



Hebei Haiwei Electronic New Material Technology Co., Ltd. 河北海偉電子新材料科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code : 9609

2025 Annual Report



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Song Wenlan (*Chairman of the Board*)

Mr. Cao Chaozhi

Mr. Sheng Zhixuan

Mr. Liu Qingbin

Non-executive Director

Ms. Zhong Ying

Independent Non-executive Directors

Ms. Gu Qun

Mr. Zhang Hao

Mr. Yu Qing

AUDIT COMMITTEE

Mr. Yu Qing (*Chairman*)

Ms. Zhong Ying

Mr. Zhang Hao

REMUNERATION COMMITTEE

Mr. Yu Qing (*Chairman*)

Ms. Gu Qun

Mr. Zhang Hao

NOMINATION COMMITTEE

Mr. Song Wenlan (*Chairman*)

Ms. Gu Qun

Mr. Zhang Hao

JOINT COMPANY SECRETARIES

Mr. Sheng Zhixuan

Ms. Tam Pak Yu, Vivien

AUTHORIZED REPRESENTATIVES

Mr. Song Wenlan

Ms. Tam Pak Yu, Vivien

REGISTERED OFFICE

Jing County Economic and Technological

Development Zone

Hengshui

Hebei Province

PRC

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN CHINA

Jing County Economic and Technological

Development Zone

Hengshui

Hebei Province

PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountant

Registered Public Interest Entity Auditor

35/F, One Pacific Place

88 Queensway

Hong Kong

COMPLIANCE ADVISER

Changjiang Corporate Finance (HK) Limited

Unit 3605-3611

36/F, Cosco Tower

183 Queen's Road Central

Central

Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

China Construction Bank

Jing County Branch

519 Jing'an Avenue
Jing County, Hengshui
Hebei Province
PRC

Bank of China

Jing County Branch

Market Road
Jing County Economic and Technological Development
Zone
Hengshui
Hebei Province
PRC

STOCK CODE

09609

COMPANY WEBSITE

www.haiwei.net

LISTING DATE

28 November 2025

FINANCIAL AND OPERATIONAL HIGHLIGHTS

RESULTS

	For the year ended 31 December			
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)
Revenue	334,030	421,695	329,545	327,076
Gross profit	103,972	125,072	102,890	146,848
Profit before taxation	51,486	93,228	78,292	120,572
Profit attributable to owners of the Company	48,008	89,884	70,902	102,007

ASSETS, LIABILITIES AND EQUITY

	For the year ended 31 December			
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)
Total assets	1,196,459	762,578	740,123	563,396
Total liabilities	37,336	76,559	137,803	317,638
Non-controlling interests	3,455	5,258	8,724	9,800
Equity attributable to owners of the Company	1,155,668	680,761	593,596	235,958

CHAIRMAN'S STATEMENT

Dear shareholders, partners, and all employees,

As we release this Annual Report, the Company has just navigated through an extraordinary fiscal year and now stands at the historic juncture where the “14th Five-Year Plan” concludes and the “15th Five-Year Plan” commences. As a dedicated player in China’s capacitor film industry, we are fully aware that every roll of film we produce is vital for new energy vehicles, power systems, and industrial equipment.

Over the past year, amidst intensifying competition and raw material price fluctuations, and despite the expenses related to our Hong Kong listing, all Haiwei employees have upheld the spirit of industrial dedication, unleashing internal potential and exploring external business opportunities. During the Reporting Period, our core business has operated steadily, with metallized film emerging rapidly as a new growth driver, and our product portfolio has continued to upgrade. Despite short-term performance under pressure, we have never slowed down our pursuit of breakthroughs in core technologies such as ultra-thinning and high-temperature resistance.

We adhere to the principle of “building the Company on technology”, being one of the few companies in China capable of independently designing, developing, and assembling capacitor base film production lines. As all our existing production lines are self-developed, this significantly shortens delivery cycles, reduces investment costs, and allows for the flexible supply of products in multiple specifications ranging from 2.7 to 13.8 microns.

In terms of industrial collaboration, we have forged deep ties with leading clients in the new energy, home appliances, and industrial control sectors, ensuring a diversified customer base that provides solid support for the steady development of our business.

Capacitor film, the “heart” of film capacitors, is increasingly being used to replace traditional capacitors. Leveraging our leading position in fast-growing sectors such as new energy, AI servers, and smart grids, the Company is poised to seize mid- to long-term development opportunities.

Looking ahead to the “15th Five-Year Plan” period, our confidence is built on three certainties: certainty in our sector – driven by the new quality productive forces and the energy revolution; certainty in our technology – as our self-developed production lines deliver cost and iterative advantages; and certainty in our original aspiration – after nearly two decades of deep cultivation, leveraging our listing as an opportunity, we are now fully focused on capacity expansion, the research and development of new types of films, and industrial chain integration.

Manufacturing is a marathon without a finish line. We thank all shareholders for their trust and patience. Together on this niche yet extraordinary track, we are determined to inject new momentum into “Made in China”!

Hebei Haiwei Electronic New Material Technology Co., Ltd.

Chairman: **Song Wenlan**

31 March 2026



MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY SITUATION DURING THE REPORTING PERIOD

Major global economies have set clear statutory or policy targets to achieve carbon neutrality or net-zero emissions by around 2050, fundamentally reshaping the global energy landscape and accelerating the transition from fossil fuels to renewable energy. Electricity is playing an increasingly central role in this transition, and the global electrification megatrend will continue to drive robust demand for new energy vehicles (NEVs), new energy power systems, and industrial and household electronic and electrical equipment. Capacitors are indispensable core electronic components for these applications, delivering critical functions including energy storage, voltage stabilization and system performance enhancement. Among the three mainstream capacitor categories (ceramic, aluminium electrolytic and film capacitors), film capacitors stand out for their outstanding voltage resistance, high-frequency stability and long service life, with their market share rising steadily increase, supported by widening adoption in high-growth, high-reliability sectors such as new energy. Driven by booming downstream NEV and renewable energy development, China's capacitor base film market has maintained steady growth with persistent demand outpacing supply, a dynamic that is expected to persist in the foreseeable future, with its size projected to reach RMB7.6 billion in 2029, representing a 15.5% compound annual growth rate from 2025 to 2029.

Our Group is primarily engaged in the R&D, manufacturing, and sales of capacitor base films and metallized films, which are core components of film capacitors. The industrial chain of capacitor films can be divided into three main segments: upstream raw materials, midstream manufacturing, and downstream applications. The upstream segment mainly involves the supply of raw materials, primarily electrical-grade polypropylene. This material features high technical barriers and limited global supply, and is primarily controlled by overseas enterprises. The midstream segment, capacitor film manufacturing, is the core business of our Group, with our main product portfolio including capacitor base films and metallized films. According to data from China Insights Consultancy as of 20 November 2025, our Group is the only enterprise among major domestic peers with the capability to independently design and develop capacitor base film production lines. The downstream segment involves the manufacturing and end-use applications of film capacitors. Our Group's products are widely used in fields such as new energy vehicles, new energy power systems, AI and data centers, industrial equipment, and household appliances.

The rapid development of downstream industries such as new energy vehicles, photovoltaic energy storage, and AI has provided our Group with vast market opportunities. Meanwhile, our Group will continue to advance the R&D of ultra-thin capacitor base films with thicknesses below 2.5 microns and promote the domestic substitution of raw materials, further enhancing technological barriers and supply chain security. With leading technological advantages, high-quality customer resources, a clear capacity expansion plan, and favorable industry development prospects, our Group is well-prepared to seize the historical opportunities presented by the rapid growth of the new energy and AI industries and continue to consolidate and enhance its market leadership position.



II. PRINCIPAL BUSINESS ACTIVITIES DURING THE REPORTING PERIOD

Our Group's capacitor film products mainly include (i) capacitor base films and (ii) metallized films. These products are key components of film capacitors, which are renowned for their excellent voltage resistance, high-frequency stability, and long service life. Film capacitors have a wide range of end-use applications, including (i) new energy vehicles, (ii) new energy power systems, (iii) AI and data centers, (iv) industrial equipment, and (v) household appliances. Our Group operates in the midstream segment of the industrial chain, with customers primarily including film capacitor manufacturers and BYD Company Limited (比亞迪股份有限公司) ("BYD"), a leading Chinese new energy vehicle company. Details of our Group's two main products are provided below:

- I. Capacitor Base Films – Capacitor base films serve as the dielectric in film capacitors, determining their performance. Capacitor base films represent the largest portion of our Group's revenue, accounting for 91.9%, 71.8%, 72.8%, and 78.8% of our Group's total revenue in 2022, 2023, 2024, and 2025, respectively.
- II. Metallized Films – Before capacitor base films are used in film capacitors, one side of the film needs to be coated with a metal layer, transforming it into a metallized film. This metal layer acts as the electrode in film capacitors. Although our Group's customers typically use the capacitor base films provided by us to produce metallized films themselves, they may directly purchase metallized films from our Group due to limited production capacity.

III. ANALYSIS ON CORE COMPETITIVENESS

Our Group possesses significant core competitive advantages in the capacitor film industry and has established multi-dimensional competitive barriers centered on technological R&D, customer resources, and capacity layout.

- I. Technological R&D advantages constitute our Group's most core competitive moat. During the Reporting Period, our Group is the only enterprise among major capacitor film manufacturers in China that boasts the capability to independently design and develop capacitor base film production lines. As of the end of December 31, 2025, all five of our Group's existing capacitor base film production lines have been independently designed, developed, and assembled. The delivery cycle for these production lines is approximately eight months, significantly shorter than the industry average of three to five years. Leveraging this core technological advantage, our Group can flexibly adjust production line parameters according to customer needs, offering multi-specification products with thicknesses ranging from 2.7 microns to 13.8 microns to meet the differentiated demands of various end-use applications such as new energy vehicles, new energy power systems, AI, and data centers.
- II. Deeply bound customer resources are an important guarantee of our Group's market competitiveness. Our Group has formed strategic synergies with leading downstream customers. BYD became a shareholder and the largest customer of our Company in 2023. As of the date of this report, BYD holds approximately 3.77% of the Shares of our Company, ranking as our second-largest shareholder. This dual "shareholder + customer" engagement model not only ensures stable sales channels but also helps our Group to gain deep insights into the development trends of the downstream new energy vehicle and new energy power system industries, achieving long-term collaborative growth with its key customers.



MANAGEMENT DISCUSSION AND ANALYSIS

- III. Precisely seizing emerging market opportunities is an important driving force for our Group's sustained growth. With the explosive growth of the AI industry, AI server power systems have imposed higher requirements on high-frequency stability, high-voltage endurance, long service life and high reliability of supporting film capacitors, which has created significant new incremental market demand for our core products. Leveraging our deep accumulated technological expertise in the R&D and manufacturing of ultra-thin capacitor base films, we have successfully achieved market entry in this fast-growing emerging sector. According to data from China Insights Consultancy as of 20 November 2025, the market size of capacitor base films in China is expected to grow from 113,400 tons in 2024 to 224,100 tons in 2029, with a compound annual growth rate of 14.1%. The rapid development of downstream sectors such as new energy vehicles, photovoltaic energy storage, and AI, bring broad market opportunities for our Group.
- IV. Capacity layout and supply chain optimization are important supports for our Group's future growth. Our Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on 28 November 2025. The funds raised will be primarily used to expand capacity by constructing Southern China Facility, research and develop cutting-edge technologies such as ultra-thin capacitor base films with thicknesses below 2.5 microns, and promote the domestic substitution of raw materials. It is expected that the annual production capacity of capacitor base films will increase by 16,000 tons by 2027.

IV. OUTLOOK FOR THE FUTURE

(I) The Company's Development Strategy

Our Group is committed to becoming a globally leading supplier of capacitor films, seizing the historical opportunities presented by the rapid development of new energy vehicles, new energy power systems, and the AI industry, and continuously consolidating and enhancing its market leadership position. Our Group's development strategy mainly revolves around the following three aspects:

- I. Technology Autonomy Deepening Strategy. According to China Insights Consultancy, as of 20 November 2025, our Group is the only enterprise among major capacitor film manufacturers in China that boasts the capability to independently design and develop capacitor base film production lines. In the future, our Group will continue to bring into play this core advantage to further optimize production line design, shorten delivery cycles, reduce investment costs, and simultaneously make breakthroughs in manufacturing technologies for ultra-thin capacitor base films with thicknesses below 2.5 microns to maintain technological leadership in high-end products.
- II. Industrial Chain Extension Strategy. Our Group has completed a full industrial chain layout covering "capacitor base films + metallized films" and will continue to improve industrial chain synergy to enhance product added value. Meanwhile, our Group has extended its business to the field of composite copper foil base films. We are expanding application scenarios for new lithium battery materials and creating new growth curves through joint R&D with an A-share listed company.

- III. Supply Chain Security Strategy. In response to the high dependence on imported electrical-grade polypropylene, a core raw material, our Group will actively promote the domestic substitution of raw materials, collaborate with domestic chemical enterprises to test alternative materials, gradually reduce reliance on imported materials, optimize the supplier structure, and enhance its bargaining power over raw material pricing.

(II) 2026 Business Priorities

Our Group's operational prospects for 2026 include:

- I. Capacity Construction and Optimization. Accelerate the construction planning of Southern China Facility to ensure that the newly added capacitor base film production lines are put into operation as planned. Meanwhile, carry out technological upgrades and renovations on existing production lines to improve production efficiency and product yield, ensuring that capacity utilization remains at a healthy level.
- II. Technological R&D Breakthroughs. Concentrate resources on developing manufacturing technologies for ultra-thin capacitor base films with thicknesses below 2.5 microns to address the demands for product miniaturization and high capacity in high-end applications such as new energy vehicle electronic control systems and AI server power supplies. Simultaneously, continue to advance the R&D and verification of composite copper foil base films, striving for early breakthroughs in industrialization.
- III. Supply Chain Optimization and Upgrading. Initiate the testing and validation work for the domestic substitution of raw materials, establish strategic cooperation with leading domestic chemical enterprises, and strive to complete batch import testing of some substitute materials within 2026. Meanwhile, actively expand new overseas supplier channels to reduce the risk of reliance on a single supplier.
- IV. Market Expansion and Customer Cultivation. We will deepen strategic partnerships with core customers that are also our strategic shareholders, including BYD and Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司). We will closely align with the product iteration requirements of these partners, and develop high-specification base film products tailored to their needs. Meanwhile, we continue to proactively seek opportunities in the power system market of AI data centers to seize incremental opportunities brought by the development of the AI industry.



MANAGEMENT DISCUSSION AND ANALYSIS

(III) Risks Faced and Countermeasures

- I. Risk of Raw Material Supply and Price Fluctuations. Our Group's core raw material, electrical-grade polypropylene, is highly dependent on imports. Raw material costs accounted for over 79% of sales costs from 2022 to 2025, with purchases from the top five suppliers accounting for nearly 80%. Price fluctuations in the international market and geopolitical factors may adversely affect the supply chain stability. In response to these risks, our Group will accelerate the domestic substitution process of raw materials, collaborate with domestic chemical enterprises to test alternative materials, actively expand new overseas supplier channels, optimize the supplier structure, and establish a raw material price monitoring mechanism to smooth out the impact of price fluctuations through forward purchase contracts.
- II. Risks of Intensified Industry Competition and Product Price Declines. The top five manufacturers in China's capacitor base film market collectively hold a 61.6% market share, with major participants having comparable strengths, leading to fierce industry competition. Due to factors such as the strong bargaining power of downstream customers, the average selling price of our Group's capacitor base films has decreased, putting pressure on profitability. To address these challenges, our Group will rely on the cost advantage of independently designed production lines, continuously optimize production processes, reduce unit production costs, achieve economies of scale through capacity expansion, increase R&D investment in high-end products, optimize the product mix to increase the proportion of high-added-value products, and deepen synergistic cooperation with strategic customers to enhance customer loyalty.
- III. Risk of Technological Iteration. The capacitor film industry is trending towards "ultra-thinness and high-temperature resistance". If our Group fails to keep pace with technological iteration, its market competitiveness may be affected. In response, our Group will continue to increase R&D investment, concentrate resources on making breakthroughs in cutting-edge technologies such as ultra-thin capacitor base films, leverage the flexible adjustment advantage of independently designed production lines to quickly respond to market demand changes, and establish joint R&D mechanisms with strategic customers to pre-layout next-generation product technologies.
- IV. Risks of Capacity Expansion Falling Short of Expectations. Considering the long-term demand in the ultra-thin film market and the cost advantages that economies of scale can bring to the Group, the Group plans to add five capacitor base film production lines at Southern China Facility. If the construction progress of the projects falls short of expectations or the downstream demand fails to match the newly added capacity after it is put into operation, there may be a risk of overcapacity. Our Group will strictly control the construction progress of the projects to ensure they are put into operation as planned, arrange the pace of capacity release based on existing order demand and market forecasts, and continuously expand downstream application areas to diversify market risks.



FINANCIAL REVIEW

Revenue

The Group's revenue is primarily derived from sales of capacitor films, including capacitor base films and metallized films.

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

	For the year ended 31 December 2025		For the year ended 31 December 2024		Change
	RMB'000	As a Percentage of Total Revenue	RMB'000	As a Percentage of Total Revenue	
Capacitor films					
Capacitor base films					
Ultra-thin base films ⁽¹⁾	25,189	7.5%	26,930	6.4%	-6.5%
Thin base films ⁽²⁾	201,969	60.5%	240,152	57.0%	-15.9%
Medium-thick base films ⁽³⁾	35,990	10.8%	40,112	9.5%	-10.3%
Subtotal	263,148	78.8%	307,194	72.8%	-14.3%
Metallized films	45,135	13.5%	85,218	20.2%	-47.0%
Other Products⁽⁴⁾	25,747	7.7%	29,283	6.9%	-12.1%
Including: Recycled granules	25,297	7.6%	28,228	6.8%	-10.4%
Total	334,030	100.0%	421,695	100.0%	-20.8%

Notes:

- (1) Referring to capacitor base films with a thickness ranging from 2.0 μ m to 3.9 μ m.
- (2) Referring to capacitor base films with a thickness ranging from 4.0 μ m to 6.9 μ m.
- (3) Referring to capacitor base films with a thickness ranging from 7.0 μ m to 14.9 μ m.
- (4) In addition to recycled granules, other products primarily include electronic anti-theft tag films and composite copper foil base films.

During the Reporting Period, the Group achieved a revenue of approximately RMB334,030 thousand, representing a year-over-year decrease of 20.79%, primarily due to the supply-demand imbalance in the thin base films, medium-thick base films and metallized films market, particularly in the second half of 2025, which led to declines in both sales volume and selling price of certain products.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

The Group's cost of sales includes (i) raw material costs, which primarily include (a) electrical-grade polypropylene for the manufacturing of capacitor base films, (b) capacitor base films the Group procured from third parties for the metallized films we sold, (c) metallized films the Group purchased from Haowei Electronic and (d) other materials for the manufacturing of metallized films, such as aluminum and zinc; (ii) manufacturing costs, which include depreciation and amortization of the Group's manufacturing facilities, utility fees and other manufacturing costs; and (iii) direct labor costs, which primarily include the staff-related costs of the Group's manufacturing operations.

The table below sets forth the Group's cost of sales and percentages of revenue for the years ended 31 December 2025 and 2024:

	For the year ended 31 December 2025		For the year ended 31 December 2024		Change
	RMB'000	As a Percentage of Total Revenue	RMB'000	As a Percentage of Total Revenue	
Cost of sales	230,058	68.9%	296,623	70.3%	-22.4%
Raw material costs	185,381	55.5%	247,295	58.6%	-25.0%
– Capacitor base films	142,820	42.8%	156,892	37.2%	-9.0%
– Metallized films	23,650	7.0%	61,881	14.6%	-61.8%
– Other products	18,911	5.7%	28,522	6.8%	-33.7%
Manufacturing costs	38,327	11.5%	42,002	10.0%	-8.7%
Direct labor costs	6,350	1.9%	7,326	1.7%	-13.3%
Total	230,058	68.9%	296,623	70.3%	-22.4%

During the Reporting Period, our Group's cost of sales was approximately RMB230,058 thousand, representing a year-over-year decrease of 22.44%. Such decrease was in line with changes in our revenue during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

The table below sets forth the absolute gross profit amounts and gross profit margins of the Group for the years ended 31 December 2025 and 2024 by product:

	For the year ended 31 December 2025		For the year ended 31 December 2024		Change
	Gross Profit RMB'000	Gross Profit Margin	Gross Profit RMB'000	Gross Profit Margin	
Capacitor films					
Capacitor base films					
Ultra-thin base films ⁽¹⁾	10,165	40.4%	10,240	38.0%	2.4%
Thin base films ⁽²⁾	79,026	39.1%	88,073	36.7%	2.4%
Medium-thick base films ⁽³⁾	13,126	36.5%	14,972	37.3%	-0.8%
Subtotal	102,317	38.9%	113,285	36.9%	2.0%
Metallized films	1,418	3.1%	11,026	12.9%	-9.8%
Other Products⁽⁴⁾	237	0.9%	761	2.6%	-1.7%
Total	103,972	31.1%	125,072	29.7%	1.4%

Notes:

- (1) Referring to capacitor base films with a thickness ranging from 2.0 μ m to 3.9 μ m.
- (2) Referring to capacitor base films with a thickness ranging from 4.0 μ m to 6.9 μ m.
- (3) Referring to capacitor base films with a thickness ranging from 7.0 μ m to 14.9 μ m.
- (4) In addition to recycled granules, other products primarily include electronic anti-theft tag films and composite copper foil base films.

During the Reporting Period, our Group's gross margin was 31.1%, representing a year-on-year increase of 1.4 percentage points, primarily due to our improvements in cost management and timely adjustments to sales strategies in 2025 which ensured the stability of gross profit margin.

Other Income

Other income of the Group increased from approximately RMB8,625 thousand for the year ended 31 December 2024 to approximately RMB11,047 thousand for the year ended 31 December 2025, primarily attributable to the increase in government subsidies.

Distribution and Selling Expenses

The Group's distribution and selling expenses slightly decreased from approximately RMB3,299 thousand for the year ended 31 December 2024 to approximately RMB3,237 thousand for the year ended 31 December 2025, which is principally comprised of the remuneration of sales personnel, with basic salaries accounting for the predominant portion. In 2025, the basic remuneration level remained stable compared with the prior year. The Group maintained necessary operational expenditure to preserve its distribution channels and customer resources, as a result of which distribution and selling expenses were not adjusted synchronously with the fluctuations in the Group's revenue.



MANAGEMENT DISCUSSION AND ANALYSIS

Administrative Expenses

Our administrative expenses increased from approximately RMB13,420 thousand for the year ended 31 December 2024 to approximately RMB24,242 thousand for the year ended 31 December 2025, primarily due to the increase in expenses related to listing and compliance matters.

Research and Development Expenses

The Group's research and development expenses decreased from approximately RMB16,800 thousand for the year ended 31 December 2024 to approximately RMB15,457 thousand for the year ended 31 December 2025, primarily due to normal fluctuation in the research and development project cycle, and the Group's overall research and development investment has remained stable.

Finance Costs

The Group's finance costs decreased from approximately RMB2,405 thousand for the year ended 31 December 2024 to approximately RMB1,998 thousand for the year ended 31 December 2025, mainly due to the decrease in interest expenses on bank borrowings as a result of the decrease in our bank borrowings.

Income Tax Credit

The Group's income tax credit mainly refers to the total current income tax and deferred income tax credit of the Group under the relevant income tax rules and regulations in the jurisdictions where the Group operated in the current year. During the Reporting Period, the Group recorded an income tax credit of nil amount, representing no change compared to 2024.

Impairment Losses under Expected Credit Loss

The Group's impairment loss under expected credit losses increased from a reversal of loss of approximately RMB116 thousand for the year ended 31 December 2024 to a loss of approximately RMB3,224 thousand for the year ended 31 December 2025, mainly due to the increase in expected credit losses on trade, bills and other receivables.

Profit for the Year

As the result of the foregoing, the Group's profit for the year ended 31 December 2025 was approximately RMB44,735 thousand.

MANAGEMENT DISCUSSION AND ANALYSIS

Borrowings and Charges

As of 31 December 2025, the Group's loans were approximately RMB3,872 thousand, all of which were current borrowings, ensuring stable cash flow of the Group in the future. The Directors believed that the Group's leverage level and financial structure had laid a solid foundation for the Group to enhance its financial resilience and mitigate potential financial risks.

	31 December 2025 RMB'000	31 December 2024 RMB'000
Bank loans – guaranteed	–	15,000
Other borrowings	3,872	–
Current subtotal	3,872	15,000
Total	3,872	15,000

Liquidity and Financial Resources

The Group maintains sufficient cash and cash equivalents to maintain financial flexibility. Its primary sources of funds include cash generated from operating activities, bank loans, and proceeds from the listing of its H shares on the Stock Exchange. Our available cash and cash equivalents comprise bank balances and bank deposits. The Group's cash and cash equivalents increased from approximately RMB137,288 thousand as of 31 December 2024 to approximately RMB442,441 thousand as of 31 December 2025, primarily due to the proceeds from the listing of H shares on the Stock Exchange. The Group may require additional cash due to changing business conditions or other future developments. The Group expects that there will be no material changes in the financing available to support its operations in the future.

The Group maintains a robust capital ratio to support its business and manages its asset structure through the gearing ratio. The Group's gearing ratio, calculated based on financial guarantee liabilities, bank borrowings, lease liabilities and amounts due to related parties of non-trade nature divided by the ending balance of total equity and multiplied by 100%. The Group's gearing ratio decreased from 3.5% as of 31 December 2024 to 0.78% as of 31 December 2025, primarily attributable to the equity financing raised from the listing on the Stock Exchange and the operating profit generated during the year, which resulted in ample funds. Consequently, the Group repaid bank borrowings and settled amounts due to suppliers, further optimizing its financial structure.

The current ratio of the Group, which is calculated as current assets divided by current liabilities as at the end of each financial period, increased to approximately 21.74 times as of 31 December 2025 from approximately 7.32 times as of 31 December 2024, primarily due to (i) the increase in current assets resulting from cash generated from operating activities and the proceeds from the listing of H shares on the Stock Exchange; and (ii) the decrease in current liabilities resulting from decreases in payables and interest-bearing bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group maintains a sufficient cash flow level. In 2025, the Group's operating cash conversion ratio (defined as net cash generated from operating activities divided by annual profit) was 1.92 times. The cash generated from the Group's operating activities was used for payments to the Group's suppliers for raw material purchase. As of 31 December 2025, monetary assets accounted for more than 55.44% of the Group's total current assets. Considering the financial resources available to the Group, including cash and cash equivalents and cash flows generated from operating activities, the Group has sufficient working capital to operate for the next 12 months from 31 December 2025.

Capital Commitments

The table below sets forth the absolute amounts of the Group's capital commitments as of 31 December 2025 and 31 December 2024:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Capital commitments in respect of the acquisition of plant and equipment contracted for but not provided in the historical financial information	815,840	14,258

The Group's capital commitments were mainly related to the acquisition of property, plant and equipment. The Group's capital commitments increased from approximately RMB14,258 thousand as of 31 December 2024 to approximately RMB815,840 thousand as of 31 December 2025, primarily due to the entering into of Procurement Agreement in December 2025, which has been duly terminated as of the date of this report.

Capital Expenditures

The table below sets forth the absolute amounts of the Group's capital expenditures for the years ended 31 December 2025 and 2024:

	For the year ended 31 December 2025 RMB'000	For the year ended 31 December 2024 RMB'000
Payments for the purchase of property, plant and equipment	202,807	18,080

The Group's capital expenditures included payments for the purchase of property, plant and equipment. The Group's capital expenditures increased from approximately RMB18,080 thousand for the year ended 31 December 2024 to approximately RMB202,807 thousand for the year ended 31 December 2025, mainly due to an increase in prepayments for proposed equipment purchase to expand production capacity.

The Group expects to fund its future capital expenditures with its cash flows from operations, the proceeds from the Global Offering, and its own or self-raised funds.

MANAGEMENT DISCUSSION AND ANALYSIS

Contingent Liabilities

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

Foreign Exchange Risk

All of the Group's sales transactions are conducted within the PRC and are denominated in RMB. The Group is involved in procurement of raw materials settled in USD, but it is able to promptly pass on fluctuations in foreign exchange rates to its customers. As of 31 December 2025, the Group has not entered into any hedging arrangements in respect of foreign exchange risks, as such risks did not have a material adverse impact on the Group's operations. The Directors expect that fluctuations in the RMB exchange rate will not have any material adverse effect on the Group's operations.

Restricted Assets

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

Off-Balance-Sheet Arrangements

As of 31 December 2025, the Group has not entered into, nor does it expect to enter into any off-balance-sheet arrangements.

Employees and Remuneration Policies

As of 31 December 2025, the Group had a total of 226 full-time employees. The Group primarily recruit personnel through its online channels by conducting structured recruitment programs in partnership with specialized recruiting firms and other third-party platforms. The Group has also implemented an internal referral policy to draw qualified talent to its team.

The Group provide internal training programs about safety, production and technology to its employees periodically to enhance their safety awareness, strengthen their technical know-how and consolidate their knowledge and expertise for the industry.

Employee benefit expenses include (i) wages and salaries and (ii) pension scheme contributions and social welfare.

Significant Investments Held

As of December 31, 2025, the Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in the Major Transaction Announcement in relation to the Group's proposed procurement of certain equipment, there were no material investments, or major acquisitions or disposals in respect of subsidiaries, associates and joint ventures during the Reporting Period. For avoidance of any doubt, the procurement agreement set out in the Major Transaction Announcement was terminated.



REPORT OF THE BOARD OF DIRECTORS

The Board of Directors hereby presents the audited financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL BUSINESS

Our Group's capacitor film products mainly include (i) capacitor base films and (ii) metallized films. These products are key components of film capacitors, which are renowned for their excellent voltage resistance, high-frequency stability, and long service life. Film capacitors have a wide range of end-use applications, including (i) new energy vehicles, (ii) new energy power systems, (iii) AI and data centers, (iv) industrial equipment, and (v) household appliances. Our Group operates in the midstream segment of the industrial chain, with customers primarily including film capacitor manufacturers and BYD (a leading Chinese new energy vehicle company that has started producing its own film capacitors). Details of our Group's two main products are provided below: Capacitor base films: Capacitor base films serve as the dielectric in film capacitors, determining their performance. Capacitor base films represent the largest portion of our Group's revenue, accounting for 91.9%, 71.8%, 72.8%, and 78.8% of our Group's total revenue in 2022, 2023, 2024, and 2025, respectively. Metallized films: Before capacitor base films are used in film capacitors, one side of the film needs to be coated with a metal layer, transforming it into a metallized film. This metal layer acts as the electrode in film capacitors. Although our Group's customers typically use the capacitor base films provided by us to produce metallized films themselves, they may directly purchase metallized films from our Group due to limited production capacity.

BUSINESS REVIEW, FUTURE DEVELOPMENT AND ANALYSIS OF KEY FINANCIAL PERFORMANCE INDICATORS

Please refer to the "Management Discussion and Analysis" section of this Annual Report. The "Management Discussion and Analysis" section forms an integral part of this Board Report.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) MATTERS OF THE COMPANY

We aspire to become a leader in environmental, social, and governance ("ESG") responsibility by exploring ways to protect the environment and support social causes. We are committed to fulfilling our social responsibilities and believe that ESG is crucial for our sustained business development and success. We have implemented various measures to minimize any impact of our business on the environment.

For details regarding the Company's environmental protection, social responsibility, and governance, please refer to the 2025 Environmental, Social, and Governance Report published on the same day on the Company's and the Stock Exchange's websites.

LEGAL PROCEEDINGS AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best knowledge of the Board of Directors and management, the Group has complied with all relevant laws and regulations that have a significant impact on the Group's business and operations in all material respects during the Reporting Period. For the year ended 31 December 2025, the Group has not experienced any material violations or non-compliance with applicable laws and regulations.

PRINCIPAL RISKS AND UNCERTAINTIES

Risks Related to Business and Industry

Risk of raw material supply and price fluctuations. Our Group's core raw material, electrical-grade polypropylene, is highly dependent on imports. Raw material costs accounted for over 79% of sales costs from 2022 to 2025, with purchases from the top five suppliers accounting for nearly 80%. Price fluctuations in the international market and geopolitical factors may adversely affect the supply chain stability. In response to these risks, our Group will accelerate the domestic substitution process of raw materials, collaborate with domestic chemical enterprises to test alternative materials, actively expand new overseas supplier pipeline, optimize the supplier structure, and establish a raw material price monitoring mechanism to smooth out the impact of price fluctuations through forward purchase contracts.

Risks of intensified industry competition and product price declines. The top five manufacturers in China's capacitor base film market collectively hold a 61.6% market share, with major participants having comparable strengths, leading to fierce industry competition. Due to factors such as the strong bargaining power of downstream customers, the average selling price of our Group's capacitor base films has decreased, putting pressure on profitability. To address these challenges, our Group will rely on the cost advantage of independently designed production lines, continuously optimize production processes, reduce unit production costs, achieve economies of scale through capacity expansion, increase R&D investment in high-end products, optimize the product mix to increase the proportion of high-added-value products, and deepen synergistic cooperation with strategic customers to enhance customer loyalty.

Risk of technological iteration. The capacitor film industry is trending towards "ultra-thinness and high-temperature resistance". If our Group fails to keep pace with technological iteration, its market competitiveness may be affected. In response, our Group will continue to increase R&D investment, concentrate resources on making breakthroughs in cutting-edge technologies such as ultra-thin capacitor base films, leverage the flexible adjustment advantage of independently designed production lines to quickly respond to market demand changes, and establish joint R&D mechanisms with strategic customers to lay out the next-generation product technologies in advance.

Risks of capacity expansion falling short of expectations. Our Group plans to add four capacitor base film production lines. If the construction progress of the projects falls short of expectations or the downstream demand fails to match the newly added capacity after it is put into operation, there may be a risk of overcapacity. Our Group will strictly control the construction progress of the projects to ensure they are put into operation as planned, arrange the pace of capacity release based on existing order demands and market forecasts, and continuously expand downstream application areas to diversify market risks.

TAX RELIEF

The directors are not aware of any tax relief available to shareholders arising from their holding of the Company's securities.

SHARE CAPITAL

Details of changes in the Company's total share capital for the year ended 31 December 2025, are set out in Note 27 to the Financial Statements.



REPORT OF THE BOARD OF DIRECTORS

PROPERTY, PLANT, AND EQUIPMENT

Details of changes in the Group's property, plant, and equipment during the Reporting Period are set out in Note 16 to the Financial Statements.

As of the end of the Reporting Period, the percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Group's other investment properties or properties held for development and/or sale did not exceed 5%.

CHARITABLE DONATIONS

The Group made charitable donations of approximately RMB916,000 for the year ended 31 December 2025.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales amount and purchase amount of the Group's major customers and suppliers for the year ended 31 December 2025, are as follows:

Procurement Amount

– The largest supplier	49.36%
– Total of the five largest suppliers	75.58%

Sales Amount

– The largest customer	12.62%
– Total of the five largest customers	45.44%

To the best knowledge of the Directors, none of the Directors, their associates or any Shareholders who owned more than 5% of the Company's issued share capital had any beneficial interest in any of the Group's five largest customers or suppliers during the year ended 31 December 2025.

KEY RELATIONSHIPS WITH STAKEHOLDERS

We recognize the importance of maintaining good relationships with our stakeholders, including shareholders, employees, suppliers, customers, and other business partners, as this is crucial to the Group's success. We will continue to ensure effective communication and maintain good relationships with relevant stakeholders. For details regarding the Group's key relationships with its stakeholders, please refer to the 2025 Environmental, Social, and Governance Report to be published on the same day on the Company's and the Stock Exchange's websites.

CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2025, the Group did not have any connected transactions as defined under Chapter 14A of the Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

RELATED PARTY TRANSACTIONS IN HONG KONG

Details of related party transactions for the year ended 31 December 2025, are set out in Note 30 to the Financial Statements. For the year ended 31 December 2025, no related party transactions constituted “connected transactions” or “continuing connected transactions” that required disclosure in this Annual Report under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules regarding such continuing connected transactions entered into by the Group during the Reporting Period.

USE OF PROCEEDS FROM GLOBAL OFFERING

The Company’s H shares were first listed on the Main Board of the Stock Exchange on 28 November 2025. Without taking into account the partial exercise of the over-allotment option on 25 December 2025, a total of 35,456,000 H Shares with a par value of RMB1.00 each were issued at an offer price of HKD14.28 per share, raising gross proceeds of HKD506.31 million. After deducting underwriting fees, commissions, and other related listing expenses, the total net proceeds from the Group’s initial public offering were approximately HKD451.76 million (the “Net Proceeds”). The Net Proceeds have been and will be allocated and utilized in accordance with the purposes and proportions set out in the Company’s Prospectus, and there have been no changes to the intended uses of the Net Proceeds as disclosed in the Prospectus.

The following table sets out the intended uses of the Net Proceeds and a summary of their utilisation as of 31 December 2025:

Intended Use of Net Proceeds	Allocation of Net Proceeds	Percentage to Total Net Proceeds	Net Proceeds Utilised as of 31 December 2025	Balance of Net Proceeds Unutilised as at 31 December 2025	Intended Timetable for Use of the Unutilised Net Proceeds ⁽¹⁾
(i) To fund the production capacity expansion of our capacitor films	390.5	82%	–	390.5	2027
(ii) To enhance our R&D capabilities	23.8	5%	–	23.8	2027
(iii) For sales and marketing activities	14.3	3%	–	14.3	2027
(iv) For working capital and other general corporate purposes	47.6	10%	–	47.6	2027

Note: The intended utilisation timetable for the unutilised Net Proceeds is based on the Group’s current best estimate and may be subject to changes due to future developments and activities beyond the Group’s control.

On 25 December 2025, the over-allotment option as described in the Prospectus was partially exercised, and a total of 1,758,600 H shares with a par value of RMB1.00 each were allotted and issued to the Company at an offer price of HKD14.28 per share. After deducting the issue expenses payable by the Company in connection with the partial exercise of the over-allotment option, the Company received additional net proceeds of approximately HKD24.4 million. The net price per these newly issued H Shares was HKD12.79. The Company will utilize the additional net proceeds on a pro-rata basis in accordance with the purposes set out in the Prospectus.



REPORT OF THE BOARD OF DIRECTORS

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

From the Listing Date until 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's securities listed on the Stock Exchange (including the sale of treasury shares). As of 31 December 2025, the Company did not hold any treasury shares.

ISSUED DEBENTURES

The Group did not have any issuers or issue any debentures during the Reporting Period and as of the date of this Annual Report.

DIRECTORS

The directors during the Reporting Period and as of the date of this Annual Report are as follows:

Executive Directors

Mr. Song Wenlan
Mr. Cao Chaozhi
Mr. Sheng Zhixuan
Mr. Liu Qingbin

Non-executive Director

Ms. Zhong Ying

Independent Non-executive Directors

Ms. Gu Qun
Mr. Zhang Hao
Mr. Yu Qing

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board has complied with the requirements under Rules 3.10(1), 3.10(2), and 3.10A of the Listing Rules regarding the appointment of at least three independent non-executive directors (accounting for one-third of the Board, with one having appropriate professional qualifications or accounting or related financial management expertise).

The Board has received annual written confirmations from each independent non-executive director regarding their independence in accordance with Rule 3.13 of the Listing Rules and considers each of them to be independent.

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' SERVICE CONTRACTS

Each executive director has entered into a service contract with us, pursuant to which they agree to serve as executive directors for a term of three years commencing on the date of his or her election as an executive director by the board of directors. Upon expiry of the term, the executive director shall be eligible for re-election.

Each non-executive director and independent non-executive director has entered into a service contract with us for a term of three years until the expiration of the term of the first session of the Board of Directors, subject to the Articles of Association and the Listing Rules.

The aforementioned appointments are subject to the retirement provisions for directors under the Articles of Association.

During the Reporting Period, no director had a service contract with the Company or its subsidiaries that was not terminable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN MATERIAL TRANSACTIONS, ARRANGEMENTS, OR CONTRACTS

During the Reporting Period, no director or entity connected with any director had a direct or indirect material interest in any transaction, arrangement, or contract entered into by the Company or its subsidiaries that was material to the Company.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling Shareholders or any of its subsidiaries during the Reporting Period.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2025, calculated under the relevant legislation applicable in the PRC, the Company's place of incorporation, amounted to approximately RMB242,985,000.

PERMITTED INDEMNITIES

Subject to relevant laws and regulations, each director is entitled to indemnification from the Company for all costs, expenses, charges, losses, and liabilities that they may incur or arise in connection with the performance of their duties or matters related thereto. The Company has taken out liability insurance to provide appropriate protection for the directors.

DIRECTORS' RIGHTS TO SUBSCRIBE FOR SHARES OR DEBENTURES

During the Reporting Period, neither the Company nor any of its subsidiaries entered into any arrangements that would enable the directors to acquire benefits by subscribing for shares or debentures of the Company or any other corporate body.



REPORT OF THE BOARD OF DIRECTORS

ONGOING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

The Company has not undertaken any other disclosure obligations under Rules 13.20, 13.21, and 13.22 of the Listing Rules.

EQUITY-LINKED AGREEMENTS

During the Reporting Period, the Company did not enter into any equity-linked agreements, nor were any such agreements in existence.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Reporting Period, no director has been engaged in, or has an interest in, any business that directly or indirectly competes or may compete with the Group's business and is subject to disclosure under Rule 8.10 of the Listing Rules.

ADMINISTRATIVE MANAGEMENT CONTRACTS

During the Reporting Period, the Company did not enter into any management administration contract in respect of all or a substantial part of its business.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" section of this Annual Report.

AUDITOR

The H Shares were listed on 28 November 2025. From the Listing Date to 31 December 2025, there has been no change in auditors. The Consolidated Financial Statements of the Group have been audited by Deloitte Touche Tohmatsu, a firm of certified public accountants and registered auditors of public interest entities. Deloitte will be reappointed at the forthcoming annual general meeting of the Company but is eligible and willing to stand for re-election.

FINAL DIVIDEND

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 December 2025, and no arrangements have been made for any shareholder to waive or agree to waive any dividend.

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES, AND DEBENTURES OF THE COMPANY OR ASSOCIATED CORPORATIONS

As of 31 December 2025, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares, and debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) that are required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including those interests or short positions that they are deemed or regarded as having under the relevant provisions of the Securities and Futures Ordinance), or that are required to be registered in the register referred to in Section 352 of the Securities and Futures Ordinance, or that are required to be disclosed under the Model Code are as follows:

Name of Director or chief executive	Position	Nature of Interest	Number and Class of Shares held ⁽¹⁾	Approximate percentage of shareholding in the relevant class of shares of the Company ⁽²⁾
Mr. Song Wenlan ⁽³⁾	Chairman of the Board and executive Director	Beneficial owner Interest in controlled corporation	90,653,754 Unlisted Shares(L)	95.74%
			4,754,000 H Shares(L)	7.37%

Notes:

- (1) "L" denotes the relevant person's long position in the shares.
- (2) This calculation is based on the total number of the Company's 159,167,887 issued shares as of December 31, 2025, including (i) 94,692,348 Unlisted Shares in issue, and (ii) 64,475,539 listed H shares in issue as of 31 December 2025 (without taking into account the partial exercise of the over-allotment option on 25 December 2025).
- (3) As of December 31, 2025:
 - (i) Jing County Haiwei Electronic Financial Management Consulting Co., Ltd. (景縣海偉電子財務管理諮詢有限公司) ("Haiwei Financial") was owned by Mr. Song Wenlan as to 99%;
 - (ii) 99.9% of the partnership interests of Jing County Changrui Enterprise Management Consulting Partnership (Limited Partnership) (景縣昌瑞企業管理諮詢合夥企業(有限合夥)) ("Changrui Consulting") was owned by Haiwei Financial, whilst Haiwei Financial is also the general partner of Changrui Consulting; and
 - (iii) 99.9% of the partnership interests of Jing County Jiake Enterprise Management Consulting Partnership(Limited Partnership) (景縣嘉科企業管理諮詢合夥企業(有限合夥)) ("Jiake Consulting") was owned by Haiwei Financial, whilst Haiwei Financial is also the general partner of Jiake Consulting.

By virtue of the SFO, Mr. Song Wenlan is deemed to be interested in the Shares held by Haiwei Financial, Changrui Consulting and Jiake Consulting. For details of interests of each of Mr. Song Wenlan, Haiwei Financial, Changrui Consulting, and Jiake Consulting in our Company, please refer to "Interests and Short Positions of Substantial Shareholders in our Company's Shares and Underlying Shares" in this annual report.

REPORT OF THE BOARD OF DIRECTORS

Apart from the disclosures made above, as of 31 December, 2025, to the best of the Company's knowledge, information, and belief, none of the directors or chief executives of the Company has any interests or short positions in the shares, underlying shares, or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) that are required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including those interests or short positions that they are deemed or regarded as having under the relevant provisions of the Securities and Futures Ordinance), or that are required to be registered in the register referred to in Section 352 of the Securities and Futures Ordinance, or that are required to be disclosed under the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 31 December 2025, to the best of the Company's knowledge, the following persons (excluding the directors and chief executives of the Company, whose interests have been disclosed in this report) have interests or short positions in the shares and underlying shares of the Company that are required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or that are required to be registered in the register maintained by the Company under Section 336 of the Securities and Futures Ordinance:

Name of Substantial Shareholder	Nature of interest	Number and class of Shares held ⁽¹⁾	Approximate percentage of shareholding in the relevant class of shares of the Company ⁽²⁾	Approximate percentage of shareholding in the total issued share capital of our Company ⁽²⁾
Haiwei Financial ⁽³⁾	Beneficial owner Interest in controlled corporation	29,633,754 Unlisted Shares(L) 4,754,000 H Shares(L)	31.29% 7.37%	18.62% 2.99%
Zhu Yong ⁽⁴⁾	Interest in controlled corporation	15,129,000 H Shares(L)	23.46%	9.51%
Zhu Shaopeng ⁽⁴⁾	Interest in controlled corporation	15,129,000 H Shares(L)	23.46%	9.51%
Funland Management Limited ⁽⁴⁾	Interest in controlled corporation	15,129,000 H Shares(L)	23.46%	9.51%
Huizhi Group Holdings Company Limited (匯智集團控股有限公司) ⁽⁴⁾	Interest in controlled corporation	15,129,000 H Shares(L)	23.46%	9.51%
Huiyu Private Equity Fund Management (Huzhou) Co., Ltd. (匯譽私募基金管理(湖州)有限公司) ⁽⁴⁾	Interest in controlled corporation	15,129,000 H Shares(L)	23.46%	9.51%
Changxing County Finance Bureau (長興縣財政局) ⁽⁴⁾	Interest in controlled corporation	15,129,000 H Shares(L)	23.46%	9.51%
Zhejiang Changxing Industry Holdings Group Co., Ltd. (浙江長興產業控股集團有限公司) ⁽⁴⁾	Interest in controlled corporation	15,129,000 H Shares(L)	23.46%	9.51%

REPORT OF THE BOARD OF DIRECTORS

Name of Substantial Shareholder	Nature of interest	Number and class of Shares held ⁽¹⁾	Approximate percentage of shareholding in the relevant class of shares of the Company ⁽²⁾	Approximate percentage of shareholding in the total issued share capital of our Company ⁽²⁾
Changxing Industrial Investment Development Group Co., Ltd. (長興產業投資發展集團有限公司) ⁽⁴⁾	Interest in controlled corporation	15,129,000 H Shares(L)	23.46%	9.51%
Changxing Huili Equity Investment Partnership (Limited Partnership) (長興匯麗股權投資合夥企業(有限合夥)) ⁽⁴⁾	Interest in controlled corporation	15,129,000 H Shares(L)	23.46%	9.51%
Shanghai Huixing Lihai Enterprise Management Partnership (Limited Partnership) (上海匯興麗海企業管理合夥企業(有限合夥)) ⁽⁴⁾	Interest in controlled corporation	15,129,000 H Shares(L)	23.46%	9.51%
Horizon Splendor Limited (匯興麗海有限公司) ⁽⁴⁾	Beneficial owner	15,129,000 H Shares(L)	23.46%	9.51%
BYD	Beneficial owner	6,063,766 H Shares(L)	9.40%	3.81%
Yibin Lvneng Equity Investment Partnership (Limited Partnership) (宜賓綠能股權投資合夥企業(有限合夥), "Yibin Lvneng") ⁽⁵⁾	Beneficial owner	5,457,375 H Shares(L)	8.46%	3.43%
Yibin Development Venture Capital Co., Ltd. (宜賓發展創投有限公司, "Yibin Development") ⁽⁵⁾	Interest in controlled corporation	5,457,375 H Shares(L)	8.46%	3.43%
Yibin Development Holdings Group Co., Ltd. (宜賓發展控股集團有限公司, "Yibin Holdings") ⁽⁵⁾	Interest in controlled corporation	5,457,375 H Shares(L)	8.46%	3.43%
Chendao Capital LLP (寧波梅山保稅港區農道投資合夥企業(有限合夥), "Chendao Capital") ⁽⁵⁾	Interest in controlled corporation	5,457,375 H Shares(L)	8.46%	3.43%
Ningbo Yitian Investment Co., Ltd. (寧波梅山保稅港區倚天投資有限公司, "Ningbo Yitian") ⁽⁵⁾	Interest in controlled corporation	5,457,375 H Shares(L)	8.46%	3.43%
Mr. Guan Chaoyu (關朝余) ⁽⁵⁾	Interest in controlled corporation	5,457,375 H Shares(L)	8.46%	3.43%
Changrui Consulting ⁽³⁾	Beneficial owner	4,754,000 H Shares(L)	7.37%	2.99%
Jiake Consulting ⁽³⁾	Beneficial owner	4,754,000 Unlisted Shares(L)	5.02%	2.99%
Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司)	Beneficial owner	5,879,050 H Shares(L)	9.12%	3.69%
China International Capital Corporation Hong Kong Securities Limited	Underwriter	5,318,400 H Shares(L) 5,318,400 H Shares(S)	8.24% 8.24%	3.34% 3.34%
	Beneficial owner	1,655,000 H Shares(L)	2.57%	1.04%
China International Capital Corporation (International) Limited ⁽⁶⁾	Interest in controlled corporation	6,973,400 H Shares(L) 5,318,400 H Shares(S)	10.81% 8.24%	4.38% 3.34%
China International Capital Corporation Limited ⁽⁷⁾	Interest in controlled corporation	6,531,150 H Shares(L) 5,318,400 H Shares(S)	10.12% 8.24%	4.10% 3.34%



REPORT OF THE BOARD OF DIRECTORS

Notes:

- (1) "L" denotes the relevant person's long position in the shares. "S" denotes the relevant person's short position in the shares.
- (2) This calculation is based on the total number of the Company's 159,167,887 issued shares as of December 31, 2025, including (i) 94,692,348 Unlisted Shares in issue, and (ii) 64,475,539 listed H shares in issue as of 31 December 2025 (without taking into account the partial exercise of the over-allotment option on 25 December 2025).
- (3) As of 31 December 2025:
 - (i) Haiwei Financial was owned by Mr. Song Wenlan as to 99%;
 - (ii) 99.9% of the partnership interests of Changrui Consulting was owned by Haiwei Financial, whilst Haiwei Financial is also the general partner of Changrui Consulting; and
 - (iii) 99.9% of the partnership interests of Jiake Consulting was owned by Haiwei Financial, whilst Haiwei Financial is also the general partner of Jiake Consulting.

By virtue of the SFO, Mr. Song Wenlan is deemed to be interested in the Shares held by Haiwei Financial, Changrui Consulting and Jiake Consulting.

Accordingly, upon completion of the Global Offering:

- (i) Mr. Song Wenlan will be interested in 90,653,754 Unlisted Shares and 4,754,000 H Shares, comprising 61,020,000 Unlisted Shares directly held by himself, 24,879,754 Unlisted Shares directly held by Haiwei Financial, 4,754,000 H Shares directly held by Changrui Consulting and 4,754,000 Unlisted Shares directly held by Jiake Consulting;
 - (ii) Haiwei Financial will be interested in 29,633,754 Unlisted Shares and 4,754,000 H Shares, comprising 24,879,754 Unlisted Shares directly held by itself, 4,754,000 H Shares directly held by Changrui Consulting and 4,754,000 Unlisted Shares directly held by Jiake Consulting;
 - (iii) Changrui Consulting will be interested in 4,754,000 H Shares directly held by itself; and
 - (iv) Jiake Consulting will be interested in 4,754,000 Unlisted Shares directly held by itself.
- (4) As of 31 December 2025, Horizon Splendor Limited was wholly owned by Shanghai Huixing Lihai Enterprise Management Partnership (Limited Partnership) (上海匯興麗海企業管理合夥企業(有限合夥)). Its general partner, Huiyu Private Equity Fund Management (Huzhou) Co., Ltd. (匯譽私募基金管理(湖州)有限公司) ("Huiyu Private Equity Fund Management"), held 0.0005% of its partnership interests, and its limited partner, Changxing Huili Equity Investment Partnership (Limited Partnership) (長興匯麗股權投資合夥企業(有限合夥)) ("Changxing Huili"), held 99.9995% of its partnership interests. Huiyu Private Equity Fund Management was wholly owned by Huizhi Group Holdings Company Limited (匯智集團控股有限公司), which was in turn wholly owned by Funland Management Limited. Funland Management Limited was held by Zhu Yong, Zhu Shaopeng, and Zheng Jianping as to 42.5%, 42.5%, and 15% equity interests, respectively. Changxing Huili was held as to 1.8824% of its partnership interests by its general partner, Huiyu Private Equity Fund Management, and 98.1176% of its partnership interests by its limited partner, Changxing Industrial Investment Development Group Co., Ltd. (長興產業投資發展集團有限公司), which was held as to 70% by Zhejiang Changxing Industry Holdings Group Co., Ltd. (浙江長興產業控股集團有限公司) ("Industry Holdings"). Industry Holdings was wholly owned by Changxing County Finance Bureau (長興縣財政局). By virtue of the SFO, each of Shanghai Huixing Lihai Enterprise Management Partnership (Limited Partnership), Huiyu Private Equity Fund Management, Changxing Huili, Huizhi Group Holdings Company Limited, Funland Management Limited, Zhu Yong, Zhu Shaopeng, Changxing Industrial Investment Development Group Co., Ltd., Industry Holdings and Changxing County Finance Bureau is deemed to be interested in the Shares held by Horizon Splendor Limited.

REPORT OF THE BOARD OF DIRECTORS

- (5) As of 31 December 2025, Yibin Lvneng was held as to 46.50% by Yibin Development as a limited partner and 0.02% by Chendao Capital as its general partner. Yibin Development was wholly owned by Yibin Holdings, which was in turn owned as to 90% by the State-owned Assets Supervision and Administration Commission of the People's Government of Yibin Municipality (宜賓市人民政府國有資產監督管理委員會). Chendao Capital was held as to 99% by Mr. Guan Chaoyu as a limited partner and 1% by Ningbo Yitian as its general partner. Ningbo Yitian was owned as to 67% by Mr. Guan Chaoyu. By virtue of the SFO, each of Yibin Development, Yibin Holdings, Chendao Capital, Ningbo Yitian and Mr. Guan Chaoyu is deemed to be interested in the Shares held by Yibin Lvneng.
- (6) As of 31 December 2025, China International Capital Corporation Hong Kong Securities Limited was a wholly-owned subsidiary of China International Capital Corporation (International) Limited, by virtue of the SFO, China International Capital Corporation (International) Limited is deemed to be interested in the Shares held by China International Capital Corporation Hong Kong Securities Limited.
- (7) As of 31 December 2025, each of China International Capital Corporation Hong Kong Securities Limited, China International Capital Corporation (International) Limited and CICC Pucheng Investment Co., Ltd. was wholly controlled by China International Capital Corporation Limited, by virtue of the SFO, China International Capital Corporation Limited is deemed to be interested in the Shares held by the aforesaid entities.

Save as disclosed above, as at 31 December 2025, our Directors are not aware of any other person (other than the Directors or chief executive of the Company) or entities who had an interests or short position in the Shares or underlying Shares of the Company as recorded in the register to be kept by the Company pursuant to section 336 of the SFO.

MATERIAL LITIGATION

For the year ended 31 December 2025, the Company was not involved in any material litigation or arbitration. The directors are also not aware of any outstanding or threatened significant litigation or claims against the Group from the Listing Date to the date of this report.

AUDIT COMMITTEE

The Company has established an Audit Committee (the "Audit Committee") in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code (as amended from time to time). The Audit Committee consists of three members, namely Mr. Yu Qing, Ms. Zhong Ying, and Mr. Zhang Hao, and is chaired by Mr. Yu Qing (an independent non-executive director of the Company with appropriate professional qualifications). The Audit Committee is responsible for, among other things, considering matters related to the external auditors and their appointment, overseeing the Group's financial reporting system, risk management, and internal control systems, reviewing the Group's financial information, and reviewing policies and practices related to corporate governance.

The Audit Committee, together with the Company's external auditors, has reviewed the Group's audited annual results for the year ended 31 December, 2025 and discussed with members of the senior management matters concerning the accounting policies and practices adopted by the Company and internal controls. The Audit Committee considers that the audited consolidated financial statements comply with applicable accounting standards and requirements and that adequate disclosures have been made.



REPORT OF THE BOARD OF DIRECTORS

PUBLIC FLOAT

Based on the publicly available information of the Company and to the best of the directors' knowledge, the Company has maintained a sufficient public float as required by the Listing Rules during the Reporting Period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association and the laws of the PRC which oblige the Company to offer pre-emptive rights of new shares to existing Shareholders on their shareholding proportion.

SUBSEQUENT EVENT

Save as disclosed, the Company is not aware of any material subsequent events from 31 December 2025 to the date of this annual report. See note 40 to the Consolidated Financial Statements in this annual report for details.

By Order of the Board

Hebei Haiwei Electronic New Material Technology Co., Ltd.

Chairman and Executive Director

Mr. Song Wenlan

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS' BIOGRAPHIES

Executive Directors

Mr. Song Wenlan (宋文蘭), aged 46, is the chairman of our Board and an executive Director. He was appointed as a Director on June 20, 2014 and was re-designated as an executive Director on January 24, 2025. Mr. Song is responsible for providing leadership and governance of the Board, key decision making in relation to the operation of the Group, devising the operation and development strategies and overseeing the management of daily operation of the Group.

Mr. Song has approximately 20 years of experience in the capacitor film industry. His family founded our Company in September 2006 and he has been serving as a Director since June 2014. Outside our Group, Mr. Song served as the general manager of Haiwei Petrochemical Co., Ltd. (海偉石化有限公司) from June 2013 to September 2024, and the general manager of Haiwei Transportation from June 1999 to November 2022.

In recognition of Mr. Song's extensive industry experience, achievements and his contribution to local development, he was awarded Model Worker of Hebei Province (河北省勞動模範) and the leading talent of innovation and entrepreneurship team (創新創業團隊領軍人才) under the "Giant Project" (巨人計劃) by the government of Hebei Province in April and December 2014, respectively.

Mr. Song graduated from Dalian University of Technology (大連理工大學) in the PRC majoring in business and enterprise management in January 2013 through distance learning.

Mr. Cao Chaozhi (曹朝志), aged 45, is an executive Director and our general manager. He was appointed as a Director and our general manager on January 6, 2023 and was re-designated as an executive Director on January 24, 2025. Mr. Cao is responsible for the overall management and operation and technological research and development of the Group.

Mr. Cao has served as the director of technology and sales since he joined our Group in June 2010 until January 2023, when he was promoted as a Director and our general manager. He has served as an executive director and general manager of Ningguo Haiwei since March 2022, an executive director and manager of Haiwei Technology since November 2022 and a legal representative, executive director and general manager of Zhejiang Haiwei Electronic New Material Co., Ltd. (浙江海偉電子新材料有限公司) since December 2025. Prior to joining our Group, Mr. Cao worked at Haiwei Transportation from July 2002 to May 2010, with his last position as a workshop director.

Mr. Cao has accumulated extensive experience in and understanding of the capacitor film industry. His experience in the industry is testified by his various awards received from governmental organizations and industry associations. For example, Mr. Cao was awarded Skilled Craftsman of Hebei Province (河北省能工巧匠) by various governmental authorities of Hebei Province, including, among others, Hebei Federation of Trade Unions (河北省總工會), Hebei Development and Reform Commission (河北省發展和改革委員會) and Hebei Provincial Department of Science and Technology (河北省科學技術廳) in 2019 and Hebei Province Information Industry and Informatization "Young and Middle-aged High-tech Leading Talents Nomination Award" (河北省信息產業與信息化“中青年高新技術領軍人才提名獎”) by Hebei Province Information Industry and Informatization Association (河北省信息產業與信息化協會) in 2017.

Mr. Cao graduated from Beijing Language and Culture University (北京語言大學) in the PRC majoring in accounting in January 2022 through distance learning.



DIRECTORS AND SENIOR MANAGEMENT

Mr. Sheng Zhixuan (盛智宣), aged 37, is an executive Director, secretary of our Board, our chief financial officer and one of our joint company secretaries. He was appointed as a Director, the secretary of our Board and our chief financial officer on January 6, 2023 and our joint company secretary on January 21, 2025, and was re-designated as an executive Director on January 24, 2025. Mr. Sheng is responsible for board related matters, corporate finance and the overall financial management and legal and compliance matters of the Group.

Prior to joining our Group, Mr. Sheng served as the chief financial officer of Haiwei Petrochemical Co., Ltd. (海偉石化有限公司) from October 2019 to December 2022, a member of the legal compliance department of Cinda Securities Co., Ltd. (信達證券股份有限公司, 601059.SH) from August 2017 to September 2019, a senior auditor of the Beijing Branch of Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合夥)北京分所) from January 2015 to July 2017 and an auditor of Zhongxinghua Certified Public Accountants LLP (中興華會計師事務所(特殊普通合夥)) from July 2013 to December 2014.

Mr. Sheng obtained a bachelor's degree and a master's degree in food science and engineering from Jiangnan University (江南大學) in the PRC in June 2010 and June 2013, respectively, and a master's degree in accounting from Renmin University of China (中國人民大學) in the PRC in June 2019. He has also been a member of the Chinese Institute of Certified Public Accountants since April 2019.

Mr. Liu Qingbin (劉慶彬), aged 55, is an executive Director. He was appointed as a Director on January 6, 2023 and re-designated as an executive Director on January 24, 2025. Mr. Liu is responsible for overseeing and providing guidance in the manufacturing process of our Group.

Mr. Liu has more than 25 years of experience in the industrial film industry. He has been serving as the head of our production department since he joined our Group in June 2010 to January 2023. Prior to joining our Group, he served as the workshop electrical supervisor of Haiwei Transportation from August 1999 to May 2010, managing its packaging film workshop.

Mr. Liu graduated from Jing County Longhua Middle School (景縣龍華中學) in the PRC with a high school diploma in July 1992.

Non-Executive Director

Ms. Zhong Ying (鐘穎), aged 33, is a non-executive Director. She was appointed as a Director on June 30, 2023 and was re-designated as a non-executive Director on January 24, 2025. Ms. Zhong is responsible for providing advice on the operation and management of the Group, and does not hold any other executive or management roles in our Group.

Outside our Group, Ms. Zhong has been serving as a risk control manager of BYD Auto Industry Company Limited (比亞迪汽車工業有限公司) since May 2022. Previously, she served as a project manager of the Shenzhen Branch of Da Hua Certified Public Accountants LLP (大華會計師事務所(特殊普通合夥)深圳分所) from December 2020 to May 2022, an auditor of Yihua Capital Management Co., Ltd. (宜華資本管理有限公司) from November 2017 to August 2020, and a senior auditor of the Shenzhen Branch of Da Hua Certified Public Accountants LLP from July 2014 to October 2017.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhong obtained a bachelor's degree in international accounting from Jiangxi University of Finance and Economics (江西財經大學) in the PRC in July 2014.

Independent Non-executive Directors

Ms. Gu Qun (古群), aged 61, is an independent non-executive Director. She was appointed as an independent non-executive Director on January 24, 2025 with effect from the Listing Date and is responsible for providing independent opinion and judgment to our Board.

Ms. Gu has been serving at China Electronic Components Association (中國電子元件行業協會) for more than 30 years. She has been serving as its executive vice president since August 2023. Previously, she served as the secretary general of China Electronic Components Association from October 2013 to August 2023, its deputy secretary general from October 2009 to October 2013, the director of its information center from June 2001 to October 2013 and its senior engineer from July 1991 to June 2001.

Ms. Gu has also been serving as the chairman of the National Technical Committee for Standardization of Piezoelectric Devices for Frequency Control and Selection (SAC/TC182) (全國頻率控制和選擇用壓電器件標準化技術委員會(SAC/TC182)) since March 2015.

Ms. Gu holds or held independent directorship in several listed companies, including:

- Beijing Yuanliu Hongyuan Electronic Technology Co., Ltd. (北京元六鴻遠電子科技股份有限公司, 603267.SH) since July 2022;
- Shenzhen Sunlord Electronics Co., Ltd. (深圳順絡電子股份有限公司, 002138.SZ) since December 2020;
- Nantong Jianghai Capacitor Co., Ltd. (南通江海電容器股份有限公司, 002484.SZ) from October 2020 to February 2025;
- Chaozhou THREE-CIRCLE (GROUP) Co., Ltd. (潮州三環(集團)股份有限公司, 300408.SZ) from May 2017 to June 2023; and
- Changzhou Xiangming Intelligent Drive System Corporation (常州祥明智能動力股份有限公司, 301226.SZ) from May 2016 to April 2023.

Ms. Gu obtained a bachelor's degree in computer science from Chengdu Institute of Telecommunications Engineering (成都電訊工程學院, now known as the University of Electronic Science and Technology of China (電子科技大學)) in the PRC in July 1986, and a master's degree in management engineering from Beijing Light Industry Institute (北京輕工業學院, now known as Beijing Technology and Business University (北京工商大學)) in the PRC in October 1991. She was qualified as a senior engineer by the Steering Group on Qualification Title Reform (職稱改革工作領導小組) of the Ministry of Electronics Industry of the PRC (中華人民共和國電子工業部, now known as the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)) in November 1996.



DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhang Hao (張皓), aged 37, is an independent non-executive Director. He was appointed as an independent non-executive Director on January 24, 2025 with effect from the Listing Date and is responsible for providing independent opinion and judgment to our Board.

Mr. Zhang has been serving as the asset management director of the Beijing Branch of New Founder Holdings Development Co., Ltd. (新方正控股發展有限責任公司北京分公司) since February 2024. Previously, he served as a special asset investment director of Ping An Trust Co., Ltd. (平安信託有限責任公司) from May 2021 to January 2024, the assistant to general manager of Zheshang Jinhui Trust Co., Ltd. (浙商金匯信託股份有限公司) from June 2017 to May 2021, a trust manager of Daye Trust Co., Ltd. (大業信託有限責任公司) from October 2015 to June 2017, a project risk management manager of Hua'ao International Trust Co., Ltd. (華澳國際信託有限公司) from February 2014 to October 2015, and a senior auditor of the Beijing Branch of Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合夥)北京分所) from September 2011 to January 2014.

Mr. Zhang obtained a bachelor's degree in international economics and trade from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2010, a master's degree in banking and finance from Loughborough University in the United Kingdom in December 2011, a master's degree in business administration from Cornell University in the U.S. in May 2020 and a master's degree in business administration from Tsinghua University (清華大學) in the PRC in June 2020. Mr. Zhang has been a member of the Chinese Institute of Certified Public Accountants since April 2016 and a Chartered Financial Analyst recognized by the CFA Institute in the U.S. since September 2015. He also received a PRC Legal Professional Qualification Certificate issued by the Ministry of Justice of the PRC (中華人民共和國司法部) in March 2024.

Mr. Yu Qing (于慶), aged 41, is an independent non-executive Director. He was appointed as an independent non-executive Director on January 24, 2025 with effect from the Listing Date and is responsible for providing independent opinion and judgment to our Board.

Mr. Yu has been serving as an associate of Beijing Shengchi Law Firm (北京聲馳律師事務所) since June 2021, and worked at Cinda Securities Co., Ltd. (信達證券股份有限公司, 601059.SH) from October 2017 to June 2021. Previously, he worked at the Primary People's Court of Changping District of Beijing Municipality (北京市昌平區人民法院) from July 2010 to August 2017, with his last position as a judge.

Mr. Yu obtained a bachelor's degree in laws from Harbin University of Commerce (哈爾濱商業大學) in the PRC in July 2007, and a master's degree in civil and commercial law from Jilin University (吉林大學) in the PRC in June 2010. Mr. Yu obtained a PRC Legal Professional Qualification Certificate issued by the Ministry of Justice of the PRC (中華人民共和國司法部) in February 2009 and has been a practicing PRC lawyer since February 2023.

DIRECTORS AND SENIOR MANAGEMENT



SENIOR MANAGEMENT BIOGRAPHIES

Mr. Cao Chaozhi (曹朝志), an executive Director of the Company. See “– Board of Directors – Executive Directors” in this section for his biographical details.

Mr. Sheng Zhixuan (盛智宣), an executive Director of the Company. See “– Board of Directors – Executive Directors” in this section for his biographical details.

CHANGES IN INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT DISCLOSABLE UNDER RULE 13.51B(1) OF THE LISTING RULES

Except as disclosed in this Annual Report, there have been no changes in the information on directors and senior management disclosable under Rule 13.51B(1) of the Listing Rules as of the date of this Annual Report.



CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE CULTURE

The Company is committed to advancing the development of electronic new materials via the mission “Create value for customers, generate wealth for society, and enable employees to realize their dreams.” The Company believes that a healthy corporate culture is vital for the long-term success and sustainability of the Company’s business. It is the Board’s role to foster a corporate governance culture to ensure that the Company’s mission, values and business strategies are aligned to it. Guided by a development philosophy of co-creation, sharing, and win-win, the Company believes it can strive to make life better.

CORPORATE GOVERNANCE PRACTICES

Corporate Governance Practices

The Board is committed to achieving high standards of corporate governance to safeguard the interests of shareholders, enhance corporate value, and fulfill corporate responsibilities. The Board believes that high standards of corporate governance are crucial for providing the Group with a framework to protect shareholders’ interests, enhance corporate value, formulate business strategies and policies, and improve transparency. The Company has adopted the Corporate Governance Code as its own corporate governance code. From the Listing Date until 31 December 2025, the Company has complied with all applicable code provisions of the Corporate Governance Code during the Reporting Period, except for the deviations described below and in the Major Transaction Announcement. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

According to Rule D.3.3 of the Corporate Governance Code, members of the Audit Committee should liaise with the Board of Directors and senior management, and the Committee should meet with the auditors at least twice a year. Since the Company was first listed on the Stock Exchange on 28 November 2025, the Audit Committee did not hold any meetings from the Listing Date to 31 December 2025. The Company expects to continue to hold at least two regular meetings each fiscal year, approximately once every six months, in accordance with Rule D.3.3 of the Corporate Governance Code.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code.

After making specific inquiries to all directors, the directors confirmed that they had complied with the Model Code throughout the period from the Listing Date to 31 December 2025.

The Company has also formulated an Insider Information Management Policy for securities transactions by employees who may possess inside information about the Company or its securities due to their positions or employment, and the provisions of the policy are no less stringent than those of the Model Code. Since the Company was listed on the Hong Kong Stock Exchange on 28 November 2025, the Model Code has been applicable to the Company from that Listing Date. To the best of the Company’s knowledge, the Company was not aware of any incidents of employees violating information disclosure regulations in the period from the Listing Date to 31 December 2025.

BOARD COMMITTEES

Responsibilities

The Board of Directors is responsible for the overall leadership of the Group and oversees its strategic decision-making, as well as monitoring its business and performance. The Board of Directors delegates the daily management and operations of the Group to its senior management. To oversee the Company's affairs in specific areas, the Board of Directors has established three board committees, namely the Audit Committee, the Remuneration Committee, and the Nomination Committee (collectively referred to as the "Board Committees"). The Board of Directors has authorized the relevant Board Committees to perform the duties specified in their respective terms of reference.

All directors should act in good faith to ensure compliance with applicable laws and regulations and always fulfill their duties in a manner that is in the best interests of the Company and its shareholders.

The Company has arranged appropriate liability insurance for legal proceedings against directors and will review the scope of this insurance annually.

Composition of the Board of Directors

As of the date of this Annual Report, the Board of Directors consists of four executive directors, one non-executive director, and three independent non-executive directors, with details as follows. For details on changes in the composition of the Board of Directors during the year, please refer to the "Corporate Information" section of this report.

Executive Directors

Mr. Song Wenlan (*Chairman of the Board*)

Mr. Cao Chaozhi (*General Manager*)

Mr. Sheng Zhixuan

Mr. Liu Qingbin

Non-executive Director

Ms. Zhong Ying

Independent Non-executive Directors

Ms. Gu Qun

Mr. Zhang Hao

Mr. Yu Qing

The biographies of the directors are set out in the "Directors and Senior Management" section of this Annual Report.

Each of our Directors has confirmed that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on, in the case of Ms. Gu Qun, February 11, 2025 and in the case of other Directors, January 14, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.



CORPORATE GOVERNANCE REPORT

From the Listing Date to 31 December 2025, the Board of Directors has consistently complied with the provisions of Listing Rules 3.10(1) and 3.10(2) regarding the appointment of at least three independent non-executive directors (at least one of whom shall possess appropriate professional qualifications or accounting or related financial management expertise).

From the Listing Date to 31 December 2025, the Company has also consistently complied with Listing Rule 3.10A regarding the appointment of independent non-executive directors accounting for at least one-third of the Board members.

No director or senior management has any personal relationships (including financial, business, family, or other significant/relevant relationships) with any other director, key executive, or other senior management.

All directors (including independent non-executive directors) bring a variety of valuable business experiences, knowledge, and professional skills to the Board of Directors, enabling it to operate efficiently and effectively. Independent non-executive directors have been invited to join the Audit Committee, Remuneration Committee, and Nomination Committee.

Provision C.1.5 of the Corporate Governance Code requires directors to disclose to the issuer the number and nature of their positions held in public companies or organisations, as well as other significant commitments, and the names of the public companies or organisations and the time involved in holding such positions. The directors have agreed to promptly disclose their commitments and any subsequent changes to the Company.

Mechanisms to Ensure Independent Perspectives and Opinions

In accordance with Listing Rules 3.10(1), 3.10(2), and 3.10A, the Board is required to appoint at least three independent non-executive directors, and independent non-executive directors must account for at least one-third of the Board members. To establish a mechanism to ensure that the Board can obtain independent perspectives and opinions, the Board has appointed three independent non-executive directors. In addition, the Board Committees have made every effort to appoint independent non-executive directors to ensure that the Board of Directors receives independent opinions. The Board of Directors believes that the following mechanisms adopted by the Company can effectively ensure that the Board of Directors receives independent opinions and advice.

BOARD PROCEDURES

Except where the notice period is unanimously waived by all directors, formal notices for regular meetings of the Board and Board committees are issued to all directors in accordance with requirements prior to the convening of meetings, and all directors are invited to include matters for discussion on the agenda. Prior to each regular meeting of the Board and Board committees, the Board is provided with meeting agendas and relevant board documents containing complete, sufficient and timely information, enabling full discussion on the matters to be reviewed at each meeting.

BOARD DECISION-MAKING

During meetings of the Board and Board committees, all directors are encouraged to freely express their independent views and opinions in an open and candid manner, raise open and objective challenges, provide informed insights and responses to the management, and contribute their expertise regarding the business operations and markets of the Group. Independent non-executive directors may express their views through formal or informal channels in an open, candid and confidential manner. The management closely follows up on the opinions and concerns raised by the directors.

In addition to regular Board meetings, the Chairman holds annual meetings with independent non-executive directors without the presence of other directors to discuss the affairs of the Group.

The joint company secretaries of the Company prepare minutes for meetings of the Board and Board committees, which record not only the decisions reached, but also any concerns raised or dissenting opinions expressed by directors. Draft meeting minutes will be distributed to all directors for their comments and confirmation.

The final versions are provided to the directors for filing. All minutes of meetings of the Board and Board committees are available for inspection by the directors.

Board Diversity Policy

We have adopted a diversity policy (the “Board Diversity Policy”) that sets out the objectives and methods for achieving diversity to enhance the performance of the Board of Directors. According to the Board Diversity Policy, when selecting Board candidates and determining the optimal composition of the Board of Directors, we consider a range of factors, including but not limited to skills, experience, cultural and educational backgrounds, geographical locations, industry and professional experiences, ethnicity, gender, age, knowledge, and length of service, to achieve diversity among Board members. Currently, the Board of Directors believes that the existing gender diversity is satisfactory, with the goal of at least maintaining the current proportion of female representation.

Our directors possess a balanced combination of knowledge and skills, including overall management and strategic development, finance and accounting, policy research and corporate governance, as well as industry experience in new electronic materials. They hold degrees in various fields such as accounting, economics, and history. Our directors’ ages range from 33 to 61 years old.

We have taken measures to promote gender diversity on the Board, which currently consists of two female directors and six male directors. Going forward, we will continue to ensure gender diversity on the Board of Directors through measures implemented by the Nomination Committee in accordance with the Board Diversity Policy.

Our Nomination Committee is responsible for ensuring the diversity of Board members and periodically reviews the Board Diversity Policy to ensure its effectiveness.



CORPORATE GOVERNANCE REPORT

Both of our two senior management are male, while the proportion of female and male employees (excluding senior management) in the Group was approximately 26.79% and 73.21% respectively as of 31 December 2025. Given the nature of the Company's business and the industry in which it operates, the Company considers its team to be gender-diverse as a whole. The Group continues to encourage gender diversity in the office and strives to increase the proportion of female employees at different levels, including the recruitment process. To achieve workforce diversity, the Group implements appropriate recruitment and selection procedures to consider a diverse range of job applicants. The Group also formulates talent management and training programs to provide employees with career development guidance and promotion opportunities, aiming to build a team with diverse skills and experiences.

On 31 March 2026, the Board of Directors reviewed the implementation and effectiveness of the Board Diversity Policy through the Nomination Committee and confirmed that the Board of Directors possesses the appropriate combination of skills and experience required to implement the Company's strategies.

Induction and Continuing Professional Development

All directors should participate in continuing professional development to develop and update their knowledge and skills, ensuring that they can make informed and relevant contributions to the Board of Directors.

All newly appointed directors will receive necessary induction training and materials to ensure that they have an appropriate understanding of the Company's operations and business, as well as their obligations to the Company under relevant regulations, laws, rules, and regulations. The Company also regularly arranges internal briefings or meetings for directors to keep them informed of the latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements. The Company regularly provides directors with updated information on the Company's performance, status, and prospects to facilitate the overall performance of the Board of Directors and the duties of individual directors.

The Company encourages all directors to continuously participate in professional development to develop and update their knowledge and skills. The joint company secretaries of the Company periodically update and provide written training materials on the roles, functions, and responsibilities of directors.

CORPORATE GOVERNANCE REPORT

According to the information provided by the directors, an overview of the training received by the directors for the year ended 31 December 2025, is as follows:

Director's Name	Training Type	
	Reading Materials/Articles ⁽¹⁾	Attendance at Internal Briefings/Forums/Meetings ⁽²⁾
Mr. Song Wenlan	✓	✓
Mr. Cao Chaozhi	✓	✓
Mr. Sheng Zhixuan	✓	✓
Mr. Liu Qingbin	✓	✓
Ms. Zhong Ying	✓	✓
Ms. Gu Qun	✓	✓
Mr. Zhang Hao	✓	✓
Mr. Yu Qing	✓	✓

Notes:

- (1) The latest materials/articles, newspapers and journals on relevant legal and regulatory requirements.
- (2) Topics of internal briefings/forums/meetings include development in the financial and economic environment, business and market changes, directors' power and responsibilities under regulatory requirements, as well as their responsibility and continuing obligations.

Appointment or Re-election of Directors

Each executive director, non-executive director, and independent non-executive director has entered into a service contract with the Company. Where a proposal on election of directors is passed at the general meeting, the term of office of a new director shall commence at the time specified in the resolution of the general meeting; if the resolutions of the general meeting do not specify the time to take office, it shall be the time when the resolutions of the general meeting is made. Where re-election is not conducted in a timely manner upon expiry of a director's term, the incumbent director shall, prior to the assumption of office by the newly elected director, continue to perform his/her duties as a director in accordance with applicable laws, regulations, and the Articles of Association.

CORPORATE GOVERNANCE REPORT

Board Meetings

The Company was listed on the Stock Exchange on 28 November 2025. The Company held four Board meetings, and two general meetings, but no Audit Committee meetings, Remuneration Committee meetings and Nomination Committee meetings were held during the Reporting Period. The Company will fully comply with Code Provision C.5.1 of the Corporate Governance Code, which requires at least four Board meetings to be held each year, approximately once every quarter. All directors will receive not less than 14 days' notice of regular Board meetings to enable all directors to have the opportunity to attend regular meetings and discuss matters on the agenda.

Reasonable notice will be given for other Board and Board Committee meetings. The agenda and relevant Board documents will be included in the meeting notice and distributed at least three days before the date of the Board or Board Committee meeting to ensure that directors have sufficient time to review the documents and prepare for attendance at the meeting. If a director or Committee member is unable to attend a meeting, he will be informed of the matters to be discussed and have the opportunity to inform the Chairman of his views before the meeting. The joint company secretaries shall keep minutes of meetings and provide copies of the minutes to all directors for their reference and filing.

The minutes of Board meetings and Committee meetings will record in detail the matters considered and decisions made by the Board of Directors and Board Committees, including any questions raised by directors. The draft minutes of each Board meeting and Board Committee meeting will be sent to each director for review within a reasonable time after the meeting. The minutes of Board meetings are available for inspection by all directors.

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

A summary of the attendance records of each director at Board meetings, Board Committee meetings, and general meetings for the year ended 31 December 2025, is as follows:

Director's Name	Number of Meetings Attended/Eligible to Attend				
	Board of Directors	Audit Committee ⁽¹⁾	Remuneration Committee ⁽¹⁾	Nomination Committee ⁽¹⁾	General Meeting
Executive Directors					
Song Wenlan (<i>Chairman of the Board</i>)	4	0	0	0	2
Cao Chaozhi	4	0	0	0	2
Sheng Zhixuan	4	0	0	0	2
Liu Qingbin	4	0	0	0	2
Non-executive Director					
Zhong Ying	4	0	0	0	2
Independent Non-executive Directors					
Gu Qun	1 ⁽²⁾	0	0	0	0 ⁽²⁾
Zhang Hao	1 ⁽²⁾	0	0	0	0 ⁽²⁾
Yu Qing	1 ⁽²⁾	0	0	0	0 ⁽²⁾

Notes:

- (1) As the Company was listed on the Stock Exchange on 28 November 2025, no Audit Committee meeting, Remuneration Committee meeting or Nomination Committee meeting was held from the Listing Date to 31 December 2025.
- (2) Ms. Gu Qun, Mr. Zhang Hao and Mr. Yu Qing were appointed on 28 November 2025, and did not attend the Board meetings and general meetings held before.

In addition to regular Board meetings, the Chairman of the Board of Director had not held any meeting with the independent non-executive directors during the Reporting Period without the presence of other executive directors as the Company was listed on the Stock Exchange on 28 November 2025.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its code for securities transactions to regulate all transactions in the Company's securities by directors and relevant employees and other matters covered by the Model Code.

After making specific inquiries to all directors, they confirmed that they have complied with the Model Code from the Listing Date until 31 December 2025.

Corporate Governance Functions

The corporate governance functions of the Company are performed by the Board of Directors in accordance with its adopted written terms of reference and in compliance with Code Provision A.2.1 of the Corporate Governance Code, which include:

- a) Developing and reviewing the Company's corporate governance policies and practices and making recommendations to the Board of Directors;
- b) Reviewing and monitoring the training and continuing professional development of the Directors and senior management;
- c) Reviewing and monitoring the Company's policies and practices in relation to compliance with legal and regulatory requirements;
- d) Developing, reviewing, and monitoring the Company's code of conduct and compliance manual (if any) for employees and directors; and
- e) Reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Company's Corporate Governance Report.

The Board of Directors has performed the above corporate governance functions during the Reporting Period.



CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

Audit Committee

The Company has established an Audit Committee in accordance with Listing Rule 3.21 and the Corporate Governance Code and has prescribed its terms of reference in writing. The Audit Committee consists of Mr. Yu Qing, Ms. Zhong Ying, and Mr. Zhang Hao, with Mr. Yu Qing as the Chairman of the Audit Committee. None of them has been a partner or former partner of the Company's current auditors in the past two years, nor have they had or had any financial interests in the current auditors in the past two years.

The main responsibilities of the Audit Committee include, but not limited to: reviewing and monitoring the Group's financial reporting process, risk management, and internal control systems; reviewing the Group's financial information; considering the appointment, independence, and remuneration of the auditors and any matters relating to the removal and resignation of the auditors; supervising the audit process; reviewing and monitoring the Group's existing and potential risks; and performing other duties and responsibilities assigned by the Board of Directors. The Audit Committee also serves as a communication channel between the Board of Directors and the external auditors. The written terms of reference of the Audit Committee are available for inspection on the websites of the Stock Exchange and the Company.

From the Listing Date to 31 December 2025, the Audit Committee did not hold any Audit Committee meetings.

Nomination Committee

The Company has established a Nomination Committee in accordance with the Corporate Governance Code and has prescribed its terms of reference in writing. The Nomination Committee consists of Mr. Song Wenlan, Ms. Gu Qun, and Mr. Zhang Hao. Mr. Song Wenlan serves as the Chairman of the Nomination Committee.

The main responsibilities of the Nomination Committee include, but not limited to: (i) reviewing the composition of the Board of Directors; (ii) formulating criteria for identifying, nominating, and appointing director candidates; (iii) assessing the independence of independent non-executive directors; (iv) making recommendations to the Board of Directors on the appointment or re-appointment of directors and the director succession plan; (v) assessing candidates or incumbents based on criteria such as integrity, experience, skills, and the time and effort devoted to performing their duties; (vi) formulating a policy on diversity of Board members and disclosing the policy or a summary of the policy in the Corporate Governance Report, reviewing the structure, size, composition (including skills, knowledge, and experience), and diversity (including gender, age, cultural and educational background, skills, knowledge, professional experience and length of service) of the Board of Directors at least once a year and, where appropriate, making recommendations on changes to the Board of Directors to align with the Company's corporate strategy; and (vii) supporting the Company in conducting regular assessments of the performance of the Board of Directors. The written terms of reference of the Nomination Committee are available for inspection on the websites of the Stock Exchange and the Company.



The nomination process of selecting directors and senior managements is as follows:

- (i) The Nomination Committee first liaises with relevant departments to assess the Company's needs for directors and senior management, and prepares supporting materials. It then identifies potential candidates from internal sources (including subsidiaries or investee companies) and external talent markets;
- (ii) For each candidate, the Committee collects detailed background information, including occupation, academic qualifications, professional titles, work experience, and concurrent positions, and obtains the individual's consent to be nominated;
- (iii) The Committee convenes meetings to review candidates' qualifications against the requirements for the relevant roles. It then submits proposals and supporting materials on suitable candidates to the Board of Directors one to two months prior to the election or appointment;
- (iv) Subsequent actions are carried out in accordance with the Board's decisions and feedback. Where necessary, the Committee may engage external intermediaries to provide professional advice, with reasonable costs borne by the Company.

The Nomination Committee did not hold any meetings from the Listing Date to 31 December 2025.

Remuneration Committee

The Company has established a Remuneration Committee in accordance with Listing Rule 3.25 and the Corporate Governance Code and has prescribed its terms of reference in writing. The Remuneration Committee consists of Mr. Yu Qing, Ms. Gu Qun, and Mr. Zhang Hao. Mr. Yu Qing serves as the Chairman of the Remuneration Committee.

The main responsibilities of the Remuneration Committee include, but not limited to: (a) making recommendations to the Board of Directors on the remuneration packages of all directors and senior management and the Company's remuneration policy and structure; (b) reviewing and approving management's remuneration proposals with reference to the corporate objectives resolved by the Board of Directors from time to time; (c) formulating formal and transparent procedures for formulating remuneration policies and structures to ensure that no director or any of his associates participates in determining his own remuneration; and (d) studying the evaluation standards for directors and senior management officers and making recommendations to the Board of Directors, reviewing the performance of duties by the Company's directors (excluding independent non-executive directors) and senior management officers and conducting their annual performance appraisals. The written terms of reference of the Remuneration Committee are available for inspection on the websites of the Stock Exchange and the Company.

From the Listing Date to 31 December 2025, the Remuneration Committee did not hold any meetings.



CORPORATE GOVERNANCE REPORT

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the remuneration of directors and the five highest-paid individuals are set out in Notes 11 and 12 to the Consolidated Financial Statements.

The remuneration of directors and senior management is determined based on their responsibilities, qualifications, positions, and seniority. No director waived any remuneration during the Reporting Period. For the year ended 31 December 2025, the remuneration ranges of the Company's directors and senior management are as follows:

Remuneration Range (HKD)	Number of Persons
nil to 1,000,000	8
1,000,001 to 1,500,000	0
Total	8

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The directors confirm that they are responsible for the preparation of the Company's Financial Statements for the Reporting Period.

The directors are not aware of any material uncertainties or circumstances that would cast significant doubt on the Company's ability to continue as a going concern. The statement of Deloitte Touche Tohmatsu, the Company's independent auditor, regarding their reporting responsibilities for the Consolidated Financial Statements is set out in the Independent Auditor's Report in this Annual Report.

DIVIDEND POLICY

We have adopted a dividend policy, and any dividends to be paid will be determined at the sole discretion of the Board of Directors. When we consider the declaration and payment of dividends, factors taken into account include our financial performance, cash flow, business conditions and strategies, future operations and profitability, capital requirements and expenditure plans, shareholders' interests, contractual restrictions of the Company and its subsidiaries, and any other relevant factors. The Company values shareholder returns and, subject to the above factors, will consider appropriate ways to reward shareholders in the future.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board of the Company is fully responsible for maintaining and improving the risk management and internal control systems, while the management is responsible for designing and implementing the relevant risk management and internal control policies. The Board recognizes its responsibility for the risk management and internal control systems to safeguard shareholders' investments and the Company's assets, and reviews the effectiveness of such systems on an annual basis. The Board also acknowledges that a sound and effective risk management and internal control system is designed to identify and manage, rather than eliminate, the risks of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Company has adopted a “three lines of defense” model to establish a closed-loop risk management and internal control system, with clearly defined responsibilities and efficient coordination among each line of defense. The first line of defense consists of various business units and functional departments, with operational management personnel at its core, responsible for proactively identifying, timely reporting, and initially addressing risks in daily operations to ensure that control measures are effectively implemented. The second line of defense comprises professional functions such as finance, treasury, and legal, which are responsible for formulating risk and internal control policies, conducting review and guidance, overseeing rectification, and consolidating and reporting risk information across the Company. The third line of defense, centered on the internal audit function, adheres to independence and objectivity, and is responsible for supervising and reviewing the effectiveness of the first and second lines of defense to ensure the continuous improvement of the risk management and internal control systems.

The Company has established and continuously maintains a set of risk management policies and measures, including policies and procedures tailored to its business operations. These risk management policies cover key aspects of operations, including business operations, financial reporting, compliance matters, and human resources management.

In respect of the procedures and internal controls for the handling and dissemination of inside information, the Company has adopted measures on a regular basis, including enhancing confidentiality awareness and formulating and issuing the Inside Information Management Policy, to ensure compliant handling and disclosure of inside information.

The Company’s internal control system is established with reference to the internal control framework of the Committee of Sponsoring Organizations of the U.S. Treadway Commission (COSO), covering five components: control environment, risk assessment, control activities, information and communication, and monitoring. The system aims to promote the design and implementation of sound control practices, reduce the likelihood of risks, and mitigate their impact to an acceptable level, so as to achieve the Company’s operational, reporting, and compliance objectives.

The Board, through the Audit Committee, reviews the effectiveness of the Company’s risk management and internal control systems at least once annually, including confirming whether the resources, staff qualifications and experience, training programs, and related budgets of the Company in the areas of accounting, internal audit, financial reporting functions, as well as those relating to the Company’s environmental, social and governance performance and reporting, and therefore considers that such systems are adequate and effective. Based on the risk management and internal control review conducted during the Reporting Period, the Company has not identified any material internal control deficiencies.



CORPORATE GOVERNANCE REPORT

Based on the risk management and review during the Reporting Period, the Board has noticed the Major Transaction Announcement published by the Company on 31 March 2026. As disclosed in the Major Transaction Announcement, the Company will make every effort to adopt all feasible means, fully draw on experience, and constantly improve internal control measures to avoid the occurrence of similar incidents and safeguard the interests of the Company's shareholders. Specific measures include that the Company will strictly comply with relevant requirements set out in Chapters 14 and 14A of the Listing Rules, and gradually refine operational specifications for information disclosure, major capital expenses and relevant processes, add a control step to proactively identify information disclosure matters, establish the verification list of main legal obligations, and meanwhile increase the professional compliance training for relevant internal personnel of the Company. Please refer to the Major Transaction Announcement for details.

WHISTLEBLOWING POLICY

The Company has established a whistleblowing policy, under which employees of the Company and other parties having dealings with the Company may raise concerns, in confidence and anonymously, with the Audit Committee regarding any suspected misconduct relating to the Company.

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

The Company has also established anti-fraud and anti-bribery policies to prevent fraud and bribery within the Company. The Company has set up internal reporting channels open to its employees for reporting any suspected fraudulent or bribery activities, and employees may also make anonymous reports in accordance with the whistleblowing policy.

AUDITOR'S REMUNERATION

The remuneration paid to the auditors for providing audit services and non-audit services to the Group for the year ended 31 December 2025 is approximately as follows.

Service Type	Amount (RMB'000)
Audit Services	
– IPO Audit	4,080
– Annual report audit	3,180
Non-audit services (<i>Note</i>)	320
Total	7,580

Note: Non-audit services include internal control consulting services and ESG reporting advisory.

JOINT COMPANY SECRETARIES

Mr. Sheng Zhixuan (hereinafter referred to as “Mr. Sheng”), the Executive Director, Board Secretary, and Chief Financial Officer of the Company, serves as one of the joint company secretaries of the Company. He is responsible for providing advice to the Board of Directors on corporate governance matters and ensuring compliance with the Board of Directors' policies and procedures, applicable laws, rules, and regulations.

To maintain good corporate governance and ensure compliance with the Listing Rules and applicable laws in Hong Kong, the Company has also appointed Ms. Tam Pak Yu, Vivien, Manager of SWCS Corporate Services Group (Hong Kong) Limited (hereinafter referred to as “Ms. Tam”), as another joint company secretary of the Company to assist Mr. Sheng in performing his duties as the company secretary of the Company. Mr. Sheng is Ms. Tam’s primary contact person in the Company.

For the year ended 31 December 2025, Mr. Sheng and Ms. Tam have received no less than 15 hours of relevant professional training as required by Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company fully understands the importance of effective communication with shareholders to strengthen investor relations and keep investors informed about the Group’s business, performance, and strategies. The Company also believes that timely and non-selective disclosure of information about the Company is crucial for shareholders and investors to make informed investment decisions.

The Company’s annual general meeting provides an opportunity for direct communication between shareholders and directors. The Chairman of the Company and the Chairmen of the Company’s Board Committees will attend the annual general meeting to answer shareholders’ questions. The auditors will also attend the annual general meeting to answer questions regarding the audit work, the preparation and content of the auditor’s report, accounting policies, and auditor independence.

To facilitate communication between the Company, shareholders, and the investment community, the Company organises performance briefings, meetings, and non-deal roadshows with shareholders, potential investors, and analysts from time to time. When directors and employees of the Company have contact or dialogue with investors, analysts, the media, or other interested third parties, they must comply with the disclosure obligations and requirements stipulated in the Listing Rules and applicable laws and regulations.

SHAREHOLDER COMMUNICATION POLICY

To promote effective communication, the Company has adopted a shareholder communication policy aimed at establishing a mutual relationship and communication between the Company and its shareholders. The Company has a website (www.haiwei.net) to publish the latest information on its business operations and development, financial information, corporate governance practices, and other materials for public access.

The Company believes that maintaining effective communication with shareholders is crucial for enhancing investor relations and deepening investors’ understanding of the Group’s business performance and strategies. The Company strives to maintain continuous communication with shareholders, especially through the annual general meeting and other general meetings. Directors (or their representatives, if applicable) will meet with shareholders and answer their questions at the annual general meeting. The auditors will also attend the annual general meeting to answer questions regarding the audit, the preparation and content of the auditor’s report, accounting policies, and auditor independence. The Company encourages shareholders to participate in the annual general meeting and other general meetings, where they can exchange views with the Board of Directors and exercise their voting rights.



CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025, the Company has reviewed the implementation and effectiveness of the shareholder communication policy. The Company believes that its shareholder communication policy promotes sufficient communication with shareholders and considers the policy to be effective and adequate.

SHAREHOLDERS' RIGHTS

To safeguard the interests and rights of shareholders, separate resolutions will be proposed at general meetings on various matters, including the election of individual directors.

All resolutions proposed at general meetings will be voted on by poll in accordance with the Listing Rules, and the voting results will be published on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

CONVENING EXTRAORDINARY GENERAL MEETINGS AND PROPOSALS

Shareholders may submit proposals to the Company's general meetings for consideration according to the Articles of Association. Shareholders who individually or collectively hold more than 10% of the shares of the Company (excluding treasury shares) have the rights to propose to the board of directors for convening an extraordinary general meeting and shall make such proposal to the board of directors in writing. The board of directors shall, in accordance with the laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within 10 days after receiving the request. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the convening of general meeting within five (5) days after the board resolution is made, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.

If the Board of Directors fails to provide feedback within 10 days after receiving the request, shareholders individually or collectively holding more than 10% of the shares of the Company (excluding treasury shares) have the right to propose to the Audit Committee for convening an extraordinary general meeting and shall submit the request in writing to the Audit Committee.

The procedures for nominating candidates as directors can be found on the Company's website.

Furthermore, when the Company convenes a general meeting, the Board of Directors, the Audit Committee, and the shareholders individually or jointly holding one percent (1%) or more of the Company's shares shall have the right to make a proposal to the Company. Shareholder(s) individually or jointly holding 1% or more of the total number of the Company's shares shall have the right to submit interim proposals in writing to the convener 10 days prior to the general meeting. The convener shall issue a supplementary notice of general meeting within two days after receipt of the proposal, to announce the contents of the temporary proposal and to submit the said temporary proposal to the general meeting for consideration. However, except for the provisional proposals that violate the requirements of the laws, administrative regulations or the Articles of Association, or those not within the terms of reference of the general meeting.

Except as provided in the above paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served. The general meeting shall not vote or resolve on proposals not contained in the notice of the general meeting or not in compliance with the Articles of Association.

For the purpose of making proposal at the general meeting, the contact information is available in the section headed “MAKING INQUIRIES TO THE BOARD OF DIRECTORS” below.

MAKING INQUIRIES TO THE BOARD OF DIRECTORS

Shareholders can make any inquiries and raise concerns through the following means:

Address: 220 m northeast of the intersection of Fugan Road and Jingkai Street, Jingzhou Town, Jing County, Hengshui, Hebei Province, PRC

Fax: 0318-4311858

Email: why@haiwei.net

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

The Articles of Association were adopted with effect from the Listing Date, and a special authorization was granted by the shareholders of the Company to the Board approving certain amendments to the Articles of Association at the general meeting held on January 24, 2025. The amended Articles of Association is available on the website of the Company (www.haiwei.net) and the Stock Exchange (www.hkexnews.hk).



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ABOUT THIS REPORT

This is the first environmental, social and governance (ESG) report issued by Hebei Haiwei Electronic New Material Technology Co., Ltd. It focuses on the disclosure of the management measures, key practices and results of the Company and its subsidiaries in respect of ESG.

Reporting Period

This report is an annual report covering the period from January 1, 2025 to December 31, 2025, and some contents are beyond the above scope.

Reporting Boundary

The main body of this report is Hebei Haiwei Electronic New Material Technology Co., Ltd., which covers all the subsidiaries of the Company.

Basis of Preparation

This report has been prepared with reference to the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

Source of Information

The information and data in this report are derived from the Company’s official documents, statistical reports, financial reports and relevant public information. Unless otherwise specified, the currency amount involved in this report is denominated in RMB.

Reporting Principles

This report has been prepared in accordance with the principles of materiality, quantitative, balance and consistency as set out in the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange.

Materiality: To accurately identify and assess the material issues that have a substantive impact on stakeholders, we conducted a materiality assessment through a range of Communication with Stakeholders activities, with the aim of determining the factors that are most critical to its sustainable development.

Quantitative: To ensure the accuracy of key performance indicator data, the Company quantifies relevant data in strict accordance with national or internationally recognized standards, thereby enhancing the comparability and reference value of its ESG performance.

Balance: The information and cases presented in this report are drawn primarily from the Company’s 2025 statistical reports, financial reports and relevant public information. The Company warrants that this report contains no false statements or misleading representations, and assumes full responsibility for the truthfulness, accuracy and completeness of its contents.

Consistency: This report applies consistent disclosure and measurement methods to facilitate meaningful year-on-year comparison of environmental, social and governance data.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Representation

For ease of reference, the designations of “the Company” and “we” in this report all represent Hebei Haiwei Electronic New Material Technology Co., Ltd.

Access to the Report

This report is published in electronic version and is available for browsing and downloading on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company’s official website (www.haiwei.net).

Contact Us

If you have any questions or feedback on this report, please contact the Company through the following methods:

Tel: 0318-4312963

Fax: 0318-4311858

Email: hw@haiwei.net

Address: Jing County Economic and Technological Development Zone, Hengshui, Hebei Province

STATEMENT FROM THE BOARD

The Company is committed to integrating ESG principles into its decision-making processes and day-to-day operations, working in concert with its partners to create shared and sustainable value.

As the highest decision-making body with respect to ESG matters, the Board of Directors (“Board”) bears overall responsibility for the ESG strategy and ESG disclosures of the Company. The Board is responsible for reviewing the ESG goals and management policies of the Company, identifying and overseeing material ESG issues, reviewing the results of the annual materiality assessment and the ESG report, convening relevant meetings on a regular basis, and monitoring progress and performance in the achievement of ESG goals.

We will continue to improve the Company’s ESG management system framework and enhance its ESG management capabilities. The Company’s 2025 ESG report was disclosed after being reviewed and approved by the Board.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

1 CORPORATE GOVERNANCE

1.1 ESG Management

1.1.1 ESG Governance

The Company continues to improve its ESG governance structure and has formulated the “Environmental, Social and Governance (ESG) Management Measures of Hebei Haiwei Electronic New Materials Technology Co., Ltd.” to ensure the effective implementation of ESG work.

The Board of Directors, as the highest decision-making body for the Company’s ESG matters, bears full responsibility for the Company’s ESG strategy and reporting. The Board is responsible for assessing and determining the Company’s ESG-related risks, ensuring that the Company establishes appropriate and effective ESG risk management and internal control systems, and formulate corresponding action plans and management targets to mitigate risks. The Board is also responsible for reviewing major ESG management matters, including the annual ESG report.

The Company’s Internal Control Department, as the lead department for advancing ESG work, assists the Board with ESG-related matters. It is responsible for organizing and carrying out the Company’s ESG management activities in accordance with the Company’s ESG management objectives and strategies, formulating relevant systems and processes, and maintaining and updating the ESG indicator system. The department guides, advances, coordinates, and supervises ESG management work across various departments, subsidiaries, and branches, evaluates their execution results, organizes the drafting of the Company’s annual ESG report, conducts ESG exchanges and training, regularly reports to the Board and senior management on the progress of the Company’s ESG management works and targets, and promotes the deep integration of ESG elements into the Company’s daily operations and management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

1.1.2 Stakeholder Engagement

Stakeholders	Expectations and concerns	Communication and response methods
Government/regulatory authorities	<ul style="list-style-type: none"> • Compliance operations • Responsible governance • Addressing climate change 	<ul style="list-style-type: none"> • Government department visits • Regular reporting and communication • Visits and investigation • Cooperation with regulatory supervision
Shareholders/investors	<ul style="list-style-type: none"> • Return on investment • Information transparency • Compliance operations 	<ul style="list-style-type: none"> • Disclosure of information through channels such as the stock exchange website and the Company's official website • General meetings • Investor meetings
Customers	<ul style="list-style-type: none"> • High-quality products and services • Timely delivery • Reasonable pricing 	<ul style="list-style-type: none"> • Business visits • Email and telephone communication • Customer engagement meetings • Customer satisfaction surveys
Employees	<ul style="list-style-type: none"> • Labor rights • Career development • Benefits and remuneration • Health and safety 	<ul style="list-style-type: none"> • Employee activities • Performance appraisals • Onboarding training • Internal meetings and announcements • Employee grievance channels
Suppliers/partners	<ul style="list-style-type: none"> • Stable business demand • Maintenance of constructive working relationships • Compliance operations 	<ul style="list-style-type: none"> • Business visits • Email and telephone communication • Meetings • Supplier performance evaluation and audits
Industry associations/peers	<ul style="list-style-type: none"> • Product development and innovation • Industry collaboration and growth 	<ul style="list-style-type: none"> • Participation in industry summits • Industry partnership

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

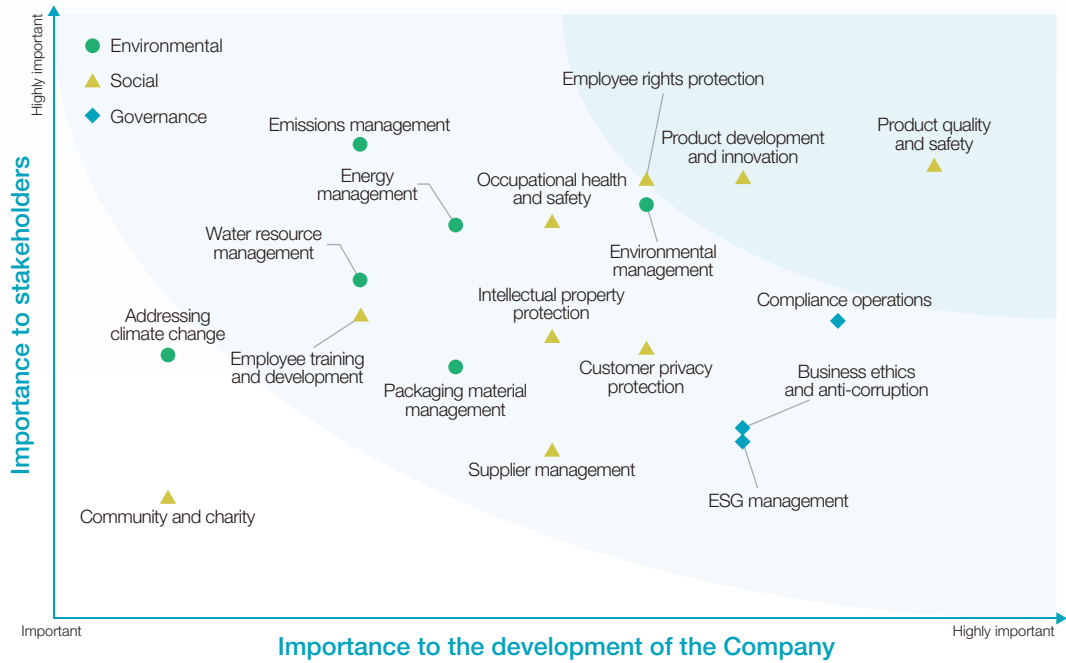
Stakeholders	Expectations and concerns	Communication and response methods
Media/community	<ul style="list-style-type: none"> Information transparency Environmental stewardship Community engagement Economic development and local employment 	<ul style="list-style-type: none"> Media engagement Community events Local hiring

1.1.3 Materiality Assessment

The Company conducts a materiality assessment to gain a thorough understanding of stakeholder priorities, respond to the expectations and concerns of all parties, and continuously enhance the standard of ESG management.

- Issue Identification:** With reference to the Environmental, Social and Governance Reporting Code issued by the Hong Kong Stock Exchange, as well as the Company’s own policies and management strategies, industry characteristics, and business risks and opportunities, 18 ESG issues of greatest relevance and significance to the Company’s operations and its stakeholders were identified.
- Stakeholder Consultation:** Through questionnaire surveys and other forms of engagement, a broad range of internal and external stakeholders, including government authorities and regulators, shareholders and investors, customers, employees, suppliers and partners, industry associations and peers, as well as media representatives and community, were invited to assess the relative importance of each identified issue.
- Prioritization:** All issues were ranked across two dimensions: “Importance to the development of the Company” and “Importance to stakeholders”. The findings were then mapped onto a materiality matrix to produce a preliminary set of assessment results.
- Result Validation:** The ESG Working Group reviews and confirms the assessment results through discussion, and reports the final materiality assessment results to the Board.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



The Company 2025 Materiality Issue Matrix

Dimension	No.	ESG Issue
Environmental	1	Emissions management
	2	Energy management
	3	Water resource management
	4	Packaging material management
	5	Environmental management
	6	Addressing climate change
Social	7	Employee rights protection
	8	Occupational health and safety
	9	Employee training and development
	10	Product quality and safety
	11	Customer privacy protection
	12	Product development and innovation
	13	Intellectual property protection
	14	Supplier management
	15	Community and charity
Governance	16	Business ethics and anti-corruption
	17	Compliance operations
	18	ESG management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

1.2 Business Ethics and Anti-corruption

The Company strictly adheres to applicable laws and regulations, including the Criminal Law of the People's Republic of China and the Supervision Law of the People's Republic of China, and has put in place a suite of internal policies, including an Anti-Corruption Policy and an Anti-Bribery Policy, underpinned by a zero-tolerance stance toward corrupt conduct.

- The Company requires employees in key positions covering management, procurement, and sales to make periodic declarations of any potential conflicts of interest, while enhancing the integrity supervision responsibilities of departmental heads. Departure audits are conducted for designated members of management upon their leaving office.
- The receipt of gifts is subject to strict regulation. Employees are expressly prohibited from soliciting or accepting, in any form, gifts, entertainment, securities, or other improper benefits from customers or business counterparties.



Business Ethics and Anti-corruption Training

Indicator	Unit	2025
Number of concluded corruption-related legal cases	case	0
Number of directors participating in anti-corruption training	person	4
Average hours of directors participating in anti-corruption training	hour	2
Number of employees participating in anti-corruption training	person	226
Average hours of employees participating in anti-corruption training	hour	2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



Supplier Anti-corruption Management

The Company has formulated internal policies, including Measures for the Integrity and Compliance Management of Suppliers, to establish a comprehensive anti-corruption management mechanism covering the full lifecycle of supplier relationships, from admission, cooperation to exit. During the admission phase, prospective suppliers are required to furnish evidence of a clean record with respect to bribery offences and material legal or regulatory violations, and must pass an integrity due diligence review. A one-strike disqualification policy applies to any supplier found to have a record of bribery or to be listed as a defaulting entity subject to enforcement proceedings. During the course of cooperation, suppliers are required to sign a Supplier Integrity Commitment Letter, which is appended to the relevant procurement contract and carries equal legal force.

In 2025, the Company further strengthened its supplier anti-corruption system by rolling out the systematic execution of Supplier Integrity Commitment Letter across its supplier base, and delivering targeted integrity and compliance training for employees in procurement and related functions.

Grievance and Whistleblowing

The Company has established a full-process management system encompassing prevention beforehand, monitoring during the process, and accountability afterwards. It improves systems and procedures, strengthens authority control and position checks and balances, conducts compliance training and risk assessments, and enforces confidentiality requirements and codes of conduct to reduce corruption risks at the source. The Company has formulated internal policies such as the Reporting and Complaint Management System, and set up confidential reporting channels including dedicated email addresses and hotlines, with clearly defined full-process management for report intake, evaluation, investigation, feedback, and filing. At the same time, the Company strictly protects whistleblower information, prohibits retaliation, and ensures that reports are traceable and verifiable. In addition, we designate responsible departments to promptly handle report leads, conduct standardized reviews, provide feedback within set timeframes, and carry out ongoing supervision through internal audits, special inspections, and process backtracking. Any violations are seriously addressed and the results are publicly disclosed.

2 QUALITY FIRST

2.1 Product Quality and Safety

The Company has formulated a suite of internal policies, including its Advanced Product Quality Planning Control Procedure, Production Process Control Procedure, Product Audit Control Procedure and Product Safety Control Procedure, covering the full production lifecycle and all aspects of management, in accordance with the ISO 9001 quality management system standard and the IATF 16949 automotive quality management system standard. In 2025, we recorded no product recalls attributable to safety or health concerns.

- Establish a full-chain quality control mechanism and strictly implement quality inspection procedures in accordance with standards, covering incoming raw material inspection, first-piece inspection and patrol inspection during the production process, and final product inspection before shipment. Verify appearance, performance, safety, and specification indicators item by item. Improve the closed-loop process of incoming inspections for raw materials, real-time control during production, and pre-shipment final inspections of finished products. Clarify operational specifications and requirements for each stage, and retain complete inspection records for future reference.
- Establish a product recall procedure. When a product fails inspection or poses potential safety hazards, immediately initiate the recall process, halt shipments, and notify relevant departments and customers. Conduct risk assessments to determine the scope and level of the recall, and organize product recalls, replacements, or return processing. Concurrently, investigate the root cause of the issue, formulate corrective measures, generate a recall report, and track and verify the effectiveness of the rectifications to ensure risks are controllable and issues are fully closed out.
- Systematic risk identification and hazard remediation activities are conducted on a routine basis, with focused initiatives targeting priority areas of concern.
- The Company has built an integrated intelligent quality management system spanning the entire production process. By leveraging industry-specific large-scale AI models to consolidate multi-dimensional production data, the system enables real-time adjustment of process parameters and predictive identification of potential defects. An online real-time inspection and offline precision re-inspection linkage mechanism has been established to accurately detect defects of all types, ensuring full traceability of information across the product lifecycle. A range of intelligent sensing devices have been deployed to monitor equipment operation, hazardous chemical storage, and other critical conditions in real time, enabling second-level risk alerts and prompt emergency response.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- A dedicated emergency response leadership group has been established, and multiple emergency response plans have been revised and refined. A rapid alert and escalation process has been put in place, with a tiered response protocol, regular emergency drills, and coordinated linkage mechanisms with relevant external authorities.
- Through themed activities, dedicated training sessions, and other initiatives, the Company works to strengthen quality and safety awareness and professional competence among all staff, fostering a company-wide culture that values quality and upholds safety.



“Quality Conference” Themed Event

2.2 Optimizing Customer Service Experience

2.2.1 Enhancing Customer Service

In compliance with the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests and other laws and regulations, the Company has formulated and implemented a suite of internal policies, including its Customer Satisfaction Survey Control Procedure, Quality Information Feedback Handling Regulations, and Policies on Sales, Collection, and Accounts Receivable Management, driving continuous improvement in customer satisfaction. In 2025, the Company achieved a customer satisfaction rate of 96%.



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The Company has built a systematic, standardized and highly efficient after-sales service management system, continuously refining the customer experience through optimized after-sales repair and technical support operations and an expanded portfolio of service offerings. Upon receipt of a customer return, an investigation process is initiated without delay to conduct a comprehensive root cause analysis. In cases attributable to product quality deficiencies, delivery errors or other failures on the Company's part, full accountability is assumed and timely remediation, including repair, replacement or refund, is provided accordingly. In addition, a dedicated oversight department has been established to implement a first-inquiry accountability system for after-sales service, ensuring that every customer complaint is tracked and owned from submission to resolution, with no room for buck-passing or deflection. Meanwhile, a closed-loop customer satisfaction evaluation mechanism has been put in place, with particular focus on return-handling satisfaction. Regular retrospective reviews are conducted to identify the root causes of recurring issues and service gaps, driving ongoing refinement of service processes. In 2025, the Company received zero complaints regarding its products and services.

2.2.2 Customer Privacy Protection

The Company adheres to relevant laws and regulations, including the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China, and has established internal policies, including a Customer Information Confidentiality Agreement and an Employee Information Security and Confidentiality Code of Conduct, to clearly define the accountability system, guiding principles and management procedures for privacy protection. The Company has built a three-level accountability structure covering the Company, departmental and position levels, under which security responsibility agreements are signed with departmental heads and employees in key roles, embedding data protection obligations across all business functions and ensuring accountability through a rigorous performance assessment and disciplinary mechanism. In 2025, the Company recorded no incidents of customer information security breaches or privacy leakage, effectively safeguarding its regulatory compliance and the stability of its core client partnerships.

The Company establishes a detailed information profile for each customer, and maintains stringent controls over the storage and access of customer information. Core facilities operate under round-the-clock surveillance and access management on a 24/7 basis, with access to sensitive information restricted to specifically authorized personnel. Information retrieval and borrowing procedures are strictly regulated to ensure that all operations are fully logged, effectively preventing unauthorized access and dissemination. In addition, all third-party partners are required to execute confidentiality agreements setting out clearly defined obligations and liabilities, with periodic compliance reviews conducted to guard against the risk of external data leakage.

2.3 Product Development and Innovation

With a focus on the core track of electronic new materials, the Company pursues a dual strategy of indigenous technology development and product upgrading, making steady progress in product innovation and continuously strengthening the foundations for premium-end growth.

The Company has successfully developed a new range of capacitor film products suited to the new energy and high-end electronics sectors. Through process optimization and material modification, breakthroughs have been achieved in key performance parameters, including electrical resistance and stability. These products are capable of substituting comparable imported alternatives and have already secured cooperation agreements with a number of high-end customers. This achievement not only fills a gap in domestic technology in the relevant field, but also enhances the competitiveness of the Company in the high-end electronic new materials market, laying a solid foundation for sustained high-quality growth. The Company has further strengthened its R&D strategy by increasing investment in new materials research, promoting materials modification technology, broadening product application scenarios, and leveraging both a well-established R&D system and close collaboration with research institutions to strengthen independent innovation capabilities.

The Company remains committed to driving the intelligent transformation of production through R&D and innovation. Drawing on its proprietary design capabilities for capacitor base film production lines, the Company has carried out digital upgrades to production equipment and introduced advanced automation control and online inspection technologies, enabling precise management and automated operation of key processes.

In 2025, the Company seized the opportunities presented by Hengshui's manufacturing digitalization policy, and rooted in its accumulated technological expertise and industrial chain resources to make substantive progress in digital and intelligent transformation, guided by the strategic priorities of intelligent production, digital management, and collaborative efficiency. Through the deployment of a Manufacturing Execution System (MES), the Company achieved real-time monitoring and dynamic adjustment of data across the entire production process, reinforcing the effectiveness of fine-grained operational management. The Company has also deepened the integration of digital technologies with production processes, working with specialist institutions to explore the application of large-scale chemical AI models, with particular focus on process parameter optimization and equipment fault prediction. Intelligent algorithms have been deployed to enhance process stability, and a data-driven digital process improvement mechanism has been established to enable continuous parameter refinement and ensure consistent product performance, delivering meaningful gains in production efficiency, product quality, and management effectiveness.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company actively participates in the formulation of industry group standards, contributing to broader industry-wide standardization. In October 2025, the group standard Biaxially Oriented Polypropylene Film for Capacitors (Standard No. T/SHPTA 146–2025), in the drafting of which the Company took a leading part, was officially published. As a core participating organization, the Company drew on its extensive expertise in the research and production of biaxially oriented polypropylene film to provide professional input on key technical parameters, production process specifications, and quality inspection standards for capacitor-grade film.

2.3.1 Intellectual Property Protection

Intellectual property represents the core safeguard of corporate innovation and is of fundamental importance to long-term development and sustained market competitiveness. The Company places high importance on intellectual property management and strictly adheres to applicable laws and regulations, including the Civil Code of the People’s Republic of China, the Patent Law of the People’s Republic of China, the Trademark Law of the People’s Republic of China, and the Law of the People’s Republic of China against Unfair Competition. The Company has formulated and implemented the Intellectual Property Management Regulations to comprehensively strengthen the management and protection of its intellectual property assets.

By prompt application, registration and recordation of patents, trademarks, and copyrights, the Company clarifies the ownership of intellectual property rights, standardizes the use of IPR identifiers, and strictly controls authorization processes to effectively mitigate the risk of infringement. During cooperation, the Company insists on clearly defining the ownership of technological achievements in technical contracts. This scope covers both intended and unintended technological achievements, including intermediate and partial results, as well as subsequent achievements made after the suspension of cooperation. If a technological achievement is jointly owned, the contract must specify the form of joint ownership and stipulate the terms for subsequent development or cooperation models. In the event of an infringement, the Company actively defends its rights through lawful channels such as negotiation, administrative complaints, arbitration, and litigation, promptly securing evidence and claiming compensation. Furthermore, the Company’s IPR management department is responsible for the rigorous analysis, review, and decision-making regarding obligatory clauses related to significant IPR achievements, effectively safeguarding the Company’s legitimate rights and interests.

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The Company signs Confidentiality Agreements and Intellectual Property Ownership Agreements with its employees and R&D personnel to clarify the ownership of employee inventions and creations as well as confidentiality obligations. It strictly prevents the leakage of technical data and trade secrets through technical means and institutional measures such as access control and data encryption. Simultaneously, by refining its confidentiality system, the Company implements measures for trade secrets including encryption, access control, and the signing of confidentiality and non-compete agreements. It also regularly conducts IPR audits and risk monitoring to promptly detect and put a stop to infringing acts. In addition, the Company continuously strengthens compliance training to enhance the protection awareness of all employees, gradually fostering a corporate norm of respecting, safeguarding, and effectively utilizing intellectual property rights.



Intellectual Property Training

Indicator	Unit	2025
Number of intellectual property	items	70
Total number of granted patents	items	60
Registered trademarks	items	10

3 TALENT GROWTH

3.1 Employee Rights Protection

The Company strictly adheres to the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China and other laws and regulations, as well as the requirements of the Corporate Governance Code of the Hong Kong Stock Exchange. It has formulated internal policies including the Employee Handbook and Onboarding Guidelines to clarify employees' rights and obligations as well as professional ethics throughout the entire employment process, covering onboarding, attendance, dismissal, and discipline, so as to ensure a compliant and efficient employment process. To ensure the effective implementation of these policies, the Company regularly reviews its employment policies for compliance, verifying that dismissal procedures, working hours and other arrangements are in line with relevant regulations.

With a view to preventing non-compliant employment practices at source, the Company attaches the utmost importance to the protection of labor rights and maintains a firm stance against the employment of child labor and all forms of forced labor. During the recruitment process, the Company explicitly requires strict verification of the original identity documents of applicants and confirmation of their age information to ensure all recruited personnel meet the statutory working age. For those with questionable identity, the recruitment process shall be suspended immediately for further verification, so as to strictly control personnel qualifications at the recruitment stage. In the onboarding process, HR specialists are required to verify the original identity cards, make copies for filing, and establish an electronic employee onboarding archive before signing labor contracts. Key documents such as identity verification records, declarations and labor contracts are scanned and filed for long-term information traceability. In addition, the Company has sorted out and optimized contract provisions, proactively deleting any clauses that may imply forced labor. It strictly prohibits restricting employees' personal freedom in the form of deposits, security funds or withholding documents, and does not conceal job content, salary and benefits or working conditions, so as to safeguard employees' right to information. In daily operations, the Company strengthens personnel capacity building by enhancing training for recruiters, clarifying the legal red lines regarding child labor and forced labor, and ensuring full compliance of the entire recruitment process.

The Company adheres to normalized supervision by checking recruitment records, conducting special reviews of recruitment procedures, and carrying out regular special inspections on child labor and forced labor to promptly identify potential non-compliance risks. Meanwhile, the Company has set up feedback channels such as anonymous suggestion boxes for reporting infringements including forced labor, unblocking the supervision and feedback mechanism to effectively protect the legitimate rights and interests of workers.

Corresponding disposal measures are specified for potential non-compliance scenarios. Once violations such as the employment of child labor or forced labor occur, the Company will immediately return child laborers safely to their guardians, and conduct investigations and sanctions against forced labor in accordance with applicable laws and regulations. During the reporting period, no violations related to child labor or forced labor were found in the Company, achieving a 100% compliance rate.

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The Company upholds equal opportunity employment and diversity in talent selection, with zero tolerance for discrimination on the basis of age, gender, nationality, ethnicity, or physical condition at any stage of the recruitment, promotion, or career development process. All hiring and appointment decisions are made solely on the basis of individual capability, role competency, and genuine business requirements, free from bias or differential treatment. The Company is dedicated to fostering a working environment defined by respect, fairness, inclusivity, and openness. In addition, employees are encouraged to report instances of discriminatory conduct, with assurance that all concerns will receive a prompt and appropriate response.

3.2 Employee Remuneration and Benefits

3.2.1 Employee Remuneration

Through continuous benchmarking against market remuneration levels across the industry, the Company refines its compensation structure on an ongoing basis to provide employees with stable, fair, and market-competitive remuneration. Employee compensation comprises fixed and variable components, with each element closely linked to the characteristics of the relevant role and individual performance. Differentiated performance assessment mechanisms have been established to reflect the nature of different functions, with monthly assessments, quarterly reviews, and annual comprehensive evaluations applied respectively to production, research and development, and sales positions. Performance, competency, and attitude serve as the core assessment dimensions, with differentiated weightings applied to ensure that remuneration distribution is equitable and merit-based. To maintain objectivity and integrity in the assessment process, line managers conduct regular performance conversations with employees on a monthly or quarterly basis, during which employees are also given the opportunity to report on work progress and raise any practical difficulties.

3.2.2 Employee Benefits

The Company strictly adheres to the Social Insurance Law of the People's Republic of China and the Regulations on the Administration of Housing Provident Funds, and fulfills in full its statutory obligations to contribute to pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident funds on behalf of all employees. Statutory entitlements, including annual leave, paid sick leave, antenatal check-up leave, and marriage leave, are provided in full. On this basis, the Company offers a range of supplementary benefits tailored to the practical needs of employees, including performance bonuses and year-end bonuses, as well as free standardized accommodation and a non-profit staff canteen, with a view to substantially improving the working and living conditions of its workforce.

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The Company consistently prioritizes employee wellbeing and work experience, providing support across multiple dimensions, including living standards, the working environment, and employee welfare.



The Company Provides Welfare Benefits to Its Employees



The Company Organized a Free Physical Examination for Female Employees in Celebration of International Women's Day

3.2.3 Employee Communication

The Company maintains regular and open communication with employees, collecting feedback and suggestions on management practices, corporate culture, remuneration, and benefits through anonymous questionnaires and other forms of engagement. To ensure that employee concerns are effectively addressed, the Company has established a standardized, efficient and fully traceable closed-loop process of "Receipt – Processing – Feedback – Improvement", enabling the ongoing optimization of management and service delivery and ensuring that legitimate employee concerns are handled in a timely and appropriate manner.

3.3 Occupational Health and Safety

The Company adheres to the philosophy of “people-oriented, safety first” and strictly complies with the Work Safety Law of the People’s Republic of China, the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases, as well as relevant laws and regulations of the Hong Kong Special Administrative Region. It has formulated institutional documents including the Employee Onboarding Safety Guidelines to clarify job specifications, safety requirements and operational standards for all positions. The Company continuously improves its occupational health and safety management system covering all employees and operational scenarios, dynamically aligns with relevant laws and regulations as well as the requirements of the HKEX Code, and steadily enhances its safety management capabilities. To ensure the effective operation of the system, the Company designates dedicated departments responsible for the daily implementation, supervision and inspection of health and safety management. It conducts regular compliance self-inspections and third-party reviews. Through internal audits, regular inspections and performance tracking, the Company ensures the full implementation of various health and safety policies and promptly rectifies potential compliance risks.

We have set clear occupational health and safety targets: to eliminate all major and serious work safety incidents; to strictly control general accidents, achieving zero work-related fatalities, zero serious injuries, zero major fire or equipment incidents and zero newly diagnosed occupational diseases; and to eradicate all instances of the “three violations”, namely illegal command, illegal operation and violation of labor discipline. Over the past three years, the Company has recorded zero work-related fatalities and a zero work-related fatality rate. During the reporting period, no major safety accidents occurred, no cases of occupational diseases were identified, and there were no violations of relevant laws and regulations or regulatory penalties, reflecting remarkable achievements in safety management.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

3.3.1 Occupational Health and Safety Management System

The Company has established a three-level occupational health and safety governance structure, underpinned by a comprehensive work safety accountability system to drive the effective implementation of safety responsibilities.

- Board of Directors: As the highest decision-making and supervisory body, the Board holds overall responsibility for material matters relating to safety and occupational health.
- Management: Led by the general manager and supported by the vice general manager in charge of safety, the management is responsible for periodically reviewing annual safety targets, risk management plans, emergency management plans and safety investment budgets, driving the effective implementation of all related management work.
- Operational Level: Each department is responsible for the implementation of safety management responsibilities in accordance with its respective functions.

3.3.2 Safety Risk Management

The Company has formulated the Fire, Explosion, Toxic Substance, and Leakage Prevention Safety Management Regulations, setting out comprehensive management requirements covering the full process from hazard identification and risk assessment through to emergency response. We conduct regular monitoring and evaluation of occupational disease hazard factors in the workplace, and rigorously implement a dual-prevention mechanism encompassing risk classification and control as well as hazard identification and remediation. Major hazard sources with the potential to give rise to fires, explosions, poisoning incidents, or leakages are subject to systematic identification, with standardized daily management procedures, operating protocols, and emergency response processes established accordingly. At the operational level, the Company maintains an integrated approach combining routine inspections, periodic maintenance and targeted audits, enforcing full-chain traceability controls over the storage, use and disposal of chemical substances. During the year, the closed-loop resolution rate for identified hazards reached 100%.

We have formulated a Work Safety Emergency Response Plan, clearly defining the emergency organizational structure, communication protocols, material and logistics support arrangements, and emergency response procedures, and establishing a coordinated emergency response mechanism covering initial response, emergency decision-making, plan activation, and command coordination. The Company integrates emergency management into its day-to-day operations, conducting routine emergency preparedness activities and practical drills on an ongoing basis to continuously strengthen the emergency response capabilities of all employees.

3.3.3 Occupational Health and Safety Protection

The Company attaches great importance to the occupational health and safety management of its employees, and comprehensively safeguards employees' health and safety through institutional development, risk prevention and control, training and promotion, emergency management, supervision and assessment, and other aspects. The Company has formulated the Safety Helmet Management Regulations and Work Uniform Management Regulations, providing standardized governance over the full lifecycle of protective equipment, from procurement and acceptance inspection through to distribution and registration, on-site use, periodic testing, and retirement and replacement. The Company maintains an electronic personal protective equipment record for each employee, enabling dynamic tracking of equipment allocation, usage status and validity periods. In line with the nature and type of occupational hazards associated with each role, the Company provides employees with personal protective equipment and devices meeting national or industry standards, and supervises and educates workers on their correct use and application.

In tandem with its individual protection measures, the Company strengthens workplace safety controls across all operational areas, covering dust and toxic substance prevention, leakage containment, strict restrictions on the use of hazardous materials, and enhanced monitoring of fire- and smoking-prohibited zones. All work environments are maintained in full compliance with national occupational hygiene standards, ensuring the health and safety of every employee.

To safeguard the occupational health of all employees, the Company conducts regular health examinations in a standardized manner, achieving 100% physical examination coverage for employees in roles with exposure to occupational hazards and 100% completeness of health records. On-site operational requirements are strictly enforced, with certified qualifications required for special operations personnel and a mandatory permit approval process for hazardous work. During the year, the certification rate for special operations personnel in on-site and personnel management reached 100%, and the compliance rate for hazardous work permits stood at 100%.

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3.3.4 Construction of Safety Culture

The Company provides safety education and training at three levels, covering “factory, workshop, and work team” levels. Training content includes the Company’s safety culture, laws and regulations, general safety requirements, and cases of past incidents, supplemented by regular refresher courses and targeted training programs. To improve training effectiveness, the Company has upgraded its safety training facilities and established an integrated “instruction – practice – assessment” training model. Meanwhile, we have put in place a safety learning points mechanism, linking points accumulated through online learning and practical assessments to performance evaluations and recognition programs.

In addition, we regularly hold Safety Open Days, using both online and offline channels to showcase safety best practices and highlight “three violations” cases, guiding employees to strengthen their safety awareness through a combination of positive reinforcement and cautionary examples.

During the year, safety training coverage for employees reached 100%.



Safety Education and Training at the Company

3.4 Employee Training and Development

The Company has established dual career promotion pathways covering both technical and management tracks, allowing employees to progress steadily along their designated career streams or to switch tracks in line with their individual strengths and development goals. The Company establishes differentiated promotion assessment criteria based on employees’ different development orientations and individual potentials. For employees with management potential, the assessment focuses on team management, strategic execution and cross-departmental collaboration capabilities. For employees dedicated to professional fields, the assessment prioritizes professional technical competence, technical problem-solving abilities, project implementation effectiveness and knowledge transfer outcomes.

The Company has formulated the Employee Training Policy to regulate the entire process of application, content design, implementation, and assessment of various training programs, including internal training and expert lectures. It has established a comprehensive training system featuring “hierarchical and categorized development, diversified empowerment” that covers the full employee lifecycle, including onboarding, skill development, and management training, with coverage extended to all positions such as R&D, production, and administration.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

To ensure the orderly implementation of the training system, the Company develops an annual training plan each year and adopts a training model that combines online and offline channels as well as internal lectures and external cooperation. It ensures resource support, establishes training files, tracks training effectiveness, and continuously optimizes the training system to effectively improve employees' job performance capabilities.

For targeted talent development, the Company provides differentiated training for different employee groups. Onboarding training for new employees focuses on corporate culture, rules and regulations, safety standards, and basic job skills. Specialized training for various business lines centers on standardized operating procedures, professional software applications, and the latest regulatory policies. Targeted training on professional skills, management capabilities, compliance, and risk control is delivered to senior management, middle management, and frontline employees respectively.

In addition, in response to the needs of various departments for technical improvement and management optimization, the Company invites external experts to conduct customized thematic training and organizes outstanding employees to visit and study at advanced enterprises. This enables them to learn from advanced management experience and technological achievements, broaden their horizons, and enhance their comprehensive capabilities.

The Company actively encourages employees to develop their professional qualifications and overall competencies, supporting them in obtaining key industry-relevant certifications and participating in professional title evaluations. Employees who successfully obtain such certifications receive corresponding technical allowances, and paid study leave is provided to support exam preparation, offering well-rounded support for employee growth and career development.



The Company Organized Training for
Financial Personnel on the Application of Project Data

4 GREEN DEVELOPMENT

4.1 Environmental Management

4.1.1 Environmental Management System

The Company strictly adheres to the Environmental Protection Law of the People's Republic of China and relevant laws and regulations, and has formulated internal management policies including the Environmental Protection Reward and Penalty Regulations and the Corporate Environmental Protection Concept, continuously strengthening its environmental management responsibilities and institutional system. The Company has established a three-level environmental responsibility mechanism covering the “company – department – position” levels, with clearly defined responsibilities and performance requirements at each level, and a systematic set of procedures governing risk assessment, hazard rectification, and related processes to ensure that environmental management is both well-regulated and effectively implemented. Focusing on key operational areas including production operations, pollution control, and hazardous waste storage, the Company conducts routine hazard inspections and targeted spot checks, and has put in place a closed-loop management mechanism. Ongoing efforts to upgrade environmental protection facilities and optimize production processes, combined with strengthened maintenance and operational management of these facilities, ensure stable equipment performance. The Company is also promoting the standardization of environmental protection infrastructure in key areas, effectively mitigating environmental risks.

In 2025, the Company successfully obtained ISO 14001 Environmental Management System certification and made concurrent progress in building an energy management system, gradually establishing an integrated “environment + energy” compliance management model. The Company also continued to consolidate the achievements of its “zero-waste enterprise (factory)” program, further enhancing the standardization and normalization of its environmental management practices.

The Company conducts ongoing environmental awareness campaigns and education efforts. In 2025, the Company organized a series of themed campaigns around key dates including World Earth Day and World Environment Day, encouraging employees to develop conscientious habits in areas such as paper conservation, electricity management, and waste sorting, and fostering a culture of broad-based participation in green development.

In 2025, the Company invested RMB0.018 million in environmental compliance costs. No incidents occurred during the year that resulted in significant administrative penalties or criminal liability in relation to environmental matters.

4.1.2 Environmental Emergency Management

With a focus on strengthening environmental emergency response capabilities, The Company has systematically promoted a range of priority work, including the improvement of its management system, risk assessment and remediation, and the optimization and drilling of emergency response plans, comprehensively strengthening its capacity to handle environmental emergencies and securing the baseline of environmental safety.

The Company has strengthened its full-cycle environmental emergency management system, refining emergency management procedures, clearly defining the emergency responsibilities of each department and position, and standardizing workflows for risk assessment, incident reporting, emergency response, and post-incident recovery. Emergency management requirements have been integrated into every stage of production and operations. Drawing on the characteristics of production activities and the types of environmental risks involved, the Company has revised and improved both its general and specialized emergency response plans, completed the required filing and roll-out training, and ensured that all employees are thoroughly familiar with emergency response procedures and their individual responsibilities. A regular emergency drill mechanism has been established, with scenario-based practical exercises conducted across a range of risk situations to test the viability of response plans, the speed of team response, and the effectiveness of coordinated action. Post-drill evaluations are carried out promptly to identify areas for improvement, continuously refining plan content and response workflows and steadily improving practical environmental emergency response capabilities.

4.2 Emissions Management

4.2.1 Exhaust Gas

The exhaust gas generated in the production and operations of The Company derives primarily from non-methane total hydrocarbons emitted during the extrusion process.

The Company strictly adheres to the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Noise Pollution Prevention and Control Law of the People's Republic of China, and relevant laws and regulations, fully implementing statutory requirements including compliance with emission standards for atmospheric pollutants, pollutant discharge permit management, and the concurrent operation of pollution control facilities, with zero tolerance for unorganized emissions and emissions exceeding permitted limits. The Company strictly follows national and industry standards including the Comprehensive Emission Standard of Air Pollutants and the Standard for Fugitive Emission of Volatile Organic Compounds, with clearly defined emission limits and control requirements for characteristic pollutants such as process exhaust gas and organic exhaust gas arising from the production of electronic new materials.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Through the formulation of internal environmental management regulations, the Company has established clear accountability for each stage of the production process, adopting advanced production technologies and environmentally sound processes, optimizing the energy mix, and improving resource efficiency. Pollutant generation points are subject to localized enclosed collection, with two-stage activated carbon adsorption systems installed for high-efficiency treatment, ensuring that exhaust gas is treated to consistently meet emission standards before discharge through designated exhaust stacks. Real-time monitoring and periodic testing are conducted at exhaust gas discharge outlets, with robust internal oversight and third-party calibration verification to ensure that emissions data are accurate, authentic, and fully compliant. Regular environmental assessments and audits are carried out, with the Company actively benchmarking against higher standards and continuously improving its environmental performance through technological and managerial innovation.

Exhaust gas management target

Continuously maintain **100%** compliance of exhaust gas emissions, strictly follow national and local air pollutant emission standards, and eliminate any instances of emissions exceeding the permitted limits.

Exhaust gas emissions

228.8 kilogram

Exhaust gas emissions intensity

0.0068 kilogram/RMB10,000 of revenue

2025

4.2.2 Wastewater

Wastewater generated by the production operations of The Company consists primarily of limited volumes of domestic wastewater arising from employee office and living facilities.

The Company strictly complies with the Water Pollution Prevention and Control Law of the People's Republic of China, fulfills in full its primary responsibilities for water pollution prevention and control, and has established a factory-wide classified wastewater collection system under which domestic sewage and production wastewater are collected and managed separately, ensuring 100% compliant collection of all wastewater. Domestic sewage, following on-site pre-treatment, is discharged in its entirety into the municipal sewage network for centralized treatment by urban wastewater treatment facilities, with no illegal discharge permitted under any circumstances.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company actively promotes the resource-based utilization of wastewater. Treated wastewater meeting the applicable standards is prioritized for use in plant greening and road cleaning, reducing the demand for fresh water intake. Investment has been made in advanced water recycling and reuse systems to recover cooling water, condensate, and a portion of process water generated during production. Following treatment through filtration, softening, and temperature adjustment, this water is reintroduced into the production process, significantly reducing water consumption per unit of output and achieving closed-loop water cycling and cascaded utilization.

To ensure stable compliant discharge and the reliable operation of the water recycling system, the Company has established a rigorous internal monitoring regime, conducting regular testing and analysis of discharge outlet water quality and reclaimed water quality, with water quality data records maintained on file. The operations team conducts regular inspections and maintenance of the water recycling system to ensure sustained, efficient, and stable performance. Water resource management has been incorporated into the Company's sustainability objectives, with regular assessments of the operational efficiency and water-saving outcomes of the recycling system. Through the adoption of new technologies and the optimization of process flows and management practices, the Company continuously identifies further opportunities for water conservation, driving water efficiency metrics toward industry-leading standards.

4.2.3 Waste

The main waste generated during the Company's production and operation is waste film. Adhering to the principles of full collection and closed-loop utilization, the Company implements complete recycling and reprocessing of waste film, achieving 100% resource recycling. In terms of source reduction, the Company integrates the concepts of intensive efficiency and optimal resource utilization during the product design phase. By optimizing product design and material usage plans, it reduces raw material consumption and lowers waste generation at the source. Meanwhile, through resource treatment processes, the waste film is converted into recycled raw materials and reintroduced into the production cycle, establishing a resource recycling system. The Company maintains a full-process data management ledger for general industrial waste, recording and tracking the entire process of waste generation, sorting, collection, storage, and resource utilization. It regularly analyzes the composition and flow of waste, evaluates the effectiveness of resource utilization, and continuously optimizes sorting plans and management processes based on data feedback.

The Company is committed to continuously achieving the goal of 100% recycling of waste film. In 2025, the Company generated 4,581.34 tonnes of general industrial waste (waste film), all of which was 100% recycled. In addition, small amounts of other general waste such as household waste generated during operations were properly disposed of by qualified third-party organizations, effectively reducing environmental impact. During the reporting period, the Company has not generated or discharged any hazardous waste.

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4.3 Energy Management

The Company strictly complies with laws and regulations such as the Energy Conservation Law of the People's Republic of China and the Electric Power Law of the People's Republic of China, making energy conservation the core basis of the Company's energy management. The Company has established a resource-efficient management system, integrating resource efficiency into the full-process control of production and operations. It clearly defines the responsibilities of energy management personnel and relevant departments, prioritizes the adoption of nationally recommended energy-saving technologies, processes, and equipment in process design and equipment selection, and ensures that the energy efficiency of major energy-using equipment meets or exceeds national standards. The Company has incorporated considerations of energy structure optimization and carbon emission control into its energy strategy and investment decisions, committed to pursuing leading energy efficiency. The Company has established a resource consumption monitoring and statistical mechanism, regularly conducts energy-saving and consumption-reduction inspections and training, and strengthens employees' awareness of conservation.

In terms of green office energy conservation, the Company has achieved intelligent and fine-grained operation of its lighting systems. Building on natural daylighting, the system integrates infrared sensing and timer-based controls to deliver occupancy-responsive lighting, with LED fixtures deployed throughout. Energy-saving modes are activated on office appliances to minimize standby consumption. The Air Conditioning Usage and Management Regulations has been formulated and is strictly enforced, stipulating that cooling may only be activated when the indoor temperature exceeds 28°C and must be set to no lower than 25°C, while heating may only be activated when the indoor temperature falls below 13°C and must be set to no higher than 20°C. Doors and windows must remain closed during air conditioning operation, and units must be switched off if premises are vacated for more than 20 minutes or at the end of the working day. Departmental heads serve as the primary responsible parties for ensuring compliance with these requirements.

Energy management target

A **5%** reduction in electricity consumption intensity by 2028 relative to the 2025 baseline.

Comprehensive Energy Consumption
4,957.41 tonnes of standard coal

Comprehensive Energy consumption intensity
0.14 tonnes of standard coal/RMB10,000 of revenue

2025

Electricity consumption
40,153,052 kWh

Electricity consumption intensity
1,202.08 kWh/RMB10,000 of revenue

2025

Gasoline consumption
13,516.02 liters

Diesel consumption
6,604.33 liters

2025

4.4 Water Resource Management

The Company strictly adheres to the Water Law of the People’s Republic of China, the Key Tasks for Water Resources Management in 2025 issued by the Ministry of Water Resources, and relevant regulations, managing water use in accordance with its approved annual water abstraction plan, actively implementing water conservation measures, and improving water use efficiency. The Company ensures that water metering facilities are in good working order and accurately calibrated, with connectivity maintained to the regulatory platform for real-time monitoring and compliant reporting of water consumption data. In 2025, the Company was recognized as a water-efficient enterprise in Hebei Province.

All water used in industrial production is drawn from the municipal supply network and, following purification through the Company’s internal water treatment system, is applied to the production of electronic new materials and to cooling circulation systems.

Drawing on its existing industrial cooling water circulation infrastructure, the Company continues to drive technical upgrades and management optimization, implementing water-saving technology projects including production water recycling and condensate recovery, and extending water conservation practices to core production processes. The collection and reuse of non-potable water has been broadened, with treated water meeting applicable standards applied not only to site greening and cleaning but also to a wider range of production support functions, reducing reliance on fresh water sources. The Company is accelerating the establishment of a plant-wide digital water consumption monitoring platform, complemented by water management policies, leakage control procedures, and water-saving performance assessment mechanisms, to render water resource consumption visible, controllable, and continuously optimizable.

In terms of office water conservation, sensor-activated faucets have been installed at all water points including restrooms and the staff canteen, with clearly illustrated water-saving reminders posted throughout to create a visually reinforcing environment. Around key dates such as World Water Day, the Company shares water conservation knowledge and practical tips through internal emails and notice boards, strengthening water-saving awareness and a sense of responsibility among all staff.

Water management target

A **5%** reduction in water consumption intensity by 2028 relative to the 2025 baseline.

Water consumption
5,665.51 m³

Water consumption intensity
0.17 m³/RMB10,000 of revenue

2025

4.5 Packaging Materials Management

The Company strictly adheres to laws and regulations such as the Circular Economy Promotion Law of the People's Republic of China and the Cleaner Production Promotion Law of the People's Republic of China, and fully implements standards and policy requirements including the Restricting Excessive Packaging for Commodity-General Rules, Requirements of Restricting Excessive Packaging in Express Delivery, Packaging Recycling Marking, Specification for Developing and Evaluating Zero-Waste Enterprise (Factory), and Hebei Province's Implementation Plan for Further Strengthening Plastic Pollution Control. The Company strictly follows the principles of reducing and recycling packaging materials, incorporates the concepts of "reducing excessive use" and "facilitating recycling" into packaging design, prioritizes the selection of recyclable and easily recyclable packaging materials, and fulfills extended producer responsibility. The Company formulated the Low-Carbon and Environmentally Friendly Packaging Management System and the Green Supply Chain Management System in 2025, clarifying requirements for packaging material selection, procurement access, design specifications, and recycling management, and integrating environmental requirements into the entire process of packaging design, procurement, production, and recycling.

In terms of reduced-quantity packaging and green material research and development, the Company focuses on source reduction and green substitution, establishing a comprehensive packaging design management mechanism. It prioritizes the research and development of self-degrading and recyclable packaging films, as well as environmentally friendly packaging products tailored to the characteristics of electronic new materials, balancing protective performance with low-carbon attributes. It reduces material consumption and carbon emissions at the source by optimizing packaging protective structures and dimensions, reducing redundant filler layers and the number of packaging layers, and promoting compact, standardized, and integrated designs. Simultaneously, the Company systematically evaluates and pilots the application of new environmentally friendly materials such as biodegradable, renewable, and single-material options, develops a phased substitution roadmap, and prioritizes the use of sustainable raw materials such as biobased plastics and pulp molding to continuously increase the proportion of green packaging.

Regarding the establishment of a packaging recycling system, the Company has set up an internal mechanism for the classification, recycling, and resource utilization of packaging waste to achieve waste reuse. It collaborates deeply with core suppliers and logistics providers to optimize packaging design based on actual transportation data, improve loading efficiency, and pilot standardized, traceable, reusable circulation boxes and pallets within regional or closed-loop supply chains, gradually replacing disposable transportation packaging. The Company also engages in industry-academia-research cooperation to accelerate the commercialization of environmentally friendly packaging technologies, builds a system for the classified collection, recycling, and compliant disposal of solid waste, and continuously improves the comprehensive utilization rate of industrial solid waste.

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As for safeguard measures, the Company incorporates low-carbon and environmentally friendly packaging indicators into performance evaluations to strengthen environmental awareness among all employees. Its internal procurement policies prioritize the purchase of low-carbon-compliant packaging materials for office and display purposes. The Company prioritizes the selection of environmentally friendly raw materials and compliant suppliers by optimizing its green supply chain to achieve coordinated green development in packaging and logistics, leading the industry's green transformation.

Indicator	Unit	2025
Packaging material usage	tonnes	984.8
Packaging material usage intensity	tonnes/RMB10,000 of revenue	0.029

4.6 Addressing Climate Change

4.6.1 Governance

The Company has continued to strengthen the top-level design of climate risk management, improved the three-level management structure of “decision-making level – management level – implementation level”, and continuously enhanced its climate change governance capabilities.

The Company's Chairman takes the lead in reviewing major climate change-related matters and coordinating the strategic direction of climate governance and sustainable development. The General Manager organizes departments such as production, quality, safety and environmental protection, procurement, and finance to collaboratively advance key tasks including energy conservation, carbon reduction, resource recycling, and compliance management. The Production Technology Department specifically implements projects for process optimization, energy efficiency improvement, clean production, and energy-saving renovations to continuously reduce operational carbon intensity. The Procurement Department implements green supply chain management, prioritizing low-carbon-compliant suppliers. The Finance Department is responsible for calculating environmental protection investments and energy-saving costs, exploring the alignment with green financial instruments, and ensuring the effective allocation of resources for climate governance.



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4.6.2 Strategy

The Company has identified climate-related risks and opportunities by examining and analyzing relevant policies and internal operations, assessed their potential impact on corporate operations and development, and developed appropriate countermeasures.

- Time horizons of impacts
 - Short term (0-1 year): Respond to the Company’s annual business development plan to ensure the annual emission reduction targets and key tasks are achieved and accomplished.
 - Medium term (1-5 years): In alignment with the Company’s medium-term development blueprint, national strategies and business characteristics, coordinate resources, funding and workforce deployment to advance climate actions; establish a periodic review mechanism to optimize pathways in a timely manner based on business development and emission reduction progress.
 - Long term (5 years and above): In light of the national “dual carbon” strategy, adopt a forward-looking approach to formulate long-term strategic plan covering 5 to 30 years, and establish a dynamic assessment and review mechanism to regularly review the plan and make necessary adjustments.

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Climate-related Risks

Physical Risks	Risk Impacts	Time Horizon	Value Chain	Potential Financial Impact	Response Measures
Typhoon	Causes damage to manufacturing facilities and warehouses, leading to operational disruptions; causes logistics delays and supply chain blockages.	Short term	Own operations, downstream value chain	Increase in operating costs, decrease in operating revenue	Reinforce the wind and flood resistance design of key factory buildings and warehouses, and establish disaster preparedness warehouses; develop and regularly conduct drills for emergency response plans under extreme weather conditions, including production scheduling, data backup, and supply chain alternative plans; purchase property insurance and business interruption insurance that cover climate-related losses.

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Physical Risks	Risk Impacts	Time Horizon	Value Chain	Potential Financial Impact	Response Measures
Extreme Weather	Causes damage to manufacturing facilities and warehouses, leading to operational disruptions; causes logistics delays and supply chain blockages.	Short term	Own operations, downstream value chain	Increase in operating costs, decrease in operating revenue	Reinforce the wind and flood resistance design of key factory buildings and warehouses, and establish disaster preparedness warehouses; develop and regularly conduct drills for emergency response plans under extreme weather conditions, including production scheduling, data backup, and supply chain alternative plans; purchase property insurance and business interruption insurance that cover climate-related losses.
Floods	Inundates facilities in low-lying areas, damaging equipment and inventory; causes water supply interruptions or contamination.	Short term	Own operations	Increase in operating costs, decrease in operating revenue	Conduct flood risk assessments when selecting sites for new facilities, and add flood control measures to existing low-lying areas. Place important facilities, electrical systems, and inventory above the flood line. Establish a flood warning linkage mechanism to transfer materials in advance and ensure personnel safety.

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Transition Risks	Risk Impacts	Time Horizon	Value Chain	Potential Financial Impact	Response Measures
Policy and Legal Risks	Carbon pricing increases compliance costs. Stricter environmental regulations impose compliance pressures and potential penalties.	Medium and long term	Entire value chain	Increase in operating costs	Establish a dedicated team or leverage external expertise to continuously track domestic and international climate policy developments and assess their financial impacts. Plan emission reduction pathways in advance, actively participate in carbon emissions trading markets, and incorporate carbon costs into financial models.
Technology Risks	Rapid iteration of low-carbon packaging and production technologies poses a risk of premature obsolescence of existing technologies or equipment. Our investment in breakthrough carbon reduction technologies is uncertain.	Medium and long term	Own operations	Increase in operating costs	Continuously increase the budget for low-carbon packaging technology research and development, establish collaborations with universities and research institutions, and deploy cutting-edge technologies. Develop a flexible technology iteration and equipment update roadmap to balance short-term investments with long-term transformation needs.

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Transition Risks	Risk Impacts	Time Horizon	Value Chain	Potential Financial Impact	Response Measures
Market Risks	Customers' preferences shift towards low carbon products, leading to market share loss if the Company fails to keep up. Fluctuations in the costs of upstream environmentally friendly materials affect profitability.	Long term	Own operations	Increase in operating costs	Establish a feedback mechanism for customers' low carbon preferences to quickly respond to market demand for green packaging. Establish strategic partnerships with core environmentally friendly material suppliers to lock in costs through long-term agreements and develop alternative supply sources.
Reputational Risks	Being perceived by investors or the public as slow in responding to climate change may damage the brand image and affect financing and customer relationships.	Short, medium and long term	Own operations	Increase in non-operating costs	Regularly disclose climate goals, progress, and carbon footprint data to respond to stakeholder concerns. Actively participate in the development or support of industry green standards and enhance credibility through third-party certifications.

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Climate-Related Opportunities

Opportunities	Description	Time Horizon	Value Chain	Potential Financial Impact	Response Measures
Clean Energy Utilization	The declining costs of renewable energy sources such as photovoltaic (PV) and wind power enable long-term reductions in energy costs, minimize carbon footprints, and enhance energy security.	Medium and long term	Own operations	Decrease in operating costs	Set phased targets for renewable energy utilization and increase the proportion of clean energy through multiple channels, including self-built distributed PV systems and green power procurement.
Product Development	The rapidly growing market demand for low-carbon, recyclable packaging solutions opens up new market segments for the Company's innovative products.	Medium and long term	Own operations	Increase in operating revenue	Incorporate low-carbon principles as a core aspect of product design, developing high-value-added green packaging solutions such as biobased, biodegradable, and lightweight options. Explore offering a "product + service" model that includes packaging recycling and circularity to deepen customer collaboration and create new revenue streams.

Currently, climate transition risks and opportunities are not expected to have a significant financial impact on the Company in the short term. Therefore, the Company has not yet implemented a carbon pricing management system. We will continue to monitor developments related to carbon pricing and proactively adopt the aforementioned system when appropriate. Going forward, based on the actual operational circumstances of the Company, we will further enhance climate-related disclosures in phases and strengthen the management of climate-related risks and opportunities.

4.6.3 Risk Management

The Company has established an institutionalized, process-oriented, and embedded climate change risk management process. This process ensures full-cycle management of climate issues, from identification and assessment to response and monitoring, and is managed in coordination with other business risks. It effectively supports the Company in enhancing climate resilience, seizing transformation opportunities, and safeguarding the realization of long-term value. The Company continuously reviews and optimizes this process based on changes in internal and external environments and best practices.

Additionally, the Company systematically promotes green and low-carbon transformation across all value chain links, collaborating in key areas such as research and development design, production and manufacturing, and logistics and warehousing to form a green technology system and low-carbon management practices covering the entire value chain.

R&D Design

- **R&D Investment:** The Company prioritizes the provision of funds for green and clean technology R&D, allocating R&D resources rationally with a focus on optimizing clean production processes, developing technologies for waste recycling and reuse, upgrading energy-saving supporting equipment, and developing green packaging materials. It provides dedicated support for green technology innovation projects to promote deep integration between technological R&D and production practices.
- **Green Materials R&D:** The Company focuses on lightweight, high-performance, and green directions, delving deeply into low-carbon R&D for core products. It optimizes raw material polymerization processes to reduce the emission of production by-products and explores green modification technologies to develop new materials suitable for low-carbon application scenarios.

Manufacturing

- **Energy-saving Technological Upgrades:** The Company systematically implements energy-saving equipment upgrades at its production bases, promoting the use of high-efficiency motors and variable frequency drive systems, and upgrading high-energy-consuming equipment with heat recovery and intelligent control to continuously reduce energy consumption intensity in the production process.
- **Process Optimization:** The Company promotes innovation and application in the field of green and clean technologies, forming a technological support system covering waste recycling, clean processes, and other areas. The optimized production processes can effectively reduce energy consumption levels in the production process.

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Logistics and Transportation

- **Intelligent Scheduling and Green Transportation:** The Company builds an intelligent logistics scheduling platform to dynamically optimize transportation routes, reducing detours and inefficient transportation. It promotes multimodal transportation and consolidated delivery models, integrating transportation resources, improving loading rates, and reducing transportation frequency and carbon emissions.
- **New Energy Application and Demonstration Leadership:** The Company creates a Beijing-Tianjin-Hebei new energy low-carbon distribution dedicated line, adopting a combined model of “new energy vehicles + intelligent scheduling” to achieve green and digital transportation throughout the entire process, forming a demonstration for regional short-distance low-carbon transportation.
- **Supply Chain Collaboration for Carbon Reduction:** The Company leverages its smart factory system to achieve linkage between production planning and logistics scheduling, avoiding inefficient transportation and inventory backlogs. It collaborates with core suppliers and logistics providers to promote the use of reusable circulating containers and pallets, optimizes packaging design to improve loading efficiency, and drives coordinated green development in packaging and logistics.

Warehouse Management

- **Facility Greening:** The Company promotes green transformation of warehouse facilities, optimizing warehouse space layout and material stacking methods to improve the intensive utilization efficiency of warehouse resources. It prioritizes the use of low-carbon equipment such as electric forklifts in warehouse operations to reduce carbon emissions intensity during operations.
- **Intelligent Energy Management:** The Company promotes intelligent energy management systems in office and warehouse facilities, using IoT sensors to monitor energy consumption in real-time, optimizing the operation strategies of lighting, air conditioning, and ventilation systems, eliminating energy waste, and achieving precise energy use and fine management.
- **Process Low-Carbonization:** The Company strengthens employees’ awareness of low-carbon practices, popularizes energy-saving operation norms through training, and integrates low-carbon requirements into the entire process of daily warehouse operations to promote coordinated development between warehouse operations and environmental protection.

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4.6.4 Metrics and Targets

The Company has deeply integrated climate change response into its core strategy and is committed to driving low-carbon transformation across all value chain links through systematic innovation and management improvements. Using 2024 as the base year, the Company has set the following climate objectives:

- To establish itself as a leading practitioner of low-carbon packaging solutions within the industry, build a resilient green supply chain, and continuously reduce the carbon footprint of its operations and products;
- To achieve a 5% reduction in greenhouse gas (GHG) emission intensity per unit of output value by 2027.

Indicator	Unit	2025
GHG Emissions (Scope 1 and Scope 2)	tonnes of CO ₂ equivalent	21,353.18
GHG Emissions Intensity (Scope 1 and Scope 2)	ton of CO ₂ equivalent/ RMB10,000 of revenue	0.64
Scope 1 GHG Emissions	tonnes of CO ₂ equivalent	47.97
Scope 1 GHG Emissions Intensity	tonnes of CO ₂ equivalent/ RMB10,000 of revenue	0.0014
Scope 2 GHG Emissions	tonnes of CO ₂ equivalent	21,305.21
Scope 2 GHG Emissions Intensity	tonnes of CO ₂ equivalent/ RMB10,000 of revenue	0.64
Scope 3 GHG Emissions (Category 6 – Business trips)	tonnes of CO ₂ equivalent	41.39

4.7 Ecosystem and Biodiversity Conservation

The Company strictly adheres to laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Forestry Law of the People's Republic of China to ensure that all production and operational activities comply with ecological protection standards. The Company takes effective measures to prevent ecological damage, avoids destructive development in forest-rich areas, and carries out afforestation and other ecological compensation efforts when necessary, fully implementing ecological protection requirements.

In terms of ecological protection practices, the Company actively participates in the protection of ecosystems in and around its factory areas, scientifically promoting greening improvement actions along the factory boundary road system. It strictly follows industrial enterprise greening design specifications, selects suitable native tree species, standardizes the planting of roadside trees, and constructs a composite greenbelt of trees, shrubs, and grasses. This forms a continuous and stable ecological corridor and green protective barrier along the factory boundary, effectively serving functions such as dust reduction, noise reduction, and improving regional ecology while ensuring traffic safety.

5 WIN-WIN PARTNERSHIP

5.1 Supplier Management

The Company strictly adheres to relevant laws and regulations such as the Anti-Monopoly Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China, and has formulated the Supplier Management System, establishing standardized requirements for the entire process of supplier admission review, dynamic evaluation, and daily control. Currently, the Company's suppliers mainly include those for raw materials and manufacturing equipment.

- **Supplier Management**

Admission Strictly implement the admission review process, comprehensively evaluating suppliers based on indicators such as their operational status, product quality, and business reputation, while also incorporating ESG-related requirements into consideration;

Prioritize suppliers that have obtained management system certifications such as ISO 14001 and ISO 9001, strictly controlling the admission of suppliers with high ESG risks from the source, and resolutely excluding partners with violations such as environmental law infringements and child labor usage;

A green procurement mechanism has been established, which explicitly incorporates environmental protection qualifications, low-carbon materials, energy-saving services, recyclable packaging and other factors into the supplier admission scoring system. Priority is given to selecting partners or suppliers that have obtained green certifications and provide environmentally friendly products and services.



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Evaluation	<p>Conduct annual evaluations of the top 20 material and component suppliers by annual procurement volume, focusing on assessing their quality, delivery timeliness, and collaborative cooperation;</p> <p>Implement monthly evaluations for key and important material suppliers and quarterly evaluations for general material suppliers, primarily assessing delivery punctuality, cargo integrity, quantity accuracy, and service quality;</p> <p>In 2025, environmental and social factors will be integrated into the supplier evaluation and assessment system, verifying environmental and occupational health indicators, environmental protection testing situations, social security, and work hour records.</p>
Exit	<p>The Company has established a rigorous dynamic management and withdrawal mechanism for suppliers. In the event of non-compliance or major quality issues by suppliers, the Company will immediately initiate a reassessment and adopt control measures such as written warnings, supply restrictions, and deadline-based rectification according to the severity of the issues, so as to ensure supply chain stability and product quality and safety.</p>
Risk management	<p>The Company has established a full-chain supply chain environmental and social risk management system, integrating environmental compliance, workplace safety, labor rights, anti-bribery and sustainable procurement as core requirements, with focused management over high-risk links.</p> <p>Through a combination of due diligence, on-site audits and third-party assessments, the Company identifies and controls environmental and social risks among suppliers, driving suppliers to enhance their ESG management capabilities.</p> <p>It regularly reviews the effectiveness of risk management, continuously optimizes management processes, and jointly builds a responsible and sustainable supply chain ecosystem with partners to safeguard operational stability and long-term value.</p>

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- **Supplier Quality Management**

The Company places great emphasis on supplier quality management, forming a complete closed-loop management process from admission review, sample trial use, arrival inspection to subsequent supervision and rectification. During the supplier admission stage, relevant departments such as quality and technology jointly conduct on-site reviews, focusing on evaluating the supplier's production conditions and quality assurance capabilities. All important materials strictly adhere to the "sample testing and approval" system, and only after the samples pass inspection can they proceed to the small-batch trial use stage. In daily procurement, all arriving goods must undergo all inspections as required and can only be checked into the warehouse after passing the inspections.

- **Supplier Empowerment**

- **Technical Collaboration:** The Company invites engineers from key suppliers to participate in technical feasibility reviews during the early stages of new product design or process changes. Meanwhile, the Company opens relevant product technical standards, drawings, and quality requirements to suppliers and conducts preliminary training to reduce misunderstandings and quality issues during later mass production.
- **Experience Sharing:** We share industry best practice cases with suppliers that have improvement intentions in areas such as packaging reduction, clean energy usage, and pollution prevention to help them enhance their environmental protection capabilities.
- **Supply-Demand Collaboration:** The Company holds joint meetings with major suppliers on an irregular basis to align demand forecasts, technical roadmaps, cost optimization, and potential risks, and signs cooperation frameworks to ensure alignment of goals between supply and demand parties.
- **Digital Tool Empowerment:** The Company has digitized processes such as supplier qualification reviews, sample evaluations, and contract signing to improve management efficiency. Meanwhile, we automatically score suppliers based on indicators such as delivery punctuality rate, quality pass rate, and compliance, achieving dynamic classification of suppliers, eliminating inefficient suppliers, and reducing single dependency risks. To further optimize supply-demand collaboration, we push forecast data to core suppliers to arrange stockpiling and production scheduling in advance, reducing supply-demand mismatches.

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5.2 Community Philanthropy

The Company actively fulfills its social responsibilities, takes the initiative to engage in social welfare undertakings, and encourages employees to widely participate in volunteer services, giving back to society with practical actions. To better integrate into the community and serve local residents, the Company has maintained close communication with surrounding communities, taken the initiative to listen to residents' concerns, efficiently coordinated and resolved relevant issues, and continuously consolidated the relationship of mutual trust with communities. On this basis, focusing on key areas of community contribution including educational support, skills training, public health and environmental improvement, the Company has actively joined forces with government authorities, public welfare organizations and other stakeholders to launch long-term and targeted public welfare projects, effectively improving the quality and efficiency of public welfare services as well as social value, and earnestly fulfilling its corporate social responsibility in the community. In 2024, the Company actively participated in the "Project Hope Dream Action" charity donation activity in Jing County, supporting disadvantaged students in pursuing their educational dreams with practical actions and demonstrating the Company's sense of social responsibility. The Company's public welfare donation amounted to RMB0.916 million in the Year.



The Company was Honored as an Advanced Company for Charity Donations in the 2024 "Project Hope Dream Action" in Jing County.



The Company Conducted Volunteer Activities



APPENDIXES

Appendix I Key performance table

- *Environmental*

Indicator	Unit	2025
Environmental Compliance Costs	RMB10,000	1.8
Exhaust Gas Emissions	Kilogram	228.8
Exhaust Gas Emission Intensity	Kilogram/RMB10,000 of revenue	0.0068
Total Non-hazardous Waste Emissions	tonnes	4,581.34
Non-hazardous Waste Emission Intensity	tonnes/RMB10,000 of revenue	0.14
Comprehensive Energy Consumption	tonnes of standard coal	4,957.41
Comprehensive Energy Consumption Intensity	tonnes of standard coal/RMB10,000 of revenue	0.15
Electricity Consumption	kWh	40,153,052
Electricity Consumption Intensity	kWh/RMB10,000 of revenue	1,202.08
Gasoline Consumption	Liters	13,516.02
Diesel Consumption	Liters	6,604.33
Water Consumption	Cubic meters	5,665.51
Water Consumption Intensity	Cubic meters/RMB10,000 of revenue	0.17
Packaging Material Usage	tonnes	984.8
Packaging Material Usage Intensity	tonnes/RMB10,000 of revenue	0.029
GHG Emissions (Scope 1 and Scope 2)	tonnes of CO ₂ equivalent	21,353.18
GHG Emission Intensity (Scope 1 and Scope 2)	tonnes of CO ₂ equivalent/RMB10,000 of revenue	0.64
Scope 1 GHG Emissions	tonnes of CO ₂ equivalent	47.97
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Scope 2 GHG Emissions	tonnes of CO ₂ equivalent	21,305.21
Scope 2 GHG Emissions Intensity	tonnes of CO ₂ equivalent/RMB10,000 of revenue	0.64
Scope 3 GHG Emissions (Category 6 – Business trips)	tonnes of CO ₂ equivalent	41.39

Notes:

1. The calculation method for comprehensive energy consumption refers to the General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589–2020).
2. Scope 1 GHG emissions primarily stem from direct energy consumption (including gasoline and natural gas) during operations and are below the industry average.
3. Scope 2 GHG emissions mainly arise from indirect energy consumption (purchased or procured electricity) during operations. Relevant data references the “Reporting Guidance on Environmental KPIs” of the Hong Kong Stock Exchange, with the GHG emission factor for purchased electricity referencing the 2023 national average CO₂ emission factor for electricity, which is below the industry average.
4. Scope 3 GHG emissions mainly result from business air travel, high-speed rail travel, and self-driving travel. Relevant data references the “Reporting Guidance on Environmental KPIs” of the Hong Kong Stock Exchange, and the relevant emission factors reference those for corresponding modes of transportation in the “China Products Carbon Footprint Factors Database”.

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- Society**

Indicator		Unit	2025
Total Number of Employees		Person	226
Number of Employees by Employment Type	Full-time	Person	226
	Part-time	Person	0
Number of Employees by Gender	Male	Person	166
	Female	Person	60
Number of Employees by Age	30 years old and under	Person	34
	31–50	Person	127
	Over 50 years old	Person	65
Number of Employees by Region	Mainland China	Person	226
	Hong Kong, Macao, and Taiwan	Person	0
	Overseas	Person	0
		Person	0
Employee Turnover Rate		%	20.35
Employee Turnover Rate by Gender	Male	%	21.69
	Female	%	16.67
Employee Turnover Rate by Age	30 years old and under	%	52.94
	31–50	%	14.17
	Over 50 years old	%	15.38
Employee Turnover Rate by Region	Mainland China	%	20.35
	Hong Kong, Macao, and Taiwan	%	0
	Overseas	%	0
		%	0
Number of Work-related Fatalities		Person	0
Work-related Fatality Rate		%	0
Number of Workdays Lost Due to Work-Related Injuries		Day	0
Number of Trained Employees		Person	226

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Indicator		Unit	2025
Percentage of Trained Employees by Gender	Male	%	73.45
	Female	%	26.55
Percentage of Trained Employees by Employment Category	Senior Management	%	3.55
	Middle Management	%	17.75
	Frontline Employees	%	78.7
Average Training Hours per Employee		Hour	20
Average Training Hours per Employee by Gender	Male	Hour	22
	Female	Hour	14.5
Average Training Hours per Employee by Employment Category	Senior Management	Hour	25
	Middle Management	Hour	20
	Frontline Employees	Hour	20
Total Number of Suppliers		Supplier	6
– Mainland China		Supplier	4
– Hong Kong, Macao, and Taiwan		Supplier	0
– Overseas		Supplier	2
Percentage of Total Products Sold or Shipped Subject to Recalls for Safety and Health Reasons		%	0
Number of Complaints Received Regarding Products and Services		Case	0
Number of Intellectual Property Rights		Pcs	70
Cumulative Number of Authorized Patents		Pcs	60
Registered Trademarks		Pcs	10
R&D Expenses		RMB10,000	1,241.68
Number of Concluded Legal Cases Regarding Corrupt Practices		Case	0
Number of Directors Participating in Anti-corruption Training		Person	4
Average Hours of Anti-corruption Training per Director		Hour	2
Number of Employees Participating in Anti-corruption Training		Person	226
Average Hours of Anti-corruption Training per Employee		Hour	2
Amount of Public Welfare Donations		RMB10,000	91.6

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

APPENDIX II: INDEX OF THE STOCK EXCHANGE OF HONG KONG'S ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORTING CODE

Environmental, Social, and Governance Categories with General Disclosures and Key Performance Indicators (KPIs)			Section Location
A. Environment			
A1: Emissions	General Disclosure	Policies on exhaust gas and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste, etc.: (a) policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Emissions Management
	A1.1	The types of emissions and respective emissions data.	Emissions Management, Key Performance Table
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Management, Key Performance Table
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



Environmental, Social, and Governance Categories with General Disclosures and Key Performance Indicators (KPIs)			Section Location
A2: Use of Resources	General Disclosure	Policies for the efficient use of resources (including energy, water, and other raw materials).	Energy Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Management, Key Performance Table
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Resource Management, Key Performance Table
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resource Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Material Management, Key Performance Table
A3: Environment and Natural Resources	General Disclosure	Policies to mitigate significant impacts of the issuer on the environment and natural resources.	Ecosystem and Biodiversity Protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecosystem and Biodiversity Protection

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental, Social, and Governance Categories with General Disclosures and Key Performance Indicators (KPIs)			Section Location
B. Society			
B1: Employment	General Disclosure	Information on policies regarding compensation and dismissal, recruitment and promotion, working hours, leave, equal opportunities, diversity, anti-discrimination, and other treatment and benefits: (a) policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee Rights Protection, Employee Remuneration and Benefits
	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Key performance table
	B1.2	Employee turnover rate by gender, age group and geographical region.	Key performance table
B2: Health and Safety	General Disclosure	Information on policies regarding providing a safe working environment and protecting employees from occupational hazards: (a) policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key performance table
	B2.2	Number of workdays lost due to work injury.	Key performance table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety Protection

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



Environmental, Social, and Governance Categories with General Disclosures and Key Performance Indicators (KPIs)			Section Location
B3: Development and Training	General Disclosure	Policies regarding enhancing employees' knowledge and skills to perform their job responsibilities. Describe training activities.	Employee Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key performance table
	B3.2	The average training hours completed per employee by gender and employee category.	Key performance table
B4: Labor Standards	General Disclosure	Information on policies regarding preventing child labor or forced labor: (a) policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee Rights Protection
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Rights Protection
	B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Rights Protection
B5: Supply Chain Management	General Disclosure	Policies for managing environmental and social risks in the supply chain.	Supplier Management
	B5.1	Number of suppliers by geographical region.	Key performance table
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supplier Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supplier Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supplier Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental, Social, and Governance Categories with General Disclosures and Key Performance Indicators (KPIs)			Section Location
B6: Product Responsibility	General Disclosure	Information on policies regarding the health and safety, advertising, labeling, and privacy issues of provided products and services, as well as remediation methods: (a) policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Product Quality and Safety, Customer Privacy Protection
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Key performance table
	B6.2	Number of products and service related complaints received and how they are dealt with.	Key performance table
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
	B6.4	Description of quality inspection process and recall procedures.	Product Quality and Safety
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Privacy Protection
B7: Anti-Corruption	General Disclosure	Information on policies regarding preventing bribery, extortion, fraud, and money laundering: (a) policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Business Ethics and Anti-corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Key performance table
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics and Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	Key performance table

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



Environmental, Social, and Governance Categories with General Disclosures and Key Performance Indicators (KPIs)			Section Location
B8: Community Investment	General Disclosure	Policies regarding community engagement to understand the needs of the communities where the issuer operates and ensure that its business activities consider community interests.	Community Philanthropy
	B8.1	Focus areas of contribution (e.g., education, environmental issues, labor needs, health, culture, sports).	Community Philanthropy
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Key performance table

Climate-Related Disclosure Indicators		Section Location
Governance	Disclose information about the governance body or individuals responsible for overseeing climate-related risks and opportunities, including how to determine skill competency, the frequency and methods of obtaining information on risks and opportunities, how they are considered in decision-making, supervision of target setting and progress towards achieving targets, as well as the role of management in the relevant process and its integration with internal functions.	Addressing Climate Change – Governance
Strategy – Business Model and Value Chain	Describe the current and expected impacts of climate-related risks and opportunities on the business model and value chain, and identify concentrated areas.	Addressing Climate Change – Strategy
Strategy – Strategy and Decision-Making	Disclose strategies and plans for addressing risks and opportunities, including business model changes, adaptation or mitigation efforts, transition plans, methods for achieving climate goals, as well as resource provision plans for actions and progress of previous plans.	Addressing Climate Change – Strategy
Strategy – Financial Position, Financial Performance, and Cash Flow	Disclose the current and expected financial impacts of climate-related risks and opportunities on the issuer’s financial position, financial performance, and cash flow during the Reporting Period.	Addressing Climate Change – Strategy
Strategy – Resilience	Disclose the Company’s assessment of its climate resilience and the situation of conducting climate-related scenario analysis.	Addressing Climate Change – Strategy

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Climate-Related Disclosure Indicators		Section Location
Risk Management	Disclose the processes and related policies for identifying, assessing, prioritizing, and continuously monitoring climate-related risks and opportunities, as well as the integration of climate-related risks and opportunities into the company's overall risk management process.	Addressing Climate Change – Risk Management
Metrics and Targets – Greenhouse Gas Emissions	Disclose the absolute total emissions of Scope 1, Scope 2, and Scope 3 greenhouse gases during the reporting period, explain the measurement methods, input data, assumptions, and reasons for changes, and disclose Scope 2 emissions on a geographic basis and the categories included in Scope 3.	Addressing Climate Change – Metrics and Targets
Metrics and Targets – Climate-Related Targets	Disclose qualitative and quantitative climate-related targets, including setting indicators, purposes, applicable scopes, periods, base periods, phased targets, target types, and associations with international agreements; disclose methods for setting and reviewing targets, indicators for monitoring progress towards achieving targets, and target performance and trend analysis; for greenhouse gas emission targets, explain the covered gases, emission scopes, and total or net targets, etc.	Addressing Climate Change – Metrics and Targets

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF HEBEI HAIWEI ELECTRONIC NEW MATERIAL TECHNOLOGY CO., LTD.

河北海偉電子新材料科技股份有限公司

(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Hebei Haiwei Electronic New Material Technology Co., Ltd. (河北海偉電子新材料科技股份有限公司) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 110 to 165, which comprise the consolidated statement of financial position of the Group as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER (Continued)

Key audit matter	How our audit addressed the key audit matter
Cut-off of revenue recognition	
<p>We identified cut-off of revenue recognition as a key audit matter as significant revenue transactions may occur close to the end of the reporting period.</p> <p>Revenue arising from sales of capacitor films products is recognised at a point in time when the goods are consumed or accepted by the customers after delivery to the customers' premises. The Group recognised revenue of RMB334,030,000 for the year ended 31 December 2025. Details are set out in note 5 to the consolidated financial statements.</p>	<p>Our procedures in relation to cut-off of revenue recognition included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the terms of sales agreements, and assessing the Group's revenue recognition policy based on the requirements of the prevailing accounting standards; • For customers with own online supplier relationship management system which is accessible by the Group, <ul style="list-style-type: none"> ○ selecting samples immediately preceding the year end; ○ checking against the relevant sales information retrieved from the online supplier relationship management system for each sample; and ○ checking other sales information from sale invoices against the accounting records; and • For other customers, <ul style="list-style-type: none"> ○ selecting samples immediately preceding the year end; ○ checking against the acceptance notes acknowledged by customers on the date of delivery of each sample; ○ checking the monthly statements acknowledged by customers on the date of delivery of each sample if the acceptance notes acknowledged by customers are not available; and ○ checking other sales information from sale invoices against the accounting records.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

The engagement partner on the audit resulting in the independent auditor's report is Lai Ka Chun (practicing certificate number: P07760).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	334,030	421,695
Cost of sales		(230,058)	(296,623)
Gross profit		103,972	125,072
Other income	6	11,047	8,625
Impairment losses reversed (recognised) under expected credit loss ("ECL") model, net	35b	(3,224)	116
Other gains and losses	7	(4,556)	1,472
Distribution and selling expenses		(3,237)	(3,299)
Administrative expenses		(24,242)	(13,420)
Research and development expenses		(15,457)	(16,800)
Listing expenses		(10,819)	(6,133)
Finance costs	8	(1,998)	(2,405)
Profit before tax		51,486	93,228
Income tax expense	9	(6,751)	(6,810)
Profit and total comprehensive income for the year	10	44,735	86,418
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		48,008	89,884
Non-controlling interests		(3,273)	(3,466)
		44,735	86,418
Earnings per share	14		
– Basic (RMB)		0.38	0.73
– Diluted (RMB)		0.38	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025



	NOTES	At 31 December	
		2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	16	127,048	144,529
Right-of-use assets	17	5,216	5,992
Deposits paid for acquisition of plant and equipment	15	260,915	56,560
Deferred tax assets	18	5,204	3,644
		398,383	210,725
Current assets			
Inventories	19	134,772	69,292
Trade, bills and other receivables	20	220,863	337,035
Amounts due from related parties	30	–	8,238
Cash and cash equivalents	22	442,441	137,288
		798,076	551,853
Current liabilities			
Trade, bills and other payables	23	28,294	52,415
Amounts due to related parties	30	3,211	3,218
Financial guarantee liabilities	26	–	655
Lease liabilities	25	715	534
Bank borrowings	24	3,872	15,000
Tax liabilities		616	3,555
		36,708	75,377
Net current assets		761,368	476,476
Total assets less current liabilities		1,159,751	687,201
Non-current liability			
Lease liabilities	25	628	1,182
Net assets		1,159,123	686,019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		At 31 December	
	NOTES	2025	2024
		RMB'000	RMB'000
Capital and reserves			
Share capital	27	159,168	123,712
Reserves		996,500	557,049
Equity attributable to owners of the Company		1,155,668	680,761
Non-controlling interests	31	3,455	5,258
Total equity		1,159,123	686,019

The consolidated financial statements on pages 110 to 165 were approved by the Board of Directors on 31 March 2026 and were signed on its behalf:

Mr. Song Wenlan

Mr. Sheng Zhixuan

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company					Subtotal RMB'000	Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000 (note a)	Other reserve RMB'000 (note b)	Retained profits RMB'000			
At 1 January 2024	123,712	375,446	12,405	(28,641)	110,674	593,596	8,724	602,320
Profit (loss) and total comprehensive income (expense) for the year	-	-	-	-	89,884	89,884	(3,466)	86,418
Deemed distributions arising from issue of financial guarantees to related parties (note b)	-	-	-	(2,719)	-	(2,719)	-	(2,719)
Transfer to statutory surplus reserve	-	-	9,486	-	(9,486)	-	-	-
At 31 December 2024	123,712	375,446	21,891	(31,360)	191,072	680,761	5,258	686,019
Profit (loss) and total comprehensive income (expense) for the year	-	-	-	-	48,008	48,008	(3,273)	44,735
Deemed distributions arising from issue of financial guarantees to related parties (note b)	-	-	-	(3,725)	-	(3,725)	-	(3,725)
Transfer to statutory surplus reserve	-	-	5,108	-	(5,108)	-	-	-
Capital injection by non-controlling interests	-	-	-	-	-	-	1,470	1,470
Shares issued upon global offering (Note 27)	35,456	426,094	-	-	-	461,550	-	461,550
Transaction costs attributable to issue of new shares	-	(30,926)	-	-	-	(30,926)	-	(30,926)
At 31 December 2025	159,168	770,614	26,999	(35,085)	233,972	1,155,668	3,455	1,159,123

Notes:

- (a) It represents the statutory reserve of certain entities comprising the Group in the People's Republic of China (the "PRC"). Pursuant to applicable PRC regulations, the PRC entities comprising the Group is required to appropriate 10% of its profit after tax (after offsetting prior year losses) to the statutory reserve until such reserve reaches 50% of its registered capital. Transfers to this reserve must be made before distribution of dividends to shareholders. Upon approval by relevant authorities, the statutory reserve can be utilised to offset the accumulated losses or to increase the paid-up capital of the entities comprising the Group.
- (b) As at 31 December 2024, the Group has provided guarantees to related parties for their bank borrowings amounting to RMB198,000,000. Such financial guarantees were measured at fair values at initial recognition with reference to the default rates and recovery rates published by a credit rating agency and the maximum exposure of the related parties' credit facilities to the Group at the time of recognising the financial guarantee liabilities. The fair values of financial guarantee liabilities at initial recognition were charged to equity as deemed distribution under other reserve, and the financial guarantee liabilities were subsequently measured at the higher of: (i) the amount of the loss allowance determined in accordance with IFRS 9 *Financial Instruments* ("IFRS 9"); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised. Details of the financial guarantees are set out in Note 26.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Profit before tax	51,486	93,228
Adjustments for:		
Depreciation of property, plant and equipment	21,842	24,803
Depreciation of right-of-use assets	776	946
Impairment losses recognised (reversed) under ECL, net	3,224	(116)
Write-down of inventories	1,465	421
Gain on disposal of a subsidiary (Note 33)	–	(2,430)
Interest income	(814)	(1,702)
Finance costs	1,998	2,405
Financial guarantee income from related parties	(4,380)	(6,680)
Gain on fair value change of financial assets at fair value through profit or loss (“FVTPL”)	–	(275)
Loss on exchange rate changes	4,898	–
Operating cash flows before movements in working capital	80,495	110,600
(Increase) decrease in inventories	(66,945)	3,828
Decrease (increase) in trade, bills and other receivables	101,763	(86,545)
Decrease in trade, bills and other payables	(18,078)	(9,311)
Decrease in amounts due to related parties	(7)	(1,314)
Cash from operation	97,228	17,258
Income tax paid	(11,250)	(33)
NET CASH FROM OPERATING ACTIVITIES	85,978	17,225
INVESTING ACTIVITIES		
Interest received	814	1,702
Net cash inflow (outflow) on disposal of a subsidiary (Note 33)	3,480	(1)
Payments for purchase of property, plant and equipment	(202,807)	(18,080)
Purchase of financial assets at FVTPL	–	(20,000)
Proceeds from disposal of financial assets at FVTPL	–	20,275
Repayments from related parties	1,682	–
NET CASH USED IN INVESTING ACTIVITIES	(196,831)	(16,104)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025



	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
FINANCING ACTIVITIES		
Proceeds from issue of shares	461,550	–
Capital injection by non-controlling interests	1,470	–
Repayment of lease liabilities	(373)	(716)
Interest paid	(1,960)	(2,405)
New bank borrowings raised	55,872	769
Repayments of bank borrowings	(67,000)	(69,700)
Payment of share issue costs	(29,515)	(775)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	420,044	(72,827)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	309,191	(71,706)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	137,288	208,994
Effect of foreign exchange rate changes	(4,038)	–
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY BANK BALANCE	442,441	137,288



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Hebei Haiwei Electronic New Material Technology Co., Ltd. (河北海偉電子新材料科技股份有限公司) (the “Company”) was incorporated and registered in the PRC on 6 September 2006 as a limited liability company. In December 2022, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. The address of the registered office and principal place of business of the Company is Jing County Economic and Technological Development Zone, Hengshui, Hebei Province, the PRC. Its ultimate controlling shareholder is Mr. Song Wenlan (宋文蘭) (“Mr. Song”), who is the chairman of the Board of Directors and an executive director of the Company.

The Group is principally engaged in the research and development, manufacturing and sales of capacitor films products.

The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong limited on 28 November 2025.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company, rounding to the nearest thousands, except for what otherwise stated.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the consolidated financial statements for the year ended 31 December 2025, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, International Accounting Standards (“IASs”), amendments to IFRS Accounting Standards and the related interpretations issued by the International Accounting Standards Board (the “IASB”), which are effective for the accounting period beginning on 1 January 2025 throughout the years ended 31 December 2025 and 2024.

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

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

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

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for the annual periods beginning on or after 1 January 2026.

3 Effective for annual periods beginning on or after 1 January 2027.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

New and amendments to IFRS Accounting Standards in issue but not yet effective (Continued)

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 *Presentation of Financial Statements*. The new standard 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 financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements (including aggregation and disaggregation of items within statement of financial position and statement of comprehensive income) of the Group, but in terms of recognition and measurement, IFRS 18 is not expected to have significant impact on the financial performance and positions of the Group.

Except as described above, the directors of the Company (the “Directors”) anticipate that the application of the other amendments to IFRS Accounting Standards will have no material impact on the financial position and performance of the Group in the foreseeable future.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. 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.

The Directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the entities now comprising the Group. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation. When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* ("IAS 12") and IAS 19 *Employee Benefits* respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service that is distinct or a series of distinct goods or services that are substantially the same.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Research and development expenses

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use assets includes the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025



4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred as the Group does not have any qualifying asset.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Employment benefits

Retirement benefits costs

Payments to the defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025



4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for rental, use in provision of services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on property, plant and equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the year ended 31 December 2025. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025



4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the “other gains and losses” line item.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets and financial guarantee contracts which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025



4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts subject to impairment assessment under IFRS 9 (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group rebuts the presumption of the significantly increase in credit risk for trade receivables over 30 days past due based on the strong financial position with good repayment records of those customers and continuous business relationship with the Group.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025



4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with IFRS 9, and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by group entities are recognised at the proceeds received, net of direct issue costs.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at amortised cost

Financial liabilities including trade, bills and other payables, amounts due to related parties and bank borrowings are subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. The above said fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	2025 RMB'000	2024 RMB'000
Sales of capacitor films products		
Capacitor base films	263,148	307,194
Metallized films	45,135	85,218
Others	25,747	29,283
	334,030	421,695

All of the Group's revenue are recognised at a point in time.

Performance obligations for contracts with customers

Revenue arising from sales of capacitor films products is recognised at a point in time when the goods are consumed or accepted by the customers after delivery to the customers' premises. The Group generally grants credit periods from 30 to 180 days to its customers and the Group accepts trade receivables settled by bills.

Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts with customers are for period of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment Information

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

Geographical information

The geographical location of customers is based on the location at which the goods are delivered. The revenue of the Group is all derived from customers in the PRC during the years ended 31 December 2025 and 2024.

The Group's non-current assets are located within the PRC. The geographical location of the non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and right-of-use assets, and the location of the operation to which they are allocated, in case of other non-current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Customer A	42,096	N/A*
Customer B	38,956	N/A*
Customer C	37,975	N/A*

* The corresponding revenue contributed to the total revenue of the Group is less than 10%.

6. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Bank interest income	814	1,702
Government subsidies (note)	5,853	243
Financial guarantee income from related parties (Note 26)	4,380	6,680
	11,047	8,625

Note: Government subsidies mainly represent industry-specific subsidies granted by the government authorities with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognised.

7. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net foreign exchange losses	(4,898)	(777)
Gain on disposal of a subsidiary (Note 33)	–	2,430
Gain on fair value change of financial assets at FVTPL	–	275
Others	342	(456)
	(4,556)	1,472

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

8. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest expenses on bank borrowings	1,904	2,354
Discounting charges on bills receivables	38	1
Interest expenses on lease liabilities	56	50
	1,998	2,405

9. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax:		
PRC Enterprise Income Tax ("EIT")	8,311	3,588
Deferred tax (Note 18)	(1,560)	3,222
	6,751	6,810

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the year ended 31 December 2025, except for disclosed below.

The Company has been recognised as the High New Technology Enterprise from December 2024 to December 2027. Its subsidiary, Anhui Ningguo Haiwei Electronics Co., Ltd (寧國市海偉電子有限公司) ("Ningguo Haiwei") have been recognised as the High New Technology Enterprise from October 2024 to October 2027. According to the EIT Law for High New Technology Enterprises, these companies are subject to a reduced EIT rate of 15% during the year ended 31 December 2025.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engage in research and development activities are entitled to claim 200% of the research and development expenses incurred in a year as tax deductible expenses in determining the taxable income for that year ("Super Deduction").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

9. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	51,486	93,228
Tax at EIT rate of 25% (2024: 25%)	12,872	23,307
Tax effect of expenses not deductible for tax purpose	92	62
Tax effect of income not taxable for tax purpose	(657)	(1,009)
Tax effect of Super Deduction	(2,319)	(2,520)
Tax effect of tax concession	(4,287)	(9,338)
Tax effect of tax losses not recognised	1,050	1,797
Utilisation of tax losses previously not recognised	-	(6,789)
Others	-	1,300
Income tax expense for the year	6,751	6,810

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Auditor's remuneration	3,180	449
Depreciation of property, plant and equipment	21,842	24,803
Depreciation of right-of-use assets	776	946
Cost of inventories recognised as an expense	228,593	296,202
Write-down of inventories (included in cost of sales)	1,465	421
Directors' and supervisors' emoluments (Note 11)	1,011	1,392
Other staff costs:		
Salaries, allowances and other benefits in kind	16,742	17,143
Retirement benefit scheme contributions	1,515	1,848
	19,268	20,383

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

	Date of appointment as director	For the year ended 31 December 2025				Total RMB'000
		Fees RMB'000	Salaries, allowances and benefit in kind RMB'000	Performance related bonus RMB'000	Retirement benefit scheme contributions RMB'000	
Executive directors:						
Mr. Song	6 September 2006	-	307	-	8	315
Cao Chaozhi ("Mr. Cao")	6 January 2023	-	83	200	8	291
Sheng Zhixuan	6 January 2023	-	280	-	-	280
Liu Qingbin	6 January 2023	-	78	-	8	86
Non-executive director:						
Zhong Ying	30 June 2023	-	-	-	-	-
Independent Non-Executive Directors:						
Gu Qun	24 January 2025	13	-	-	-	13
Zhang Hao	24 January 2025	13	-	-	-	13
Yu Qing	24 January 2025	13	-	-	-	13
Total		39	748	200	24	1,011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

	Date of appointment as director/supervisor	Fees RMB'000	For the year ended 31 December 2024			Total RMB'000
			Salaries, allowances and benefit in kind RMB'000	Performance related bonus RMB'000	Retirement benefit scheme contributions RMB'000	
Executive directors:						
Mr. Song	6 September 2006	–	301	–	15	316
Mr. Cao	6 January 2023	–	76	200	15	291
Sheng Zhixuan	6 January 2023	–	275	–	1	276
Liu Qingbin	6 January 2023	–	69	–	15	84
Non-executive director:						
Zhong Ying	30 June 2023	–	–	–	–	–
Supervisors:						
Liu Baoxing	6 January 2023	–	201	–	15	216
Yue Chunlei	6 January 2023	–	67	–	15	82
Song Wenlian (note b)	6 January 2023	–	63	–	15	78
Zhang Yanming	9 June 2024	–	34	–	15	49
Total		–	1,086	200	106	1,392

Notes:

- a) Mr. Cao is the Chief Executive Officer of the Company.
- b) Ms. Song Wenlian resigned as supervisor in June 2024.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Group and the Company during the years ended 31 December 2025 and 2024.

The non-executive directors' emoluments shown above were for their services as the directors of the Company during the years ended 31 December 2025.

During the years ended 31 December 2025 and 2024, there was no arrangement under which a director or the chief executive waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group included 3 executive directors (2024: 2) for the year ended 31 December 2025, details of whose remuneration are set out in Note 11 above. The emoluments of the remaining 2 (2024: 3) highest paid employees of the Group for the year ended 31 December 2025 are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	975	1,148
Performance related bonuses	198	–
Retirement benefit scheme contributions	8	30
	1,181	1,178

The number of highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025 No. of Individuals	2024 No. of Individuals
Nil to Hong Kong Dollars 1,000,000	2	3

During both years, no emoluments were paid by the Group to the five highest paid individuals (including directors, supervisors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

14. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2025 is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended 31 December 2025, the exercise of the Company's over-allotment options granted pursuant to the listing of the Company's shares on the Hong Kong Stock Exchange was not included in the calculation of diluted earnings per share, as the exercise price of those over-allotment options was higher than the average market price for shares during the relevant period. Accordingly, diluted earnings per share for the year ended 31 December 2025 is the same as the basic earnings per share.

No diluted earnings per share for the year ended 31 December 2024 was presented as there were no potential ordinary shares in issue during the year.

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2025 RMB'000	2024 RMB'000
Earnings for the purpose of calculating basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	RMB48,008	RMB89,884
Number of shares:		
Weighted average number of ordinary shares for the purpose of		
– basic earnings per share	127,015	123,712
– diluted earnings per share	127,015	N/A

15. DEPOSITS PAID FOR ACQUISITION OF PLANT AND EQUIPMENT

As at 31 December 2025, the Group's deposits paid for acquisition of plant and equipment amounted to RMB260,915,000, out of which RMB185,000,000 was paid to Hebei Kunda Machinery Manufacturing Co., Ltd. (河北坤達機械製造有限公司) ("Kunda Machinery") in relation to a contract for the procurement of production lines (the "Equipment Procurement Contract"), with a total contract value of RMB1,000,000,000. The deposit was paid in December 2025.

In March 2026, the Equipment Procurement Contract was cancelled by mutual agreement between the Group and Kunda Machinery. The Group subsequently received a refund of RMB176,000,000 in March 2026. The remaining balance of RMB9,000,000 will continue to be applied towards the construction of the first production line under a revised arrangement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant, Machinery and Equipment RMB'000	Furniture, fixtures, office and electronic equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Leasehold improvement RMB'000	Total RMB'000
COST							
At 1 January 2024	32,104	333,116	2,292	1,251	4,389	289	373,441
Additions	5,731	3,526	299	174	11,947	-	21,677
Transfer	180	16,108	48	-	(16,336)	-	-
Disposal of a subsidiary (Note 33)	(1,688)	-	-	-	-	-	(1,688)
At 31 December 2024	36,327	352,750	2,639	1,425	-	289	393,430
Additions	62	3,980	319	-	-	-	4,361
At 31 December 2025	36,389	356,730	2,958	1,425	-	289	397,791
DEPRECIATION							
At 1 January 2024	(17,890)	(204,736)	(1,993)	(351)	-	(69)	(225,039)
Provided for the year	(1,628)	(22,802)	(149)	(169)	-	(55)	(24,803)
Eliminated on disposal of a subsidiary	941	-	-	-	-	-	941
At 31 December 2024	(18,577)	(227,538)	(2,142)	(520)	-	(124)	(248,901)
Provided for the year	(1,890)	(19,490)	(274)	(133)	-	(55)	(21,842)
At 31 December 2025	(20,467)	(247,028)	(2,416)	(653)	-	(179)	(270,743)
CARRYING VALUE							
At 31 December 2025	15,922	109,702	542	772	-	110	127,048
At 31 December 2024	17,750	125,212	497	905	-	165	144,529

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, after taking into account the residual values, where applicable, are depreciated on a straight-line basis at the following estimated useful lives after taking into account their estimated residual values 5%:

Buildings	20 years
Plant, machinery and equipment	3 to 15 years
Motor vehicles	5 years
Furniture, fixtures, office and electronic equipment	3 to 5 years
Leasehold improvement	Over the shorter of lease term or 5 years

17. RIGHT-OF-USE ASSETS

	Land use rights RMB'000	Leased properties RMB'000	Total RMB'000
Carrying amount			
At 31 December 2025	4,094	1,122	5,216
At 31 December 2024	4,320	1,672	5,992
Depreciation charge			
For the year ended 31 December 2025	226	550	776
For the year ended 31 December 2024	232	714	946
		2025 RMB'000	2024 RMB'000
Total cash outflow for leases		373	766

During the years ended 31 December 2025 and 2024, the Group leases lands, buildings and warehouses for its operations. Lease contracts are entered into for fixed term of 3 to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the noncancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The land use rights mainly represented prepaid operating lease payments in respect of land in the PRC with remaining lease periods of 18.3 years (2024: 19.3 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

18. DEFERRED TAX ASSETS

The following is the analysis of the deferred tax balances for financial reporting purposes:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	5,204	3,644

The following are the major deferred tax assets recognised and movements thereon during the years ended 31 December 2025 and 2024:

	ECL provision	Write-down of inventories	Tax losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	2,295	200	4,371	6,866
Charged to profit or loss	(48)	(84)	(3,090)	(3,222)
At 31 December 2024	2,247	116	1,281	3,644
Credited (charged) to profit or loss	2,474	367	(1,281)	1,560
At 31 December 2025	4,721	483	-	5,204

As at 31 December 2025, the Group has unused tax losses of approximately RMB33,116,000 (2024: RMB20,376,000) available for offset against future profits. No deferred tax asset has been recognised in respect of these losses due to the unpredictability of future profit streams.

19. INVENTORIES

	2025	2024
	RMB'000	RMB'000
Raw materials and consumables	74,166	36,569
Work in progress	1,017	1,917
Finished goods	62,806	32,558
	137,989	71,044
Less: write-down of inventories	(3,217)	(1,752)
	134,772	69,292

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

20. TRADE, BILLS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	147,081	168,751
Bills receivables	86,929	166,137
Less: allowance for credit losses	(16,367)	(15,230)
	217,643	319,658
Other receivables, prepayments and deposits	1,887	1,969
Advance payment to suppliers	889	14,320
Value-added taxes recoverable	444	–
Deferred share issued costs	–	1,088
Total	220,863	337,035

In relation to the sales of capacitor films products, the Group generally allows a credit period from 60 to 90 days (2024: 60 to 90 days) to its trade customers and the Group accepts trade receivables settled by bills for the year ended 31 December 2025. No credit term was granted to the trade receivables with related parties.

Aging analysis

The following is an aged analysis of trade receivables presented based on the invoice dates at the end of each reporting period:

	2025 RMB'000	2024 RMB'000
0-90 days	63,823	91,486
91-180 days	37,084	31,526
181-365 days	27,451	31,596
1-2 years	8,868	5,464
Over 2 years	9,855	8,679
	147,081	168,751

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

20. TRADE, BILLS AND OTHER RECEIVABLES (Continued)

The following is an aged analysis of bill receivables presented based on the issue dates at the end of each reporting period:

	2025 RMB'000	2024 RMB'000
0-90 days	47,417	80,583
91-180 days	38,963	85,554
181-365 days	549	–
	86,929	166,137

As at 31 December 2025, total bills received amounting to RMB86,929,000 (31 December 2024: RMB166,137,000) are held by the Group for future settlement of trade receivables, of which certain bills were further discounted/endorsed by the Group. All bills received by the Group are with a maturity period of less than one year.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB94,803,000 (31 December 2024: RMB77,265,000) which are past due as at the respective reporting date. Out of the past due balances, RMB46,174,000 (31 December 2024: RMB45,739,000) has been past due over 90 days and is not considered as in default due to the history of cooperation and the sound collection history of the debtors.

Details of impairment assessment of trade, bills and other receivables are set out in Note 35b.

21. TRANSFER OF FINANCIAL ASSETS

At 31 December 2025, included in the Group's bills receivables amounted to RMB17,447,000 (31 December 2024: RMB36,166,000) being endorsed to certain suppliers for settlement of trade payables or being discounted to certain banks to obtain bank loans on a full recourse basis. If the bills are not paid on maturity, the suppliers and banks have the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the bills receivables to its suppliers upon endorsement, it continues to recognise the full carrying amount of bills receivables and has recognised the payables from the endorsement of the bills with full recourse. For bills receivables discounted to banks with full recourse, as the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount of bills receivables and has recognised the bank borrowings for the discounted amounts received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

21. TRANSFER OF FINANCIAL ASSETS (Continued)

At 31 December 2025

	Bills discounted to banks with full recourse RMB'000	Bills endorsed to suppliers with full recourse RMB'000
Carrying amount of transferred assets	3,872	13,575
Carrying amount of associated liabilities	3,872	13,575
Net position	-	-

At 31 December 2024

	Bills discounted to banks with full recourse RMB'000	Bills endorsed to suppliers with full recourse RMB'000
Carrying amount of transferred assets	-	36,166
Carrying amount of associated liabilities	-	36,166
Net position	-	-

During the year ended 31 December 2025, the Group had derecognised bills discounted to banks or endorsed to certain suppliers on a full recourse basis amounting to RMB32,685,000 (31 December 2024: RMB13,738,000). These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were insignificant, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers.

22. CASH AND CASH EQUIVALENTS

The Group's bank balances as at 31 December 2025, carry interest at market rates which range from 0.0001% to 0.2% (2024: from 0.05% to 1.50%) per annum.

Details of impairment assessment of bank balances are set out in Note 35b.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

23. TRADE, BILLS AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	17,379	40,235
Accrued staff costs and retirement benefit scheme contributions	3,170	3,778
Value added tax payables	2,055	1,868
Other tax payables	210	124
Accrued operating expenses	192	293
Accrued listing expenses	888	1,713
Accrued share issue costs	606	313
Other payables	3,794	4,091
	28,294	52,415

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

The credit period on trade payables ranges from 0 to 90 days (2024: 0 to 90 days) for the year ended 31 December 2025. The aging analysis of the Group's trade payables based on the invoice dates at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	15,387	39,255
Over 1 year	1,992	980
	17,379	40,235

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FOR THE YEAR ENDED 31 DECEMBER 2025

24. BANK BORROWINGS

	2025 RMB'000	2024 RMB'000
Carrying amount of bank borrowings repayable within one year and shown under current portion	3,872	15,000

	2025 RMB'000	2024 RMB'000
Fixed rate bank borrowings	3,872	15,000

	2025 RMB'000	2024 RMB'000
Represented by:		
– secured and unguaranteed	3,872	–
– unsecured and guaranteed	–	15,000
	3,872	15,000

At 31 December 2024, the bank borrowings amounting to approximately RMB15,000,000 were guaranteed by Jing County Chunyuan Thermal Power Co., Ltd. (景縣春源熱力有限公司), a related party controlled by the brother-in-law of Mr. Song. The above borrowing was settled in June 2025.

As at 31 December 2025, the bank borrowings amounting to approximately RMB3,872,000 were drawn on discounted bills with recourse.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's fixed rate bank borrowings are as follows:

	At 31 December	
	2025	2024
Effective interest rate	0.9%	4.0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

25. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	715	534
Within a period of more than one year but not more than two years	322	554
Within a period of more than two years but not more than five years	306	628
	1,343	1,716
Less: Amount due for settlement with 12 months shown under current liabilities	(715)	(534)
Amount due for settlement after 12 months shown under non-current liabilities	628	1,182

The weighted average incremental borrowing rate applied to lease liabilities is 3.60% at 31 December 2025 (31 December 2024: 3.60%).

26. FINANCIAL GUARANTEE LIABILITIES

As at 31 December 2024, the Group has guaranteed the bank borrowings for related parties amounting to RMB138,000,000. No consideration has been received by the Group for these guarantees.

During the year ended 31 December 2025, the estimated fair value of the financial guarantees as at their respective initial recognition date were recognised as financial guarantee liabilities with the equivalent amount charged to equity as deemed distributions under other reserves amounting to approximately RMB3,725,000 (2024: RMB2,719,000).

The fair value of the financial guarantees as at their respective initial recognition date were arrived at on the basis of valuation carried out by Avista Valuation Advisory Limited, an independent qualified professional valuer not connected with the Group. Such financial guarantees were measured at fair values at initial recognition with reference to default rates and recovery rates published by a credit rating agency and the maximum exposure of the related parties' credit facilities to the Group.

Subsequent to the initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance determined in accordance with IFRS 9; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised.

The carrying amounts of the financial guarantee liabilities as at 31 December 2024 were RMB655,000, represented the amount of obligation under these related financial guarantee contracts. The amortisation of these financial guarantee liabilities for the year ended 31 December 2025 were RMB3,319,000 (2024: RMB6,680,000). A gain of RMB1,061,000 (2024: nil) arising from the derecognition of financial guarantee liabilities upon their release was recognised in profit or loss for the year ended 31 December 2025.

Details of ECL assessment for financial guarantee contracts for the years ended 31 December 2024 are set out in Note 35. All the financial guarantee provided to the related parties were released on 15 October 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

27. SHARE CAPITAL

	Number of shares RMB'000	Share capital RMB'000
Ordinary shares of RMB1 each registered, issued and fully paid:		
At 1 January 2024 and 31 December 2024	123,712	123,712
Shares issue upon global offering (note)	35,456	35,456
At 31 December 2025	159,168	159,168

Note:

On 28 November 2025, 35,456,000 ordinary shares were issued at an offer price of Hong Kong Dollar ("HK\$") 14.28 per share (equivalent to approximately RMB13.02 per share) upon global offering. Gross proceeds from the issuance of these shares amounted to approximately HK\$506,312,000 (equivalent to approximately RMB461,550,000).

28. RETIREMENT BENEFIT SCHEME

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

The retirement benefit scheme contributions amounted to approximately RMB1,539,000 for the year ended 31 December 2025 (2024: RMB1,954,000). No forfeited contributions have been used to reduce the level of contributions during the reporting period.

29. CAPITAL COMMITMENTS

	At 31 December 2025 RMB'000	2024 RMB'000
Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements (Note)	815,840	14,258

Note: RMB806,000,000 of these capital commitments as at 31 December 2025 were released subsequently in March 2026. Further details are set out in Note 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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30. RELATED PARTY DISCLOSURES

(a) Name and relationship

The directors of the Group are of the opinion that the following companies are related parties that had transactions or balances with the Group during the years ended 31 December 2025 and 2024.

Parties	Relationships
Haiwei Petrochemical Co., Ltd (“Haiwei Petrochemical”) (海偉石化有限公司)	Controlled by the father of Mr. Song
Hebei Haiwei Group Soft Packaging Co., Ltd (“Haiwei Soft Packaging”) (河北海偉集團軟包裝有限公司)	Controlled by the father of Mr. Song
Ningguo Zhongwei Electronics Co., Ltd (“Ningguo Zhongwei”) (寧國市中偉電子有限公司)	Controlled by a non-controlling shareholder who is also a supervisor of Ningguo Haiwei
Hebei Haiwei Transportation Facilities Group Co., Ltd. (“Haiwei Transportation”) (河北海偉交通設施集團有限公司)	Controlled by the father of Mr. Song
Ningguo Zhonghao Telecommunications Equipment Factory (“Ningguo Zhonghao”) (寧國市中浩電訊器材廠)	Controlled by a non-controlling shareholder who is also a supervisor of Ningguo Haiwei
Hebei Lanhang Soft Packaging Materials Co., Ltd (“Hebei Lanhang”) (河北蘭航軟包裝材料有限公司)	Controlled by the cousin of Mr. Song
Mr. Song Mingyi (宋明義)	The son of Mr. Song

(b) Saved as disclosed elsewhere in these consolidated financial statements, the Group has following transactions with related parties:

Parties	Nature of transactions	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Haiwei Petrochemical	Purchase of goods	–	806
Hebei Lanhang	Purchase of goods	–	408
Haiwei Soft Packaging	Lease expenses	11	9
Ningguo Zhonghao	Lease expenses	16	41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

30. RELATED PARTY DISCLOSURES (Continued)

(c) The Group has the following balances with related parties at the end of each reporting period:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Amounts due from related parties		
<i>Trade nature (note a)</i>		
Ningguo Zhongwei	-	1,774
Ningguo Zhonghao	-	312
	-	2,086
<i>Non-trade nature</i>		
Haiwei Petrochemical	-	1,682
Ningguo Zhonghao	-	990
Mr. Song Mingyi (note c)	-	3,480
	-	6,152
	-	8,238

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Amounts due to related parties		
<i>Trade nature (note b)</i>		
Ningguo Zhonghao	3,211	3,218
	3,211	3,218

Amounts due from (to) related parties are unsecured, interest free and repayable on demand.

Notes:

- Amounts represented trade receivables for sales of goods and were unsecured and repayable on demand.
- Amounts represented trade payables for purchase of goods and other operating expenses and were unsecured and repayable on demand.
- The amount represented consideration receivable arising from the disposal of a subsidiary as disclosed in Note 33. The amount was settled on 20 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025



30. RELATED PARTY DISCLOSURES (Continued)

(d) Guarantees issued by the Group to related parties

The Group has provided guarantees to banks to support the loans provided by these banks to certain related parties, which is detailed below:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Haiwei Transportation	–	198,000

(e) Compensation of key management personnel

The remuneration of directors of the Company, chief executive officer and other members of key management of the Group during the year ended 31 December 2025 and 2024 was as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Short term employee benefits	2,160	2,434
Post-employment benefits	32	136
	2,192	2,570

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FOR THE YEAR ENDED 31 DECEMBER 2025

31. PARTICULARS OF SUBSIDIARIES

General information of subsidiaries

Details of the subsidiaries held by the Company during the year ended 31 December 2025 and as at the date of issuance of these consolidated financial statements are set out below.

Name of subsidiaries	Place and the date of establishment/ operation	Paid-up capital		Equity interest attributable to the Group		Principal activities
		2025	2024	at 31 December 2025	2024	
		RMB'000	RMB'000			
Directly held:						
Ningguo Haiwei	The PRC 26 May 2010	5,000	2,000	51%	51%	Manufacturing and selling of metallized films
Jingxian Haiwei Electronic Technology R&D Co., Ltd.* (景縣海偉電子技術研發有限公司)	The PRC 4 November 2022	10,000	10,000	100%	100%	Inactive
Jingxian Shuojia New Materials Co., Ltd (景縣碩嘉新材料有限公司) ("Jingxian Shuojia") (note)	The PRC 25 June 2024	N/A	3,312	N/A	N/A	Inactive
Zhejiang Haiwei Electronic New Materials Co., Ltd.* (浙江海偉電子新材料有限公司) ("Zhejiang Haiwei")	The PRC 23 September 2022	185,100	N/A	100%	N/A	Inactive

* The English name is for identification purpose only.

Note: This company was established on 25 June 2024 and was disposed of on 16 December 2024 as disclosed in Note 33.

All subsidiaries now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date. None of the subsidiaries had issued any debt securities at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025



31. PARTICULARS OF SUBSIDIARIES (Continued)

Details of the non-wholly owned subsidiary that have material non-controlling interests

Summarised financial information in respect of the Group's non-wholly-owned subsidiary, Ningguo Haiwei, that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Ningguo Haiwei

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Percentage of non-controlling interests	49%	49%
Summarised financial information		
Non-current assets	10,686	13,193
Current assets	46,879	77,442
Current liabilities	50,338	79,314
Non-current liabilities	177	590
Net assets	7,050	10,731
Carrying amounts of net assets allocated to non-controlling interests	3,455	5,258

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue	45,234	85,354
Loss and total comprehensive expense for the year	(6,680)	(7,075)
Loss and total comprehensive expense allocated to non-controlling interests	(3,273)	(3,466)
Cash flows from (used in) operating activities	2,615	(1,218)
Cash flows used in investing activities	(28)	(590)
Cash flows from financing activities	3,000	–
Net increase (decrease) in cash and cash equivalents	5,587	(1,808)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32. ACQUISITION OF A SUBSIDIARY

In December 2025, the Company acquired 100% equity interest in Zhejiang Haiwei from an independent third party, Ms. Huo Xueping, at the total consideration of RMB1. The objective of the transaction is to expand the Group's relevant business. The acquisition was completed on 15 December 2025. Upon completion, Zhejiang Haiwei became a direct wholly-owned subsidiary of the Company.

	RMB'000
Assets and liabilities recognised at the date of acquisition:	
Net asset acquired	—
Consideration transferred	—*
	—*

Net cash inflow arising on acquisition of Zhejiang Haiwei

	RMB'000
Cash consideration	—*
Less: Cash and cash equivalents acquired	—
	—*

* Below RMB1,000

Impact of acquisition on the results of the Group

No revenue or profit for the year was generated from Zhejiang Haiwei for the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025



33. DISPOSAL OF A SUBSIDIARY

On 8 November 2024, the Company entered into an agreement with Mr. Song Mingyi, the son of Mr. Song, to dispose of its entire 100% equity interest in Jingxian Shuojia for a consideration of RMB3,480,000. The disposal was completed on 26 December 2024 and the net assets of Jingxian Shuojia at the date of disposal were as follows:

	RMB'000
Consideration	
Consideration receivable (note)	3,480

Note: The Company received the consideration of RMB3,480,000 on 20 March 2025.

	RMB'000
Analysis of assets over which control was lost:	
Property, plant and equipment	747
Right-of-use assets	153
Cash and cash equivalents	1
Other receivables	149
Net assets disposed of	1,050

	RMB'000
Gain on disposal of a subsidiary:	
Consideration receivable	3,480
Net assets disposed of	1,050
Gain on disposal	2,430

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged from prior year.

The capital structure of the Group consists of net debts, which includes bank borrowings and lease liabilities disclosed in Note 24 and Note 25 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The management reviews the capital structure periodically. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through issue of new shares as well as the issue of new debt or the redemption of existing debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS

35a. Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
At amortised cost	661,971	467,153
Financial liabilities		
At amortised cost	26,148	59,400

35b. Financial risk management objectives and policies

The Group's and the Company's major financial instruments include trade, bills and other receivables, amounts due from related parties, cash and cash equivalents, trade, bills and other payables, amounts due to related parties, bank borrowings, lease liabilities and financial guarantee liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (include currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Currency risk

The Group had no foreign currency denominated monetary liabilities at the end of the reporting period, and the carrying amounts of the Group's foreign currency denominated monetary assets are as follows:

	Assets	
	2025 RMB'000	2024 RMB'000
HK\$	426,988	–

Foreign currency sensitivity analysis

If RMB had been appreciated/depreciated 5% against the foreign currency and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2025 would have decreased/increased by RMB18,147,000 (2024: nil). This is mainly attributable to the Group's exposure to the foreign currency bank balance as at 31 December 2025.

Interest rate risk

The Group is exposed to fair value interest-rate risk in relation to fixed rate borrowings from banks (Note 24) and lease liabilities (Note 25). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (Continued)

35b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade, bills and other receivables, amounts due from related parties and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with settlement of certain bills receivables are backed by bills guaranteed by reputable financial institutions.

Trade and bills receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed at the end of each reporting period. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

The Group accepts trade receivables settled by bills. The management of the Group considers the credit risk arising from the endorsed or discounted bills is insignificant when the bills are issued or guaranteed by reputable PRC banks. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The management estimates the estimated loss rates of commercial bills receivables based on historical credit loss experience of the debtors, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Based on assessment by the management, the probability of default is low in view of the repayment history and credit rating of debtors and the management considers the ECL for commercial bills receivables is insignificant.

In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. Except for trade receivables that are with credit-impaired, which are assessed for impairment individually, the remaining trade receivables are grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers. Details of the quantitative disclosures are set out below in this note.

Other receivables, amounts due from related parties and financial guarantee contracts

The Group and the Company assessed the loss allowance for other receivables and financial guarantee contracts on 12m ECL basis as the Group has considered that credit risks on these financial assets/financial guarantee contracts have not increased significantly since initial recognition. In determining the ECL, the Group has taken into account the historical default experience and forward-looking information as appropriate. The Group has considered the consistently low historical default rate in connection with payments and the Group also actively monitors the outstanding amounts owed by each debtor and identify any credit risks in a timely manner in order to reduce the risk of a credit related loss. In this regard, the directors of the Company concluded that credit risk inherent in the Group's other receivables and financial guarantee contracts is insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (Continued)

35b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables, amounts due from related parties and financial guarantee contracts (Continued)

For the amounts due from related parties, the management considered that there is significant increase in credit risk since initial recognition and therefore provided impairment based on lifetime ECL. Impairment of RMB2,087,000 (2024: nil) was recognised during the year ended 31 December 2025.

Bank balances

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Provision matrix – debtors' aging

The Group rebuts the presumption of default under ECL for trade receivables over 90 days past due based on the strong financial position with good repayment records of those customers and continuous business relationship with the Group.

As part of the Group's credit risk management, the Group uses aging of trade receivables to assess the impairment for its customers because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables on invoice date which are assessed based on provision matrix as at 31 December 2025 and 2024 within lifetime ECL (not credit-impaired). Debtors with credit-impaired with RMB9,855,000 (2024: RMB8,679,000) gross carrying amounts as at 31 December 2025 were assessed individually.

Gross carrying amount

	2025		2024	
	Average loss rate	Trade receivables RMB'000	Average loss rate	Trade receivables RMB'000
Current and within one year	3%	128,358	3%	154,608
Over one year and within two years	35%	8,868	35%	5,464
		137,226		160,072

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (Continued)

35b. Financial risk management objectives and policies (Continued)

Gross carrying amount (Continued)

During the year ended 31 December 2025, the Group provided net impairment allowance of RMB404,000 (2024: RMB3,489,000) for trade receivables, based on the collective assessment. Impairment allowance of RMB733,000 were made on credit-impaired trade receivables for the year ended 31 December 2025 (2024: net reversal of impairment of RMB3,605,000).

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables:

	2025 RMB'000	2024 RMB'000
Beginning balance	15,230	15,346
Loss allowance recognised (reversed), net	1,137	(116)
Closing balance	16,367	15,230

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalent deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The management will closely monitor the cash flow generated from operations and the Group's needs for different types of external financing and will negotiate for proper facilities and consider proper means of equity financing as appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35. FINANCIAL INSTRUMENTS (Continued)

35b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity tables

	Weighted average effective interest rate %	Repayable on demand or less than 1 month RMB'000	1-3 months RMB'000	Over 3 months but less than 1 years RMB'000	1-5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2025							
Non-derivative financial liabilities and lease liabilities							
Trade, bills and other payables	-	19,065	-	-	-	19,065	19,065
Amounts due to related parties	-	3,211	-	-	-	3,211	3,211
Bank borrowings	0.9	3,686	186	-	-	3,872	3,872
Lease liabilities	3.60	197	71	482	663	1,413	1,343
		26,159	257	482	663	27,561	27,491
At 31 December 2024							
Non-derivative financial liabilities and lease liabilities							
Trade, bills and other payables	-	40,528	-	-	-	40,528	40,528
Amounts due to related parties	-	3,218	-	-	-	3,218	3,218
Bank borrowings	4.00	50	150	15,400	-	15,600	15,000
Lease liabilities	3.60	36	107	447	1,252	1,842	1,716
Financial guarantee liabilities (Note)	-	198,000	-	-	-	198,000	655
		241,832	257	15,847	1,252	259,188	61,117

Note: As at 31 December 2024, the amounts included above for financial guarantee liabilities were the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on the expectation at the end of the reporting period, the management considered that it is more likely than not that no amount would be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantees which is a function of the likelihood that the financial receivables held by the counterparty which guaranteed suffer credit losses. Details of the financial guarantees are set out in Note 26.

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FOR THE YEAR ENDED 31 DECEMBER 2025



36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

In estimating the fair value, the Group and the Company use market-observable data to the extent it is available.

The fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded as amortised cost in the consolidated financial statements approximate to their fair values.

The fair value of such financial assets and financial liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings	Lease liabilities	Accrued share issue costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	84,700	490	–	85,190
Financing cash flows	(72,055)	(766)	(775)	(73,596)
New leases entered	–	1,942	–	1,942
Interest expenses	2,355	50	–	2,405
Share issue costs recognised	–	–	1,088	1,088
At 31 December 2024	15,000	1,716	313	17,029
Financing cash flows	(13,032)	(429)	(29,515)	(42,976)
Interest expenses	1,904	56	–	1,960
Share issue costs recognised	–	–	29,808	29,808
At 31 December 2025	3,872	1,343	606	5,821

38. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2025, the Group's bills receivables amounted to approximately RMB15,898,000 (2024: RMB58,110,000) were endorsed to certain supplier for settlement of the deposits paid for property, plant and equipment on a full recourse basis, which constitutes a major non-cash transaction.

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39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current assets		
Investments in subsidiaries	206,830	20,200
Property, plant and equipment	117,931	133,848
Right-of-use assets	4,676	5,047
Deposits paid for acquisition of plant and equipment	75,915	56,560
Deferred tax assets	4,027	1,863
	409,379	217,518
Current assets		
Inventories	127,211	64,353
Trade, bills and other receivables	189,984	277,502
Amounts due from subsidiaries	32,177	166,405
Amounts due from related parties	–	5,739
Cash and cash equivalents	428,762	21
	778,134	514,020
Current liabilities		
Trade, bills and other payables	14,749	24,897
Amount due to subsidiaries	2,841	–
Financial guarantee liabilities	–	655
Lease liabilities	302	135
Bank borrowings	3,872	15,000
Tax liabilities	616	3,555
	22,380	44,242
Net current assets	755,754	469,778
Total assets less current liabilities	1,165,133	687,296
Non-current liability		
Lease liabilities	452	592
Net assets	1,164,681	686,704
Capital and reserves		
Share capital	159,168	123,712
Reserves	1,005,513	562,992
Total equity	1,164,681	686,704

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserves

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	375,446	12,405	(28,641)	111,639	470,849
Profit and total comprehensive income for the year	-	-	-	94,862	94,862
Deemed distributions arising from issue of financial guarantees to related parties	-	-	(2,719)	-	(2,719)
Transfer to statutory surplus reserve	-	9,486	-	(9,486)	-
At 31 December 2024	375,446	21,891	(31,360)	197,015	562,992
Profit and total comprehensive income for the year	-	-	-	51,078	51,078
Deemed distributions arising from issue of financial guarantees to related parties	-	-	(3,725)	-	(3,725)
Transfer to statutory surplus reserve	-	5,108	-	(5,108)	-
Issue of shares	426,094	-	-	-	426,094
Transaction costs attributable to issue of new shares	(30,926)	-	-	-	(30,926)
At 31 December 2025	770,614	26,999	(35,085)	242,985	1,005,513

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FOR THE YEAR ENDED 31 DECEMBER 2025



40. EVENTS AFTER THE REPORTING PERIOD

On 25 December 2025, the Company issued 1,758,600 H Shares pursuant to the partial exercise of the over-allotment option. The shares were listed on 2 January 2026, at the price of HK\$14.28 per share, leading the Company received additional net proceeds of approximately HK\$25,113,000 (equivalent to approximately RMB22,682,000) after deduction of offering expenses payable by the Company in connection with the partial exercise of the over-allotment option.

On 4 February 2026, the Group entered into a state-owned construction land use rights grant contract with the Natural Resources and Planning Bureau of Changxing County, Zhejiang Province, the PRC (中國浙江省長興縣自然資源和規劃局), for the acquisition of land use rights for its southern manufacturing base. The land was acquired at a total consideration of RMB47,960,000, which had been fully paid in March 2025. The Group obtained the relevant real estate ownership certificate on 11 March 2026.

In March 2026, the Equipment Procurement Contract with Hebei Kunda was cancelled by mutual agreement between the Group and Kunda Machinery. The Group subsequently received a refund of RMB176,000,000 in March 2026. Further details are set out in Note 15.



DEFINITIONS

In this annual report, the following terms shall have the following meanings, except otherwise stated:

“Associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Articles of Association”	the articles of association of the Company, as amended, modified or supplemented from time to time
“Audit Committee”	the Audit Committee of the Board
“Board” or “Board of Directors”	the Board of Directors of the Company
“China” or “the PRC”	the People’s Republic of China, for the purpose of this Annual Report only, unless the context otherwise requires, it does not include Hong Kong, the Macao Special Administrative Region of China, and Taiwan
“Company”, “our Company” or “the Company”	Hebei Haiwei Electronic New Material Technology Co., Ltd., a joint stock company incorporated under the laws of the People’s Republic of China on 6 September 2006
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”, “our Group”, “we”, “us”, or “our”	the Company and its subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Haowei Electronic”	Ningguo Haowei Electronic Technology Co, Ltd., a limited liability company established under the laws of the PRC on 6 January 2021
“HK\$”, “HK dollars” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAS”	International Accounting Standards

“IFRS”	International Financial Reporting Standards, which include standards, amendments, and interpretations issued by the International Accounting Standards Board, as well as the international accounting standards and interpretations issued by the International Accounting Standards Board
“Listing”	the listing of shares on the Main Board
“Listing Date”	28 November 2025, the date on which the shares are listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time
“Main Board”	the stock market (excluding the options market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Major Transaction Announcement”	the announcement published by the Company on the website of the Stock Exchange on 31 March 2026, entitled “Past Major Transaction in relation to Procurement of Production Line Supporting Equipment and Remedial Actions”
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“Kunda Machinery”	Hebei Kunda Machinery Manufacturing Co., Ltd. (河北坤達機械製造有限公司), a limited liability company established on 22 January 2024 under the laws of the PRC
“Procurement Agreement”	the procurement agreement in relation to the procurement of BOPP film production line supporting equipment entered into between Zhejiang Haiwei and Kunda Machinery on 15 December 2025, and terminated on 27 March 2026
“Prospectus”	the Prospectus of the Company dated 20 November 2025
“Reporting Period”	the period from 1 January 2025 to 31 December 2025
“RMB”	Renminbi, the legal currency of China



DEFINITIONS

“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“Share(s)”	the ordinary shares in the share capital of the Company
“Shareholder(s)”	holder(s) of our share(s)
“Southern China Facility”	The Company’s new manufacturing facility for capacitor base films in Southern China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto under the Listing Rule unless the context otherwise requires
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Zhejiang Haiwei”	Zhejiang Haiwei Electronic New Materials Co., Ltd. (浙江海偉電子新材料有限公司), a limited liability company established under the laws of the PRC on 23 September 2025 and a wholly-owned subsidiary of the Company