 to 2024. These subsidiaries renewed HNTE status in 2025 and can enjoy the 15% preferential income tax rate in 2025 to 2027.

(b) Hong Kong Profits Tax

The Company's subsidiary domiciled in Hong Kong is subject to a two-tiered income tax rate for taxable income earned in Hong Kong effectively since April 1, 2018. The first 2 million Hong Kong dollars of profits earned by the qualifying group entity are subject to be taxed at an income tax rate of 8.25%, while the remaining profits will be taxed at 16.5%.

(c) **Corporate income tax in other jurisdictions**

Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

11. DIVIDENDS

The final dividends of RMB5.00 per 10 shares (tax inclusive) totaling approximately RMB205,000,000 in respect of the year ended December 31, 2025 were approved in the Seventeenth Meeting of the Second Board of Directors on March 25, 2026 and Annual General Meeting of 2025 on April 16, 2026. The Group did not recognize this as a liability as at December 31, 2025. The final dividends were fully settled by June 4, 2026.

12. EPS

(a) **Basic EPS**

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended June 30, 2026 and 2025.

The following table illustrates the earnings and shares information used in the calculation of basic EPS:

	Six months ended June 30,	
	2026	2025
	(unaudited)	*(unaudited)*
Profit attributable to owners of the Company used in calculation basic EPS *(RMB'000)*	**679,131**	159,752
Weighted average number of ordinary shares in issue (thousand shares)	**410,235**	410,000
Basic EPS (RMB per share)	**1.66**	0.39

(b) **Diluted EPS**

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the six months ended June 30, 2026 and 2025, the share schemes granted by the Company do not have potential dilutive effect on the EPS as the Company's failure to meet the vesting conditions of the schemes. Accordingly, diluted EPS for the six months ended June 30, 2026 and 2025 are the same as basic EPS of the respective period.

13. PROPERTY, PLANT AND EQUIPMENT

	Properties and buildings	Machinery	Transportation equipment	Electronic devices and others	Long-term deferred expense	Freehold lands	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025								
Cost	420,562	1,142,080	18,474	69,461	78,442	27,538	202,319	1,958,876
Accumulated depreciation	(59,603)	(431,696)	(11,098)	(36,292)	(38,783)	—	—	(577,472)
Accumulated impairment	—	(184)	—	—	—	—	—	(184)
Net carrying amount	360,959	710,200	7,376	33,169	39,659	27,538	202,319	1,381,220
Six months ended June 30, 2026 ***(unaudited)***								
Opening net carrying amount	360,959	710,200	7,376	33,169	39,659	27,538	202,319	1,381,220
Additions	183	126,897	1,297	8,299	10,018	—	361,871	508,565
Disposals	—	(250)	—	(9)	—	—	(27)	(286)
Depreciation	(10,766)	(59,510)	(1,237)	(6,316)	(9,475)	—	—	(87,304)
Impairment	—	(183)	—	(362)	—	—	—	(545)
Transfers	205,582	180,095	—	2,027	6,061	—	(393,765)	—
Exchange realignment	(3,567)	(7,476)	(83)	(285)	(11)	(2,262)	(127)	(13,811)
Closing net carrying amount	552,391	949,773	7,353	36,523	46,252	25,276	170,271	1,787,839
As at June 30, 2026 ***(unaudited)***								
Cost	622,485	1,439,009	19,667	78,225	94,510	25,276	170,271	2,449,443
Accumulated depreciation	(70,094)	(489,052)	(12,314)	(41,702)	(48,258)	—	—	(661,420)
Accumulated impairment	—	(184)	—	—	—	—	—	(184)
Net carrying amount	552,391	949,773	7,353	36,523	46,252	25,276	170,271	1,787,839
As at December 31, 2024								
Cost	409,502	900,078	12,694	55,244	63,768	23,764	112,178	1,577,228
Accumulated depreciation	(39,796)	(344,612)	(9,505)	(26,215)	(24,176)	—	—	(444,304)
Accumulated impairment	—	(184)	—	—	—	—	—	(184)
Net carrying amount	369,706	555,282	3,189	29,029	39,592	23,764	112,178	1,132,740

	Properties and buildings	Machinery	Transportation equipment	Electronic devices and others	Long-term deferred expense	Freehold lands	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended June 30, 2025								
(unaudited)								
Opening net carrying amount	369,706	555,282	3,189	29,029	39,592	23,764	112,178	1,132,740
Additions	—	18,677	1,986	3,000	4,936	—	87,635	116,234
Disposals	—	(345)	—	—	—	—	—	(345)
Depreciation	(9,835)	(44,689)	(803)	(4,892)	(6,951)	—	—	(67,170)
Impairment	—	(7)	(8)	(14)	—	—	—	(29)
Transfers	86	41,762	—	796	1,388	—	(44,032)	—
Exchange realignment	1,145	1,531	15	59	(829)	787	—	2,708
Closing net carrying amount	361,102	572,211	4,379	27,978	38,136	24,551	155,781	1,184,138
As at June 30, 2025								
(unaudited)								
Cost	410,776	960,397	14,543	58,944	69,263	24,551	155,781	1,694,255
Accumulated depreciation	(49,674)	(388,002)	(10,164)	(30,966)	(31,127)	—	—	(509,933)
Accumulated impairment	—	(184)	—	—	—	—	—	(184)
Net carrying amount	361,102	572,211	4,379	27,978	38,136	24,551	155,781	1,184,138

Depreciation of the Group's property, plant and equipment has been recognized as follows:

	As at June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Cost of sales	**75,067**	58,375
General and administrative expenses	**5,572**	4,950
Research and development expenses	**5,661**	3,245
Selling expenses	**1,004**	600
	87,304	67,170

14. FINANCIAL ASSETS AT FVTPL

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	
Investment in structured deposits and wealth management products ("**WMPs**") *(Note)*	**—**	398,557

Note: The structured deposits and WMPs are mainly managed by licensed financial institutions in the PRC to invest principally in certain financial assets. They are classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

15. FINANCIAL ASSETS AT FVTOCI

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	
Notes receivables measured at FVTOCI *(Note)*	**112,986**	68,064

Note: The balance represents notes receivables held by the Group which are issued or guaranteed by reputable PRC banks with high credit ratings. The notes receivables had a maturity of within six months at June 30, 2026 and December 31, 2025. The notes receivables are measured at FVTOCI since the notes are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. The Group believes that the notes receivables do not expose to significant credit risk and will not cause significant losses due to the bank default. The changes in the fair value of the notes receivables are minimal due to its short-term nature.

In addition, the Group has discounted certain notes receivables to banks and endorsed certain notes receivables to its suppliers to settle its payables. The directors of the Company consider the probabilities on default of the discounted or endorsed notes receivables (the "**Discounted and Endorsed Notes**") are limited and the Group has derecognized the full carrying amount of these notes receivables and the associated trade and other payables when the notes receivables are endorsed or discounted, as at June 30, 2026 are approximately RMB252,460,000 (December 31, 2025: RMB234,167,000). The Discounted and Endorsed Notes had maturities of one to six months at the end of reporting period June 30, 2026 and December 31, 2025. In accordance with the Negotiable Instruments Law of the People's Republic of China, holders of the Discounted and Endorsed Notes may exercise recourse rights against any, several or all of the persons liable in respect of such notes, including the Group, without regard to the order of precedence (the "**Continuing Involvement**"). The directors of the Company are of the opinion that the risk of the Group being subject to claims by the holders of the Discounted and Endorsed Notes is remote in the absence of a default by the accepting banks. The Group has transferred substantially all risks and rewards relating to the Discounted and Endorsed Notes. Accordingly, the Group has derecognized the full carrying amounts of such notes receivables and the related trade payables. The maximum exposure to loss arising from the Group's Continuing Involvement in the Discounted and Endorsed

Notes, representing the undiscounted cash flows for repurchasing such notes, is equal to their carrying amounts. The directors of the Company are of the opinion that the fair value of the Group's Continuing Involvement in the Discounted and Endorsed Notes is not material.

16. INVENTORIES

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	
Raw materials	**403,383**	169,598
Work in progress	**334,108**	116,209
Finished goods	**536,109**	321,780
	1,273,600	607,587
Less: provision for impairment *(Note)*	**(26,805)**	(27,588)
	1,246,795	579,999

Note: The directors of the Company review the condition of inventories and make allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. Inventory review was carried out at each reporting date on a product-by-product basis and makes allowance by reference to the latest market prices and current market conditions for the Group.

17. TRADE AND NOTES RECEIVABLES

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	
Trade receivables *(Note (b))*	**1,473,656**	942,994
Notes receivables *(Note (a))*		
— Bank acceptance notes	**236,677**	110,165
— Commercial acceptance notes	**300,677**	245,284
	2,011,010	1,298,443
Less: allowance for impairment	**(104,857)**	(77,819)
	1,906,153	1,220,624

Notes:

(a) The carrying amounts of the Group's endorsed and discounted notes receivables (the "**Discounted Notes**") that have not been derecognized as at June 30, 2026 were approximately RMB165,147,000 (December 31, 2025: RMB79,747,000). The Discounted Notes had maturities of one to six months at the end of report period ended June 30, 2026 and December 31, 2025. The directors of the Company are of the opinion that the Group has retained substantially all the significant risks and rewards of ownership relating to these notes receivables, primarily the default risk of the accepting banks. Accordingly, the Group has continued to recognize the full carrying amounts of these notes receivables and recognized the associated borrowings and other payables. Subsequent to the discounting or endorsement, the Group has not retained any rights to use, sell, transfer or pledge these notes receivables to any other third parties. Certain of these notes receivables have been pledged as security for the Group's borrowings, details of which are disclosed in Note 24 to the interim condensed consolidated financial information.

(b) The credit period granted to customers is generally within 30–120 days during the six months ended June 30, 2026 and December 31, 2025.

The aging analysis of trade receivables based on recognition date is as follows:

	As at June 30, 2026 *RMB'000* ***(unaudited)***	As at December 31, 2025 *RMB'000*
Within 1 year	**1,442,237**	907,500
Over 1 year but within 2 years	**19,664**	20,280
Over 2 years but within 3 years	**5,851**	12,169
Over 3 years	**5,904**	3,045
	1,473,656	942,994

18. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000*
Non-current		
Prepayment for acquisition of long-term assets	**298,646**	127,119
Others	**1,792**	3,628
Less: allowance for impairment	**(484)**	(484)
	299,954	130,263
Current		
Other receivables	**9,349**	9,117
Less: allowance for impairment	**(1,742)**	(1,729)
	7,607	7,388
VAT recoverable	**61,313**	32,777
Deferred listing expenses	**27,308**	12,415
Prepayments for materials and others	**14,364**	12,012
	110,592	64,592

19. RESTRICTED BANK DEPOSITS

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000*
Pledged bank deposits for borrowings and notes payables	**90,101**	145,050
Pledged bank deposits for other purposes	**5**	1,505
	90,106	146,555

20. TRADE AND OTHER PAYABLES

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000*
Trade payables	**1,041,929**	514,741
Notes payables	**282,323**	267,657
Dividends payable	**—**	124,424
Payroll and welfare payables	**98,483**	100,740
Endorsed notes receivable that have not been derecognized and not yet due	**134,431**	30,740
Other tax payables	**8,498**	12,041
Legal and professional fee payables	**8,789**	10,258
Accrued listing expenses	**16,229**	2,170
Others	**15,786**	14,647
	1,606,468	1,077,418

The credit period granted by suppliers is generally within 30 to 120 days. The aging analysis of the trade payables of the Group as at June 30, 2026 and December 31, 2025 based on recognition date is as follows:

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000*
— Within 1 year	**1,016,427**	489,313
— Over 1 year but within 2 years	**22,981**	19,585
— Over 2 years but within 3 years	**1,345**	2,647
— Over 3 years	**1,176**	3,196
	1,041,929	514,741

As at June 30, 2026 and December 31, 2025, no matured notes payables were unpaid.

21. BORROWINGS

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000*
Current		
Unsecured and unguaranteed		
Short-term bank borrowings	**1,037,143**	308,560
Current portion of long term bank borrowings	**30,950**	—
Unsecured and guaranteed		
Short-term bank borrowings	**232,411**	152,846
Secured and unguaranteed		
Short-term bank borrowings	**30,716**	49,008
Current portion of long-term bank borrowings	**7,559**	57
	1,338,779	510,471
Non-current		
Unsecured and Unguaranteed		
Long-term bank borrowings	**126,811**	—
Secured and unguaranteed		
Long-term bank borrowings	**—**	75,327
	126,811	75,327

As at June 30, 2026 the borrowings bear effective interest rates range of 2.11%–2.65% (December 31, 2025: 2.11%–2.80%) per annum.

22. SHARE-BASED EMPLOYEE COMPENSATIONS

Share-based payment expenses during the six months ended June 30, 2026 and 2025 were as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Equity settled share-based compensation	**4,536**	6,552

Restricted share incentive plans

Upon the satisfaction of vesting conditions under 2023 restricted shares incentive scheme, the Board of Directors approved the vesting of 1,412,934 shares at an adjusted price of RMB9.79 per share on April 14, 2026. The aforesaid shares were officially listed and tradable on May 18, 2026.

The Company received subscription proceeds of approximately RMB13,833,000, contributing to an increase of approximately RMB1,413,000 in share capital, RMB23,835,000 in capital reserve and a decrease of approximately RMB11,415,000 in share-based payment reserves. Upon completion of the vesting, the total issued share capital rose from 410,000,000 shares to 411,412,934 shares.

Set out below are details of the movements of the outstanding number of restricted shares throughout the six months ended June 30, 2026:

	Six months ended June 30,	
	2026	2025
	'000	*'000*
	(unaudited)	*(unaudited)*
As at beginning of the year	**3,728**	3,797
Exercised	**(1,413)**	—
Forfeited	**(81)**	(58)
As at end of the period	**2,234**	3,739

23. COMMITMENTS

As at June 30, 2026 and December 31, 2025, the Group's capital commitments contracted but not provided for in the interim condensed consolidated financial information were as follows:

	As at June 30, 2026 *RMB'000* ***(unaudited)***	As at December 31, 2025 *RMB'000*
Contracted, but not provided for, net of deposits paid and prepayments		
— Property, plant and equipment	**534,600**	204,091
— Subscribed capital contribution	**97,624**	23,500
	632,224	227,591

24. PLEDGED ASSETS

As of June 30, 2026 and December 31, 2025, the Group's certain assets have been pledged to secure notes payables, borrowings and banking facilities granted to the Group. The carrying amounts of the pledged assets of the Group as of June 30, 2026 and December 31, 2025 are as follows:

	As at June 30, 2026 *RMB'000* ***(unaudited)***	As at December 31, 2025 *RMB'000*
Restricted bank deposits	**90,106**	146,555
Notes receivables	**165,147**	79,747
Right-of-use assets	**22,415**	22,658
	277,668	248,960

25. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions during the six months ended June 30, 2026 and 2025.

(a) Relationships with related parties

Name of related party	Relationship with the Group
Xinye Dingbang Industrial Co., Ltd. (新野鼎邦實業有限公司)	Entity controlled by the Shareholders
Henan Yishitai Liquor Co., Ltd. (河南省議事台酒業有限公司)	Entity controlled by the Shareholders
Xinye County Dingtai Jiayuan Hotel (新野縣鼎泰家園酒店)	A Sole Proprietorship controlled by Mr. Wang Xuefeng
Guangdong Shenluo Taihe Precision Manufacturing Co., Ltd.* (廣東燊羅泰和精密製造有限公司)	The Company subscribed for a 3% equity interest
Dongguan Houjie Kaixi Daily Necessities Store (Individual Business) (東莞市厚街凱熙日用品店(個體工商戶))	Other related party

Ms. Wang Xin, Mr. Wang Junfeng, Mr. Wang Xuefeng and Mr. Lin Xia together (the "**Shareholders**").

* *For Identification only*

(b) Transactions with related parties

	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Sales transactions:		
— Guangdong Shenluo Taihe Precision Manufacturing Co., Ltd.	**507**	2,805
— Dongguan Houjie Kaixi Daily Necessities Store (Individual Business)	**5**	14
	512	2,819
Procurement transactions:		
— Henan Yishitai Liquor Co., Ltd.	**—**	24
— Xinye County Dingtai Jiayuan Hotel	**—**	15
— Dongguan Houjie Kaixi Daily Necessities Store (Individual Business)	**—**	213
— Xinye Dingbang Industrial Co., Ltd.	**—**	6
	—	258
Rental income:		
— Dongguan Houjie Kaixi Daily Necessities Store (Individual Business)	**21**	41
Lease expenses:		
— Xinye Dingbang Industrial Co., Ltd.	**—**	55

(c) Balances with related parties

	As at June 30, 2026 ***RMB'000*** ***(unaudited)***	As at December 31, 2025 *RMB'000*
Trade and notes receivables		
Guangdong Shenluo Taihe Precision Manufacturing Co., Ltd.	**654**	935

(d) Compensation of key management personnel of the Group

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Fees	**270**	270
Salaries, allowances, and benefits in kind	**3,813**	4,220
Discretionary bonuses	**4,760**	3,211
Retirement scheme contributions	**80**	46
Share-based payment expenses	**70**	—
	8,993	7,747

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value in the condensed consolidated statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The table below analyzes the Group's financial instruments carried at fair value as at June 30, 2026 and December 31, 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

— Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

— Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and

— Inputs for the asset or liability that are not based on observable market data (that is, significant unobservable inputs) (Level 3).

(a) Fair value hierarchy

As at June 30, 2026 and December 31, 2025, the financial assets measured at fair value on a recurring basis by the above three levels were analyzed below:

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at June 30, 2026 ***(unaudited)***				
Financial assets at FVTOCI				
— Notes receivables measured at FVTOCI	—	—	112,986	112,986
As at December 31, 2025				
Financial assets at FVTPL				
— Structured deposits and bank WMPs	—	—	398,557	398,557
Financial assets at FVTOCI				
— Notes receivables measured at FVTOCI	—	—	68,064	68,064
	—	—	466,621	466,621

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly discounted cash flow approach and market approach. The inputs of the valuation technique mainly include expected rate of return, recent transaction price and discount rate.

Assets subject to Level 3 fair value measurement mainly included structured deposits and wealth management products and notes receivables measured at FVTOCI. These assets and liabilities were measured mainly using discounted cash flow approach and market approach. The judgement of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value.

During the six months ended June 30, 2026, there was no transfer between Level 1 and Level 2 and into or out of Level 3.

The quantitative information of fair value measurements as at June 30, 2026 and December 31, 2025 for Level 3 is as follows:

	Fair value hierarchy	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000*	Valuation technique and key input(s)	Relationship of significant unobservable input(s) to fair value	Range of inputs	Sensitivity of fair value to the input
Financial assets at FVTPL							
Structured deposits and bank WMPs	Level 3	—	398,557	Expected rate of return	The higher the expected rate of return, the higher the fair value	1.76%–1.53%	A 10% fluctuation in the expected rate of return as at June 30, 2026 and December 31, 2025 would result in a corresponding increase or decrease in the fair value of relevant assets by nil and RMB701,000 respectively.
Financial assets at FVTOCI							
Notes receivables measured at FVTOCI	Level 3	112,986	68,064	Discount rate	The higher the discount rate, the lower the fair value	0.96%–0.89%	A 10% fluctuation in the discount rate as at June 30, 2026 and December 31, 2025 would result in a corresponding decrease or increase in the fair value of relevant assets by RMB27,000 and RMB61,000 respectively
		112,986	466,621				

(c) Reconciliation of Level 3 fair value measurements

The following tables present the changes in level 3 financial instruments during the six months ended June 30, 2026 and 2025.

(i) *Financial assets at FVTPL*

	Structured deposits and bank WMPs
	RMB'000
As at January 1, 2026	398,557
Additions	125,000
Disposals	(525,368)
Fair value gains	1,811
As at June 30, 2026 *(unaudited)*	—
As at January 1, 2025	604,860
Additions	1,332,000
Disposals	(1,503,464)
Fair value gains	5,183
As at June 30, 2025 *(unaudited)*	438,579

(ii) *Financial assets at FVTOCI*

	Notes receivables measured at FVTOCI
	RMB'000
As at January 1, 2026	68,064
Additions	625,616
Disposals	(580,694)
As at June 30, 2026 *(unaudited)*	112,986
As at January 1, 2025	61,408
Additions	342,055
Disposals	302,460
As at June 30, 2025 *(unaudited)*	101,003

27. CONTINGENCIES

As at June 30, 2026, there were no significant contingencies items for the Group.

28. EVENT AFTER THE END OF THE REPORTING PERIOD

The Company has been successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on July 9, 2026.

The interim dividends of RMB10.00 per 10 shares (tax inclusive) totaling approximately RMB424,045,000 were proposed by the Board of Directors and expected to be paid on October 9, 2026. No liabilities has been recognised as at June 30, 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

I. THE PRINCIPAL BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

(I) Industry Overview

According to the national standard of the Industrial Classification for National Economic Activities (GB/T 4754-2017), the Company's industry falls under the sub-category of "C3321 Cutting Tool Manufacturing" within "C332 Metal Tool Manufacturing" under "C33 Metal Products Industry".

(1) *Overview of the PCB industry*

PCB (printed circuit board) serves as the core interconnection components for electrical connections of electronic components, performing critical functions including signal transmission, power supply, as well as transmission and reception of radio-frequency microwave signals. Hailed as the "mother of electronic products", PCBs are widely used in electronics and information industries such as communications, consumer electronics, automotive electronics, medical devices, industrial control, and aerospace. Currently, the industry continues to enjoy a high level of prosperity, benefiting from robust demand in emerging fields such as artificial intelligence ("**AI**"), 5G communications and automotive electronics. The explosive growth of AI servers has driven the upgrade of PCBs towards high-end products such as high-level HDI (high-density interconnect) boards and high multi-layer boards, with the PCB usage and complexity per server cabinet increasing significantly. In the automotive electronics sector, the proliferation of ADAS (advanced driver assistance systems) has multiplied the number of radar units per vehicle, directly driving the rapid growth in demand for high-frequency PCBs.

The Recommendations on Formulating the 15th Five-Year Plan for National Economic and Social Development propose to accelerate the innovation in digital and intelligent technologies such as AI, strengthen the efficient supply of computing power, algorithms and data, and accelerate the clustered development of strategic emerging industries including new energy, new materials, aerospace and low-altitude economy. This will directly drive the growth in demand for PCBs as core electronic components and promote the breakthrough of China's PCB industry towards high-end technologies. According to Prismark's forecasts, the global PCB market output value is expected to reach approximately US$95.8 billion in 2026, representing a year-on-year growth of 12.5%.

In the overall electronics industry chain, PCB belongs to the upstream sector. The Company's cutting tools, grinding and polishing materials, and certain externally sold equipment serve as core consumables and equipment in the processing and manufacturing of PCBs, and their development prospects are directly dependent on the growth of the PCB market. With the rapid advancement of AI and data centers, the PCB industry is accelerating its transition toward high-precision and intelligent manufacturing. Products such as high-end chip packaging substrates and high-speed, high-frequency boards are imposing stricter demands on the precision, efficiency and consistency of key procedures like drilling and shaping. This drives the technological upgrading of upstream consumables like PCB cutting tools, with market demand growing in tandem, thereby presenting broad development prospects.

(2) ***Overview of Intelligent CNC Equipment and Precision Components***

Intelligent computer numerical control ("**CNC**") equipment integrates multiple technologies, has sensing-decision-execution loops, and features automation, digitalization, and connectivity. It drives manufacturing intelligence upgrades and boosts productivity. Precision components are high-accuracy parts in various systems, serving high-end manufacturing. The intelligent CNC equipment and precision components industry is a core pillar of China's high-end manufacturing. Their coordinated development drives key technological breakthroughs, accelerates the shift to intelligent production, and lays a foundation for industrial upgrading and global competitiveness.

1) *CNC Grinding Machines*

CNC grinding machines represent an important sub-segment within the CNC machine tool industry. They use a CNC system to drive the relative motion between the grinding tool and the workpiece according to preset programs for high-precision automated grinding. As an important part of the industrial backbone machine ecosystem, they are essential for precision manufacturing of various materials and complex components with extensive adoption across various manufacturing sectors. Based on workpiece geometry, they can be classified into external cylindrical, internal cylindrical, coordinate, centerless, surface, belt, honing, and lapping grinders, with external cylindrical, internal cylindrical, and surface grinders being most widely used.

2) *Precision Components*

Precision components refer to key fundamental elements in mechanical, electronic, optical, and other systems that undertake precise transmission, positioning, measurement, or control functions. They typically feature high precision, high reliability, and high consistency, serving as the core foundation for the stable operation and performance enhancement of intelligent CNC equipment. Different application scenarios impose varying requirements on their performance and process characteristics.

(3) ***Overview of Grinding and Polishing Materials***

Grinding and polishing materials are a general term for industrial materials used for grinding, wire drawing, and polishing workpiece surfaces. Their core function is to remove surface imperfections, burrs, and reduce roughness through physical or chemical action, thereby achieving a smooth, flat surface or one with a specific luster. These materials typically possess high hardness, toughness, and a regular shape. They are widely used in the precision processing of materials such as glass, metal, plastic, semiconductors, and gemstones, serving as key consumables in the manufacturing industry for enhancing both the esthetic quality and functional performance of products.

(4) ***Overview of Functional Film Materials***

Functional film materials refer to films that integrate various coating materials organically with base films to acquire one or several specific functions such as adsorption, protection, separation, insulation, optoelectronics, magnetism and catalytic activity. Featuring a wide variety of categories, functional film materials can be applied in numerous sectors including electronics and electrical equipment, optoelectronic display, industrial control, new energy and aerospace, making them one of the indispensable materials in the industrial sector.

The Company's functional film materials include privacy films, automotive light-control films, automotive explosion-proof films, matte/hard coating films, Dual Brightness Enhancement Film ("**DBEF**"), Cyclo Olefin Polymer Film ("**COP**"), Automotive Composite Optical Film ("**ACOP**"), and Anti-Reflective Film ("**AR**"), which are primarily applied in displays, automotive, home appliances, cover glasses, industrial control, and Mini-LED.

(II) Principal Businesses, Products and Application Areas of the Company

The Company's products covered four major categories, including precision cutting tools, grinding and polishing materials, functional film materials and intelligent CNC equipment, which were primarily applied in fields such as PCB, 3C and precision machinery manufacturing, and broadly served end markets including AI, embodied robotics, low-orbit satellites, high-end equipment manufacturing, intelligent vehicles, semiconductors, consumer electronics, communications and industrial control. Examples of the principal products are set out below:

Product Name	**Product Description and Applications**
Precision cutting tools	Principal products include drill bits, milling cutters and CNC tools. Drill bits and milling cutters are primarily used for drilling and milling processes in the printed circuit board industry. CNC tools include forming cutters, chamfer cutters, T-slot cutters, taps and standard general-purpose tools, which are key precision tools used for machining processes such as milling and drilling in the manufacturing industry. They are primarily applied in industries including electronics, machinery, automotive, medical, aerospace and aviation.
Grinding and polishing materials	Principal products include ceramic brushes, non-woven brushes, nylon brushes and belts, which are primarily used in PCB manufacturing processes for removing drilling burrs and plugging ink from through-holes, as well as cleaning outer-layer circuits.
Functional film materials	Principal products include consumer privacy films, automotive light-control films, automotive explosion-proof films, DBEF, COP, ACOP and AR films, which are primarily applied in industries including displays, automotive, home appliances, cover glass, industrial control and Mini LED.
Intelligent CNC equipment	Principal products include CNC tool grinders, CNC tap grinders, CNC step grinders, fully automatic tool passivation machines, vacuum coating equipment and intelligent drill bit storage systems, which are primarily used in the manufacturing of PCB tools and metal processing tools, as well as intelligent warehouse management.

(III) Business Model

The Company's business model is built around four core pillars: research and development (R&D), production, sales, and supply chain management, forming an operational system characterised by "technology-driven development, global presence, and full-chain synergy". The details are as follows:

1. *R&D Model*

The Company adheres to a virtuous cycle of "production empowering R&D, and R&D driving production". Guided by market demand, we focus our R&D efforts on three core areas: product innovation, material research, and advanced manufacturing processes. This approach ensures precise alignment with the technological evolution trends of the PCB industry and end-market demands, achieving an accurate match between technology and the market.

The Company leverages a suite of technological systems, including simulation, data modelling, and experimental verification, to independently develop core production equipment and to deepen the exploration of critical processes and materials, encompassing areas such as coating technology and the adaptation of high-performance substrates. In 2025, the Company acquired MPK Kemmer in Germany, integrating its leading technologies in drill bits and special-shaped milling cutters into our R&D system. This integration fosters R&D resource synergy between China and Europe, accelerating the iteration of high-end cutting tool technologies. Concurrently, the Company engages in joint development projects with leading PCB manufacturers in the downstream, deeply aligning with customers' technological roadmaps to effectively shorten product iteration cycles. Looking ahead, the Company will further enhance the efficiency of aligning R&D with production, intensify technological breakthroughs in high-end application areas such as AI servers and semiconductor packaging substrates, and steer our R&D focus towards forward-looking technologies and high value-added products, thereby injecting sustained innovative momentum into the Company's long-term development.

2. ***Production Model***

The Company adopts a production strategy of "primarily in-house production, supplemented by outsourcing", leveraging digital management to achieve a dynamic balance between large-scale and flexible manufacturing. Its production bases have formed a global network encompassing "China + Southeast Asia + Europe": the domestic bases in Dongguan, Guangdong and Nanyang, Henan are undergoing continuous upgrading and optimisation, while the planned capacity of the first-phase drill bit production at the overseas subsidiary in Thailand is 15.0 million units per month, with current monthly output having reached 8.0 million units. Through the acquisition of MPK Kemmer in Germany, the European production base has been further enhanced, establishing a full-chain operating system covering R&D, production, sales and services, thereby effectively supporting the localised supply needs of global customers.

In terms of production organisation, standard products are guided by market demand, with inventory levels being optimised in real time through a combination of annual forecasts and monthly dynamic adjustments. Customised products are produced under a "make-to-order" model, enabling precise responses to individual customer requirements. The Company has deeply integrated digitalised and intelligent production, smart warehousing and flexible manufacturing technologies, deploying fully automated production lines, full-process visualisation systems and AGV intelligent equipment to ensure product quality stability and production efficiency. Core processes are completed in-house by the Company, while a small number of non-core processes are outsourced to external subcontractors. A stringent supplier screening mechanism and a full-process quality control system for outsourced processes have also been established.

The Company's capacity planning closely follows the premiumisation trend of the PCB industry and the progress of overseas market expansion, with capacity mix being dynamically adjusted. Particular emphasis is placed on increasing production capacity for high-end products such as high length-to-diameter ratio drilling tools, coated drill bits and micro-drill bits. Through such forward-looking capacity deployment, the Company supports technological upgrades and process iterations for high-end substrates used in areas such as AI and data centres, while continuously enhancing its share in the high-value-added segments of the industry chain.

3. ***Sales Model***

The Company has established a diversified sales network with a "direct sales as the primary channel, supplemented by channel partnerships and agency arrangements", forming a comprehensive global marketing system. Direct sales serve as the principal sales channel, under which the Company has assembled a dedicated professional sales team and entered into long-term framework cooperation agreements with leading global PCB manufacturers. By providing customised products and directly collecting customer feedback, the Company continuously optimises its products and services, resulting in significantly enhanced customer loyalty. In terms of channel development, the Company expands market coverage through regional channel partners, leveraging their local resources to improve penetration efficiency among small and medium-sized customers and in emerging markets. In addition, the Company engages agents in specific regions to provide local customer liaison and after-sales coordination services, effectively reaching customer segments that are difficult to cover through direct sales, thereby complementing its global sales network.

In terms of market presence, the Company has established a number of overseas subsidiaries, with its products being exported to regions including Southeast Asia, Europe and the Americas, forming a dual-cycle market structure encompassing both "domestic + international markets". In the European market, the Company has achieved rapid penetration by leveraging the existing customer resources of MPK Kemmer; in the Southeast Asian market, delivery efficiency has been enhanced through the local production base, with the advantages of regionalised channels becoming increasingly prominent. Concurrently, the Company showcases its latest technological achievements through industry exhibitions, seminars and other channels for targeted marketing campaigns. For certain core customers, the Company implements a vendor-managed inventory model by establishing consignment stock at or near the customers' premises to enable rapid delivery. At the same time, the Company has established joint research and development mechanisms with customers, allowing for early involvement in the product design phase and securing long-term strategic partnerships.

4. ***Supply Chain Management Model***

The Company has established a refined supply chain management system, which is continuously optimised across various dimensions including global footprint, procurement strategy, supplier management, inventory control and resilience building, so as to ensure a stable supply of raw materials and effective cost control.

In terms of supply chain deployment, the Company gives priority to establishing strategic cooperation with high-quality domestic suppliers for its core raw materials, thereby ensuring the self-reliance and controllability of the supply chain. For certain materials, the Company selectively engages overseas suppliers to diversify its supply channels. With respect to critical materials, the Company deepens partnerships through long-term agreements and joint technological development efforts, enhancing the risk resistance and coordination efficiency of the supply chain. At the same time, the Company actively develops local supplier resources around its overseas production bases, fostering a regional supply chain ecosystem that is responsive to local needs and capable of rapid reaction, and systematically mitigating operational risks such as customs clearance delays and cross-border logistics.

In terms of procurement strategy, the Company implements an agile mechanism of "planning-driven and ecosystem-supported". Based on production scheduling plans and material requirements, and taking into account safety stock levels and supplier delivery capabilities, the Company has established an efficient and responsive procurement planning system that ensures the synchronisation of information flow and material flow. Concurrently, the Company advances the localisation of its supply chain to support the steady ramp-up of overseas production capacity through a resilient supply chain. In terms of supplier management, the Company has established a full-lifecycle management system featuring "cost advantage, structural optimisation and quality controllability". By comprehensively employing tools such as large-volume procurement, long-term price-lock agreements and strategic centralised procurement, the Company mitigates the risks of raw material price fluctuations and builds a cost moat. The Company continuously optimises its supplier structure by establishing a diversified reserve pool and introducing competitive mechanisms to reduce reliance on any single supplier. Strict supplier admission audits, regular performance evaluations and incoming goods inspections are rigorously enforced, forming a closed-loop mechanism of "admission — management — elimination" to ensure consistently stable supply quality.

In terms of inventory management, the Company has established a control mechanism that is "safe, efficient and risk-controllable", under which dynamic monitoring and periodic stocktaking are conducted for materials throughout the entire process, ensuring that inventory levels are sufficient to smooth out supply fluctuations without tying up excessive working capital. Differentiated strategies are adopted based on product attributes: for standard products, the Company maintains reasonable safety stock levels based on historical data and demand forecasts to ensure timely delivery; for customised products, a make-to-order model is adopted, with procurement and production scheduling being carried out on a demand-driven basis, thereby pre-emptively mitigating the risk of obsolete inventory at the source. These measures enable the continuous optimisation of inventory structure and enhance both supply chain responsiveness and working capital turnover efficiency.

In terms of supply chain resilience building, the Company leverages its globally distributed production base network to diversify the risk of supply chain disruption in any single region, enabling flexible deployment and complementary advantages between domestic and overseas capacities. The Company is comprehensively advancing the digital transformation of its supply chain by establishing full-process digital dashboards and early warning mechanisms, which enable real-time visual tracking of procurement progress, production status, inventory levels and logistics movements. Through real-time monitoring, intelligent early warning and dynamic scheduling, the Company enhances the rapid response and resilient recovery capabilities of its supply chain, ensuring continuity and stability of supply under complex and volatile external conditions.

(IV) Industry Position of the Company

According to Frost & Sullivan, in terms of sales volume in 2025, the Company's global market share of PCB drill bits reached 29.2%, ranking first worldwide. According to the 2025 Ranking of Major Enterprises in China's Electronic Circuit Industry (《2025中國電子電路行業主要企業榜單》) published by the CPCA on May 18, 2026, the Company ranked first among enterprises specializing in cutting tool materials in terms of operating revenue.

(V) Changes in the Principal Performance Drivers

During the Reporting Period, with the continued expansion of global AI computing power infrastructure, downstream PCB customers maintained robust procurement demand for precision cutting tools and grinding and polishing materials. The Company capitalized on favorable industry conditions by deepening technological iteration and customer collaboration, further increasing the penetration rate of high value-added products and continuously upgrading its product mix towards the high-end segment. At the same time, the Company's production capacity ramp-up efficiency improved significantly, with economies of scale gradually taking effect, collectively driving the high-speed growth in performance for the first half of the year.

II. CORE COMPETITIVENESS

(I) Core Competeveness of the Company

1. *Advantageous position in the supply chain*

The Company has been deeply engaged in the PCB drilling and cutting tools segment for many years and has built a prominent core competitive advantage in the supply chain. The industry is characterized by high barriers to entry in terms of capital, technology and customer access. The PCB drilling process directly affects the final quality of PCB products; downstream customers have stringent requirements for the precision and stability of drill bits and typically choose to establish long-term partnerships with suppliers that possess strong technical capabilities and a mature supply system. New suppliers must undergo a rigorous qualified supplier certification process before being included, with the certification cycle lasting as long as 6–12 months. Furthermore, once a partnership has been established, customers are reluctant to change suppliers, resulting in strong customer stickiness and high entry barriers. Since its inception, the Company has consistently focused on the field of micro-cutting tools. Its technical staff have conducted in-depth research into every stage of the process including material selection, grinding processes and coating technologies, accumulating extensive industry experience and technical reserves. At the same time, the Company closely monitors industry technology trends and continuously drives iterative product innovation, enabling it to respond promptly to downstream customers' demands for upgraded high-precision cutting tools, thereby providing a solid guarantee for the supply of high-quality, stable-performing products. Leveraging its deep technical expertise, consistent quality assurance, and stringent customer certification requirements, the Company has established a difficult-to-replicate competitive advantage in the industry supply chain; other competitors are unlikely to challenge the Company's market position in the short term.

2. ***Product competitiveness***

The Company's product portfolio covers core consumables and equipment for PCB production, including drill bits, milling cutters, grinding brushes and automated equipment, offering a wide variety of products with strong synergies. Specifically, the standard batch diameters of drill bits range from 0.02 mm to 8 mm, whilst milling cutters range from 0.25 mm to 3.175 mm. With a comprehensive range of models and a wide coverage of dimensions, these products are fully capable of meeting the diverse and customized processing requirements of downstream customers. In terms of technological improvement, the Company leverages advanced surface treatment technologies developed in-house, such as CVD diamond coatings, PVD wear-resistant coatings and Ta-C lubricious coatings. Through synergistic innovation combining premium substrates with high-performance coatings, the Company has significantly enhanced the wear resistance, chip evacuation performance and service life of its drill bits. The Company operates dedicated R&D laboratories, continuously exploring the cutting edge of cemented carbide materials and nano-coating technologies to drive continuous breakthroughs in product performance. In response to new trends such as ultra-small apertures, high aspect ratios and complex via structures in AI-driven PCB designs, the Company has systematically carried out iterative upgrading of tool geometry, alloy material selection, coating formulations and production process control. This ensures that products maintain exceptional machining accuracy and reliability even under extreme process conditions, providing downstream customers with high-performance, highly stable processing solutions.

3. ***Advantages of full-stack in-house R&D***

The Company has established a full-stack independent R&D system centered on its core production and inspection processes. It has successfully developed and commenced mass production of key equipment, including high-precision multi-station grinding machines, integrated rough-grinding and slotting machines, fully automatic lapping machines and blade inspection machines, enabling comprehensive import substitution of core equipment and achieving self-reliance across the underlying technology and supply chain spectrum. In response to industry pain points such as high costs, long delivery cycles and slow responsiveness associated with imported equipment, the Company has leveraged its self-developed multi-station tool grinders and AOI inspection systems to significantly improve self-sufficiency in key processes. The machining accuracy of the relevant equipment reaches 0.001mm, with delivery cycles shortened to 1–3 months and production costs substantially lower than comparable imported brands. Leveraging its full-chain equipment R&D advantages, the Company can respond rapidly to customer needs and market changes, enabling proactive product deployment and continuously strengthening industrial chain security and market insight capabilities. The Company has established a multi-tier talent system comprising "technicians — engineers — craftsmen", and has set up a provincial-level engineering technology research center, a post-doctoral research workstation and a European R&D center, forming an R&D system covering tooling, coating, materials and machine tools. As at June 30, 2026, the Company had 606 R&D personnel, and had accumulated 127 valid invention patents, 530 utility model patents and 27 design patents, providing a solid foundation for sustained innovation.

4. ***Advantages in digital and intelligent management***

The Company has deeply advanced its digital transformation, leveraging process re-engineering and organizational optimization as key levers to continuously reduce management costs and enhance operational efficiency. Through the deep integration of information technology with the production system, it has achieved synergistic improvements in production efficiency, product yield and per-capita performance, laying a solid foundation for lean management. The Company continues to build a data-driven operational control system, establishing a full-chain data loop from order placement, production to delivery, enabling dynamic allocation of manufacturing resources and real-time responsiveness in operational decision-making. The two-way empowerment of digitalization and intelligence is driving the Company's operating system to evolve from a process-driven to a data-driven model, redefining the boundaries of organizational efficiency and reinforcing the core competitiveness underpinning the Company's high-quality development.

5. ***Strong customer base***

Over the years, the Company has continuously pursued innovation and research and development. Leveraging its reliable product quality and comprehensive service system, the Company has established solid and stable cooperative relationships with numerous renowned PCB manufacturers in China and overseas, and has received multiple awards from customers, including "Gold Supplier", "Outstanding Partner" and "Outstanding Supplier". The Company's high-quality customer base has laid a solid foundation for its further development in the PCB industry.

(II) Significant Changes in Core Competitiveness During the Reporting Period and Their Impacts

During the Reporting Period, the Company's core competitiveness underwent significant positive changes in terms of production capacity scale, technology research and development, and global footprint, with the specific performances and impacts as follows:

At present, self-manufactured key production equipment for the expansion of drill bit production enables a monthly incremental output increase of 10 million drill bits. The sustained and stable growth in monthly production capacity has enabled the Company to respond swiftly to customer orders during the surge in AI PCB demand, increase its market share, and robustly support the explosive growth in performance in the first half of the year, further consolidating its scale advantage as the global leader in PCB drill bits.

In terms of technological research and development, the Company has achieved mass production of high aspect ratio drill bits with a diameter-to-length ratio exceeding 40x, and has successfully broken through the design and manufacturing processes for ultra-high aspect ratio drill bits exceeding 60x. Meanwhile, diamond composite-coated drill bits suitable for processing M9+ ceramic hybrid materials have entered the small-batch application stage. The product mix is accelerating its evolution towards the high-end segment.

In terms of global expansion, the Company continues to deepen its overseas production capacity and market network development. Production capacity at the Thailand production base continues to ramp up, effectively hedging against geopolitical trade barrier risks. At the same time, the MPK Kemmer has completed integration and consolidation, playing a significant role in technological synergies and localized service for European and American customers. The DTECH Japan is helping the Company gradually integrate into the supply chain systems of Japanese customers. The above strategic layout enables the Company to serve customers in core markets such as Europe, the Americas, Southeast Asia and Japan on a nearby basis, significantly shortening delivery cycles and enhancing service response speed, thereby providing solid support for the continued expansion of its global market share.

III. ANALYSIS OF PRINCIPAL BUSINESSES

Overview

During the Reporting Period, the Company recorded total operating revenue of RMB1,830.6 million, representing a year-on-year increase of 104.8%; net profit attributable to shareholders of the listed company of RMB679.1 million, representing a year-on-year increase of 325.0%; and net profit attributable to shareholders of the listed company excluding non-recurring profit or loss of RMB670.0 million, representing a year-on-year increase of 353.3%.

(I) *Principal Business*

In the first half of 2026, driven by the continued surge in global demand for AI computing power, the Company's core precision cutting tools business achieved explosive growth. During the Reporting Period, revenue from cutting tool products amounted to RMB1,601.0 million, representing a year-on-year increase of 114.5% and accounting for 87.5% of total revenue. Through continuous technological iteration and close collaboration with customers, the Company further increased the sales of high value-added products, including micro-diameter drill bits, high aspect ratio drill bits and premium coated drill bits, sales of micro drill bits of 0.2 mm and below accounted for approximately 33.2% of total sales during the first half of the year, while coated drill bits accounted for approximately 49.5%, representing an accelerated shift of the product mix towards high-end offerings. In response to rising market demand, the Company has continued to improve its drill bit equipment production capacity. As precision manufacturing equipment continues to be brought online, the Company's equipment manufacturing and delivery capabilities have been further enhanced, laying a strong groundwork for swift response to future orders and large-scale delivery. At present, the Company's aggregate monthly drill bit production capacity has surpassed 160 million units, further enhancing economies of scale and accelerating the release of earnings potential.

At the same time, substantial progress has been made in expanding overseas markets and establishing a global production layout. During the Reporting Period, overseas revenue reached RMB212.3 million, representing a significant year-on-year increase of 162.5%. The Thailand production base progressed smoothly in its capacity ramp-up, with monthly production capacity now reaching 8.0 million units. Meanwhile, MPK Kemmer GmbH PCB Tools in Germany successfully completed business integration. Leveraging its established R&D capabilities and sales network in Europe, the Company has built a full-chain localized operating platform covering R&D, manufacturing, sales and after-sales services, marking a new stage in the Company's implementation of its globalization strategy.

Benefiting from the sustained prosperity of the PCB industry, the Company's grinding and polishing materials business maintained steady growth. During the Reporting Period, the segment generated revenue of RMB128.4 million, representing a year-on-year increase of 49.7%. The intelligent CNC equipment business capitalized on the additional demand arising from the expansion of production capacity among PCB manufacturers, recording revenue of RMB73.7 million, up 191.3% year-on-year.

During the Reporting Period, the Company's functional film materials business recorded revenue of approximately RMB26.7 million, representing a year-on-year decrease of 25.2%, with revenue temporarily under pressure. The Company has comprehensively advanced the in-house research and development and production of key raw materials, and is gradually establishing a long-term self-controlled supply chain system. Currently, the yield rate and production efficiency of self-produced raw materials remain at the ramp-up stage and have not yet fully reached the standards for large-scale mass production, which weighed on the Company's short-term results to a certain extent. In the second half of the year, the Company will accelerate the process finalisation and production line commissioning of self-produced raw materials, with the aim of achieving month-by-month improvements in yield rate and efficiency. Meanwhile, through intelligent upgrades of equipment and process optimisation, the Company will steadily enhance capacity utilisation so as to lay a solid foundation for subsequent earnings recovery.

(II) ***R&D and Innovation***

The Company continued to increase its investment in R&D to further strengthen its technological moat. During the Reporting Period, the Company's R&D expenditure amounted to RMB89.4 million, representing a year-on-year increase of 54.7% and accounting for 4.9% of its revenue. As of the end of June 2026, the Company had 606 R&D personnel, representing an increase of 23.4% compared with the end of 2025.

During the first half of 2026, the Company's precision cutting tools research and development efforts were closely aligned with the processing requirements of AI PCBs, including ultra-small hole diameters, ultra-high aspect ratios and ultra-hard substrates. Through in-depth collaborative development with leading PCB customers, the Company kept abreast of the processing requirements of next-generation products in real time and successfully achieved breakthroughs in the design and manufacturing processes of drill bits with an ultra-high aspect ratio of over 60 times. In terms of coating technologies, the Company continued to advance the iterative upgrades of its proprietary CVD diamond coating and Ta-C lubricious coating technologies, and successfully developed diamond composite coating drill bits suitable for the processing of M9+ ceramic hybrid materials. These products have entered the small-scale application stage. Meanwhile, the Company proactively laid out next-generation ultra-hard coating technologies and composite coating technologies to build core capabilities for the technological evolution of AI PCBs. The above achievements will continue to strengthen the Company's technological moat in the AI PCB cutting tools sector, providing solid support for the expansion of its high-end market share and the enhancement of product value-added capabilities.

During the first half of 2026, the Company achieved a series of breakthroughs in the field of grinding and polishing materials targeting application scenarios such as AI servers and high-end optical modules. For AI server PCBs, the Company successfully developed dedicated diamond desmear grinding brushes, which adopt high-precision diamond abrasives and a special bonding agent formulation. The products have achieved industry-leading performance in terms of resin removal rate, wear resistance of grinding brushes and surface scratch control, effectively satisfying the desmear process requirements for high-layer-count and advanced HDI PCBs. The products have completed customer-side validation and entered the mass delivery stage. In addition, dedicated polishing ceramic brushes for optical module PCBs have also achieved mass delivery, benefiting from their excellent surface treatment performance and stable processing capabilities. Both new products have successfully progressed from technology development and capability build-up to scaled supply, further enriching the Company's product portfolio of grinding and polishing materials and injecting new momentum into the continued expansion of the high-end market.

In the field of functional film materials, the Company achieved multiple breakthroughs in key technologies. For reflective brightness enhancement films, the Company successfully developed a dedicated adhesive system satisfying the requirements of a 1,500-hour ageing test, and the products have achieved small-batch deliveries to Tier-1 manufacturers. The high-brightness privacy films demonstrated excellent performance and can significantly enhance system brightness, and have successfully passed customer validation. Meanwhile, the Company successfully developed ultra-narrow viewing angle privacy films, which achieved brightness of less than 1% at a 30-degree viewing angle, reaching an industry-leading level in terms of performance. For anti-glare water-oxygen barrier films used in e ink displays, the optical properties, physical properties and 1,000-hour ageing test results have all passed customer certification, and the products have entered the mass production introduction stage. The above achievements have further enriched the Company's product portfolio of functional film materials and laid a solid foundation for the future expansion into the high-end display and consumer electronics markets.

In the field of intelligent CNC equipment, the Company continued to promote technological iterations of core equipment and enhance market penetration through the in-depth collaboration between its German technical expert team and local R&D capabilities. The independently developed intelligent drill bit storage systems and fully automated drill bit loading/unloading machines have undergone further iterative upgrades and gained high market recognition due to their outstanding performance, with the competitiveness and industry influence of the Company's core equipment products continuing to strengthen. Currently, the intelligent drill bit storage systems and drill bit loading/unloading machines have achieved large-scale deployment among multiple leading PCB customers, effectively assisting customers in the intelligent upgrade of their production lines. During the Reporting Period, the market penetration of five-axis tool grinders also steadily increased. In addition, the Company has long been committed to the independent research and development of laser drilling machines, with certain products having passed customer acceptance. Leveraging its extensive technological accumulation in the field of laser micro-hole processing, and in response to the stringent requirements for micro-hole diameters under the MSAP process, the Company will continue to develop laser drilling machines suitable for micro-hole diameter processing. The relevant products have entered the prototype development stage.

(III) ***Operational Management***

During the Reporting Period, the Company's four-dimensional empowerment framework of "Talent + Process + Technology + Data" delivered significant results. Through the core deployment of PLM/ERP/MES/IOT/automation (equipment automation, inspection automation, logistics automation) systems, and fully leveraging advanced IoT technology and intelligent analytics, the Company built a full-chain digital management model featuring "self-sensing, self-inspection, self-warning and self-repair". This model effectively opened up the entire process from order to delivery, significantly improving the standardization and intelligence level of operations, and promoting a gradual increase in the Company's per-capita output value and operational efficiency.

The Company was successfully listed on the Main Board of the Stock Exchange on July 9, 2026, officially establishing its "A+H" dual-listing capital platform.

IV. FINANCIAL REVIEW

(1) Analysis of Profit or Loss

1. *Revenue*

During the Reporting Period, the Group achieved total revenue of approximately RMB1,830.6 million, representing an increase of around 104.8% compared to RMB893.7 million recorded in the corresponding period of 2025, with all principal businesses delivering solid growth concurrently; revenue generated from the precision cutting tools business amounted to RMB1,601.0 million, a year-on-year rise of 114.5%, the abrasive grinding and polishing materials business registered revenue of RMB128.4 million, representing a year-on-year increase of 49.7%, the functional film materials business posted revenue of RMB26.7 million, a year-on-year decline of 25.2%, the intelligent CNC equipment business recorded revenue of RMB73.7 million, reflecting a year-on-year surge of 191.3%. Revenue from other businesses amounted to RMB0.7 million, representing a year-on-year increase of 75.0%.

2. *Cost of sales*

During the Reporting Period, the Group's cost of sales was RMB857.7 million, representing an increase of approximately 54.8% from RMB554.0 million in the same period of 2025, primarily due to the increase in cost of sales in tandem with increases in sales volume and revenue.

3. *Gross profit and gross profit margin*

During the Reporting Period, the gross profit of the Group was approximately RMB972.8 million, representing an increase of approximately 186.5% compared to RMB339.6 million for the same period in 2025, which was primarily due to the increases in sales volume and revenue.

During the Reporting Period, the gross profit margin of the Group was approximately 53.1%, representing an increase of 15.1 percentage points compared to 38.0% for the same period in 2025.

4. ***Other income***

During the Reporting Period, other income of the Group was approximately RMB127.4 million, representing an increase of approximately 738.2% compared to RMB15.2 million for the same period in 2025, which was primarily due to the increase in waste materials in tandem with increases in sales volume and revenue.

5. ***Other (losses) and gains, net***

During the Reporting Period, the Group recorded other losses, net of approximately RMB5.9 million and other gains, net of approximately RMB5.2 million for the same period in 2025, which was primarily due to net foreign exchange losses.

6. ***Net impairment losses recognized on financial assets and contract assets***

During the Reporting Period, the Group recognized net impairment losses on financial assets and contract assets of approximately RMB29.1 million, representing an increase of approximately 273.1% as compared to RMB7.8 million for the same period in 2025, primarily attributable to the increase in trade receivables at the end of the Reporting Period, which resulted in a corresponding increase in ageing-based impairment provisions.

7. ***Selling expenses***

During the Reporting Period, the Group's selling expenses amounted to approximately RMB55.9 million, representing an increase of approximately 44.4% as compared to RMB38.7 million for the same period in 2025, primarily attributable to an increase in staff welfare costs resulting from the Company's expansion of its sales team to support business growth and overseas expansion.

8. ***General and administrative expenses***

During the Reporting Period, the Group's general and administrative expenses amounted to approximately RMB120.4 million, representing an increase of approximately 67.7% as compared to RMB71.8 million for the same period in 2025, primarily attributable to an increase in staff welfare costs resulting from the Company's expansion of its management team to support business growth.

9. ***Research and development expenses***

During the Reporting Period, the Group's research and development expenses amounted to approximately RMB89.4 million, representing an increase of approximately 54.7% as compared to RMB57.8 million for the same period in 2025, primarily attributable to an increase in staff welfare costs resulting from the Company's expansion of its R&D team to further strengthen R&D capabilities.

10. ***Finance costs***

During the Reporting Period, the Group's finance costs amounted to approximately RMB10.2 million, representing an increase of approximately 148.8% as compared to RMB4.1 million for the same period in 2025, primarily attributable to a significant rise in interest on bank loans resulting from the Company's expansion of production capacity and increased financing to build up inventory for operations; changes in foreign exchange gains and losses also contributed to the increase in financial expenses.

11. ***Income tax expense***

During the Reporting Period, the Group's income tax expense amounted to approximately RMB111.2 million, as compared with an income tax expense of RMB21.0 million for the same period in 2025. The change was primarily attributable to a significant increase in total profit for the current period.

12. ***Profit for the period***

During the Reporting Period, the Group's net profit for the period was RMB678.0 million, representing an increase of approximately 326.7% from RMB158.9 million in the same period of 2025. This was primarily due to strong demand for AI computing power, communications hardware, and other products, which led to a significant increase in orders.

(2) Cash Flows Analysis

1. ***Net cash used in operating activities***

During the Reporting Period, the Group's net cash used in operating activities amounted to approximately RMB45.5 million, representing an increase of approximately 54.8% as compared to RMB29.4 million for the same period in 2025, primarily attributable to the Company's strategic inventory stocking in response to the significant surge in tungsten prices.

2. ***Net cash used in investing activities***

During the Reporting Period, the Group's net cash used in investing activities amounted to approximately RMB351.4 million, while the Group's net cash generated from investing activities amounted to approximately RMB42.9 million for the same period in 2025. The change was primarily attributable to a large-scale expansion of production capacity during the current period.

3. ***Net cash generated from financing activities***

During the Reporting Period, the Group's net cash generated from financing activities amounted to approximately RMB588.4 million, representing an increase of approximately 771.7% as compared to RMB67.5 million for the same period in 2025, primarily attributable to new bank loans taken out to fund production expansion.

4. ***Sources of liquidity and working capital***

During the Reporting Period, the Group's primary sources of liquidity included cash generated from operating activities, investing activities and financing activities. The Group's cash and cash equivalents mainly comprise bank balances. We may require additional cash due to evolving business conditions or other future developments.

The Group regularly monitors its cash flows, cash balances, and capital requirements. The Company is committed to maintaining optimal liquidity to meet the Group's working capital needs. The Group's current assets increased from RMB2,751.1 million as of December 31, 2025 to RMB3,929.6 million as of June 30, 2026, primarily due to an increase in bank balances, cash, trade and notes receivables. The Group's current ratio, calculated as current assets divided by current liabilities at the end of each financial period, declined from approximately 1.7 as of December 31, 2025 to approximately 1.3 as of June 30, 2026.

(3) Other Matters

Foreign exchange risk management

The Company's presentation currency is RMB. The functional currency of the majority of the Company's subsidiaries is RMB. Some of the Group's sales, purchases, trade receivables, trade payables and bank balances are recorded or denominated in foreign currencies. Consequently, foreign currency exchange rates have a significant impact on the Company's consolidated financial information.

Foreign currency transactions are translated into the functional currency using the exchange rates at the end of the previous month. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. During the Reporting Period, the Company recorded foreign exchange losses, net of RMB7.0 million.

The Group manages its foreign exchange exposure by closely monitoring fluctuations in foreign currency exchange rates. The Group will continue to assess economic conditions and foreign exchange risks, and will implement hedging measures (including but not limited to derivative instruments such as forwards, options, and swap contracts) when necessary to mitigate such risks.

Contingent liabilities

As of June 30, 2026, there were no significant contingent liabilities, guarantees or any pending or threatened material litigation or claim against any member of the Group.

Capital expenditures

The Group's capital expenditures primarily include purchase of property, plant and equipment, intangible assets and right-of-use assets. During the Reporting Period, the Group's capital expenditure amounted to approximately RMB753.0 million (for the six months ended June 30, 2025: approximately RMB129.4 million).

Capital commitments

The Group's capital commitments include capital commitments relating to property, plant and equipment and capital contributions that have been committed but not provided for in the Interim Financial Information. As at June 30, 2026, the Group recorded total capital commitments of approximately RMB632.2 million, as compared to approximately RMB227.6 million as at December 31, 2025. Such changes were primarily attributable to the expansion of global production capacity scale coupled with equipment iteration and upgrades.

V. PROSPECTS AND OUTLOOK

We will pursue the following strategies, which are designed to leverage our competitive strengths and capitalize on the significant market opportunity ahead.

Deepen our portfolio of "tools, materials and equipment" to enrich our product matrix and meet diversified customer needs

We will continue to build out our integrated platform covering manufacturing processes, equipment and products across four core product lines, i.e., precision cutting tools, grinding and polishing materials, functional film materials, and intelligent CNC equipment, to establish a collaborative service ecosystem across product categories and the entire value chain. We will remain firmly customer-oriented and continue to expand product categories and advance manufacturing technologies for strategic markets such as AI, embodied robotics and semiconductors. Leveraging our proprietary capabilities in ultra-small and high aspect-ratio micro-drills, advanced coating technologies, quality control, full life-cycle traceability and flexible lines enabled by self-developed intelligent equipment, we will further enrich our value-added product portfolio and enhance coverage of diverse use cases. We intend to further strengthen collaboration with our existing blue-chip PCB customers and expand our presence in the IC substrates and optical modules sectors. Through an integrated model that combines one-stop supply, joint development and localized manufacturing and service, we aim to compress time-to-ramp from concept to mass production, uphold stable and consistent quality at scale, and enhance customer stickiness. This coordinated approach is expected to drive deeper market penetration and improved profitability, while ensuring that our product roadmap remains aligned with downstream migration toward finer geometries, higher layer counts and more stringent reliability requirements.

Drive innovation to solidify technological leadership and establish industry standards

We intend to align our R&D roadmap with national development priorities and globally prioritized industries, while closely tracking frontier trends and increasing investment. We plan to deepen strategic collaboration with blue-chip downstream customers and leading universities and research institutes in China and overseas, establishing early-stage co-creation and joint-development mechanisms.

We will continue to incubate proprietary, IP-backed innovations, address mission-critical technical bottlenecks and strengthen our portfolio of patents and know-how to enhance technical barriers. Through our integrated "Process-Equipment-Product" R&D framework and close collaboration with major customers, we seek to improve consistency and reliability at scale production and further reinforce our technological leadership, with a goal to position us as a benchmark for innovation and a shaper of industry development in global precision manufacturing.

Advance industry-chain integration and pursue selective mergers and acquisitions to accelerate expansion

We will adhere to the development strategy of "organic growth combined with external expansion". While strengthening its internal growth drivers, we will proactively pursue investment and acquisition opportunities with strategic synergies, covering key nodes along the industrial chain and end-market segments in which we currently operate or may potentially enter. Through targeted investments and acquisitions, we aim to address business capability gaps, broaden our portfolio, deepen access to blue-chip customers and enhance our competitiveness in technology, manufacturing and market channels.

Execution will follow a principle-based approach centered on technology adjacency, customer overlap and market alignment. We plan to apply rigorous due diligence and a structured post-merger integration playbook to drive value creation through the transfer and standardization of processes and equipment, supply-chain and procurement synergies, cross-selling and channel leverage and the localization of manufacturing and services. Within a disciplined capital allocation and risk management framework, we seek to deliver step-change improvements in scale and profitability and to accelerate our evolution into a global, integrated provider of high-end manufacturing solutions.

Build a talent strategy commensurate with rapid growth and globalization

We are committed to building a diverse, professional and internationally minded team, by establishing a high-quality talent reserve to support long-term development. We have put in place a structured talent framework and will continue to enhance capabilities through internal training, regular talent reviews and job rotation. We will keep attracting seasoned professionals in R&D and innovation, intelligent manufacturing and global operations. By integrating domestic and overseas recruitment channels, we are building a cross-regional, multi-disciplinary talent system to support our rapid expansion and globalization strategy. We continue to deepen our strategic collaborations with leading universities and research institutions, nurturing professional talents through joint laboratories and research projects, thereby strengthening the depth and quality of our multi-tiered talent system. Under a systematic training regime that combines curriculum learning, rotational assignments and competency-based evaluation and reinforced by market-oriented performance and incentive mechanisms, we seek to enhance professional depth, organizational cohesion and innovation vitality, strengthening the human-capital foundation for our long-term, sustainable development.

As at the date of this announcement, the Company has no other material future plans in relation to significant investments and capital assets.

NON-IFRS MEASURE

To supplement our interim financial information that is presented in accordance with IFRS, the Group also uses adjusted profit for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. Directors believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. Directors believe that these measures provide useful information to investors and others in understanding and evaluating the Group's Interim Financial Information in the same manner as they help our management. However, the Group's presentation of adjusted profit for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and they should not be considered in isolation from, or as substitute for analysis of, the Group's Interim Financial Information or financial condition as reported under IFRS. The Group defines adjusted profit for the period (a non-IFRS measure) as profit/(loss) for the period adjusted for share-based compensation (a non-cash item). The Group defines adjusted net margin (a non-IFRS measure) as adjusted profit for the period (a non-IFRS measure) as a percentage of our total revenue.

	January to June 2026	**January to June 2025**
	RMB'000	
Profit for the period	678,036	158,891
Add:		
Share-based payments	4,536	6,552
Adjusted profit for the period (a non-IFRS measure)	682,572	165,443
Adjusted net margin (a non-IFRS measure)	37.3%	18.5%

In January to June 2026, the Group recorded an adjusted profit for the period (a non-IFRS measure) of RMB682.6 million and an adjusted net margin (a non-IFRS measure) of 37.3%, as compared with an adjusted profit for the period (a non-IFRS measure) of RMB165.4 million and an adjusted net margin (a non-IFRS measure) of 18.5% in January to June 2025, primarily due to the significant increase in orders driven by robust demand for AI computing power, communication hardware and others.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Company had no significant investments and/or material acquisitions or disposals of subsidiaries, associates and joint ventures.

CORPORATE GOVERNANCE

The Company completed its initial public offering of H shares (the "**H Shares**") and was listed on the Main Board of the Hong Kong Stock Exchange on July 9, 2026 (the "**Listing Date**"). As an A Share + H Share listed company, the Company has strictly complied with the requirements of the laws, regulations and normative documents of the places where its shares are listed, and has continuously improved its corporate governance structure. The Company's shareholders' meeting, Board of Directors and executive management each fulfill their respective roles and duties with the utmost diligence. The Company has also continuously strengthened its compliance operation to ensure the sustained and standardized development of its various businesses, including the establishment and improvement of a corresponding system framework, and the optimization and enhancement of its internal organizational structure and authorization management mechanism.

Currently, the Company has formulated, in accordance with the Company Law, the Securities Law, the rules of the stock exchanges where its shares are listed, and other applicable laws and regulations, as well as the articles of association of the Company, a comprehensive set of internal governance and management policies, including the Rules of Procedure of the Shareholders' Meeting, the Rules of Procedure of the Board of Directors, the System for Decision-Making on Connected Transactions, the Internal Control Management Measures, the Internal Audit Practice Standards, and the terms of reference of each committee under the Board of Directors.

As the H shares of the Company were not listed on the Hong Kong Stock Exchange during the Reporting Period, the corporate governance code (the "**Corporate Governance Code**") as stated in the Appendix C1 to the Rules Governing the Securities Listing on the Hong Kong Stock Exchange (the "**Listing Rules**") was not applicable to the Company during that period, but has become applicable to the Company since the Listing Date. From the Listing Date to the date of this announcement, the Company has complied with all applicable code provisions of the Corporate Governance Code apart from code provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairperson of the Board and chief executive should be separate and should not be performed by the same individual. The roles of chairperson of the Board and general manager of our Company are currently performed by Ms. WANG Xin. In view of Ms. WANG Xin's substantial contribution to our Group since our establishment and her extensive experience, we consider that having Ms. WANG Xin acting as both our chairperson of the Board and general manager will ensure consistent leadership within our Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Ms. WANG Xin continues to act as both our chairperson of the Board and general manager after the Listing, and therefore currently do not propose to separate the functions of chairperson of the Board and general manager. While this would constitute a deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (a) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises four independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (b) Ms. WANG Xin and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that she acts for the benefit and in the best interests of our Company and makes decisions for our Group accordingly; and (c) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether the separation of the roles of chairperson of the Board and general manager is necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors. As the H Shares of the Company were not listed on the Hong Kong Stock Exchange during the Reporting Period, the relevant rules under the Model Code are not applicable to the Directors during the Reporting Period. Having made specific enquiries to all Directors, each Director has confirmed that he/she has complied with the required standards as set out in the Model Code during the period from the Listing Date and up to the date of this announcement.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Except for the completion of the H Share global offering and listing of the Company on July 9, 2026 and as disclosed in Note 1 to the condensed consolidated financial statements contained in this announcement, there have been no significant events affecting the Group from the end of the Reporting Period to the date of this announcement.

INTERIM DIVIDEND

2026 Interim Dividend Plan

On August 19, 2026, the Board resolved to adopt the 2026 interim dividend (the "**Interim Dividend**") distribution plan, details of which are as follows:

For the first half of 2026, the parent company achieved a net profit of RMB556.1 million, and made an appropriation to the statutory surplus reserve of RMB55.6 million. Together with the undistributed profit of RMB230.0 million at the beginning of the year, and after deducting the profit dividend for the year 2025 of RMB205.0 million, the actual distributable profit amounted to RMB525.5 million. The Company's distributable profit for the first half of 2026 as shown in the consolidated financial statements prepared under the China Enterprise Accounting Standards amounted to RMB1,485.7 million. Pursuant to the relevant regulatory requirements and based on the lower of the distributable profits as shown in the consolidated financial statements and the parent company's financial statements, the profit available for distribution to shareholders for the first half of 2026 amounted to RMB525.5 million. Pursuant to the relevant provisions of the Company Law of the People's Republic of China, the Regulatory Guidelines for Listed Companies No. 3 — Cash Dividends of Listed Companies, and the Articles of Association, and after taking into consideration the Company's financial position, future business development needs and shareholders' investment return, the Company has formulated the following profit distribution plan for the first half of 2026:

For the profit distribution, the Company proposes to distribute a cash dividend of RMB10.00 (tax inclusive) per 10 shares to all shareholders based on the existing total share capital of 424,044,934 shares, with an aggregate cash dividend of RMB424.0 million (tax inclusive), and the remaining undistributed profit will be carried forward to subsequent years for distribution. No bonus shares will be issued, and no share capital will be increased by conversion of the capital reserve.

If there is any change in the Company's total share capital between the date of disclosure of the profit distribution plan for the first half of 2026 and the record date for the implementation of the equity distribution, the distribution ratio will be adjusted accordingly on the principle that the total amount of distribution remains unchanged.

The profit distribution complies with the requirements on profit distribution under the Company Law and the Articles of Association, and does not involve any circumstances that would prejudice the interests of all shareholders.

The 2026 interim cash dividend will be declared and denominated in RMB. Payment will be made in RMB to A shareholders and in HKD to H shareholders.

The Company expects to distribute the Interim Dividend to the H shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, September 23, 2026 (the "**Record Date**") on Friday, October 9, 2026, subject to the approval of the EGM. In accordance with the relevant regulations of the Shenzhen Stock Exchange and the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the distribution of the Interim Dividend to the A shareholders will be announced separately in a dividend implementation announcement. Investors are advised to pay attention to such announcement.

EGM

The EGM will be held at 2:30 p.m. on Tuesday, September 15, 2026, at the conference room on the 8th floor, Building 1, No. 39 Zhuyuan Road, Liaoxia, Houjie Town, Dongguan City, Guangdong Province, PRC.

For the purpose of determining the list of H shareholders who are entitled to attend the EGM, the H Share register of members of the Company will be closed from Thursday, September 10, 2026 to Tuesday, September 15, 2026 (both days inclusive). The H shareholders who wish to attend the EGM are required to submit the share certificates together with the transfer documents to the H Share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, September 9, 2026. The H shareholders of the Company who are registered with Tricor Investor Services Limited on or before the above date are entitled to attend the EGM.

Closure of Register of Members

Upon the approval of the relevant resolution(s) in relation to the Interim Dividend by the EGM of the Company, for the purpose of determining the entitlement of H Shareholders to the Interim Dividend, the H Share registrar of the Company will be closed from Saturday, September 19, 2026 to Wednesday, September 23, 2026 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members of H Shares of the Company on Wednesday, September 23, 2026 will be entitled to receive the Interim Dividend. In order to qualify for the Interim Dividend, H shareholders of the Company must lodge all transfer documents, together with the relevant share certificates, with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, September 18, 2026.

Information on Withholding Tax

A. ***Individual income tax***

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), the dividend and bonus income received by the overseas resident individual shareholders from the stocks issued by domestic non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax, which shall be withheld by the withholding agents according to the relevant laws. The overseas resident individual shareholders who hold the stocks issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China or the tax arrangements between Chinese Mainland and Hong Kong (Macau). The tax rate for dividends under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividend (bonus), generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividend is not equal to 10%, the following provisions shall apply: (1) for citizens from countries under tax agreements to be entitled to tax rates lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the tax authorities, over withheld tax amounts will be refunded; (2) for citizens from countries under tax agreements to be entitled to tax rates higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividend (bonus), and are not obligated to file an application; (3) for citizens from countries without tax agreements or being under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividend (bonus).

B. ***Enterprise income tax***

Pursuant to the Enterprise Income Tax Law of the People's Republic of China, the Regulations on the Implementation of Enterprise Income Tax Law of the People's Republic of China, Notice of the State Administration of Taxation on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to Holders of H Shares Which Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall be subject to the enterprise income tax withheld at a uniform rate of 10%. After receiving dividends, non-resident enterprise shareholders may, on their own or through an authorized agent or withholding agent, submit an application to the competent tax authorities for the enjoyment of the benefits under the relevant tax treaty (arrangement), and provide information evidencing that they are the beneficial owners as stipulated under the relevant tax treaty (arrangement). Upon verification and confirmation by the competent tax authorities, a refund of the difference between the tax already withheld and the tax payable calculated in accordance with the tax rate prescribed under the relevant tax treaty (arrangement) shall be made.

C. *Profit distribution for investors investing in H Shares of the Company through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect*

Shanghai-Hong Kong Stock Connect

For domestic investors investing in H Shares of the Company through the Shanghai Stock Exchange (including enterprises and individuals), the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H Shares through Shanghai-Hong Kong Stock Connect, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares through Shanghai-Hong Kong Stock Connect through its depositary and clearing system. The cash dividends for the investors of H Shares through Shanghai-Hong Kong Stock Connect will be paid in RMB. According to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC, (1) for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the individual investors; (2) for dividends received by mainland securities investment funds from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors; and (3) for dividends received by mainland enterprise investors from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the income tax on their own. In particular, the dividends received by mainland resident enterprises which hold H shares for at least 12 consecutive months shall be exempted from enterprise income tax according to laws.

Shenzhen-Hong Kong Stock Connect

For domestic investors investing in H Shares of the Company through the Shenzhen Stock Exchange (including enterprises and individuals), the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H Shares through Shenzhen-Hong Kong Stock Connect, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares through Shenzhen-Hong Kong Stock Connect through its depositary and clearing system. The cash dividends for the investors of H Shares through Shenzhen-Hong Kong Stock Connect will be paid in RMB. According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong

Kong Stock Connect (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)), (1) for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the individual investors; (2) for dividends received by mainland securities investment funds from investing in stocks listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors; and (3) for dividends received by mainland enterprise investors from investing in stocks listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the income tax on their own. In particular, the dividends received by mainland resident enterprises which hold H shares for at least 12 consecutive months shall be exempted from enterprise income tax according to laws. The record date, dividend payment date and other time arrangements for the investors of the Company through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect will be the same as those for those H shareholders of the Company.

D. ***Special announcement***

The Company will withhold payment of the relevant income tax strictly in accordance with the relevant laws or requirements of the relevant government departments and strictly based on the Company's register of members of H Shares on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of withholding arrangement. The Company will not be liable for any claims arising from any delay in, or incorrect determination of the status of the shareholders or any disputes over the mechanism of withholding arrangement.

Other description

For H shareholders of the Company other than those through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company intends to appoint Tricor Investor Services Limited as the dividend payment agent (the "**Dividend Payment Agent**") for the H shareholders and the declared Interim Dividend will be deposited into the relevant account of the Dividend Payment Agent, who will then pay to the relevant H shareholders. The general manager or its duly authorized person is given by the Board of the Company the mandate to give instructions to the Dividend Payment Agent and to sign the documents to deal with the payment of the Interim Dividend. For H shareholders of the Company other than those through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the dividend will be paid by the Dividend Payment Agent on or around Friday, October 9, 2026 and the relevant checks will be sent to the H shareholders who are entitled to receive such dividend by ordinary post on the same date. The postal risk shall be borne by the recipient.

All investors are advised to read this announcement carefully. Shareholders should seek advice from their taxation advisors regarding the PRC, Hong Kong and other tax implications for their holding and disposing of H Shares of the Company.

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

During the Reporting Period, as the Company's H Shares were not yet listed on the Hong Kong Stock Exchange, the Listing Rules were not applicable to the Company during such period.

From the Listing Date up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale of treasury shares). As at the date of this announcement, the Company did not hold any treasury shares.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established the audit committee with written terms of reference in accordance with the provisions of the Corporate Governance Code. As at the date of this announcement, the audit committee comprises three members, including three independent non-executive Directors, namely Mr. Song Haihai, Dr. Xin Guosheng and Ms. Li Xiaofei. Mr. Song Haihai is the chairman of the audit committee. On August 19, 2026, the Audit Committee has reviewed and confirmed the unaudited interim financial report of the Company for the six months ended June 30, 2026, and is of the view that the unaudited interim financial report for the six months ended June 30, 2026 complies with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

PUBLICATION OF 2026 INTERIM RESULTS AND H SHARE INTERIM REPORT

This 2026 interim results announcement is published on the website of HKEXnews (www.hkexnews.hk) and the Company's website (www.dtechs.cn). The H Share interim report of the Company for the six months ended June 30, 2026 will be made available on the above websites for inspection in due course, and will be despatched to shareholders who have indicated their wish to receive a printed copy in due course.

DEFINITIONS

Item	**Content**
"Board"	the board of directors of the Company
"the Company", "our Company", "the Joint-stock Company", "Dtech Technology", "Dtech Limited", "Guangdong Dtech", "we"	Guangdong Dtech Technology Co., Ltd.

Item	Content
"consignment"	the consignment model is a common sales model in the PCB tool industry. Under this model, the Company transports goods to designated consignment warehouses based on the customer's production plans and demand forecasts. Customers pick up the goods on demand in real time, and the Company settles the goods and payments monthly based on the actual quantity picked up and the corresponding statement of account. VMI is the abbreviation for Vendor Managed Inventory, which differs from the consignment model only slightly in terms of inventory management approach
"Director(s)"	the director(s) of the Company
"EGM"	the second extraordinary general meeting in 2026 of the Company to be held at 2:30 p.m. on Tuesday, September 15, 2026, at the conference room on the 8th floor, Building 1, No. 39 Zhuyuan Road, Liaoxia, Houjie Town, Dongguan City, Guangdong Province, the PRC
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"MPK Kemmer"	MPK Kemmer GmbH PCB Tools, a limited liability company established in Germany in 2001 which was principally engaged in industrial production and distribution of PCB tools in Germany
"PCB"	the abbreviation for Printed Circuit Board, is known in Chinese as 印製電路板, and is also referred to as 印製線路板, 印刷電路板, or 印刷線路板. It is manufactured using electronic printing technology, with an insulating board as the base substrate. By selectively drilling holes and laying out metallic circuit patterns, it enables interconnection between electronic components and serves as an intermediate transmission medium. As the supporting structure for electronic components, it is often called the "mother of electronic products"

Item	Content
"Reporting Period"	From January 1, 2026 to June 30, 2026

In this announcement, unless the context otherwise requires, all currency amounts are denominated in RMB.

By order of the Board
Guangdong Dtech Technology Co., Ltd.
廣東鼎泰高科技術股份有限公司
Wang Xin
Chairperson of the Board, Executive Director and General Manager

Hong Kong, August 19, 2026

As of the date of this announcement, the Board comprises: (i) Ms. Wang Xin, Mr. Wang Junfeng, Mr. Lin Xia, Mr. Wang Xuefeng and Ms. Wang Yifei as executive Directors; and (ii) Ms. Li Xiaofei, Mr. Song Haihai, Dr. Xin Guosheng and Dr. Huang Hui as independent non-executive Directors.