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沃尔核材

**Shenzhen Woer Heat-Shrinkable Material Co., Ltd.**

**深圳市沃爾核材股份有限公司**

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

**(Stock Code: 9981)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**FINANCIAL HIGHLIGHTS**

- For the year ended December 31, 2025, the revenue of the Group amounted to RMB8,442.5 million, representing an increase of 22.00% compared with the revenue of RMB6,920.1 million for the year ended December 31, 2024.
- For the year ended December 31, 2025, the Group achieved a net profit attributable to shareholders of the Company of RMB1,143.9 million, representing an increase of 34.96% compared with the net profit attributable to shareholders of the Company of RMB847.6 million for the year ended December 31, 2024.

The Board hereby announces the consolidated results of the Company and its subsidiaries for the year ended December 31, 2025 together with the comparative figures for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as follows:

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4	8,442,483	6,920,102
Cost of sales		<u>(5,881,505)</u>	<u>(4,809,739)</u>
<b>Gross profit</b>		<b>2,560,978</b>	<b>2,110,363</b>
Other income, gains and losses	5	79,856	91,919
Selling expenses		(388,917)	(353,553)
Administrative expenses		(313,074)	(345,659)
Research and development expenses		(446,202)	(348,694)
Share of results of associates		5,829	9,807
Finance costs	6	(54,337)	(60,439)
Impairment losses on financial assets, net	7	(20,829)	(29,881)
Listing expenses		<u>(1,737)</u>	<u>—</u>
Profit before taxation	7	1,421,567	1,073,863
Income tax expense	8	<u>(200,913)</u>	<u>(153,360)</u>
<b>PROFIT FOR THE YEAR</b>		<b><u>1,220,654</u></b>	<b><u>920,503</u></b>
<b>OTHER COMPREHENSIVE (EXPENSE)/ INCOME</b>			
Item that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		(4,675)	1,280
Item that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income, net of tax		<u>(28,961)</u>	<u>(8,926)</u>
Other comprehensive expenses for the year		<u>(33,636)</u>	<u>(7,646)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u><u>1,187,018</u></u></b>	<b><u><u>912,857</u></u></b>

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>			
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>1,143,868</b>	847,551
Non-controlling interests		<b>76,786</b>	72,952
		<b><u>1,220,654</u></b>	<b><u>920,503</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>			
<b>FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>1,110,298</b>	839,695
Non-controlling interests		<b>76,720</b>	73,162
		<b><u>1,187,018</u></b>	<b><u>912,857</u></b>
<b>EARNINGS PER SHARE</b>			
	<i>10</i>		
Basic ( <i>RMB</i> )		<b>0.92</b>	0.68
Diluted ( <i>RMB</i> )		<b><u>0.92</u></b>	<b><u>0.68</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>3,946,339</b>	3,055,160
Right-of-use assets		<b>676,425</b>	487,622
Goodwill		<b>694,828</b>	694,828
Intangible assets		<b>20,506</b>	25,874
Investment properties		<b>14,617</b>	14,321
Interests in associates		<b>52,895</b>	57,373
Equity instruments at fair value through other comprehensive income (“FVTOCI”)		<b>44,768</b>	175,843
Deferred tax assets		<b>68,135</b>	61,081
Contract assets		<b>8,972</b>	8,016
Trade and other receivables	<i>11</i>	<b>161,415</b>	113,318
Pledged bank deposits		<b>12,042</b>	—
		<hr/>	<hr/>
Total non-current assets		<b>5,700,942</b>	4,693,436
<b>CURRENT ASSETS</b>			
Inventories		<b>1,232,758</b>	865,307
Contract assets		<b>33,397</b>	32,205
Trade and other receivables	<i>11</i>	<b>3,909,482</b>	3,465,350
Tax recoverable		<b>9,386</b>	596
Financial assets at fair value through profit or loss (“FVTPL”)		<b>53,787</b>	145,169
Restricted bank deposits		<b>10,805</b>	1,264
Pledged bank deposits		<b>21,986</b>	59,489
Bank balances and cash		<b>1,288,024</b>	967,510
		<hr/>	<hr/>
Total current assets		<b>6,559,625</b>	5,536,890

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	<b>2,458,520</b>	1,899,931
Tax payables		<b>85,988</b>	89,497
Bank and other borrowings		<b>1,538,917</b>	774,452
Lease liabilities		<b>38,192</b>	32,980
Contract liabilities		<b>94,702</b>	79,306
Deferred income		<b>13,347</b>	8,474
		<hr/>	<hr/>
Total current liabilities		<b>4,229,666</b>	2,884,640
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>2,329,959</b>	2,652,250
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>8,030,901</b>	7,345,686
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<b>97,592</b>	62,398
Bank and other borrowings		<b>806,381</b>	901,473
Lease liabilities		<b>221,399</b>	193,410
Deferred income		<b>101,037</b>	60,076
		<hr/>	<hr/>
Total non-current liabilities		<b>1,226,409</b>	1,217,357
		<hr/>	<hr/>
<b>Net assets</b>		<b>6,804,492</b>	6,128,329
		<hr/>	<hr/>
<b>EQUITY</b>			
Share capital		<b>1,259,899</b>	1,259,899
Reserves		<b>5,237,215</b>	4,274,906
		<hr/>	<hr/>
Total equity attributable to owners of the Company		<b>6,497,114</b>	5,534,805
Non-controlling interests		<b>307,378</b>	593,524
		<hr/>	<hr/>
<b>Total equity</b>		<b>6,804,492</b>	6,128,329
		<hr/>	<hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

## 1. GENERAL INFORMATION

The Company is established in the People's Republic of China (hereafter, the “**PRC**”) on 19 June 1998. The Company converted into a joint stock company with limited liability on 28 September 2004. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and the Company's shares were listed on the Shenzhen Stock Exchange (stock code: 002130.SZ) on 20 April 2007. On 13 February 2026, the Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited. The registered address and principal place of business of the Company is Woer Industrial Park, Lanjing North Road, Longtian Subdistrict, Pingshan District, Shenzhen, Guangdong Province, PRC.

The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in manufacturing and selling of telecoms cables, electronic material products, new energy vehicles (“**NEV(s)**”) power transmission products and electrical cable accessories products and sales of wind power.

The consolidated financial statements is presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”). For the purpose of preparation of the consolidated financial statements information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

### 3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

#### **Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### **New and amendments to IFRS Accounting Standards in issue but not yet effective**

The Group has not applied the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 <sup>2</sup>

<sup>1.</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2.</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3.</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### **IFRS 18 “Presentation and Disclosure in Financial Statements”**

IFRS 18 “Presentation and Disclosure in Financial Statements” (“**IFRS 18**”), which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “Presentation of Financial Statements” (“**IAS 1**”). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the Consolidated financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and IFRS 7 “Financial Instruments: Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future financial statements. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

#### 4. REVENUE AND SEGMENT INFORMATION

##### (a) Revenue

Revenue represents the aggregate of the net amounts received and receivable from customers during the year ended 31 December 2025 and 2024.

Revenue during the year ended 31 December 2025 and 2024 are as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Revenue from contracts with customers</b>		
<b>disaggregated by products</b>		
<b>Electronic Communication Business</b>		
Sales of telecoms cable products	2,550,555	1,702,272
Sales of electronic material products	2,851,375	2,599,375
<b>Electrical Power Transmission Product</b>		
<b>Business</b>		
Sales of NEV power transmission products	1,706,069	1,381,421
Sales of electrical cable accessories products	1,027,263	926,973
<b>Sales of wind power</b>	141,517	151,724
<b>Others</b>	165,704	158,337
	<hr/>	<hr/>
Total revenue	8,442,483	6,920,102
	<hr/>	<hr/>
<b>Timing of revenue recognition</b>		
Over time	74,229	65,139
At a point in time	8,368,254	6,854,963
	<hr/>	<hr/>
Total revenue	<u>8,442,483</u>	<u>6,920,102</u>

No customer contributed more than 10% of the total revenue for the year ended 31 December 2025 and 2024.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied as at the end of the reporting period date:

	Sales of telecoms cable products RMB'000	Sales of electronic material products RMB'000	Sales of NEV power transmission products RMB'000	Sales of electrical cable accessories products RMB'000	Others RMB'000	Total RMB'000
<b>As at 31 December 2025</b>						
Within one year	412,835	258,037	277,017	34,749	54,914	1,037,552
More than one year	—	—	—	—	12,636	12,636
	<u>412,835</u>	<u>258,037</u>	<u>277,017</u>	<u>34,749</u>	<u>67,550</u>	<u>1,050,188</u>
<b>As at 31 December 2024</b>						
Within one year	941,289	173,647	152,522	61,925	58,765	1,388,148
More than one year	—	—	—	—	62,479	62,479
	<u>941,289</u>	<u>173,647</u>	<u>152,522</u>	<u>61,925</u>	<u>121,244</u>	<u>1,450,627</u>

**(b) Segment information**

The chief operating decision-maker (“**CODM**”) reviews the Group’s internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

The CODM assesses the performance based on the nature of the Group’s businesses which are principally located in the PRC, and comprises four reportable segments as follows:

Electronics & electricity	Sales of electronic material products and electrical cable accessories products
Wires and cables	Sales of telecoms cable products
New energy products	Sales of NEV power transmission products
Wind power	Sales of wind power

The accounting policies of the operating segments are the same as the Group's accounting policy. Segment results represent the gain generated by each segment without allocation of the income tax expense. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance. Inter-segment sales are charged at prevailing market rates.

### Year ended 31 December 2025

	Electronics & electricity RMB'000	Wires and cables RMB'000	New energy products RMB'000	Wind power RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue from external customers	4,013,014	2,577,742	1,710,041	141,686	—	8,442,483
Inter-segment sales	<u>71,088</u>	<u>4,016</u>	<u>1,853</u>	<u>—</u>	<u>(76,957)</u>	<u>—</u>
Total segment revenue	<u>4,084,102</u>	<u>2,581,758</u>	<u>1,711,894</u>	<u>141,686</u>	<u>(76,957)</u>	<u>8,442,483</u>
Segment profit and profit before taxation	914,533	293,914	189,007	91,063	(66,950)	1,421,567
Income tax expense						<u>(200,913)</u>
Profit for the year						<u><u>1,220,654</u></u>

### Year ended 31 December 2024

	Electronics & electricity RMB'000	Wires and cables RMB'000	New energy products RMB'000	Wind power RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue from external customers	3,659,269	1,716,939	1,392,170	151,724	—	6,920,102
Inter-segment sales	<u>52,224</u>	<u>20,085</u>	<u>5,609</u>	<u>—</u>	<u>(77,918)</u>	<u>—</u>
Total segment revenue	<u>3,711,493</u>	<u>1,737,024</u>	<u>1,397,779</u>	<u>151,724</u>	<u>(77,918)</u>	<u>6,920,102</u>
Segment profit and profit before taxation	739,308	110,317	166,658	98,171	(40,591)	1,073,863
Income tax expense						<u>(153,360)</u>
Profit for the year						<u><u>920,503</u></u>

## Other segment information

### Year ended 31 December 2025

	Electronics & electricity RMB'000	Wires and cables RMB'000	New energy products RMB'000	Wind power RMB'000	Eliminations RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	365,079	662,802	125,420	643	—	1,153,944
Additions to intangible assets	1,447	—	1,114	92	—	2,653
Additions to right-of-use assets	139,896	106,605	—	—	—	246,501
Depreciation and amortisation	147,571	96,030	48,878	42,798	(8,257)	327,020
Impairment losses on property, plant and equipment	1,214	—	273	—	—	1,487
Written-down of inventories	14,061	13,807	20,144	—	—	48,012
Impairment losses/(reversal of impairment losses) on financial assets, net	6,390	9,396	4,965	(13)	91	20,829

### Year ended 31 December 2024

	Electronics & electricity RMB'000	Wires and cables RMB'000	New energy products RMB'000	Wind power RMB'000	Eliminations RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	137,046	195,752	142,270	2,410	(491)	476,987
Additions to intangible assets	1,979	—	310	209	—	2,498
Additions to right-of-use assets	67,006	12,740	95,743	—	(2,708)	172,781
Depreciation and amortisation	152,563	59,522	40,408	43,426	(7,847)	288,072
Impairment losses on property, plant and equipment	4,497	47	684	—	—	5,228
Impairment losses on goodwill	36,479	—	—	—	—	36,479
Written-down of inventories	9,786	3,792	11,800	—	—	25,378
Impairment losses/(reversal of impairment losses) on financial assets, net	13,410	12,217	4,017	(118)	355	29,881

### *Segment assets and liabilities*

The following is an analysis of the Group's assets and liabilities by reporting segments:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Segment assets</b>		
Electronics and electricity	<b>7,011,510</b>	5,933,654
Wires and cables	<b>2,969,595</b>	2,006,429
New energy products	<b>1,851,512</b>	1,576,187
Wind power	<b>1,098,163</b>	1,112,413
Eliminations	<b>(670,213)</b>	(398,357)
	<hr/>	<hr/>
Consolidated assets	<b><u>12,260,567</u></b>	<b><u>10,230,326</u></b>
<b>Segment liabilities</b>		
Electronics and electricity	<b>3,111,167</b>	2,546,827
Wires and cables	<b>1,911,566</b>	961,621
New energy	<b>989,962</b>	864,139
Wind power	<b>152,052</b>	185,724
Eliminations	<b>(708,672)</b>	(456,314)
	<hr/>	<hr/>
Consolidated liabilities	<b><u>5,456,075</u></b>	<b><u>4,101,997</u></b>

### ***Geographical information***

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the external customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	<b>Revenue from external customers</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
The PRC	<b>7,440,050</b>	6,108,050
Others	<b>1,002,433</b>	812,052
	<b><u>8,442,483</u></b>	<b><u>6,920,102</u></b>
	<b>Non-current assets (<i>note</i>)</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
The PRC	<b>4,882,133</b>	4,235,566
Others	<b>523,477</b>	99,612
	<b><u>5,405,610</u></b>	<b><u>4,335,178</u></b>

*Note:*

Non-current assets exclude equity instruments at fair value through other comprehensive income, deferred tax assets, contract assets, trade and other receivables and pledged bank deposits.

## 5. OTHER INCOME, GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other income</b>		
Government grants ( <i>note a</i> )	32,514	30,814
Interest income	7,746	16,747
Dividend income received from equity instruments at FVTOCI	1,000	3,313
Gross rental income	8,177	6,430
Value added tax refund	9,085	2,130
Additional value added tax deductible ( <i>note b</i> )	24,262	28,826
	<u>82,784</u>	<u>88,260</u>
<b>Other gains and losses</b>		
Loss on disposal of property, plant and equipment, net	(4,297)	(7,632)
Gain on early termination of leases	286	—
Gain from changes in fair value of financial assets at FVTPL	4,076	6,330
Impairment loss on property, plant and equipment	(1,487)	(5,228)
Foreign exchange (loss)/gains, net	(568)	8,530
Others	(938)	1,659
	<u>(2,928)</u>	<u>3,659</u>
	<u><u>79,856</u></u>	<u><u>91,919</u></u>

### Notes:

- (a) Included in the amount are government grants received by the Group amounting to RMB22,989,000 and RMB22,036,000 for the years ended 31 December 2025 and 2024, representing tax refunds, operating subsidies and various industry-specific subsidies granted by the government authorities to reward the Group's effort for technological innovation with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognised.
- (b) Additional value added tax deductible represents the tax authority allows advanced manufacturing enterprises to deduct an additional 5% of their deductible input tax from payable value added tax.

## 6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expenses on:		
— bank borrowings	41,642	49,462
— lease liabilities	9,171	7,079
— discounted bills	4,367	3,898
	<hr/>	<hr/>
Total borrowing costs	55,180	60,439
Less: amounts capitalised in the cost of qualifying assets	(843)	—
	<hr/>	<hr/>
	<b><u>54,337</u></b>	<b><u>60,439</u></b>

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 2.9% per annum to expenditure on qualifying assets.

## 7. PROFIT BEFORE TAXATION

Profit before taxation has been carried at after charging/(crediting):

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Auditor's remuneration		
— audit services	<b>3,157</b>	2,560
— non-audit services	<b>2,264</b>	526
	<b>5,421</b>	3,086
Cost of inventories sold	<b>4,155,307</b>	3,474,255
Depreciation of property, plant and equipment	<b>264,017</b>	239,427
Depreciation of right-of-use assets	<b>53,554</b>	34,578
Amortisation of intangible assets included in administrative expenses	<b>8,021</b>	12,688
Depreciation of investment properties	<b>1,428</b>	1,379
Total depreciation and amortisation	<b>327,020</b>	288,072
Capitalised in inventories	<b>(268,679)</b>	(223,521)
	<b>58,341</b>	64,551
Impairment losses on goodwill	—	36,479
Written-down of inventories	<b>48,012</b>	25,378
Impairment losses/(reversal of impairment losses), net:		
— trade receivables	<b>21,003</b>	24,302
— bills receivable	<b>(656)</b>	2,147
— other receivables	<b>84</b>	1,894
— contract assets	<b>398</b>	1,538
	<b>20,829</b>	29,881

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Short-term lease payments	<b>15,795</b>	18,074
Gross rental income from investment properties	<b>8,177</b>	6,430
Less: direct operating expenses incurred for investment properties included in administrative expenses	<b>(1,428)</b>	(1,379)
	<b><u>6,749</u></b>	<u>5,051</u>
Staff cost (including directors', chief executive's, and supervisors' remuneration):		
Basic salaries, allowances and other benefits in kind	<b>1,260,447</b>	1,087,997
Retirement benefit expense	<b>99,325</b>	72,920
Equity-settled share-based payments	<b>14,817</b>	2,094
	<b><u>1,374,589</u></b>	<u>1,163,011</u>
Listing expenses	<b><u>1,737</u></b>	<u>—</u>

## 8. INCOME TAX EXPENSE

### (a) Taxation in the consolidated statement of profit or loss

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income Tax:		
Current tax	<b>145,706</b>	142,826
Withholding tax	<b>19,010</b>	—
Under-provision in prior years	<b>2,989</b>	6,082
	<b><u>167,705</u></b>	<u>148,908</u>
Deferred tax:		
Current year	<b>33,507</b>	3,817
Attributable to a change in tax rate	<b>(299)</b>	635
	<b><u>33,208</u></b>	<u>4,452</u>
	<b><u>200,913</u></b>	<u>153,360</u>

The group companies are subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% except for certain subsidiaries of the Company, which are exempt or taxed at preferential rates of 15% entitled by subsidiaries in accordance with relevant tax rules and regulations in PRC or approvals by the tax bureaus in the PRC.

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends declared to foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Company is therefore liable for withholding taxes on any dividends distributable by its subsidiary established in Mainland China in respect of earnings generated from 1 January 2008. Pursuant to the PRC EIT Law, interests income received by the entity without establishments or places of business in China shall be subject to a withholding tax at 10% on gross income from interest.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

**(b) Tax effects relating to each component of other comprehensive income**

	<b>Before taxation <i>RMB'000</i></b>	<b>Taxation charged <i>RMB'000</i></b>	<b>Net of taxation <i>RMB'000</i></b>
For the year ended 31 December 2025			
Fair value change of equity instruments at FVTOCI	<u><b>(34,072)</b></u>	<u><b>5,111</b></u>	<u><b>(28,961)</b></u>
	<i>Before taxation RMB'000</i>	<i>Taxation credited RMB'000</i>	<i>Net of taxation RMB'000</i>
For the year ended 31 December 2024			
Fair value change of equity instruments at FVTOCI	<u><b>(10,503)</b></u>	<u><b>1,577</b></u>	<u><b>(8,926)</b></u>

## 9. DIVIDENDS

On 31 March 2026, the date on which the consolidated financial statements were authorised for issue, a final dividend in respect of the year ended 31 December 2025 of approximately RMB229.3 million in aggregate (RMB1.65 per 10 ordinary shares) was proposed pursuant to a resolution passed by the Board and is subject to the approval by the shareholders at the annual general meeting. The proposed dividend is not reflected as dividend payable in the Group's consolidated financial statements.

On 23 June 2025, the payment of a final dividend of approximately RMB170.7 million in aggregate (RMB1.37 per 10 ordinary shares) was paid by the Company in respect of the year ended 31 December 2024.

On 29 May 2024, the payment of a final dividend of approximately RMB211.9 million in aggregate (RMB1.70 per 10 ordinary shares) was paid by the Company in respect of the year ended 31 December 2023.

## 10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company for the years ended 31 December 2025 and 2024 is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Earnings</b>		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>1,143,868</u>	<u>847,551</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,246,334	1,246,334
Effect of dilutive potential ordinary shares:		
Share awards	1,060	N/A
Share options	584	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,247,978</u>	<u>1,246,334</u>

The weighted average number of ordinary shares outstanding during the year ended 31 December 2025 have been adjusted for the effect of the Company's share awards scheme and share option scheme granted in April 2025 and Company's share awards re-granted in October 2025.

The Group has no potential dilutive ordinary shares in issue for the year ended 31 December 2024.

## 11. TRADE AND OTHER RECEIVABLES

	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	<b>3,025,855</b>	2,652,617
Less: allowance for expected credit losses	<b>(182,399)</b>	(162,872)
	<b><u>2,843,456</u></b>	<u>2,489,745</u>
Bills receivable	<b>756,881</b>	701,546
Less: allowance for expected credit losses	<b>(5,433)</b>	(6,089)
	<b><u>751,448</u></b>	<u>695,457</u>
Other receivables	<b>482,140</b>	399,824
Less: allowance for expected credit losses	<b>(6,147)</b>	(6,358)
	<b><u>475,993</u></b>	<u>393,466</u>
	<b><u>4,070,897</u></b>	<u>3,578,668</u>
Analysis for reporting purposes:		
Non-current portion	<b>161,415</b>	113,318
Current portion	<b>3,909,482</b>	3,465,350
	<b><u>4,070,897</u></b>	<u>3,578,668</u>

The Group's trading terms with its customers are mainly on credit. The credit period is mainly within three months.

The following is an aged analysis of trade receivables net of allowance for expected credit losses presented based on revenue recognition date.

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 90 days	<b>2,069,082</b>	1,683,335
90 to 180 days	<b>435,669</b>	300,948
180 to 270 days	<b>135,568</b>	88,908
270 days to 1 year	<b>48,270</b>	212,088
1 year to 2 years	<b>119,345</b>	153,021
Over 2 years	<b>35,522</b>	51,445
	<b><u>2,843,456</u></b>	<u>2,489,745</u>

## 12. TRADE AND OTHER PAYABLES

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade payables	<b>1,206,627</b>	975,403
Bills payable	<b>591,403</b>	369,105
Other payables	<b>660,490</b>	555,423
	<b><u>2,458,520</u></b>	<u>1,899,931</u>

The trade payables are non-interest-bearing and are normally settled on terms range from 30 days to 90 days.

The following is an aged analysis of trade payables as at 31 December 2025 and 2024, presented based on the invoice date.

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 180 days	<b>1,164,806</b>	732,030
180 days to 1 year	<b>16,268</b>	168,825
1 year to 2 years	<b>12,513</b>	61,004
2 years to 3 years	<b>5,002</b>	3,182
Over 3 years	<b>8,038</b>	10,362
	<b><u>1,206,627</u></b>	<u>975,403</u>

### **13. EVENT AFTER THE REPORTING PERIOD**

In connection with the listing of the shares of the Company on the Main Board of The Hong Kong Stock Exchange Limited, 139,988,800 new ordinary shares with a nominal value of RMB1.00 each were issued at a price of HK\$20.09 per ordinary share including share premium for a total cash consideration of approximately HK\$2,812.4 million (equivalent to RMB2,497.0 million), before deducting underwriting fees, commissions and related expenses. Dealing of the shares of the Company on the Main Board of The Hong Kong Stock Exchange Limited commenced on 13 February 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis are based on our consolidated financial statements prepared in accordance with IFRS Accounting Standards.

### Revenue

The Group's revenue increased by 22.00% from RMB6,920.1 million for the year ended December 31, 2024 to RMB8,442.5 million for the year ended December 31, 2025, mainly due to the varying degrees of growth in revenue from sales of telecoms cables products, NEV power transmission products and electronic material products.

### Cost of sales

The Group's cost of sales increased by 22.28% from RMB4,809.7 million for the year ended December 31, 2024 to RMB5,881.5 million for the year ended December 31, 2025, mainly due to the increase in product sales volume, resulting in a corresponding rise in costs.

### Gross profit and gross profit margin

The Group's gross profit increased by 21.35% from RMB2,110.4 million for the year ended December 31, 2024, to RMB2,561.0 million for the year ended December 31, 2025.

The gross profit margin of the Company decreased from 30.50% for the year ended December 31, 2024 to 30.33% for the year ended December 31, 2025. Specifically, the gross profit margin of electronic materials products was 40.55%, representing an increase of 1.50% compared with the same period last year; the gross profit margin of electrical cable accessories products was 35.64%, representing a decrease of 1.28% compared with the same period last year; the gross profit margin of telecoms cable products was 21.82%, representing an increase of 5.44% compared with the same period last year; the gross profit margin of NEV power transmission products was 19.98%, representing a decrease of 3.27% compared with the same period last year; the gross profit margin of wind power was 60.63%, representing a decrease of 6.43% compared with the same period last year. Among them, the increase in the gross profit margin of electronic material products was mainly due to the decline in raw material procurement costs and the increase in the sales proportion of high-margin dual-wall tubing and medical tubing. The decrease in the gross profit margin of electrical cable accessories products was mainly due to the changes in the sales structure and the reduction in sales unit prices during the Reporting Period. The increase in the gross profit margin of telecoms cable products was mainly due to the increase in the sales proportion of high-speed communication cables with higher gross profit margins. The decrease in the gross profit margin of NEV power transmission products was mainly due to the reduction in unit prices to capture market share. The decrease in the gross profit margin of wind power was mainly due to the decrease in production.

## **Other income, gains and losses**

The Group's other income, gains and losses decreased from the net gain of RMB91.9 million for the year ended December 31, 2024 to a net gain of RMB79.9 million for the year ended December 31, 2025, mainly due to the decrease in interest income and exchange gains.

## **Selling expenses**

The Group's selling expenses increased by 10.00% from RMB353.6 million for the year ended December 31, 2024, to RMB388.9 million for the year ended December 31, 2025, mainly due to the growth in operating revenue, which led to a corresponding increase in selling expenses, principally employee remuneration and other related costs.

## **Administrative expenses**

The Group's administrative expenses decreased by 9.43% from RMB345.7 million for the year ended December 31, 2024 to RMB313.1 million for the year ended December 31, 2025, mainly due to the decrease in impairment losses on goodwill.

## **Research and development expenses**

The Group's research and development expenses increased by 27.96% from RMB348.7 million for the year ended December 31, 2024 to RMB446.2 million for the year ended December 31, 2025, mainly due to the increase in employee remuneration, and materials for R&D testing.

## **Finance Costs**

The Group's finance costs decreased from RMB60.4 million for the year ended December 31, 2024 to RMB54.3 million for the year ended December 31, 2025, primarily due to reduced interest expenses.

## **Impairment losses on financial assets, net**

Impairment losses on financial assets, net of the Group decreased from RMB29.9 million for the year ended December 31, 2024 to RMB20.8 million for the year ended December 31, 2025, primarily due to the reduction in expected credit losses of financial assets.

## **Share of results of associates**

The Group's share of results of associates represents its proportionate share of the net profit or loss of associates over which the Group has significant influence but not control. The Group's share of results of associates amounted to RMB9.8 million for the year ended December 31, 2024 and RMB5.8 million for the year ended December 31, 2025.

## **Income tax expense**

The Group's income tax expense increased from RMB153.4 million for the year ended December 31, 2024 to RMB200.9 million for the year ended December 31, 2025, primarily due to the increase in revenue, which led to an increase in total profit and consequently a rise in enterprise income tax.

## **Profit for the year**

As a result of the foregoing, the Group's profit for the year increased by 32.61% from a profit of RMB920.5 million for the year ended December 31, 2024 to a profit of RMB1,220.7 million for the year ended December 31, 2025.

## **Operating activities**

Net cash generated from operating activities of the Group for the year ended December 31, 2025 was RMB1,238.8 million, representing an increase of 31.38% as compared with the same period last year, primarily due to the growth in revenue and the increase in profit before tax.

## **Investing activities**

Net cash used in investing activities of the Group for the year ended December 31, 2025 amounted to RMB750.8 million, representing an increase of 27.02% as compared with the same period last year, primarily due to the increase in cash paid for the acquisition of fixed assets, intangible assets and other long-term assets.

## **Financing activities**

Net cash used in financing activities of the Group for the year ended December 31, 2025 amounted to RMB74.2 million, representing a decrease of 78.76% as compared with the same period last year, primarily attributable to the increase in borrowings and a decrease in repayments this year, which resulted in higher net cash inflow from borrowings.

## **Financial position**

The Group's total non-current assets increased from RMB4,693.4 million as of December 31, 2024 to RMB5,700.9 million as of December 31, 2025, primarily due to additions to property, plant and equipment.

The Group's total current assets increased from RMB5,536.9 million as of December 31, 2024 to RMB6,559.6 million as of December 31, 2025, primarily attributable to increases in inventories, trade and other receivables, and bank deposits.

The Group's total current liabilities increased from RMB2,884.6 million as of December 31, 2024 to RMB4,229.7 million as of December 31, 2025, primarily due to increases in trade and other payables and bank borrowings.

The Group's total non-current liabilities increased from RMB1,217.4 million as of December 31, 2024 to RMB1,226.4 million as of December 31, 2025, primarily attributable to an increase in deferred tax liabilities arising from preferential policies on accelerated depreciation of fixed assets, an increase in deferred income due to incremental government grants, and an increase in lease liabilities resulting from additional long-term leases.

The Group's net assets increased from RMB6,128.3 million as of December 31, 2024 to RMB6,804.5 million as of December 31, 2025, primarily due to the increase in net profit.

### **Inventories**

The Group's inventories primarily comprise finished goods, raw materials and consumables, and work in progress, which increased from RMB865.3 million as of December 31, 2024 to RMB1,232.8 million as of December 31, 2025, primarily due to the growth in revenue and the rapid increase in orders during the Reporting Period. The Group increased inventories of raw materials, work in progress and finished goods to ensure timely delivery.

### **Trade and other receivables**

The Group's trade and other receivables primarily represented trade receivables and bills receivable, which represents receivables arising from the sales of products and provision of services to our customers, and other receivables, primarily comprising deposits and prepayments for raw materials. The Group's trade and other receivables increased from RMB3,578.7 million as of December 31, 2024 to RMB4,070.9 million as of December 31, 2025, primarily due to an increase in trade receivables resulting from the increase in revenue.

### **Property, plant and equipment**

The Group's property, plant and equipment primarily consisted of buildings, plant and machinery, electricity generation and related equipment, leasehold improvements, motor vehicles and construction in progress. The Group's property, plant and equipment increased from RMB3,055.2 million as of December 31, 2024 to RMB3,946.3 million as of December 31, 2025, primarily due to the additions in plant and machinery and construction in progress purchases for the expansion of the telecoms cables business.

## **Goodwill**

The Group's goodwill arose from the acquisitions of CYG Electronics. The carrying amount of goodwill remained unchanged at RMB694.8 million as of December 31, 2024 and December 31, 2025.

## **Right-of-use assets**

The Group's right-of-use assets primarily consisted of land use rights and leased properties. The Group's right-of-use assets increased from RMB487.6 million as of December 31, 2024 to RMB676.4 million as of December 31, 2025, primarily due to the telecoms cable segment's expansion, which added leased plants in Vietnam, and the renewed plant leases in the Huizhou area.

## **Trade and other payables**

The Group's trade and other payables primarily consisted of trade and bills payables in relation to purchase of raw materials from suppliers, and other payable, comprising payable for purchase of property, plant and equipment, and employee compensation payables. The Group's trade and other payables increased from RMB1,899.9 million as of December 31, 2024 to RMB2,458.5 million as of December 31, 2025, primarily due to an increase in inventories, as well as higher balances of trade and bills payables in the Reporting Period.

## **Equity instruments at FVTOCI/Financial assets at FVTPL**

The Group's equity instruments at FVTOCI decreased from RMB175.8 million as of December 31, 2024 to RMB44.8 million as of December 31, 2025, primarily due to the disposal of investments in financial assets such as shares in Yangzhou Shuguang Cable Co., Ltd. (揚州曙光電纜股份有限公司) and certain shares in CYG Technology Group Co., Ltd. (長園科技集團股份有限公司) during the Reporting Period. The Group's Financial assets at FVTPL consisted of wealth management products held in banks during the Record Period, which decreased from RMB145.2 million as of December 31, 2024 to RMB53.8 million as of December 31, 2025, primarily due to the redemption of structured deposits purchased during the Reporting Period.

## **Contract liabilities**

The Group's contract liabilities increased from RMB79.3 million as of December 31, 2024 to RMB94.7 million as of December 31, 2025, primarily due to the increase in advance receipts at year end.

## **Lease liabilities**

The Group's lease liabilities increased from RMB226.4 million as of December 31, 2024 to RMB259.6 million as of December 31, 2025, primarily attributable to the telecoms cable segment's expansion, which added leased plants in Vietnam, and the renewed plant leases in the Huizhou area.

## **Capital structure, liquidity and capital resources**

The Group's total assets increased from RMB10,230.3 million as of December 31, 2024 to RMB12,260.6 million as of December 31, 2025. The Group's total liabilities increased from RMB4,102.0 million as of December 31, 2024 to RMB5,456.1 million as of December 31, 2025. The gearing ratio rose from 31.04% as of December 31, 2024 to 38.28% as of December 31, 2025. The Group's current ratio, being current assets divided by current liabilities as of the respective date, decreased from 1.92 times as of December 31, 2024 to 1.55 times as of December 31, 2025.

Historically, the Group has primarily relied on cash generated from operations and bank loan financing to meet its working capital needs and capital expenditures. The Group maintains sufficient cash and cash equivalents to ensure capital flexibility. The Group's cash and cash equivalents mainly comprise bank deposits and cash. The Group's cash and cash equivalents increased from RMB877.5 million as of December 31, 2024 to RMB1,288.0 million as of December 31, 2025, primarily due to cash inflows generated from the increase in net cash flows from operating activities, as well as the increase in net inflows from borrowings under financing activities supplemented the funding, which was partially offset by the expansion of net cash outflows from investing activities. The Group's cash and cash equivalents are mainly denominated in RMB.

The Group's bank and other borrowings increased from RMB1,675.9 million as of December 31, 2024 to RMB2,345.3 million as of December 31, 2025, primarily due to additions in short-term borrowings. The maturities of borrowings range from 2026 to 2035. As at December 31, 2025, all borrowings of the Group were denominated in RMB (December 31, 2024: denominated in RMB). The interest on bank borrowings is charged at both fixed and floating rates. Among them, the borrowings with a fixed rate was approximately RMB405.2 million, and the borrowings with a floating rate was approximately RMB1,535.8 million.

## **Treasury Policy**

The Group adopts a prudent financial management approach towards its treasury policy. The Board will closely monitor the liquidity position of the Group to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## **Capital expenditure**

The Group's capital expenditure mainly comprised purchases of property, plant and equipment and other asset items that related to capacity expansion. The Group's capital expenditure increased from RMB519.1 million as of December 31, 2024 to RMB1,071.5 million as of December 31, 2025, mainly due to the construction of the Huizhou Shuikou Plant and the expansion of telecoms cable production lines.

## **Foreign exchange rate and hedging**

The Group undertakes certain transactions denominated in foreign currencies, which expose us to foreign currency risk. The Group currently does not use derivative financial instrument to hedge the foreign exchange risk. The Group manages the foreign currency risk by closely monitoring the movement of the foreign exchange rate. The Group's foreign currency monetary assets are mainly from trade and other receivables and bank balances and deposits, and our foreign currency monetary liabilities are mainly from trade and other payables.

## **Contingent liabilities**

As of December 31, 2025, the Group had no material contingent liabilities.

## **Pledge of assets**

As of December 31, 2025, the property, plant and equipment and right-of-use assets of the Group with carrying amounts of RMB484.4 million and RMB96.0 million (as of December 31, 2024: RMB409.8 million and RMB54.6 million) respectively were pledged as guarantees for borrowings obtained by the Group. As of December 31, 2025, the bank deposits of the Group in the amount of RMB34.0 million (as of December 31, 2024: RMB59.5 million) were pledged as security for bills payable. As of December 31, 2025, the trade and other receivables of the Group in the amount of RMB378.7 million (as of December 31, 2024: RMB349.2 million) were pledged as security for bills payable.

Saved as disclosed above, the Group did not have any pledged assets as of December 31, 2025.

## BUSINESS REVIEW AND PROSPECT

### I. Overview of Business Operations in 2025

In 2025, the Group remained committed to its primary development focus of “electronic communications + new energy power”, diligently advancing its established strategic plan. Against the backdrop of ongoing macroeconomic uncertainties and intensifying industry competition, the Group actively capitalized on industry development opportunities, persisted in being driven by technological innovation and guided by market demand, continuously increased research and development (R&D) investment and market expansion efforts, and constantly promoted product upgrades and capacity building. Meanwhile, the Group continuously optimized resource allocation in line with industry development trends and changes in market demand, increasing investment in key business areas such as high-speed communication cables, thereby further enhancing the development momentum of related business segments. Furthermore, in terms of operation and management, the Group pursued continuous advancements in automation, informatization, and intelligent construction. By optimizing production processes and management procedures, it continuously improved overall operational efficiency and refined management levels, thus further consolidating its industrial foundation and enhancing its core competitiveness.

Benefiting from the aforementioned measures, all major business segments of the Group experienced varying degrees of growth during the Reporting Period. The telecoms cable business recorded the most significant growth, while the new energy vehicle product business also demonstrated robust growth. Overall, the Group’s operating performance maintained a steady upward trend. Below are the key achievements of the Group during the Reporting Period:

#### ***1. Strengthened R&D and innovation capabilities to promote product upgrades***

During the Reporting Period, the Group continued to increase its R&D investment, concentrating on the development needs of the electronic communications and new energy power industries, continuously promoting key technology breakthroughs and product iteration upgrades, and continuously improving the construction of the R&D system and enhancing the efficiency of converting technological achievements. In terms of product innovation, the Group successfully developed single-channel 448G high-speed communication cable samples, which were delivered to key customers for verification, positioning the product technology at the forefront of the industry. The independently developed 750kV electrical cable accessories have passed factory testing, marking the Group’s successful entry into the ultra-high voltage class in cable accessory R&D. The Group’s heat-shrinkable materials have achieved notable advancements in high-end sectors such as new energy and medical applications, with a steadily increasing sales share. In terms of R&D management, the Group continuously

optimized its R&D processes, introduced digital tools, and promoted intelligent construction within R&D management. These initiatives effectively improved the R&D management level, accelerated the new product development process, and further enhanced product development efficiency alongside technological innovation capabilities. At the same time, the Group closely aligned its efforts with market demand to facilitate the conversion of technological achievements into practical applications. It strengthened communication and collaboration with key customers in the product design and R&D stages, fostering deep integration between technological innovation and product application. In terms of team building, the Group continued to bolster its R&D talent pool by recruiting high-end R&D technical experts and deepening partnerships with renowned domestic universities, thereby creating a stable echelon of R&D talent.

## **2. *Deepened market layout and seized industry development opportunities***

During the Reporting Period, the Group actively seized development opportunities within the electronic communications and new energy power industries, continuously promoted market expansion and business layout, and optimized its customer structure to enhance brand influence and market competitiveness. In terms of market expansion, the Group closely monitored downstream industry development trends, leveraging its core product advantages to promote products and provide technical services. This approach allowed the Group to expand product application scenarios and steadily increase its market share. Meanwhile, the Group continuously optimized its sales network layout, gradually transitioning from a primary focus on expanding sales coverage to delivering in-depth services for key regions and customers. By strengthening its market cultivation and service capabilities, the Group tapped into market potential and supported steady business growth. Regarding key businesses, the Group keenly grasped the market opportunity presented by the rapid demand growth for high-speed communication cables, promptly increased resource investment, and optimized resource allocation to accelerate the development of the telecoms cable business, resulting in the formation of new business growth points. In overseas markets, the Group sought development opportunities and planned to expand its production bases in Malaysia and Vietnam. By enhancing the layout of its overseas production bases, the Group aimed to better serve overseas customers and improve its global supply capabilities.

### ***3. Promoted lean production management and continuously improved operational efficiency***

During the Reporting Period, the Group continued to advance the development of a lean production and operations management system, adhering to the principle of simultaneously improving quality and efficiency while controlling costs. It implemented various optimization measures in production management. In manufacturing, the Group focused on improving production efficiency and ensuring product quality consistency by promoting production process optimization, upgrading equipment automation, and adopting intelligent production systems. Additionally, it further enhanced production operational efficiency and manufacturing management levels through reinforced production planning and process management. In cost management, the Group further refined its cost control system, effectively reducing procurement costs through continuous optimization of inquiry and bidding procurement strategies. It strengthened material management, energy management, and production process control to enhance resource utilization efficiency. By conducting comprehensive multi-dimensional benchmarking analysis of similar products across various bases, the Group identified the optimal production cost solution for broad implementation. This approach promoted the unification of production standards for similar products across bases, leading to reduced production costs and improved production efficiency. In terms of base collaboration, the Group strengthened the linkage management among its various production bases, coordinating the complementary advantages of different production bases and aligning production capacity. It also promoted the continuous optimization of production management models through experience sharing, technical training, and process standardization, facilitating the replication and promotion of successful cases and practices across bases, further improving overall production operational efficiency and supply chain collaboration capabilities.

### ***4. Promoted digital transformation and improved management and operational efficiency***

The Group continued to advance the development of its digital and information systems, focusing on data management, system integration, and intelligent applications. It constantly improved its digital and information infrastructure, further enhancing operational and management efficiency through a blend of independent research and development and external adoption. During the Reporting Period, the Group successfully completed the private deployment of DeepSeek and Dify, actively exploring the application of AI large language modes (LLM) in enterprise management, and built a local knowledge base to strengthen knowledge management and intelligent office capabilities, ultimately improving work efficiency with AI technology. A secure encryption software

system was also launched to elevate the security protection level of the Group's core data and technical information, laying a solid security foundation for the Group's digital construction.

In addition, the Group consistently promoted the construction of multiple digital and intelligent applications covering business and financial processes based on its development plan and actual business needs, deepening data application in specific project implementation scenarios, thus providing solid digital support for the Group's business development and management upgrade.

**5. *Improved governance and incentive mechanisms to stimulate organizational development vitality***

During the Reporting Period, the Company continued to improve its corporate governance system and optimize its long-term incentive mechanism, enhancing both standardized operation level and organizational vitality, providing institutional support and talent-driven momentum for the Company's steady development. Regarding corporate governance, the Company completed the restructuring of its supervisory board, refined the working mechanisms of the Board of Directors and specialized committees, and continuously improved governance efficiency and decision-making quality. Simultaneously, in line with the regulatory requirements following the Company's H-share listing, the Company systematically reviewed and revised its internal governance and management systems, further improving its corporate governance framework and enhancing its standardized operation level and international governance capabilities. In terms of risk management, the Company reinforced internal supervision and risk prevention and control mechanisms, continuously improving its risk identification and control capabilities through internal and external audit collaboration and key area supervision and inspection, ensuring that the Company's business activities were conducted in a standardized and orderly manner. Additionally, to further establish and improve its long-term incentive mechanism, the Company implemented the 2025 Restricted Share Scheme and Share Option Scheme during the Reporting Period. These initiatives closely aligned the interests of core management personnel and key business personnel with the Company's long-term development, further boosting employee motivation and innovation, enhancing team cohesion and stability, and providing a solid talent foundation to support the Company's continued steady development.

## **6. *Successfully achieved H Shares listing, entering a new stage in the international capital market***

During the Reporting Period, the Company actively progressed towards the issuance of overseas listed foreign shares (H Shares) and their listing on the Main Board of the Hong Kong Stock Exchange. Upon approval, the 139,988,800 H Shares issued by the Company were successfully listed and traded on the Main Board of the Hong Kong Stock Exchange on February 13, 2026. This milestone marks the Company's official debut as a dual-listed A+H company, signifying a new chapter in its development in the capital markets.

The listing in Hong Kong further has broadened the Company's financing channels, providing diversified financial support for future technology R&D, capacity building, and global market expansion. Furthermore, the Company systematically reviewed and improved its corporate governance structure and related systems during the listing preparation and issuance process, further enhancing its standardized operation and promoting better alignment between corporate governance and international capital market rules. By entering the international capital market, the Company has further enhanced its brand influence and international presence, creating favourable conditions to advance its globalization strategy and expand into overseas markets.

In summary, through the continuous implementation of various operational measures, the Group's operating scale and profitability maintained steady growth in 2025, leading to an overall improvement in its operating performance. During the Reporting Period, the Group achieved revenue of RMB8,442.5 million, representing an increase of 22.00% compared to the same period last year; a net profit attributable to shareholders of the listed company of RMB1,143.9 million, representing an increase of 34.96% compared to the same period last year.

## **II. Outlook for Future Development of the Group**

### **(I) *The industry landscape and trends in which the Group operates***

#### **1. *Electronics and telecoms industries***

The rapid development of industries such as new energy, rail transportation, and intelligent manufacturing is driving improvements in electrical equipment safety protection standards. High-performance electronic materials, with their superior insulation, corrosion resistance, and waterproof protection, can effectively improve the operational stability and service life of electrical systems. As leading companies in the industry continue to increase R&D investment and enhance material

performance and customized support capabilities, related products are swiftly penetrating high-tech, high-value-added fields such as aerospace, medical, and rail transportation. This expansion of application scenarios is generating new growth momentum for the electronic materials market. The Group holds a leading market share in China for electronic materials products, particularly within traditional fields such as electrical appliances and electronic components, while also increasing its presence in high-end sectors. In the future, the Group will continue to focus on three key areas: R&D innovation, production optimization, and market expansion. Leveraging its solid foundational capabilities, the Group will constantly optimize its product structure, improve product performance, and actively promote industrial technology upgrades and high-end applications. It will advance digital and intelligent transformation and build a lean supply chain manufacturing system to reduce costs and increase efficiency. By fully leveraging its brand advantages, the Group will continue to cultivate advantageous markets and strive to tap into emerging markets.

The communication cable industry as a whole has experienced stable growth, driven by the growth of global data traffic, the deepening of digital transformation, and the increasing diversification of application scenarios. In the field of high-speed communication, the explosive demand for and rapid iteration of AI computing power has driven the continuous expansion of global computing centers, placing higher demands on data transmission efficiency, cost control, and reliability. Within computing centers, short-distance interconnection between servers and switches is the primary scenario, where high-speed copper cables, with their superior high-frequency performance, significant cost advantages, and high reliability, possess a strong competitive edge. Currently, computing power has become a core strategic resource in global technological competition, and leading domestic and international technology companies are continuously increasing their investment in computing infrastructure, laying a broad and solid foundation for the large-scale application of high-speed copper cables. In the field of automotive communication, the accelerated adoption of advanced driver assistance systems and the growing demand for high-speed, high-bandwidth in-vehicle applications such as high-definition displays, streaming media, and multi-zone audio are driving the increase in demand for automotive Ethernet, effectively propelling significant growth in the automotive communication cable market. To position itself within the high-end product market, the Group will focus on developing emerging application areas, including high-speed communication cables, automotive communication cables, and industrial electronic cables. We will increase investment in technological innovation resources, emphasizing R&D and the accumulation of core business technologies. By optimizing our marketing system and market positioning, along with concentrating on

the structural optimization of communication cable products, the Company aims to consolidate its competitiveness and improve profitability.

## 2. *New energy power industry*

With the large-scale integration of renewable energy into the grid and the rapid upgrading of power transmission networks towards digitalization and intelligence, the power system is imposing higher demands on the safety, reliability, and operational efficiency of transmission and distribution equipment. In December 2025, the National Development and Reform Commission (NDRC) and the National Energy Administration (NEA) issued the “Guiding Opinions on Promoting High-Quality Development of the Power Grid” (《關於促進電網高質量發展的指導意見》), clearly stating that by 2030, a new type of power grid platform will be initially established, with the main power grid and distribution network serving as important foundations and smart microgrids as a beneficial supplement, emphasizing the need for increased investment in the power grid construction. To implement the national strategic deployment for promoting high-quality development of the power grid, investments in the power grid sector continue to increase, which will strongly drive the sustained growth of market demand in the cable accessories industry. In the future, the Company will continue to promote a technology-driven strategy, improve the technological content of its products, perfect its product series, advance the process of intelligent products, and continue to dedicate itself to the development of high-voltage and multi-functional cable accessories. It will actively seek development opportunities in overseas markets, gradually penetrating the international market in a targeted manner to achieve steady growth in power products.

With the continuous surge in the production and sales of new energy vehicles, coupled with strong national policy support for the construction of electric vehicle charging infrastructure, charging infrastructure is set for rapid quantitative growth. In September 2025, the NDRC, NEA, the Ministry of Industry and Information Technology (MIIT), and other departments jointly issued the “Three-Year Action Plan for Doubling the Service Capacity of Electric Vehicle Charging Facilities (2025–2027)” (《電動汽車充電設施服務能力「三年倍增」行動方案(2025–2027年)》). This plan clearly states that by the end of 2027, 28 million charging facilities will be constructed nationwide, with a public charging capacity of over 300 million kilowatts, capable of meeting the charging needs of more than 80 million electric vehicles, ultimately achieving a doubling of charging service capacity. High-quality development will also drive the existing market into a large-scale “trade-in” cycle, injecting strong growth momentum into the electric vehicle charging gun industry. In the field

of battery safety protection, with the ongoing rapid development of the new energy vehicle industry, the power battery industry is also showing strong growth momentum. In April 2025, the MIIT issued the “Safety Requirements for Power Batteries for Electric Vehicles” (《電動汽車用動力蓄電池安全要求》), changing the requirement that power batteries “must not catch fire or explode” (不起火、不爆炸) to a mandatory requirement, which is known as the “strictest battery safety order in history”. In light of this, leading battery manufacturers are accelerating their deployments, launching products that comply with the new national standards, and seizing the high ground in safety technology, leading to a continuous optimization and upgrading of the industry’s competitive landscape. The Group will continue to focus on key products, maintain its competitive advantage in the domestic DC charging gun market, closely follow market and customer needs to provide customized development, and continue to advance the development projects of high-current fast charging gun products and materials, such as liquid-cooled charging guns. It will also continue to expand partnerships with automotive companies, increase the engagement with mainstream customers, and use charging sockets as a gateway to further explore high-voltage connectors, vehicle high-voltage wiring harnesses, and other business areas, thereby strengthening the depth and breadth of cooperation with automakers. The Group will always adhere to a strategy centered around technological and differentiated competition, improving product reliability and consistency, further advancing structural adjustments, and optimizing its business layout, thereby enhancing its market competitiveness.

## ***(II) Future development strategy and business plan for the Group***

In 2026, the Group will maintain its focus on two core businesses of “electronic communications + new energy power”, strengthen its commitment to sustainable growth, solidify the leading positions of its advantageous products in their respective segments, and drive the rapid development of its core business segments. In response to industry trends, the Group will identify and capitalize on development opportunities for supporting products in key industries while continuously optimizing its business structure and resource allocation. It will also plan its international development path, leveraging its H Shares listing platform and overseas production bases to actively explore global business opportunities. The Group will adhere to its differentiated competition strategies, continuously strengthen its technological innovation and market expansion capabilities, and further enhance its comprehensive competitiveness and industry influence in its segmented markets through economies of scale, thereby promoting high-quality, long-term, and stable development.

1. *Strategic focus and coordinated development*

The Group's strategic layout in the two major fields of electronic communications and new energy power aligns perfectly with national industrial policy guidance, with continuously expanding market space. In the future, the Group will maintain its focus on key business areas such as electronic materials, communication cables, power, new energy vehicles, and wind power generation, strategically concentrating on core products in application areas such as data centers, new energy vehicles, and robotics. It will continually optimize its business structure and resource allocation around the core industrial chain while fully leveraging its extensive experience in core businesses and its outstanding market expansion capabilities. It will promote synergistic development between traditional core businesses and new AI businesses and strengthen the diversified complementarity and synergistic effect of its product matrix. By continuously improving its product system and application layout, the Group will bolster its risk resistance and market adaptability brought by its diversified product structure, promote complementary advantages among various business segments in terms of technology, market, and customer resources, and build a development pattern that emphasizes both synergy and efficiency, stability and growth, laying a solid foundation for the Group's long-term sustainable development.

2. *Proactive iteration and continuous innovation*

The Group will continue to strengthen its technology innovation-driven development strategy, proactively plan its R&D direction, and advance the R&D of new products, technologies, and processes across all business segments. It will actively iterate and launch cutting-edge new products to maintain its industry-leading position. Following industry technology trends and focusing on key business areas, the Group will accelerate the commercialization of R&D achievements, continuously advance product iteration and upgrades and develop new products, and expand related application scenarios and market space to further enhance its product technology level and market competitiveness. Furthermore, the Group will continue to improve its R&D system, optimize its R&D management mechanism, strengthen the training and innovation mechanisms for R&D talent, and comprehensively enhance its independent innovation capabilities, thus further consolidating its technological leadership in relevant sub-sectors.

3. *Key breakthroughs and global expansion*

The Group will continue to deepen its engagement in core industries, focusing on key business areas and niche markets. It will concentrate its resources to achieve breakthroughs in key sectors, strengthen cooperation with key industry clients and leading customers, continually optimize its customer structure, and deepen collaboration. By continuously improving product quality and technical service capabilities, the Group will further enhance strategic synergy with core clients, building stable and long-term partnerships. Building on its domestic market advantages, the Company will steadily advance its overseas market expansion. Through the coordinated development of overseas production bases and the improvement of its global marketing network and service system, we aim to gradually establish a multi-dimensional global operating system encompassing production, sales, and service. This strategy will continuously boost the brand influence and competitiveness of the Group's products in the international market and further expand the Group's business development opportunities.

4. *Improved quality and efficiency for steady and long-term development*

The Group will continue to emphasize refined management and improve efficiency, leveraging the synergistic advantages of its subsidiaries and production bases in terms of market, production capacity, and technology by strengthening resource allocation and internal collaboration, so as to further enhance overall operational efficiency. Looking ahead, the Group will remain guided by digital and intelligent transformation, advancing the development of information systems and the intelligent upgrading of manufacturing. It will continuously optimize business processes and management systems to drive sustained improvements in production, operation, and management efficiency. Meanwhile, the Group will continue to improve its corporate governance structure and internal management system. By seizing opportunities in the capital market, we aim to continually elevate our standardized operation levels and management capabilities, providing a solid foundation for the Group's high-quality, long-term, and stable development.

### **III. RISKS FACED BY THE GROUP AND THE COUNTERMEASURES**

#### ***(I) Macroeconomic & Policy Risks***

The Group's industry is closely linked to the national macroeconomic environment and industrial policies. Macroeconomic fluctuations or state-level adjustments to industrial policy and sectoral direction, may affect the Group's production, operations and market demand, thereby creating uncertainty in its operating performance.

The Group will closely monitor national macroeconomic policies and market dynamics, strengthen policy research and industry analysis, and enhance the foresight and flexibility of its strategic planning. At the same time, by optimising its product mix, expanding application areas and broadening its customer base, the Group will bolster its ability to weather cyclical fluctuations, with a view to pursuing steady, sustainable development.

#### ***(II) Market Competition Risk***

As market competition intensifies, if the Group fails to continuously improve product technology, performance and service quality, or struggles to accurately anticipate industry trends and shifts in customer demand, it may suffer erosion of market share and margin pressure.

The Group will thoroughly study the competitive landscape and remain committed to the business philosophy of "customer-oriented approach centred on high quality, low cost and excellent service". It will continue to optimise product structure, enhance product quality, strengthen cost control and brand building, thereby improving customer retention. At the same time, the Group will adopt flexible market strategies, explore diversified marketing models, further expand market presence and consolidate its competitive advantages.

#### ***(III) Raw-Material Price Volatility Risk***

The Group's principal raw materials are copper and petroleum-derived products, which represent a significant proportion of finished-product costs, and are relatively sensitive to international commodity-market volatility. Significant price swings could undermine the Group's cost control and profitability.

Mitigation: The Group will actively track domestic and international price trends for key raw materials, build and maintain effective communication and collaboration with upstream suppliers, and enhance its procurement management and bargaining power for raw materials. It will continue to optimise procurement

practices, implement information-based and digital procurement management, and improve supply-chain coordination efficiency. The Group will leverage VBP (Centralized Volume-Based Procurement) to secure better terms and prices, optimise supply-chain resources, strengthen internal cost control, improve material utilisation, and effectively reduce overall procurement costs.

#### ***(IV) Management Risk***

With ongoing expansion of operations, assets and headcount as the Group accelerates cross-regional and international development, it will face increasingly complex organisational structures and management systems. This elevates requirements for its governance structure, internal control, and managerial capability. Failure to optimise these management mechanisms in a timely manner could hinder both operational efficiency and risk control.

The Group will continuously improve its internal management systems, optimise organisational structures, establish sound long-term incentive mechanisms, focus on talent succession, and enhance refined management and risk mitigation capabilities. It will also commit itself to developing corporate culture, strengthening workforce cohesion and engagement, and using information and digital technologies to improve overall management efficiency.

#### ***(V) Technology Risk***

With the domestic economy undergoing transformation and upgrading, and given accelerated technological innovation and upgrading in the electronic communications and new energy power sectors, the Group risks technological edge weakening if it fails to keep pace with technical and product developments, or if the conversion of its R&D outcomes falls short of expectations.

The Group will closely keep pace with technological innovation and product iteration, proactively invest in frontier technologies, accelerate the conversion and industrial application of R&D outcomes, and, where appropriate, introduce new technologies and products that shape and lead market demand. It will further deepen partnerships with industrial, academic and research institutions, in order to timely track technological trends and seize potential opportunities. It will also strengthen its R&D teams, raise R&D efficiency, and consolidate its technological leadership by improving R&D incentives.

## **PROFIT DISTRIBUTION PLAN**

The Board proposed the following 2025 profit distribution plan: distribute a dividend of RMB1.65 per 10 ordinary Shares (tax inclusive) (2024: RMB1.366402 per 10 ordinary shares (tax inclusive)) to the shareholders of the Company as at the record date for determining shareholders' entitlements to the 2025 profit distribution plan. Based on a total of 1,389,603,762 shares of the Company in issue as at March 31, 2026 and excluding 10,283,600 A shares of the Company repurchased in the special repurchase account, the total amount of the proposed final dividend is approximately RMB229,284,620.73 (tax inclusive) (2024: total distributed amount of RMB170,747,638.33 (tax inclusive)). The dividend will be denominated and announced in RMB, of which the A shareholders and investors of Hong Kong Stock Connect will be paid in RMB, and the H shareholders (excluding investors of Hong Kong Stock Connect) of the Company will be paid in HK dollars. The actual amount of HK dollars to be paid is calculated at the average of the central parity rates of RMB against HK dollars published by the People's Bank of China in five working days before (and including) the date of the AGM of the Company.

The 2025 profit distribution plan is subject to the approval of the shareholders at the AGM and the above profit distribution is expected to be paid to the eligible shareholders on or before July 31, 2026.

Information on the closure period of the register of members of the Company in relation to the proposed 2025 profit distribution plan and the record date for determining entitlements to the 2025 profit distribution plan will be announced in due course.

The Board is not aware of any shareholder who has waived or agreed to waive any dividends.

## **TAX ON DIVIDENDS**

According to the Enterprise Income Tax Law, and the Notice of the State Taxation Administration on the Issues concerning Withholding and Payment of the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (Guoshuihan [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H Shares registered under the name of non-individual enterprise, including the H Shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organisations or entities, shall be deemed as shares held by non-resident enterprise shareholders (as defined under the EIT Law). The Company will distribute the dividend to those non-resident enterprise shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC or which was established pursuant to the laws of foreign countries (regions) but has established effective administrative entities in the PRC, and whose name appears on the Company's H share registrar should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and relevant documents to Company's H share register, Computershare Hong Kong Investor Services Limited, in due course, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa (1993) No. 045 Document (《關於國稅發(1993) 045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the State Administration of Taxation on June 28, 2011, the dividend to be distributed by the PRC non-foreign invested enterprise which has issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries of their residence and the PRC. Thus, 10% individual income tax will be withheld from the dividend payable to any individual H shareholders whose names appear on the H share register of members of the Company on the record date, unless otherwise stated in the relevant taxation regulations, tax treaties or the Notice.

The Company assumes no responsibilities whatsoever in respect of and will not entertain for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

## **PROFIT DISTRIBUTION FOR INVESTORS OF SHENZHEN STOCK CONNECT**

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A shares of the Company listed on the SZSE, their dividends will be distributed in RMB by the Company through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Shenzhen Stock Connect who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises or individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

## **PROFIT DISTRIBUTION FOR INVESTORS OF HONG KONG STOCK CONNECT**

For investors of the Shanghai Stock Exchange and SZSE (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange, the cash dividends for the investors will be paid in RMB. The record date and the date of distribution of cash dividends and other arrangements for the investors of Hong Kong Stock Connect will be the same as those for the H shareholders of the Company. As for the relevant taxation policies, pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [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)》) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [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)》), for dividends received by domestic individual investors from investing in the H Shares of the Company listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in the Company's Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Shareholders of the Company are advised to consult their tax consultants regarding the tax impacts in the PRC, Hong Kong and other countries (regions) for holding and selling the Company's shares.

## **SUBSEQUENT EVENTS**

On February 13, 2026, the Company issued 139,988,800 H Shares at the price of HK\$20.09 per Share, which are listed on the Main Board of the Hong Kong Stock Exchange, with total proceeds of approximately HK\$2,812.4 million (approximately RMB2,497.0 million).

Save as disclosed in this announcement, there were no other material subsequent events of the Group after December 31, 2025 and up to the date of this announcement.

## **EMPLOYEE INFORMATION AND COMPENSATION POLICY**

The Group employed a total of approximately 8,735 employees as of December 31, 2025 and employed a total of 7,506 employees as of December 31, 2024. The staff costs of the Group were approximately RMB1,374.6 million during the Reporting Period.

The Group conscientiously implements laws and regulations such as the Labor Law of the PRC and the Labor Contract Law of the PRC and formulates compensation systems and incentive policies tailored to the actual situation of the enterprise, taking into account its enterprise development strategy, industry characteristics and ability to pay staff costs.

The Group adopts differentiated and standardized compensation systems based on different job sequences such as management, research and development and production workers, which are further divided into performance-based pay system, piece-rate (hourly) pay system, day-rate system based on shift output and other compensation systems. By evaluating the job value of various types of personnel and benchmarking market compensation levels, the Group develops compensation standards with competitive advantages, sets a reasonable hierarchy of personnel compensation levels, determines compensation distribution plans based on job positions and performance, and implements compensation increases and decreases based on performance evaluations, highlighting incentives for key positions in terms of research and development, marketing and craftsmanship. Moreover, the Group has implemented incentive mechanisms for innovation projects, patent projects, and management innovation as well as subsidy measures for overseas positions and employee housing, etc. and established and improved compensation incentive policies to promote high-quality and rapid development of the enterprise.

The remuneration of directors of the Company is determined by the Remuneration and Appraisal Committee of the Board after considering the Group's operating performance, personal performance and comparable market statistics.

## **SIGNIFICANT INVESTMENTS HELD/FUTURE PLAN FOR SIGNIFICANT INVESTMENTS OR PURCHASE OF CAPITAL ASSETS**

As of December 31, 2025, save as disclosed in this announcement, the Group had no significant investments or any future plan for significant investments or purchase of capital assets.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

On April 24, 2025, the Company convened the 26th meeting of the seventh session of the Board, at which the Resolution on the Proposed Sale of Equity Assets was considered and approved. The Company intended to dispose of an aggregate of 27,560,671 shares in Changyuan Technology Group Ltd. in a timely manner based on stock market conditions. During the Reporting Period, the Company sold a total of 23,679,900 shares of Chanyuan Technology Group Co., Ltd.

On June 18, 2025, the Proposal on Purchasing 25% of the Shares of CYG Electronics (Group) Co., Ltd. was considered and approved at the 30th meeting of the seventh session of the Board held by the Company, whereby the Company intended to purchase 25% of the shares of CYG Electronics held by Changyuan (Nanjing) Intelligent Grid Equipment Co., Ltd. (長園(南京)智能電網設備有限公司) at the price of RMB340 million. The Company completed the business registration change of its purchase of shares on June 30, 2025, and the ratio of shares held by the Company in CYG Electronics was changed from 75% to 100%. The Company paid the purchase price for its purchase of shares as agreed in the agreement during the Reporting Period. This purchase of shares has been completed.

Except as disclosed in this announcement, the Group had no other material acquisitions and disposals related to its subsidiaries, associates and joint ventures during the Reporting Period.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has adopted all code provisions in Part 2 of the Corporate Governance Code as the code of the Company.

As the H Shares of the Company were not yet listed on the Hong Kong Stock Exchange as of December 31, 2025, the Corporate Governance Code was not applicable to the Company during the Reporting Period. From the Listing Date to the date of this announcement, the Company complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the rules governing the securities transactions by directors under the Model Code.

As the H Shares of the Company were not yet listed on the Hong Kong Stock Exchange as at December 31, 2025, the Model Code was not applicable to the Company during the Reporting Period. Having made specific enquiry of all directors, all directors have confirmed that they have complied with all relevant provisions set out in the Model Code from the Listing Date to the date of this announcement.

## **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

Pursuant to the Resolution on the Repurchase of the Company's Shares considered and approved by the Company on October 26, 2023, the Company used its self-owned funds to repurchase 13,565,000 A Shares through centralised price bidding. The repurchase was completed in 2024. On May 12, 2025, 3,281,400 treasury A shares were transferred to the 2025 Restricted Share Scheme. As of December 31, 2025 and the date of this announcement, 10,283,600 A Shares were held by the Company as treasury A Shares, which shall only be used by the Company in connection with employees' share incentive scheme(s) of the Company.

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period. Save as disclosed in this announcement, as of December 31, 2025 and the date of this announcement, the Company did not hold any treasury shares (as defined in the Listing Rules).

## **USE OF PROCEEDS FROM THE GLOBAL OFFERING**

The Company issued 139,988,800 H shares with a par value of RMB1.00 each at an issue price of HK\$20.09 per ordinary share (including the share premium). The H shares began trading on the Main Board of The Stock Exchange of Hong Kong Limited on February 13, 2026. The proceeds from the global offering will be applied in accordance with the purposes set out in the prospectus.

As the Company's H shares were listed on the Main Board of the Hong Kong Stock Exchange on February 13, 2026, there were no details of net proceeds from the global offering used during the Reporting Period. As of the date of this announcement, there has been no change to the intended use of the net proceeds disclosed under the "Future Plans and Use of Proceeds" section of the prospectus.

## **REVIEW BY THE AUDIT COMMITTEE**

The Audit Committee comprises three members, including two independent non-executive directors and one non-executive director. It is currently chaired by Mr. Zeng Fanyue with Mr. Wang Dong and Dr. Li Wenyong as members. The Audit Committee satisfies the requirements under Rule 3.21 of the Listing Rules.

The Audit Committee has reviewed the consolidated financial statements of the Company for the year ended December 31, 2025 and the accounting policies and practices adopted by the Company, and has discussed matters relating to internal control and financial reporting. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed matters relating to financial reporting, including the review of the Group’s consolidated financial statements for the year ended December 31, 2025, and discussed matters relating to risk management and internal control, and no disagreement was noted.

## **SCOPE OF WORK FOR ANNUAL RESULTS ANNOUNCEMENT BY AUDITOR**

The figures above in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in this announcement have been agreed with Moore CPA Limited, the Group’s auditor, to be consistent with the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore CPA Limited in this announcement.

## **DEFINITIONS AND GLOSSARIES**

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“AGM”	the forthcoming 2025 annual general meeting of the Company
“A Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SZSE and traded in RMB
“Audit Committee”	The Audit Committee of the Board
“Board of Directors” or “Board”	the board of directors of the Company
“CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules

“China” or “PRC”	the People’s Republic of China, but for the purpose of the announcement and for geographical reference only, references in the announcement to “China” and the “PRC” do not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Company”	Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (深圳市沃爾核材股份有限公司), a joint stock limited company incorporated in the PRC, the A Shares and H Shares of which are listed on the SZSE (Stock Code: 002130) and Hong Kong Stock Exchange (Stock Code: 9981), respectively
“Corporate Income Tax Law”	the Corporate Income Tax Law of the People’s Republic of China and the relevant implementation rules
“CYG Electronics”	CYG Electronics (Group) Co., Ltd. (長園電子(集團)有限公司)
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Connect”	Chinese investors entrusting Chinese securities companies to file with the Hong Kong Stock Exchange through a securities trading service company established by the Shanghai Stock Exchange and the Shenzhen Stock Exchange to buy and sell stocks listed on the Hong Kong Stock Exchange within the prescribed scope
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Date”	February 13, 2026

“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended or supplemented from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Reporting Period”	the year ended December 31, 2025
“Shenzhen Stock Connect”	investors entrusting Hong Kong brokers to report to the Shenzhen Stock Exchange through a securities trading service company established by the Hong Kong Stock Exchange in Shenzhen to buy and sell stocks listed on the Shenzhen Stock Exchange within the scope of Shenzhen — Hong Kong Stock Connect
“SZSE”	the Shenzhen Stock Exchange

By order of the Board  
**Shenzhen Woer Heat-Shrinkable Material Co., Ltd.**  
**Mr. Zhou Heping**  
*Executive Director and Chairman of the Board*

Shenzhen, the PRC, March 31, 2026

*As at the date of this announcement, the Board comprises: (i) Mr. Zhou Heping, Ms. Yi Huarong, Mr. Liu Zhanli, Mr. Xia Chunliang and Ms. Deng Yan as executive Directors; (ii) Dr. Li Wenyong as non-executive Director; and (iii) Mr. Zeng Fanyue, Ms. Dai Bingjie and Mr. Wang Dong as independent non-executive Directors.*