**SHENZHEN ZHAOWEI MACHINERY & ELECTRONICS CO., LTD.**
**深圳市兆威機電股份有限公司**

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

**(Stock Code: 2692)**

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

The Board is pleased to announce the unaudited consolidated financial results of the Group for the six months ended 30 June 2026, together with the comparative figures for the six months ended 30 June 2025 as below.

The Audit Committee of the Board of Directors of the Company has reviewed the unaudited interim results of the Group for the six months ended 30 June 2026.

## FINANCIAL HIGHLIGHTS

- Our revenue increased by 3.80% from RMB786.57 million for the six months ended 30 June 2025 to RMB816.45 million for the six months ended 30 June 2026.

- Our gross profit decreased by 0.13% from RMB251.44 million for the six months ended 30 June 2025 to RMB251.12 million for the six months ended 30 June 2026.

- Our net profit decreased by 34.10% from RMB113.27 million for the six months ended 30 June 2025 to RMB74.65 million for the six months ended 30 June 2026.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The amounts in the notes to the financial statements are stated in RMB.

### 1. CONSOLIDATED BALANCE SHEET

*Unit: RMB*

| Items | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| CURRENT ASSETS: | | |
| Monetary funds | **1,662,747,190.33** | 216,969,872.59 |
| Clearing settlement fund | | |
| Placements with banks and other financial institutions | | |
| Financial assets held for trading | **1,171,543,047.78** | 838,975,561.43 |
| Derivative financial assets | | |
| Notes receivables | **90,138,722.77** | 73,760,702.53 |
| Accounts receivable | **524,315,792.24** | 520,020,083.90 |
| Receivables financing | **41,375,641.29** | 69,270,389.53 |
| Prepayments | **10,193,065.05** | 8,624,770.48 |
| Premium receivables | | |
| Receivables from reinsurers | | |
| Reinsurance contract reserves receivable | | |
| Other receivables | **4,752,979.31** | 4,396,010.98 |
| Including: Interest receivable | | |
| Dividends receivable | **175,897.28** | |
| Purchases of resold financial assets | | |
| Inventories | **250,395,463.24** | 210,275,863.74 |
| Including: Data resources | | |
| Contract assets | | |
| Assets classified as held for sale | | |
| Non-current assets due within one year | | |
| Other current assets | **813,513,748.87** | 1,111,173,569.68 |
| Total current assets | **4,568,975,650.88** | 3,053,466,824.86 |

| Items | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| NON-CURRENT ASSETS: | | |
| Loans and advances to customers | | |
| Debt investments | | |
| Other debt investments | | |
| Long-term receivables | | |
| Long-term equity investments | **60,783,764.37** | 61,260,105.21 |
| Other equity instrument investments | **35,413,461.70** | 36,072,264.50 |
| Other non-current financial assets | **1,500,000.00** | 1,500,000.00 |
| Investment properties | | |
| Fixed assets | **1,022,469,504.55** | 1,021,436,127.08 |
| Construction in progress | **61,571,930.77** | 28,577,337.94 |
| Productive biological assets | | |
| Oil and gas assets | | |
| Right-of-use assets | **10,545,070.46** | 7,119,023.85 |
| Intangible assets | **87,603,725.81** | 46,949,692.43 |
| Including: Data resources | | |
| Development expenditure | | |
| Including: Data resources | | |
| Goodwill | | |
| Long-term deferred expenses | **36,689,457.49** | 37,841,909.23 |
| Deferred income tax assets | **8,197,153.78** | 6,815,268.25 |
| Other non-current assets | **14,897,415.41** | 16,751,879.52 |
| Total non-current assets | **1,339,671,484.34** | 1,264,323,608.01 |
| Total assets | **5,908,647,135.22** | 4,317,790,432.87 |

| Items | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| CURRENT LIABILITIES: | | |
| Short-term borrowings | **130,207,311.25** | 169,637,511.43 |
| Borrowings from the central bank | | |
| Placements from banks and other financial institutions | | |
| Financial liabilities held for trading | | |
| Derivative financial liabilities | | |
| Notes payable | **171,152,762.64** | 160,699,579.68 |
| Accounts payable | **312,523,989.75** | 238,394,993.97 |
| Receipts in advance | | |
| Contract liabilities | **10,491,902.07** | 10,334,611.80 |
| Disposal of repurchased financial assets | | |
| Deposits from customers and banks | | |
| Customer deposits for trading in securities | | |
| Customer deposits for securities underwriting | | |
| Employee benefits payable | **45,592,661.88** | 73,483,921.02 |
| Taxes payable | **14,622,144.53** | 16,567,540.35 |
| Other payables | **44,879,620.17** | 61,287,194.72 |
| Including: Interest payable | | |
| Dividends payable | **420,774.98** | 178,937.25 |
| Fees and commissions payable | | |
| Reinsurance accounts payable | | |
| Held-for-sale liabilities | | |
| Non-current liabilities due within one year | **5,787,582.10** | 4,102,731.73 |
| Other current liabilities | **15,732,750.68** | 15,038,158.74 |

| Items | As at 30 June 2026 | As at 31 December 2025 |
|---|---|---|
| Total current liabilities | **750,990,725.07** | 749,546,243.44 |
| | | |
| NON-CURRENT LIABILITIES: | | |
| Provision for insurance contracts | | |
| Long-term loans | | |
| Bonds payable | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | **4,787,117.80** | 3,177,511.32 |
| Long-term payables | | |
| Long-term employee benefits payable | | |
| Estimated liabilities | | |
| Deferred income | **56,076,469.45** | 50,988,642.13 |
| Deferred income tax liabilities | **26,822,971.19** | 31,083,105.02 |
| Other non-current liabilities | | |
| Total non-current liabilities | **87,686,558.44** | 85,249,258.47 |
| Total liabilities | **838,677,283.51** | 834,795,501.91 |
| | | |
| OWNERS' EQUITY: | | |
| Share capital | **267,564,250.00** | 240,734,400.00 |
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserve | **3,501,075,913.33** | 1,911,426,734.20 |
| Less: Treasury shares | **12,983,938.00** | 13,225,660.25 |
| Other comprehensive income | **8,685,857.09** | 10,065,137.92 |
| Special reserve | | |
| Surplus reserve | **120,367,200.00** | 120,367,200.00 |
| General risk reserve | | |
| Undistributed profits | **1,185,260,569.29** | 1,213,627,119.09 |
| Total equity attributable to owners of the parent | | |
| Minority interests | **5,069,969,851.71** | 3,482,994,930.96 |
| Total owners' equity | **5,069,969,851.71** | 3,482,994,930.96 |
| Total liabilities and owners' equity | **5,908,647,135.22** | 4,317,790,432.87 |

## 2. CONSOLIDATED INCOME STATEMENT

*Unit: RMB*

| Items | Six months ended 30 June **2026** | 2025 |
|---|---|---|
| I. Total operating revenue | **816,448,456.12** | 786,568,700.89 |
| Including: Operating revenue | **816,448,456.12** | 786,568,700.89 |
| Interest income | | |
| Premiums earned | | |
| Fees and commissions income | | |
| II. Total operating costs | **757,715,521.11** | 686,906,232.98 |
| Including: Operating cost | **565,330,781.50** | 535,131,400.50 |
| Interest expense | | |
| Fees and commissions expenses | | |
| Surrenders | | |
| Net compensation expenses | | |
| Net provision for insurance contract reserves | | |
| Insurance policy dividend expenses | | |
| Reinsurance expenses | | |
| Taxes and surcharges | **7,267,161.85** | 7,971,132.86 |
| Selling expenses | **32,783,113.60** | 32,866,000.46 |
| Administrative expenses | **54,092,135.59** | 47,019,090.98 |
| Research and development costs | **85,645,462.60** | 81,400,795.92 |
| Finance costs | **12,596,865.97** | -17,482,187.74 |
| Including: Interest expenses | **1,290,438.11** | 1,644,689.08 |
| Interest income | **28,282,901.45** | 17,079,655.86 |
| Add: Other gains | **12,464,912.51** | 11,866,662.90 |
| Investment gains ("-" indicating loss) | **19,381,160.84** | 11,720,229.75 |
| Including: Gains from investments in associates and joint ventures | **-1,067,699.97** | -2,641,507.42 |
| Gain from derecognition of financial assets at amortised cost | | |
| Foreign exchange gains ("-" indicating loss) | | |
| Gains on net exposure hedges ("-" indicating loss) | | |
| Gains on changes in fair value ("-" indicating loss) | **-3,883,270.56** | |
| Credit impairment losses ("-" indicating loss) | **-370,740.50** | 1,727,278.26 |
| Asset impairment losses ("-" indicating loss) | **-3,895,870.05** | 857,899.61 |
| Gains on disposal of assets ("-" indicating loss) | **-4,206.86** | 3,813.29 |

| Items | Six months ended 30 June 2026 | 2025 |
|---|---|---|
| III. Operating profit ("-" indicating loss) | **82,424,920.39** | 125,838,351.72 |
| Add: Non-operating revenue | **103,022.96** | 1,357.00 |
| Less: Non-operating expenses | **816,356.40** | 885,097.12 |
| IV. Total profit ("-" indicating total loss) | **81,711,586.95** | 124,954,611.60 |
| Less: Income tax expense | **7,065,900.49** | 11,683,448.68 |
| V. Net profit ("-" indicating net loss) | **74,645,686.46** | 113,271,162.92 |
| (I) Classified by continuity of operations | | |
| 1. Net profit from continuing operations ("-" indicating net loss) | **74,645,686.46** | 113,271,162.92 |
| 2. Net profit from discontinued operations ("-" indicating net loss) | | |
| (II) Classified by attribution to ownership | | |
| 1. Net profit attributable to owners of the parent ("-" indicating net loss) | **74,645,686.46** | 113,271,162.92 |
| 2. Profit or loss attributable to minority interests ("-" indicating net loss) | | |
| VI. Other comprehensive income, net of tax | **-1,379,280.83** | -831,514.40 |
| Other comprehensive income attributable to shareholders of the parent, net of tax | **-1,379,280.83** | -831,514.40 |
| (I) Other comprehensive income that will not be reclassified to profit or loss | **-559,982.38** | -943,117.76 |
| 1. Changes arising from remeasurement of defined benefit plans | | |
| 2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method | | |
| 3. Changes in fair value of other equity instrument investments | **-559,982.38** | -943,117.76 |
| 4. Changes in fair value of the enterprise's own credit risk | | |
| 5. Others | | |

| Items | Six months ended 30 June **2026** | 2025 |
|---|---|---|
| (II) Other comprehensive income that will be reclassified to profit or loss | **-819,298.45** | 111,603.36 |
| 1. Other comprehensive income that may be transferred into profit or loss under the equity method | | |
| 2. Changes in fair value of other debt investments | | |
| 3. Amount of financial assets reclassified to other comprehensive income | | |
| 4. Provision for credit impairment of other debt investments | | |
| 5. Cash flow hedge reserve | | |
| 6. Exchange differences on translation of financial statements in foreign currencies | **-819,298.45** | 111,603.36 |
| 7. Others | | |
| Other comprehensive income attributable to minority interests, net of tax | | |
| VII. Total comprehensive income | **73,266,405.63** | 112,439,648.52 |
| Total comprehensive income attributable to owners of the parent | **73,266,405.63** | 112,439,648.52 |
| Total comprehensive income attributable to minority interests | | |
| VIII. Earnings per share: | | |
| (I) Basic earnings per share | **0.30** | 0.47 |
| (II) Diluted earnings per share | **0.29** | 0.47 |

For a business combination under common control occurring in the current period, the net profit realised by the acquiree before the combination was RMB0.00, and the net profit realised by the acquiree in the previous period was RMB0.00.

## NOTES:

### 1. CORPORATE INFORMATION

The predecessor of Shenzhen Zhaowei Machinery & Electronics Co., Ltd. (the "**Company**"), a joint stock company with limited liability, was Shenzhen Zhaowei Machinery & Electronics Co., Ltd., a limited liability company. Pursuant to a resolution of its shareholders and the draft articles of association, the predecessor company was converted as a whole into the Company.

Pursuant to the Approval in Relation to the Initial Public Offering of Shares by Shenzhen Zhaowei Machinery & Electronics Co., Ltd. (Zheng Jian Xu Ke [2020] No. 2873) (《關於核准深圳市兆威機電股份有限公司首次公開發行股票的批復》(證監許可[2020] 2873 號)) issued by the China Securities Regulatory Commission, the Company made a public offering of 26.67 million RMB-denominated ordinary shares (A shares), which were listed on the Shenzhen Stock Exchange in December 2020. Following the filing with the China Securities Regulatory Commission pursuant to the Notice on the Filing of the Overseas Issuance and Listing of Shares by Shenzhen Zhaowei Machinery & Electronics Co., Ltd. (Guo He Han [2025] No. 2074) (《關於深圳市兆威機電股份有限公司境外發行上市備案通知書》(國合函[2025] 2074 號)) and the approval by The Stock Exchange of Hong Kong Limited, the Company was listed on The Stock Exchange of Hong Kong Limited in March 2026. The Company operates in the electrical machinery and equipment manufacturing industry.

As at 30 June 2026, the Company had issued an aggregate of 267,564,250 shares with share capital of RMB267,564,250. Its registered office and headquarters are both located at Room 101, Office Building, No. 62 Yanhu Road, Yanchuan Community, Yanluo Subdistrict, Bao'an District, Shenzhen. The principal activities actually engaged in by the Company are the research and development, design and manufacture of precision components, micro transmission systems and micro drive system solutions. The Company's parent is Shenzhen Qianhai Zhaowei Investment Co., Ltd., and its actual controllers are Li Haizhou and Xie Yanling.

These financial statements were authorised for issue by the Board of the Company on 14 August 2026.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### (1) Basis of preparation

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standard and the specific accounting standards, application guidance, interpretations and other relevant requirements for business enterprises (collectively, the "**Accounting Standards for Business Enterprises**") issued by the Ministry of Finance, as well as the relevant requirements of the Rules for the Compilation and Submission of Information Disclosure by Companies Issuing Securities to the Public No. 15 – General Provisions on Financial Reports issued by the China Securities Regulatory Commission.

### (2) Going concern

These financial statements have been prepared on a going concern basis.

## 3. FINANCIAL ASSETS HELD FOR TRADING

*Unit: RMB*

| **Items** | **Closing balances** | Opening balances |
|---|---|---|
| Including: | | |
| Financial assets designated as at fair value through profit or loss | **1,171,543,047.78** | 838,975,561.43 |
| Including: | | |
| Others | **1,171,543,047.78** | 838,975,561.43 |
| Total | **1,171,543,047.78** | 838,975,561.43 |

**Other information**

As at 30 June 2026, the balance under "Others" represented bank wealth management products and securities firm wealth management products.

## 4. OPERATING REVENUE AND OPERATING COSTS

*Unit: RMB*

| **Items** | **Amount for the current period** | | Amount for the previous period | |
|---|---|---|---|---|
| | **Revenue** | **Cost** | Revenue | Cost |
| Principal operations | **798,212,729.80** | **555,468,952.73** | 770,712,110.12 | 520,657,536.72 |
| Other operations | **18,235,726.32** | **9,861,828.77** | 15,856,590.77 | 14,473,863.78 |
| Total | **816,448,456.12** | **565,330,781.50** | 786,568,700.89 | 535,131,400.50 |

Disaggregation of operating revenue and operating costs:

*Unit: RMB*

| Contract classification | Segment 1 Operating revenue | Segment 1 Operating cost | Segment 2 Operating revenue | Segment 2 Operating cost | Operating revenue | Operating cost | Total Operating revenue | Total Operating cost |
|---|---|---|---|---|---|---|---|---|
| **Business type** | 816,448,456.12 | 565,330,781.50 | | | | | 816,448,456.12 | 565,330,781.50 |
| Including: | | | | | | | | |
| Micro transmission systems | 505,945,349.24 | 377,410,598.13 | | | | | 505,945,349.24 | 377,410,598.13 |
| Precision components | 276,406,949.39 | 162,034,203.94 | | | | | 276,406,949.39 | 162,034,203.94 |
| Precision molds and other products | 34,096,157.49 | 25,885,979.43 | | | | | 34,096,157.49 | 25,885,979.43 |
| By geographical market | 816448456.12 | 565,330,781.50 | | | | | 816,448,456.12 | 565,330,781.50 |
| Including: | | | | | | | | |
| Domestic | 713,823,962.08 | 503,291,524.23 | | | | | 713,823,962.08 | 503,291,524.23 |
| Overseas | 102,624,494.04 | 62,039,257.27 | | | | | 102,624,494.04 | 62,039,257.27 |
| **Market or customer type** | | | | | | | | |
| Including: | | | | | | | | |
| **Contract type** | | | | | | | | |
| Including: | | | | | | | | |
| By timing of transfer of goods | 816,448,456.12 | 565,330,781.50 | | | | | 816,448,456.12 | 565,330,781.50 |
| Including: | | | | | | | | |
| Recognised at a point in time | 816,448,456.12 | 565,330,781.50 | | | | | 816,448,456.12 | 565,330,781.50 |
| Including: | | | | | | | | |
| By sales channel | 816,448,456.12 | 565,330,781.50 | | | | | 816,448,456.12 | 565,330,781.50 |
| Including: | | | | | | | | |
| Direct sales | 816,448,456.12 | 565,330,781.50 | | | | | 816,448,456.12 | 565,330,781.50 |
| **Total** | 816,448,456.12 | 565,330,781.50 | | | | | 816,448,456.12 | 565,330,781.50 |

## 5. TAXES AND SURCHARGES

*Unit: RMB*

| Items | **Amount for the current period** | Amount for the previous period |
|---|---|---|
| Urban maintenance and construction tax | **1,635,110.02** | 2,293,361.16 |
| Education surcharge | **803,696.88** | 1,044,896.49 |
| Property tax | **3,435,838.42** | 3,237,016.00 |
| Land use tax | **68,432.22** | 68,532.16 |
| Vehicle and vessel tax | **2,702.19** | 3,273.36 |
| Stamp duty | **785,584.19** | 627,456.03 |
| Local education surcharge | **535,797.93** | 696,597.66 |
| Total | **7,267,161.85** | 7,971,132.86 |

Other information:

## 6. INCOME TAX EXPENSE

### (1) Table of income tax expense

*Unit: RMB*

| Items | **Amount for the current period** | Amount for the previous period |
|---|---|---|
| Current income tax expense | **15,306,868.61** | 10,942,309.64 |
| Deferred income tax expense | **-8,240,968.12** | 741,139.04 |
| Total | **7,065,900.49** | 11,683,448.68 |

### (2) Reconciliation of accounting profit to income tax expense

*Unit: RMB*

| Items | **Amount for the current period** |
|---|---|
| Total profit | **81,711,586.95** |
| Income tax expense calculated at the statutory/applicable tax rate | **12,256,738.04** |
| Impact of different tax rates applicable to subsidiaries | **-337,999.21** |
| Impact of adjustments to income tax from prior periods | **1,960,926.26** |
| Impact of non-taxable income | **0** |
| Impact of non-deductible costs, expenses and losses | **277,808.64** |
| Impact of using deductible losses for which no deferred income tax asset was recognised in prior periods | **-609,908.41** |
| Impact of deductible temporary differences or deductible losses for which no deferred income tax asset was recognised in the current period | **3,317,781.79** |
| Impact of additional deductions for R&D expenses | **-9,799,446.62** |
| Income tax expense | **7,065,900.49** |

Other information

## 7. RETURN ON NET ASSETS AND EARNINGS PER SHARE

| **Profit for the Reporting Period** | **Weighted average return on net assets** | **Earnings per share** Basic earnings per share *(RMB/share)* | **Earnings per share** Diluted earnings per share *(RMB/share)* |
|---|---|---|---|
| Net profit attributable to ordinary shareholders of the Company | 1.72% | 0.30 | 0.29 |
| Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains or losses | 1.25% | 0.21 | 0.21 |

## 8. ACCOUNTS RECEIVABLE

### (1) Disclosure by ageing

*Unit: RMB*

| **Ageing** | **Closing carrying balance** | Opening carrying balance |
|---|---|---|
| Within one year (inclusive) | **548,442,231.97** | 546,324,154.04 |
| 1 to 2 years | **3,827,894.55** | 1,239,597.57 |
| 2 to 3 years | **3,906,455.42** | 3,363,845.18 |
| Over 3 years | **164,825.81** | 140,496.75 |
| 3 to 4 years | **59,014.27** | 79,750.48 |
| 4 to 5 years | **105,811.54** | 60,746.27 |
| Total | **556,341,407.75** | 551,068,093.54 |

### (2) Disclosure by method of bad debts provision

*Unit: RMB*

| Category | Closing balances | | | | | Opening balances | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | Provision for bad debts | | Carrying | Book balance | | Provision for bad debts | | Carrying |
| | Amount | Percentage | Amount | Provision ratio | amount | Amount | Percentage | Amount | Provision ratio | amount |
| Accounts receivable subject to provision for bad debts on an individual basis | **3,352,571.69** | **0.60%** | **3,352,571.69** | **100.00%** | | 3,352,571.69 | 0.61% | 3,352,571.69 | 100.00% | |
| Including: | | | | | | | | | | |
| Individually significant accounts receivable subject to separate provision for bad debts | **3,274,941.10** | **0.59%** | **3,274,941.10** | **100.00%** | | 3,274,941.10 | 0.59% | 3,274,941.10 | 100.00% | |
| Individually insignificant accounts receivable subject to separate provision for bad debts | **77,630.59** | **0.01%** | **77,630.59** | **100.00%** | | 77,630.59 | 0.01% | 77,630.59 | 100.00% | |
| Accounts receivable subject to provision for bad debts on a collective basis | **552,988,836.06** | **99.40%** | **28,673,043.82** | **5.19%** | **524,315,792.24** | 547,715,521.85 | 99.39% | 27,695,437.95 | 5.06% | 520,020,083.90 |
| Including: | | | | | | | | | | |
| Ageing portfolio | **552,988,836.06** | **99.40%** | **28,673,043.82** | **5.19%** | **524,315,792.24** | 547,715,521.85 | 99.39% | 27,695,437.95 | 5.06% | 520,020,083.90 |
| Total | **556,341,407.75** | **100.00%** | **32,025,615.51** | **5.76%** | **524,315,792.24** | 551,068,093.54 | 100.00% | 31,048,009.64 | 5.63% | 520,020,083.90 |

Category of provision for bad debts on an individual basis: Accounts receivable that are individually significant and for which bad debt provision is individually assessed

*Unit: RMB*

| Name | Opening balances | | Closing balances | | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for bad debts | **Book balance** | **Provision for bad debts** | **Provision ratio** | **Reason for provision** |
| Flanders Technology (Shenzhen) Co., Ltd. | 3,274,941.10 | 3,274,941.10 | 3,274,941.10 | 3,274,941.10 | 100.00% | Expected to be irrecoverable |
| Total | 3,274,941.10 | 3,274,941.10 | 3,274,941.10 | 3,274,941.10 | | |

Category of provision for bad debts on an individual basis: Accounts receivable that are not individually significant and for which bad debt provision is individually assessed

*Unit: RMB*

| Name | Opening balances | | Closing balances | | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for bad debts | **Book balance** | **Provision for bad debts** | **Provision ratio** | **Reason for provision** |
| Dongguan Flander Communication Technology Co., Ltd. | 77,630.59 | 77,630.59 | **77,630.59** | **77,630.59** | **100.00%** | **Expected to be irrecoverable** |
| Total | 77,630.59 | 77,630.59 | **77,630.59** | **77,630.59** | | |

Category of provision for bad debts on a collective basis: Aging Portfolio

*Unit: RMB*

| Ageing | Book balance | Closing balances<br>Provision for bad debts | Provision ratio |
|---|---|---|---|
| Within one year | 548,442,231.97 | 27,422,111.71 | 5.00% |
| 1 to 2 years | 3,827,894.55 | 765,578.91 | 20.00% |
| 2 to 3 years | 553,883.73 | 332,330.24 | 60.00% |
| 3 to 4 years | 59,014.27 | 47,211.42 | 80.00% |
| Over 4 years | 105,811.54 | 105,811.54 | 100.00% |
| Total | 552,988,836.06 | 28,673,043.82 | |

Basis for determining the portfolio:

Whether provision for bad debts for accounts receivable are made under the general expected credit loss model:

☐ Applicable ☑ Not applicable

**(3) Provision, recovery and reversal for bad debts during the current period**

Provision for bad debts during the current period:

*Unit: RMB*

| | | Changes during the current period | | | | |
|---|---|---|---|---|---|---|
| **Category** | **Opening balances** | **Provision** | **Recovery or reversal** | **Write-off** | **Others** | **Closing balances** |
| Provision for bad debts | 31,048,009.64 | 977,605.87 | | | | 32,025,615.51 |
| Total | 31,048,009.64 | 977,605.87 | 0.00 | 0.00 | 0.00 | 32,025,615.51 |

**(4) Accounts receivable actually written off during the current period**

**(5) Information on the top five debtors by closing balance of trade receivables and contract assets**

*Unit: RMB*

| Name of entity | Closing balance of accounts receivable | Closing balance of contract assets | Closing balance of accounts receivable and contract assets | Percentage of the aggregate closing balance of accounts receivable and contract assets | Closing balance of loss allowances for accounts receivable and contract assets |
|---|---|---|---|---|---|
| Largest | 36,960,105.45 | | 36,960,105.45 | 6.64% | 1,884,305.27 |
| Second largest | 31,377,252.61 | | 31,377,252.61 | 5.64% | 1,568,862.63 |
| Third largest | 27,160,701.84 | | 27,160,701.84 | 4.88% | 1,358,035.09 |
| Fourth largest | 23,409,146.24 | | 23,409,146.24 | 4.21% | 1,171,822.31 |
| Fifth largest | 19,164,852.90 | | 19,164,852.90 | 3.44% | 958,242.65 |
| Total | 138,072,059.04 | 0.00 | 138,072,059.04 | 24.81% | 6,941,267.95 |

## 9. ACCOUNTS PAYABLE

**(1) Breakdown of accounts payable**

An ageing analysis of the accounts payables at the end of each reporting periods, based on the invoice date, is as follows:

*Unit: RMB*

| **Items** | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| Within one year | **311,192,756.37** | 237,856,540.55 |
| 1 to 2 years | **1,107,166.49** | 349,122.26 |
| 2 to 3 years | **56,044.83** | 18,494.23 |
| Over 3 years | **168,022.06** | 170,836.93 |
| Total | **312,523,989.75** | 238,394,993.97 |

## 10. TAXES PAYABLE

| **Items** | **Closing balances** | Opening balances |
|---|---|---|
| Value-added tax | **2,935,580.58** | 8,535,456.15 |
| Corporate income tax | **5,157,583.39** | 4,360,938.76 |
| Individual income tax | **1,573,406.51** | 1,676,954.75 |
| Urban maintenance and construction tax | **252,652.43** | 604,472.12 |
| Education surcharge | **130,140.43** | 261,956.62 |
| Local education surcharge | **86,760.30** | 174,637.75 |
| Stamp duty and others | **4,486,020.89** | 953,124.20 |
| Total | **14,622,144.53** | 16,567,540.35 |

Other information

## 11. SHARE CAPITAL

| | | Increase/decrease during the current period (+, −) | | | | | |
|---|---|---|---|---|---|---|---|
| | Opening balance | Issuance of new Shares | Bonus Shares | Conversion of reserve funds into Shares | Others | Subtotal | Closing balance |
| Total number of Shares | 240,734,400.00 | 26,829,850.00 | 0 | 0 | 0 | 26,829,850.00 | 267,564,250.00 |

*Note 1:* On 29 March 2026, the Company made a public offer of 26,748,300 H Shares with a nominal value of RMB1 each, and the share capital increased by RMB26,748,300.

*Note 2:* The Company's share capital increased by RMB81,550 as a result of the voluntary exercise of share options by participants in its share incentive scheme.

## 12. CAPITAL RESERVE

*Unit: RMB*

| Items | Opening balances | Increase during the current period | Decrease during the current period | Closing balances |
|---|---|---|---|---|
| Capital premium (share premium) | 1,747,397,081.47 | 1,608,442,109.52 | 19,230,802.57 | 3,336,608,388.42 |
| Other capital reserve | 164,029,652.73 | 2,937,496.51 | 2,499,624.33 | 164,467,524.91 |
| Total | 1,911,426,734.20 | 1,611,379,606.03 | 21,730,426.90 | 3,501,075,913.33 |

Other information, including changes during the current period and the reasons therefor:

- The public offering of the Company's H Shares increased the capital premium (share premium) by RMB1,585,037,428.17;

- The voluntary exercise of share options by participants in the Company's share incentive scheme increased the capital premium (share premium) by RMB3,486,080.32;

- When participants in the Company's share incentive scheme exercised their options voluntarily, the portion deductible for corporate income tax purposes increased capital premium (share premium) by RMB687,798.46;

- Capital Reserve − Other capital reserve was affected by the combined impact of the amortisation of expenses related to restricted share and share incentive schemes and their deferred income taxes, the voluntary exercise of options by participants in the share incentive scheme, capital increases by other investors in associates, etc.

## 13. TREASURY SHARES

*Unit: RMB*

| **Items** | **Opening balances** | **Increase during the current period** | **Decrease during the current period** | **Closing balances** |
|---|---|---|---|---|
| Restricted shares | 13,225,660.25 | | 241,722.25 | 12,983,938.00 |
| Total | 13,225,660.25 | 0.00 | 241,722.25 | 12,983,938.00 |

Other information, including changes during the current period and the reasons therefor:

The Company implemented the 2024 profit distribution and paid cash dividends during the current period. Treasury shares in respect of restricted shares during the vesting period decreased by RMB 241,722.25, being the amount of cash dividends attributable thereto.

## 14. UNDISTRIBUTED PROFITS

| **Items** | **Current period** | Previous period |
|---|---|---|
| Undistributed profits at the end of the previous period before adjustment | **1,213,627,119.09** | 1,047,230,776.94 |
| Undistributed profits at the beginning of the period after adjustment | **1,213,627,119.09** | 1,047,230,776.94 |
| Add: Net profit attributable to owners of the parent for the current period | **74,645,686.46** | 113,271,162.92 |
| Less: Appropriation to statutory surplus reserve | **0.00** | 18,295,660.28 |
| Dividends payable on ordinary shares | **103,012,236.26** | 68,327,952.64 |
| Undistributed profits at the end of the period | **1,185,260,569.29** | 1,073,878,326.94 |

Details of adjustments to undistributed profits at the beginning of the period:

1) Retrospective adjustments arising from the Accounting Standards for Business Enterprises and related new requirements had an impact of RMB0.00 on undistributed profits at the beginning of the period.

2) Changes in accounting policies had an impact of RMB0.00 on undistributed profits at the beginning of the period.

3) Corrections of material accounting errors had an impact of RMB0.00 on undistributed profits at the beginning of the period.

4) Changes in the scope of consolidation arising from business combinations under common control had an impact of RMB0.00 on undistributed profits at the beginning of the period.

5) Other adjustments had an aggregate impact of RMB0.00 on undistributed profits at the beginning of the period.

Details of the use of capital reserve to offset losses:

## 15. ADMINISTRATIVE EXPENSES

*Unit: RMB*

| Items | Amount for the current period | Amount for the previous period |
|---|---|---|
| Employee benefit expenses | **28,490,251.45** | 26,991,421.47 |
| Depreciation and amortisation | **12,619,358.08** | 12,489,071.75 |
| Office telephone expenses | **657,207.07** | 671,687.12 |
| Utilities and rental expenses | **537,829.80** | 674,293.34 |
| Renovation, repair and consumables expenses | **971,383.69** | 1,012,691.13 |
| Travelling and entertainment expenses | **1,809,182.29** | 1,503,673.96 |
| Consultancy and professional service fees | **8,048,433.04** | 2,747,519.86 |
| Transportation and vehicle expenses | **270,958.84** | 358,423.73 |
| Others | **687,531.33** | 570,308.62 |
| Total | **54,092,135.59** | 47,019,090.98 |

Other information

## 16. SELLING EXPENSES

*Unit: RMB*

| Items | Amount for the current period | Amount for the previous period |
|---|---|---|
| Employee benefit expenses | **20,819,684.53** | 21,297,972.56 |
| Transportation and vehicle expenses | **306,469.59** | 203,688.02 |
| Travelling and entertainment expenses | **3,464,703.50** | 2,576,089.10 |
| Advertising, exhibition and promotion expenses | **4,812,796.92** | 4,439,465.39 |
| Others | **3,379,459.06** | 4,348,785.39 |
| Total | **32,783,113.60** | 32,866,000.46 |

## 17. RESEARCH AND DEVELOPMENT COSTS

*Unit: RMB*

| Items | Amount for the current period | Amount for the previous period |
|---|---|---|
| Employee benefit expenses | **61,537,422.13** | 60,272,682.50 |
| Depreciation and amortisation | **6,847,535.76** | 6,083,324.69 |
| Material costs | **5,444,516.12** | 5,210,418.42 |
| R&D sample and mold costs | **3,797,890.86** | 2,964,176.73 |
| R&D processing expenses | **3,784,098.43** | 1,286,074.98 |
| Others | **4,233,999.30** | 5,584,118.60 |
| Total | **85,645,462.60** | 81,400,795.92 |

Other information

## 18. FINANCE COSTS

*Unit: RMB*

| Items | Amount for the current period | Amount for the previous period |
|---|---|---|
| Interest expenses | **1,290,438.11** | 1,644,689.08 |
| Less: Interest income | **28,282,901.45** | 17,079,655.86 |
| Foreign exchange gains or losses | **39,245,838.40** | -2,349,862.30 |
| Others | **343,490.91** | 302,641.34 |
| Total | **12,596,865.97** | -17,482,187.74 |

Other information

## 19. OTHER GAINS

*Unit: RMB*

| Source of other gains | Amount for the current period | Amount for the previous period |
|---|---|---|
| Government grants | **11,757,693.13** | 11,531,825.69 |
| Refund of handling fees for withholding individual income tax | **707,219.38** | 334,837.21 |
| Total | **12,464,912.51** | 11,866,662.90 |

## 20. SEGMENT INFORMATION

### (1) Basis for determining reportable segments and accounting policies

### (2) Financial information of reportable segments

### (3) Where the Company has no reportable segments or is unable to disclose the total assets and total liabilities of each reportable segment, the reasons shall be stated

### (4) Other information

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW

### 1. Principal Business Activities Engaged by the Company during the Reporting Period

#### *(I) Industry Overview*

According to the "Guidelines for the Industry Classification of Listed Companies" (2012 Revision) issued by the China Securities Regulatory Commission, the Company is classified under "C Manufacturing" within the category "C38 Electrical Machinery and Equipment Manufacturing". The Company operates in the micro transmission industry, a specialized sub-sector, while also strategically developing within the micro drive sector. The micro transmission industry in which the Company operates differs significantly from the traditional transmission industry in terms of product specifications, primary materials, manufacturing processes, core functions, and application areas. Currently, relatively few domestic companies have entered this emerging niche sector.

In the first half of 2026, the "15th Five-Year Plan" was officially implemented. Against the backdrop of the continuous advancement of the national "Dual Carbon" strategy, cultivation of new quality productive forces, deep integration of artificial intelligence and the real economy, and accelerating progress towards independent and controllable high-end equipment, strategic emerging industries such as intelligent automotives, AI terminals, embodied intelligent robots and advanced manufacturing equipment have entered a phase of accelerated development, driving sustained growth in market demand for high-precision, intelligent micro-drive systems. The Company remains focused on high-growth tracks including intelligent automotives, AI terminals, advanced manufacturing equipment and embodied robots, and promotes the structural optimization and upgrading of its core business and the continuous enhancement of the value chain. The Company is deeply engaged in the R&D and industrialization of micro-transmissions, motors and control systems and has built a "1+1+1" tri-integrated micro-drive control platform. This continually strengthens the system integration capabilities of its products, enabling terminal products to evolve from performing a single function towards comprehensive enhancements in system-level reliability, long-term operational stability and consistency in control precision. Leveraging its long-accumulated core technologies, precision manufacturing processes and system integration capabilities, the Company continues to improve the performance, reliability and consistency of its micro-transmission and drive systems, constantly enhances its platform-based product development capabilities and scalable delivery capabilities, provides core support for the intelligent upgrade of customers' products, and further elevates its market competitiveness and brand influence. Going forward, the Company will persist in strengthening the R&D of foundational core technologies, accelerate the transition toward platformized, intelligent, precise, miniaturized, and system-integrated products, and continuously consolidate its competitive advantages and market leadership, providing solid support for the Company's high-quality development and long-term steady growth.

The Company operates in the micro transmission and micro drive industries, which downstream covers diverse sectors such as intelligent automotives, consumer and healthcare technology, advanced industry and smart manufacturing and robotics. Its products feature a wide range of application scenarios. Overall industry demand remains stable with no significant cyclical fluctuations. As various downstream intelligent application fields continue to scale up and technology iteration accelerates, the market capacity of the industry maintains a steady expansion trend. Aligning closely with the overarching trend of intelligent development, the Company deeply addresses the differentiated requirements for precision, reliability and miniaturization of micro drive systems in different application scenarios, while continuing to strengthen its R&D investment and enhance its responsiveness and lean manufacturing capabilities. Upholding its long-term vision of "Committed to Advancing the Micro Drive Field, Co-creating a Smarter and Better Life", the Company continues to deepen its core businesses. The development of the major industries served by the Company and the Company's market position therein are set out below:

*(1) Intelligent Automotive*

As the opening year of the "15th Five-Year Plan", the development of the intelligent connected new energy vehicle industry is in a period of significant strategic opportunities. The deep penetration of automotive electrification, intelligence and connectivity, together with the continuously rising production of intelligent connected vehicles, has made intelligent cockpits and ADAS the two major segments contributing primary growth. Advanced driving assistance functions are achieving deeper market penetration among mass-market models, and technologies such as cockpit-drive integration, zonal control architecture, steer-by-wire chassis and intelligent thermal management are being deployed at an accelerating pace. The number of intelligent actuators in the whole vehicle continues to increase, imposing higher requirements on the integration, intelligence, reliability and consistency of micro drive systems. Leveraging its technological expertise in precision transmission design, motor control and system integration, the Company keeps enhancing its capabilities in functional modules and system solutions, constantly enriches its product matrix, optimizes its product structure, and further strengthens product competitiveness and market influence.

The Company focuses on the micro drive field, micro motors, and control systems. Its strategic collaborations with core customers such as Bosch, BYD, and Changan continue to deepen. In 2026, the Company secured new nominations and mass production projects in the intelligent cockpit and drive-by-wire chassis fields, demonstrating high customer recognition of the Company's technological prowess and mass-delivery capabilities. Leveraging its long-standing technological expertise in transmission efficiency, vibration and noise suppression, and structural reliability, the Company's electric tailgate drive systems, in-vehicle display motion modules and ABS precision components have been widely adopted in the key models of leading domestic independent brands and leading emerging automakers, covering key actuation functions ranging from intelligent cockpit experiences to chassis safety control. As the penetration of vehicle electrification and intelligence continues to increase and intelligent chassis technologies evolve at an accelerated pace, downstream applications are imposing more stringent requirements on micro-transmission systems in terms of precision retention, durability and lightweight design. Demand continues to rise, particularly in key actuation applications such as EPS steering motors and thermal management systems. As an important component of intelligent actuators, high-precision micro-drive systems are poised to benefit from new opportunities for structural growth.

*(2) Consumer and Healthcare Technology*

As edge-side artificial intelligence technology continues to mature and large models are increasingly deployed on terminals, intelligent terminal products such as AI smartphones, AI, AI PCs, AI tablets, and AI wearable devices are accelerating in popularity. This is driving the consumer electronics industry to upgrade from competition based solely on hardware to competition centered on intelligent experiences. While highly integrated chips equip terminal devices with powerful computing capabilities, they also lead to a sharp increase in power density, imposing more stringent requirements on the heat dissipation performance and internal integration processes of intelligent hardware, as well as higher requirements on the integration and stability of micro-transmission systems, thereby creating new development opportunities for technological upgrading in the industry.

Meanwhile, the medical device industry is accelerating its development toward intelligence, precision, and high-end transformation. Emerging applications such as intelligent diagnostic equipment, minimally invasive medical procedures, rehabilitation medicine, and medical robotics continue to expand, driving growing demand for precision motion control and micro drive systems. As an upstream supplier of automation components for medical devices, the Company continues to deepen cooperation with leading domestic and international customers. Leveraging its core technological strengths in transmission systems, motor systems and electronic control systems, the Company focuses on high-precision reduction mechanisms, low-vibration and low-noise design, and the development of medical-grade reliability systems. It continuously enhances product performance, system integration capabilities and customized development capabilities, expands the application of its products in the medical technology sector, and leverages its core technologies to facilitate the iterative upgrading of customers' products.

*(3) Advanced Industry and Smart Manufacturing*

As China continues to advance new industrialization, high-quality development of intelligent manufacturing, and the self-reliance and control of high-end equipment, the industrial equipment industry is accelerating its upgrade toward intelligence, digitalization, flexibility, and greening. Sectors such as industrial automation, intelligent logistics, precision testing, and digital manufacturing maintain steady development, imposing higher requirements on the performance, reliability, and system integration capabilities of core motion control and precision drive systems. The Company continues to deepen its electromechanical integration technology layout, strengthening collaborative innovation in transmission systems, motor systems and electronic control systems, forming modular drive system solutions centered around precision reduction structures. By continuously optimizing gear transmission efficiency, motor control precision, and system response performance, the Company's products are expanding applications in industrial automation production lines, precision testing equipment, intelligent logistics equipment, smart buildings, and advanced manufacturing equipment, providing strong support for the smart manufacturing upgrades of downstream customers.

*(4) Robotics*

2026 is widely recognised by the industry as the inaugural year for the mass production and scenario-based deployment of humanoid robots. The Company closely aligns itself with the industry's core demand for a transition from "functional validation" towards a balance between cost and performance. It has established a technology development roadmap centred on higher power density, lightweight integration, platform-based cost reduction, multi-protocol communication compatibility and stable operation across a wide voltage range, and continues to advance the application of micro-transmission and drive systems in dexterous hands, robotic joints and other scenarios.

In terms of its dexterous hand product portfolio, the Company covers both fully actuated and underactuated technological approaches and has developed a multi-tiered product portfolio comprising the A17, B21, B06 and C06 series to meet the differing requirements for precision control and cost across various application scenarios. The Company's commercialized high-degree-of-freedom dexterous hands adopt a fully direct-drive solution, with each finger joint incorporating a proprietary integrated micro-drive module that supports independent motion control, thereby enabling dexterous operation as well as stable and reliable performance. Its low-degree-of-freedom series adopts a linkage-based underactuated solution, which achieves stable gripping with fewer drive units through a sophisticated linkage mechanism, effectively reducing system complexity and hardware costs while making the products suitable for high-intensity operating environments. At the core drive module level, a highly integrated mechatronic design delivers a high transmission ratio within a compact space, providing a solid foundation for the precise control and stable operation of dexterous hands. The commercialization of the Company's dexterous hands and core drive modules continues to advance, establishing strong market competitiveness in the relevant market segments.

### *(2) Product Introduction*

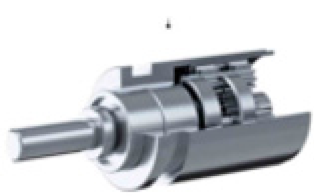
The Company specializes in the research and development, production and sales of micro transmission and drive systems, and provides one-stop micro drive system solutions for various customers.

Under our "1+1+1" tri-integrated strategy, the Company leverages the synergistic integration of our micro transmission, micro motor and electronic control systems to create a comprehensive competitive edge across the entire value chain, from core components to intelligent integrated solutions.

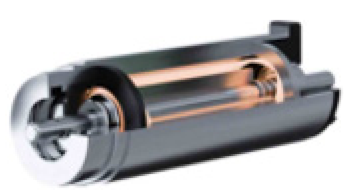
In the field of micro transmission, the Company offers a range of self-developed gear parts and micro gearbox series, which form a core part of our "1+1+1" tri-integrated framework. Relying on advanced mold molding and machining processes, the Company is capable of independently manufacturing core components, including plastic injection gears, powder-metallurgy gears, metal powder injection molded gears and machined metal gears, with gear precision reaching industry-leading standards. Moreover, the Company's planetary gearboxes are widely applied in fields requiring high precision and miniaturization, such as medical devices, embodied robotics and advanced manufacturing.

In the field of micro motors, such systems serve as the power core for various micro drive solutions and are required to feature high efficiency, compact size, and superior torque performance. The Company has independently developed multiple motor product series, including brushed DC motors, brushless DC motors, and coreless motors, which simultaneously possess high power density, low cogging torque, strong overload capacity, and excellent heat dissipation performance.

In the field of motor control, the Company has independently developed high-precision micro electronic control systems. These electric drive modules adopt stable, reliable, and modular designs suitable for various application scenarios, featuring high performance standards and the capability to be customized according to the specific requirements of different drive components. Meanwhile, the Company is equipped with industry-leading Siemens SMT placement lines and consistently adheres to rigorous quality control standards.



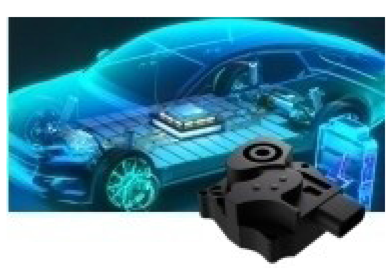
*Micro Transmission Systems*



*Micro Motor Systems*

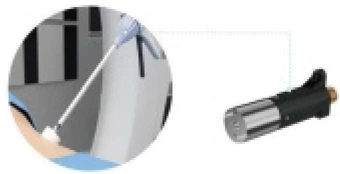
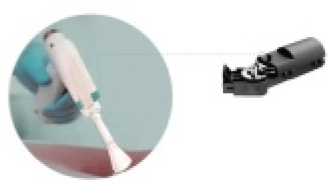
*Electronic Control Systems*

The Company's micro transmission and drive systems feature high precision, compact size, and low noise, which enable them to meet the application needs of downstream industries. The Company's products can be applied in various sectors such as intelligent automotive, consumer and healthcare technology, advanced industry and smart manufacturing, and robotics. An introduction to our products applicable to the main application scenarios across these sectors is as follows:

| Application Area | Product Name | Illustration | Product Introduction |
|---|---|---|---|
| Intelligent Automotive | Central Control Screen Tilting Actuator |  | ZHAOWEI central control screen tilting actuator utilizes a combination of a DC motor, parallel transmission and worm gear transmission to achieve speed reduction and torque amplification. This mechanism drives the main shaft, which holds the screen, enabling the vehicle's central control screen to rotate 15° to the left or right, allowing it to face either the driver or the front passenger. |
| | Central Control Screen Rotation Actuator |  | ZHAOWEI central control screen rotation actuator uses a combination of a brushless DC motor, a single-stage worm gear and parallel transmission to drive the screen's 0-90° rotation between landscape and portrait orientations. A built-in buffer structure at the end-stop positions ensures smoother and more stable screen movement. |
| | Thermal Management Actuator |  | ZHAOWEI thermal management actuator consists of a brushless DC motor and a gear transmission module. It drives a ball valve to regulate the flow distribution across different pipelines, maintaining the motor and battery within their optimal temperature range and enabling efficient thermal utilization. |

| Application Area | Product Name | Illustration | Product Introduction |
| --- | --- | --- | --- |
| | LiDAR Adjustment Module |  | ZHAOWEI LiDAR adjustment module utilizes a stepper motor combined with a worm and helical gear structure to enable dynamic positioning of LiDAR components – either deploying the radar emitter outward from the vehicle or retracting it inside. This design enhances the radar's detection range and flexibility, enabling 360-degree environmental sensing and improving driving safety in complex conditions. |
| | Automotive Rear Spoiler Drive System |  | ZHAOWEI automotive rear spoiler drive system uses a DC motor combined with a planetary gearbox and parallel transmission to achieve speed reduction and torque amplification. It drives the spoiler's movement via a connected shaft, counteracting complex aerodynamic forces to alter the spoiler's angle and enhance its stability. |
| | Rear Ceiling-Mounted Screen Actuator |  | It primarily consists of a brushless motor coupled with a 5-stage gear reduction mechanism, complemented by two locking mechanisms, a driven mechanism, and a control board. This configuration enables functions such as stepless position holding, intelligent anti-pinch, diagnostics, self-test, and OTA. |
| | EPB System Actuator |  | ZHAOWEI EPB system actuator controls the parking brake via electronic circuitry, functioning similarly to a mechanical handbrake. It uses a motor and transmission system to actuate the caliper, thereby securing the vehicle when parked. |

| Application Area | Product Name | Illustration | Product Introduction |
|---|---|---|---|
| Consumer and Healthcare Technology | Learning Tablet Camera Module |  | ZHAOWEI's external camera solution for learning tablets integrates the camera module into the tablet body, achieving a more streamlined and unified product design. With the pop-up camera mechanism, users can easily angle the camera downward to capture textbook content, enabling seamless hybrid learning experiences both online and offline. Our solution not only enhances the user experience for students but also adds to the product's sense of technological sophistication. |
| | IPD Adjustment Module |  | ZHAOWEI IPD adjustment module is a device that adjusts the distance between the two lenses of smart wearable equipment to match the user's interpupillary distance, primarily applied in VR headsets and VR glasses. Through advanced processes and sophisticated design, this product simplifies assembly, enhances transmission efficiency and adjustment precision, and reduces operational noise, thereby lowering costs and improving efficiency while ensuring an optimal viewing experience for the user. |
| | Floor Scrubber Drive System |  | ZHAOWEI floor scrubber drive system consists of a DC motor and a parallel gear transmission mechanism. It can be equipped with a high-performance motor to work in coordination with manufacturers to enable the scrubber's roller brush cleaning and suction inlet self-cleaning functions. This product can also be designed with dustproof and waterproof features according to customer requirements. |

| Application Area | Product Name | Illustration | Product Introduction |
|---|---|---|---|
| | Minimally Invasive Electric Surgical Stapler Drive System |  | ZHAOWEI minimally invasive electric surgical stapler drive system employs a motor-driven planetary gearbox transmission to control the forward and backward movement of the stapling mechanism, thereby facilitating suturing. It features high torque output, a compact structure, and low noise operation. |
| | Insulin Injection Pump |  | ZHAOWEI insulin injection pump utilizes a stepper motor paired with a parallel transmission mechanism. A lead screw and nut assembly drives the injection piston, delivering insulin subcutaneously according to the required dosage, thereby precisely controlling the amount of insulin injected. It features smooth operation and low noise, making it suitable for most insulin injection devices. |
| | Orthopedic Surgical Wound Irrigation Pump System |  | ZHAOWEI orthopedic surgical wound irrigation pump system is designed to regulate irrigation flow during orthopedic surgeries. This product controls flow using a DC motor combined with a face gear transmission. Its multi-level flow regulation function allows for appropriate selection based on surgical requirements to control the output flow rate. |

| Application Area | Product Name | Illustration | Product Introduction |
| --- | --- | --- | --- |
| Advanced Industry and Smart Manufacturing | Drum Motor |  | ZHAOWEI ZWG drum motor series represents a new generation of integrated drum motor with built-in "motor, gearbox and electronic control system". It is characterized by compact size, easy assembly and simple operation. It is widely used in applications such as food transportation, industrial automation, and airport/high-speed rail security screening. |
| | Air/water Valve Actuators |  | Our air/water valve actuators feature an integrated design that combines electronic control, gearbox transmission and drive motor. They offer a certain degree of self-locking capability and are characterized by their compact size, high temperature resistance, strong load capacity, low noise, cost-effectiveness and long service life. |
| | 5G Base Station RCU Module |  | The Company provides customers with a comprehensive RCU module that includes both hardware and drive module design. When integrated with the customer's software system, it enables remote adjustment of the downtilt angle of base station antenna radiation signals, allowing for precise control of network coverage position and range. |
| | Micro Transmission Module for Antenna Feed System |  | The Company's transmission module for antenna feed system adjusts the signal coverage range of the antenna by regulating the phase of the phase shifter. Utilizing one motor for gear shifting and another for driving, this module controls and adjusts the phase of multi-port antennas, thereby modifying their signal coverage range. |

| Application Area | Product Name | Illustration | Product Introduction |
|---|---|---|---|
| Robotics | Core Drive Module for Humanoid Robots |  | The core drive module for the dexterous hand features a highly integrated electromechanical design and is equipped with a high-performance motor. It delivers a high transmission ratio within a compact space, providing flexible transmission for various dexterous hands. This enables the robot to precisely replicate complex human finger movements and execute refined, lifelike gestures with precision. |
| | Dexterous Hand |  | The bionic robotic dexterous hand integrates structural, hardware and software system development, forming a multi-tier product matrix comprising the A17, B21, B06 and C06 series. The high degree of freedom series adopts a full direct-drive solution, with power units integrated within the finger joints. Leveraging highly compliant control, it enables human-like finger flexion, extension and opposition movements, making it suitable for complex and refined operation scenarios. The low degree of freedom series utilizes a linkage underactuated design, offering high load-bearing capacity and meeting high-intensity operational demands. Through differentiated technology pathways and a multi-tier product matrix, the Company covers diverse application requirements. |

## *(III) Business Model*

The Company's primary business models are described as follows:

*(1) Procurement Model*

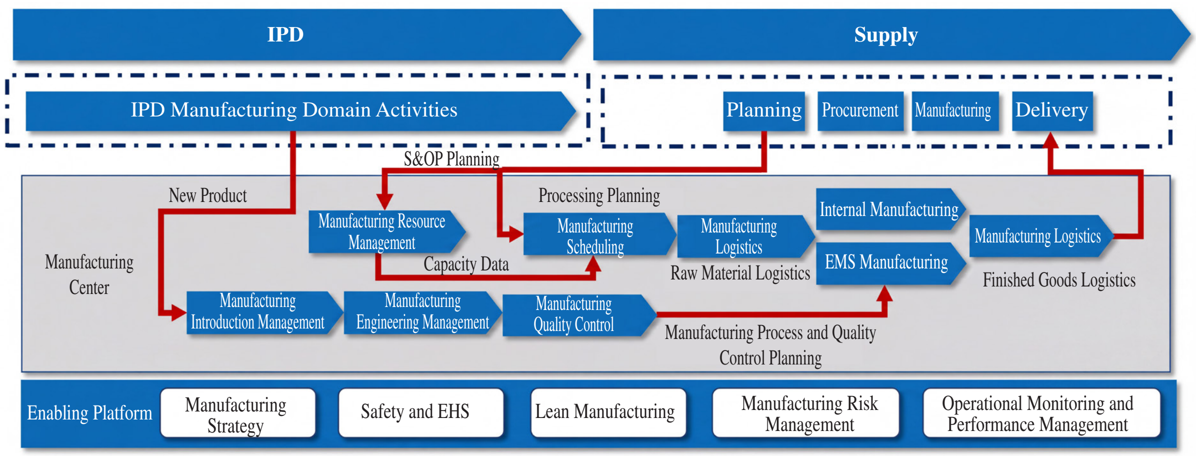
The Company adheres to a "make-to-order" procurement principle, where the procurement cycle and quantities are primarily determined based on customer orders and product demand, aligning with our business model centered on customized products. The sales and production management departments use the Material Requirements Planning (MRP) material system to calculate demand based on customer orders, generating a material requirements plan, which the procurement department then executes. To effectively control inventory, procurement strictly follows the Production Material Control (PMC) demand plan for delivery. Overall cost reduction is pursued through cross-departmental coordination, improved labor efficiency, and process optimization, complemented by commercial negotiations to optimize procurement costs.

During the Reporting Period, the Company continued to deepen the application of its Supplier Relationship Management (SRM) system and enhanced its integration with related internal systems. Leveraging the SRM system, the procurement department achieved efficient information sharing and business collaboration with suppliers, improving the accuracy and responsiveness of procurement and sales activities. The system's application effectively supported key functions such as supplier management, sourcing, and order collaboration, further strengthening the strategic partnership between the Company and its suppliers.

*(2) Manufacturing Model*

Procurement is closely aligned with production and demand. The Company adopts a flexible manufacturing model, achieving standardization of production equipment across various products. Concurrently, we utilize a Manufacturing Execution System (MES) to scientifically manage information related to production planning, quality control, plant equipment, inventory management, and engineering changes. This allows for real-time visibility into shop floor operations, enabling continuous adjustment and optimization of inventory accuracy and resource utilization.

The Company has clearly defined its manufacturing strategy and tactics, achieving flexibility in production capacity. By strengthening process capability, accelerating the implementation of lean manufacturing, and enhancing interfaces with other systems, particularly the Integrated Product Development (IPD) process, we have improved production responsiveness, equipment utilization, and production efficiency.




## (3) *R&D Model*

In terms of R&D model, the Company continues to enhance its R&D management system. Our R&D team relentlessly pursues technological advancement, with technological innovation at its core. We further strengthen the capabilities of our multi-faceted R&D system, which includes the Component Business Unit ("**BU**"), Transmission BU, Control BU, and Technology R&D Center, to respond efficiently to market demands. Concurrently, based on the sectors of our downstream customers, we gain deep insights into customer needs to guide the R&D process. Our R&D teams are organized with a reasonable structure and clear task divisions, establishing specialized teams for relevant industries. Through this industry-oriented approach, we provide customers with professional design solutions to develop products that better meet market needs.

*(4) Sales Model*

During the Reporting Period, as our product portfolio expanded, our sales model integrated the logic of platform-based products on top of our existing foundation of deep-customization direct sales. Regarding the direct sales model: for customized products, direct sales remains our core approach. We delve deep into customer application scenarios to address specific requirements regarding product structure, dimensions, and performance, guiding projects from development to mass production. Regarding platform-based products: for standardized and reusable platform products, while maintaining a dedicated direct sales team to manage key accounts, we are also exploring more efficient channel distribution models to enhance market penetration. In terms of internal collaboration, we continue to refine our "Project Iron Pentagon" operating model. Whether for complex customized projects or the promotion of platform products, a team comprising a sales manager, product manager, project manager, engineering & manufacturing specialist, and quality control representative works under the project leader throughout the entire process to ensure project execution quality and customer satisfaction.

## *(IV) Performance Drivers*

In the first half of 2026, under the leadership of the Board of Directors, the Company's management team strictly adhered to the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other laws and regulations, as well as the articles of association of Shenzhen Zhaowei Machinery & Electronics Co., Ltd., to standardize corporate governance. We remained committed to market stability, strategic focus, and transformation resilience, maintaining steady development. All operational management tasks and major project constructions progressed in an orderly manner. During the Reporting Period, the Company achieved operating revenue of RMB816.45 million, representing an increase of 3.80% as compared to the corresponding period last year.

The Company, upholding the concept of continuous innovation, has established a "1+1+1" collaborative innovation framework integrating transmission, motor, and electronic control to meet the high demands of the digital and intelligent era for microsystem integration, rapid responsiveness, and spatial efficiency. Focusing on high-growth industries undergoing intelligent transformation, such as intelligent automotives, consumer and healthcare technology, advanced industry and smart manufacturing, and robotics, we deeply engage in scenario-specific customization, building deep technical expertise and a stable customer foundation. Currently, ZHAOWEI focuses on familiar and "certain" sectors to build a solid foundation while gradually forging a results-oriented, highly motivated team. In 2026, waves of artificial intelligence, such as embodied robotics and smart terminals, will create major industries, vast opportunities, and significant market potential. We will solidify our core competitiveness in "transmission + motor + electronic control", strengthening each individual "1" and enhancing our capability to integrate them (the "+"). We will deepen platform empowerment, leveraging our component expertise to advance standardization, platformization, and branding, utilizing AI+ to enhance efficiency, and anchoring our core competencies more deeply and robustly.

During the Reporting Period, the Company's key work initiatives were as follows:

*(1) Continuously Optimize the Management System to Strengthen the Foundation for Refined Management*

The Company further improved its management system, maintaining the continuous operation of its Executive Management Team (EMT) mechanism. With a mature EMT operating mechanism, we continuously enhance management efficiency and leverage collective decision-making advantages to separate decisions regarding people and operations. We comprehensively promote the principles of "scientific procurement" and "transparent procurement", enhancing sourcing development and innovation capabilities, advancing the development of procurement information and data capabilities, strengthening systematic management of supplier resources, and reinforcing the establishment and operation of expert procurement teams. We are advancing category procurement management, coordinating multiple departments, channels, and measures to drive procurement cost reduction. We are deeply promoting comprehensive quality management, enhancing quality control capabilities and product quality, strengthening end-to-end quality management across the entire supply chain to ensure strict control over inputs and outputs. This includes improving supplier quality management to secure the first line of defense and ensuring rapid response to customer issues to guarantee quality service. We are promoting the integration of production, supply, and sales, optimizing inventory management, and advancing the digital construction of an integrated supply chain system, with a focus on MES, production-supply-sales integration, and tooling and equipment management. We aim to enhance the cost competitiveness, manufacturing capability, and quality level of in-house produced parts such as powder metallurgy components, machining, printed circuit board assembly (PCBA), and micro and special motors. We are diligently breaking down and implementing work objectives, optimizing the operational mechanism for supervising and auditing the Company's management indicators to ensure the advancement and realization of strategic goals. By clarifying responsibilities and authorities, and improving service support capabilities, we ensure the orderly progress of all tasks.

(2) *Enhance R&D and Innovation Capabilities to Maintain Core Competitive Advantages*

During the Reporting Period, the Company continuously pursued technological improvements based on existing product manufacturing processes and technologies. By leveraging both internal and external resources, we upgraded existing manufacturing processes and equipment, enhancing our capabilities in informatization, automation, and intelligence to maintain our leading position in the micro transmission and drive industry. We are committed to advancing process and technological innovation, increasing R&D investment in new products, new processes, and cleanroom construction. This improves our process and resource integration levels, further reduces production costs, increases product added value, and strengthens product competitiveness. We are continuously strengthening the talent pool of our R&D design team, gear technology team, electronic drive team, automation team, gear testing laboratory, and comprehensive testing laboratory, building a more competitive comprehensive development platform covering R&D, design, manufacturing, and testing.

Under the guidance of our "1+1+1" tri-integrated strategy, which synergizes transmission systems, micro motor systems and electronic control systems into a unified framework, we have established full-chain competitive strength, ranging from critical component development to intelligent, integrated solutions. We have transitioned from a single-component supplier to a comprehensive service provider offering integrated, industry-customized, and high-performance drive solutions. This enables us to respond more rapidly to the diverse needs of customers across different industries and further provide smarter, more efficient, and compact motion control solutions. Currently, the Company has developed products and solutions characterized by high precision, miniaturization, and ultra-thin design for various sectors, including intelligent automotives, consumer and healthcare technology, advanced industry and smart manufacturing, and robotics.

(3) *Adhere to Deep Industry Engagement and Actively Promote Business Development and Strategic Layout*

We maintain a commitment to deep industry insights in sectors such as intelligent automotives, consumer and healthcare technology, advanced industry and smart manufacturing, and robotics. Using market insights as a starting point, we identify market demands and pain points, analyze challenges facing products of the clients, and fully leverage our resources and platform advantages to proactively provide customers with optimization solutions and recommendations. Keeping pace with market trends, we simultaneously delve deeper into our strong markets while continuously developing potential target markets. By integrating our existing resources, we strengthen operations in niche target markets, expanding our product visibility and brand influence. We will increase participation in major international and domestic exhibitions and allocate more resources to promotional activities on websites and new media platforms to continuously enhance brand value. We will strengthen our sales force, promote skill development among sales personnel, and build a sales team characterized by elite personnel, streamlined organization, and value-driven projects. We will enhance key account management, actively cultivate strategically valuable customers, and optimize the structure of our customer base and order portfolio. We will strengthen project initiation management, refine project selection and review mechanisms, and focus on major projects and large orders to increase the number of high-value projects. The Company's global expansion progressed steadily. The Suzhou Zhaowei Drive Industrial Park has become a key pillar for the Company's production and business layout in the East China region. In terms of overseas expansion, ZHAOWEI Thailand is under construction and will subsequently work in coordination with ZHAOWEI Germany and ZHAOWEI USA, laying a solid foundation for the Company to expand into international markets and deepen its global footprint.

*(4) Strengthen Corporate Culture and Talent Development*

During the Reporting Period, the Group further advanced its organizational talent transformation and performance management framework. Differentiated performance evaluation schemes were established across business segments, enhancing the closed-loop PDCA (Plan-Do-Check-Act) management system. Building upon its talent development foundation, the Group completed qualification assessments for all R&D positions and implemented a job grading system aligned with the IPD framework, thereby optimizing its leadership selection, training, deployment, and management mechanisms. In addition, sales assessment rules were reformulated to center on project-, customer-, and outcome-based metrics, while balancing internal talent pipeline cultivation with key external recruitment. To support its internationalization strategy, the Group established a multi-channel overseas recruitment system, standardized hiring processes against headcount budgets, updated multilingual recruitment policies and training materials, and fostered domestic-overseas team integration through corporate culture initiatives. These measures have enhanced operational efficiency and built a strong talent foundation for overseas expansion. Looking ahead, the Group will continue to strengthen its organizational and talent capabilities, fostering a virtuous cycle of mutual empowerment between talent and the organization to drive sustainable competitiveness.

## II. Analysis of Core Competitiveness

### *(I) A Leading Global Provider of Integrated Micro Transmission and Drive System Solutions, Empowering Diverse High-Growth Sectors*

Integrated micro transmission and drive components are critical and often mission-critical parts across a range of precision-demanding verticals. The Company's products are widely embedded in end products across four high-growth major domains: intelligent automotives, consumer and healthcare technology, advanced industry and smart manufacturing, and robotics. Each of these sectors is undergoing profound transformation through the deep integration of miniaturization, automation, and intelligent interaction. The Company's solutions serve as a foundational enabler in these sectors.

The Company has mastered a full-process, one-stop R&D and manufacturing capability for micro transmission systems, spanning system design, precision mold development, precision mold manufacturing, precision gear component fabrication, integrated assembly, and performance testing. Through vertical technological breakthroughs, we have strategically focused on drive control technologies and further extended our capabilities to motor drive control modules, establishing our "1+1+1" tri-integrated framework that synergizes "transmission systems + micro motor systems + electronic control systems". As a result, we have successfully transitioned from a single-component supplier to a comprehensive service provider offering integrated, industry-customized, and high-performance drive solutions. Leveraging strong technological innovation capabilities, exceptional product development skills, stringent quality control, and dedicated team collaboration, the Company can rapidly respond to diverse requirements across multiple sectors, including intelligent automotives, consumer and healthcare technology, advanced industry and smart manufacturing, and robotics. We have successfully developed products and solutions characterized by high precision, miniaturization, and ultra-thin design. This not only enhances the Company's market adaptability but also solidifies its position as a core partner for industry-leading companies. We have gained deep recognition and established long-term collaborations with renowned downstream companies such as Bosch, Huawei, BYD, and Xiaomi, building a robust competitive moat.

The Company's comprehensive product matrix spans a wide range of end-use scenarios, and is designed with horizontal synergy, allowing us to serve overlapping customer bases with customized but modularized solutions. This cross-scenario adaptability not only enhances operational efficiency, but also reinforces long-term customer stickiness and creates significant opportunities for multi-dimensional synergies, including scale effects, system integration, and co-development of solutions. The Company's dual leadership in scale and innovation lays a solid foundation for driving the future development of micro transmission and drive systems across industries. Through our deep-rooted platform capabilities and first-mover position in key verticals, the Company is well-positioned to sustain and expand our global competitiveness.

### *(II) Industry-Leading R&D Capabilities Underpin Continuous Innovation and Sustain Competitiveness of the Company*

Our research and development capabilities form the cornerstone of our technological advantages and long-term competitiveness. The Company views innovation as a strategic imperative and a core value. We have established a comprehensive and integrated R&D framework built upon our "1+1+1" tri-integrated framework, seamlessly linking system design, process development and product realization, to ensure a continuous cycle of technology iteration and original breakthroughs. As of the end of June 2026, the Company had accumulated 665 intellectual property rights, including 136 invention patents, with the number of granted patents continuously increasing.

Grounded in independent R&D and leveraging industry-university-research collaboration, the Company is deeply advancing the construction of its R&D and innovation platform. This has resulted in a core R&D system centered around the Component BU, Transmission BU, Control BU, and Technology R&D Center, accumulating substantial technical expertise across multiple dimensions. The Company has established a "market and customer demand"-oriented R&D mechanism and a "customer-centric" project management mechanism. This approach tightly aligns project initiation and resource allocation with real-world application needs, balancing the development of product solutions with common generic technologies to ensure R&D outcomes are both forward-looking and rapidly commercializable.

The Company refined and supplemented the foundational data on the wear and service life of plastic gears, advanced the development of design software for novel transmission systems, and conducted research on the friction and wear between carbon fibre-reinforced PEEK, a specialty engineering plastic, and metal gears during high-speed operation. Through such research, the Company gained insights into how factors such as the structural design, injection molding process and torque load of PEEK gears affect their failure modes, and explored the theoretical basis for the effect of plastic gear pair modification on tooth surface contact stress, thereby significantly extending the service life of plastic gears. The Company completed the formulation of a national standard for calculating the load capacity of plastic gears, revised three national standards for the precision of small-module gears, formulated a group standard for integrated joint interfaces, and participated in the compilation of the new edition of the "Gear Handbook". It also completed applied research on toroidal worm and helical gear transmission under high-load operating conditions and achieved technological improvements in areas such as screw transmission efficiency and high-efficiency transmission using small-module gears. In respect of motor products, the Company completed the platform-based development of product series comprising brushed DC motors, brushless DC motors and brushless coreless motors, all of which have entered mass production. In particular, its 4mm brushless coreless motors have entered mass production and been applied in major national astronomical equipment. The Company is also focusing on the development of 4-pole miniature products to increase product torque density and provide lightweight solutions for dexterous hands. The Company achieved a breakthrough in the development of smaller-diameter brushless DC motors by adopting a segmented stator core assembly process to increase motor torque density, and has completed the development and commenced mass production of its 12mm and 16mm motors. In terms of solutions, the Company is working closely with customers to introduce active cooling solutions for consumer electronics products, with customer engagement currently under way. In the field of powder metallurgy small-module gears, the Company focused its R&D and technological development efforts on metal powder materials, mold design and manufacturing, and process stability in mass production. Building on its capabilities in the high-precision and large-scale manufacturing of powder metallurgy small-module gears, the Company developed proprietary materials offering lower costs, improved compactability, greater elongation and enhanced impact resistance, thereby achieving cost reductions while strengthening its competitiveness in the industry.

### *(III) Leveraging Co-innovation Mechanisms to Build a High-Quality Customer Base and High-Stickiness Partnerships*

The Company proactively studies its customers' application scenarios, adheres to collaborative innovation, conducts in-depth research on customers' pain points and industry demands, identifies unmet demands, and efficiently translates those insights into offerings with rapid turnaround from design to production. By working closely with our customers to co-develop forward-looking, application-specific products that address complex technical requirements and accelerate time to market. Such early engagements allow the Company to secure first-mover advantages and become deeply embedded in our customers' innovation cycles. By leveraging our exceptional technological and product development capabilities, stringent quality assurance, and efficient project collaboration, the Company is able to deliver high-performance integrated drive solutions to customers in a fast, flexible and scalable manner.

The Company has cultivated a large and loyal base of customers by virtue of our strong track record of delivering superior product performance, robust quality assurance, and a complete portfolio of one-stop, industry-customized drive products. Our customer base includes leading enterprises spanning a wide spectrum of industries and geographies. In the intelligent automotives sector, the Company has established long-term partnerships with leading companies such as Bosch, Huawei, BYD, Li Auto, and Changan, etc. Our precision components, transmission systems, and micro drive products are widely recognised in applications such as automotives motion screens, active rear spoilers, thermal management, in-vehicle radar, and electronic parking brakes (EPB). In the robotics sector, the Company is actively building an industry ecosystem and proactively establishing collaborations with leading robotics companies. We continue to expand into emerging industry sectors.

Through co-innovation, the Company serves not merely as a component supplier but as a long-term strategic innovation partner for our customers. This foundational strategic depth in our customer relationships ensures we maintain relevance in rapidly evolving markets. As downstream application scenarios expand and our business extends, the Company can further grow its customer ecosystem and continuously deepen its influence across multiple high-growth industries. This not only helps diversify cyclical risks associated with any single industry but also allows the Company to fully benefit from structural trends such as automation, electrification, and human-machine interaction. Our broad customer base generates demand for multiple product series of the Company across diverse scenarios. This customer overlap significantly enhances our cross-category sales synergy and provides new products with a stable customer base and application scenarios from an early stage, accelerating market validation and scaling.

### (IV) Superior Advanced Manufacturing Capabilities Enabling Precision at Scale

Integrated micro transmission and drive systems are inherently complex, requiring ultra-high precision, reliability, and adaptability to rapidly evolving use cases in sectors such as humanoid robots, XR devices and smart home technologies. The manufacturing of such systems involves a diverse set of processes and the ability to quickly iterate, making proprietary production capacity a key barrier to entry and competitive advantage. The Company's manufacturing infrastructure, mature process concepts, stringent quality control, and product testing and validation capabilities provide a solid foundation for delivering high-performance, application-oriented micro transmission and drive system solutions, effectively ensuring the reliability, stability, and consistency of the Company's product quality. The Company is one of the very few enterprises in China to operate an end-to-end in-house manufacturing system that spans the full value chain of micro transmission and drive products, from system design and precision mold development to gear component fabrication, integrated assembly and performance testing. This full-process integration allows the Company to maintain tight control over every aspect of product quality, cost, lead time and innovation deployment.

On the equipment front, we have made significant investments in globally renowned machinery brands, such as imported injection molding equipment from FANUC, SODICK, etc.; gear processing and inspection centers, such as ZEISS CT, WAHLI, etc.; ultra-high-speed Computer Numerical Control (CNC) machining equipment like YASDA, Mikron, etc.; high-precision wire-cutting machines like Swiss GF CUT 2000; high-precision EDM, such as FORM P350; in the CNC machining process, a new automated engraving and milling CNC line has been added, enabling 24-hour unmanned and automated processing in the manufacturing process, achieving digitalized, informatized, and smart manufacturing in the mold workshop, while the Suzhou mold processing workshop has simultaneously commenced small-scale production. In the machining of high-performance micro planetary gear reducers, the Company has pooled high-end manufacturing equipment such as CNC high-speed gear shapers, high-precision gear grinders, high-precision honing machines, and high-precision gear shapers, and has taken the lead in introducing ECM and special surface treatment technologies to push microscopic topography control to its limits, optimizing advanced processes like 0.1mm ultra-fine micro particle blasting and electrolytic surface polishing. In terms of information system software supporting manufacturing equipment, we have introduced smart manufacturing management systems including MES, EMAN management system, iMould automated processing system, and SRM system, breaking down equipment interconnection and data silos, allowing the entire production process, on the basis of visualization, to step into a new era of precision smart manufacturing with standardized and intelligent control.

The Company has continuously devoted resources to building our R&D infrastructure. Our R&D center is equipped with advanced design, simulation, testing and prototyping platforms. We have an experienced testing team. Currently, the Company has established: the Precision Measurement Center, primarily for product dimensional inspection, product characterization analysis, material performance testing, and reliability testing; the Micro Drive Integrated Laboratory, primarily providing capabilities for product appearance, performance, reliability, environmental, and comprehensive testing and validation; the Intelligent Control Laboratory, which is a National Enterprise Technology Center and a Shenzhen Engineering Research Center, and has established joint laboratories with several renowned domestic universities for academic-industry-research collaboration, focusing on the testing and validation of electrical performance, electrical signals, and reliability of products; and the EMC Laboratory, which features an industry-leading imported automotives component semi-anechoic chamber (Germany's Albatross), complying with the most stringent CISPR 25 Class 5 limit requirements (with a minimum margin of over 10dB), with the receiving antenna covering a frequency band from 10Hz~18GHz, specifically designed for electromagnetic compatibility testing of automotives electronic components, meeting relevant international standards such as ISO 11452-4 and GB/T 33014.4, while simultaneously satisfying the standards of numerous domestic and foreign automotives enterprises.

### *(V) Efficient Business Processes and Organizational Structure, Driven by a Values-Oriented Culture to Empower Sustainable Growth*

As the Company's operating environment, business, and positioning continue to evolve, the Company is constantly innovating and refining our institutional framework. We rationally allocate resources and adjust our organizational structure to build a core competitiveness that combines technological capabilities with efficient organizational operations. This optimizes corporate governance, enhances overall operational efficiency, and continuously drives cost reduction and efficiency improvement.

In terms of operations management, the Company has established a dedicated EMT to further enhance management efficiency, leverage the advantages of collective decision-making, and separate decisions regarding people and operations. This clarifies management responsibilities and ensures effective internal budget management and KPI assessment across departments and subsidiaries. In process management, we are customer-centric and driving process management transformation initiatives. This includes building a process-driven, matrix-managed organizational structure and implementing a hierarchical process owner accountability system, where owners are responsible for end-to-end results. In information technology, we extend our IT systems to all aspects of the Company's business operations to enhance efficiency, continuously improving internal information systems like OA to further increase the efficiency of internal information flow of the Company. The Company continuously optimizes systems such as SAP and MES to efficiently coordinate production, supply, sales, human resources, finance, and materials. By optimizing labor costs, rationally allocating resources, and implementing lean manufacturing and refined management, we actively build management and cost advantages of the Company.

The Company's management philosophy is deeply rooted in a distinctive corporate culture. We adhere to the core values of "creating value, embracing innovation, striving for continuous effort, and pursuing excellence", which guide us in maintaining strategic focus in a rapidly changing market environment. We actively fulfill our corporate mission and vision to "committed to progress in the field of micro drives to create a smarter and better life", integrating the promotion of our values into daily operations and talent development systems. This has cultivated a top-down, values-driven corporate culture. Through this deep cultural identification, the Company not only standardizes governance-level behavioral norms but also inspires a strong sense of belonging and purpose among employees, providing powerful spiritual motivation for our long-term sustainable development.

Concurrently, the Company actively fulfills its corporate social responsibilities, viewing philanthropic and charitable endeavors as a vital way to give back to society. We advocate for positive values such as respecting natural laws, honoring teachers and valuing knowledge, and fostering gratitude and mutual assistance. These simple yet profound cultural concepts, together with the Company's core values, shape ZHAOWEI's unique and warm corporate character, serving as a solid foundation for navigating economic cycles and achieving sustainable, long-term success.

### *(VI) Advantages in Talent Pipeline Development and Talent Cultivation*

The Company consistently adheres to the talent philosophy of "responsibility, professionalism and proactiveness", combined with "pragmatism, positivity and diversity". We boldly utilize talent, innovate in how we deploy talent, and fully leverage the value of our people. The Company's talent structure is evolving towards greater sophistication, a trend that positively and significantly contributes to enhancing the Company's core competitiveness.

The Company focused on employee growth and development, striving to build a comprehensive, multi-tiered talent cultivation system to support employees in their continuous professional advancement. The Company established ZHAOWEI Business School, integrating high-quality internal and external resources to build a systematic curriculum, providing employees with a learning and development platform covering multiple areas such as professional skills, management capabilities, and professional qualities. This marks a significant step forward in the Company's talent development efforts. The Company implemented differentiated and refined cultivation strategies for various groups. For new employees, we launched the "Bamboo Shoot Plan" orientation program to facilitate rapid integration, paired with a mentorship system that matches each new employee with an experienced mentor to foster fast growth through practical experience. For production staff, we implemented the "Elite Plan" professional training for team leaders to enhance their comprehensive management skills and build a high-quality frontline management team. Routine training for general staff covers areas such as workplace safety and operational skill enhancement, ensuring proficiency in job skills to support efficient and safe production. For professional domains such as technical departments, marketing departments, and functional departments, the Company tailors professional skills training based on each department's business characteristics and role requirements. The technical departments focus on cutting-edge technology research and application, offering courses on technology R&D and innovative thinking. The marketing departments emphasize market analysis, customer relationship management, and sales skill enhancement. Functional departments concentrate on capabilities like process optimization and communication coordination, comprehensively improving the business and professional competence of employees across all specialized fields. For management development, the Company arranged for middle and senior management to systematically study management courses externally, broadening their perspectives and enhancing their management thinking and capabilities, providing strong management support for the Company's long-term development.

The Company places great emphasis on building a team of internal trainers. Through the "Excellence Plan" specialized training program for internal trainers, we have cultivated a group of outstanding trainers with strong professional expertise and high teaching standards. These internal trainers not only impart their professional knowledge and practical experience to other employees but also serve as a vital bridge for knowledge inheritance and sharing within the Company, significantly fostering an enhanced overall learning atmosphere. Through these initiatives, the Company has built a comprehensive talent cultivation ecosystem, providing employees with ample room for growth and development opportunities.

## OUTLOOK

Looking forward, benefiting from the further development of downstream markets such as smart automotives, consumer electronics, medical devices, industrial automation, and robotics, the market size of the micro transmission and micro drive industry is gradually expanding, showcasing favorable development prospects. Capitalizing on its profound technological accumulation, well-designed production capacity layout and stable customer resources, the Company adheres to long-term strategic operations, focuses on the core advantages of precision micro drives to implement various operational plans in an orderly manner, and strives to achieve steady business growth and continuous improvement of comprehensive competitiveness. The Company's key operational plans for the next stage are as follows:

1. Pursuing a dual-track approach of proprietary brand building and deep customer cultivation to continuously expand market share. Guided by its "1+1+1" collaborative innovation strategy and comprehensive product solution matrix, the Company remains dedicated to R&D investment and product iteration, accelerating the development and commercialization of core proprietary brand products. Through diverse channels such as industry exhibitions and technical exchange summits, the Company aims to enhance the brand awareness of "ZHAOWEI" and establish a brand identity synonymous with "Innovation, Intelligence, Precision, and Reliability". Backed by its long-term track record and solid partnership foundations with leading domestic and international customers across various industries, the Company continues to enhance customer stickiness. By closely aligning with customers' diversified application needs, it provides highly customized, exclusive solutions to embed its products deeply into client ecosystems. By adhering to customer-centric R&D and innovation, the Company expects to steadily improve its product market penetration and overall market share.

2. Accelerating the commercialization of dexterous hands to capture first-mover advantages in industrial and consumer markets. The Company is dedicated to speeding up the commercial rollout of its next-generation dexterous hand drive modules and integrated hand systems, continuously consolidating its technological first-mover edge and market leadership in this field. On the hardware front, the Company will continuously optimize material selection, micro motors, and mechanical structure designs to enhance power density, operational flexibility, and product lifespan. On the algorithmic front, the Company will strengthen hardware-software co-optimization, focusing primarily on upgrading core capabilities such as motion control, gesture learning, and AI adaptability, thereby ensuring the successful commercialization of dexterous hands across diverse scenarios.

3. Scaling up end-to-end investments in AI-driven digitalization to build a solid long-term technological moat. The Company is promoting the deep integration of artificial intelligence and digital technologies into its entire operational lifecycle, reinforcing the core competitiveness of its micro transmission technologies. The Company has established an AI Intelligent Innovation Department, optimized its talent structure, and recruited top-tier AI professionals globally. Currently, its pilot AI and digitalization initiatives have yielded tangible results. Going forward, the Company will extend these digital capabilities across all critical stages of the value chain, including project management, design standardization, quotation and contract review, production scheduling, procurement planning, and sales forecasting, fully empowering operations through intelligent digitalization to drive operational efficiency and quality upgrades.

4. Optimizing the Company's global manufacturing footprint to capture both domestic and international growth opportunities. The Company's primary production bases are currently located in Shenzhen and Dongguan, while the Suzhou Zhaowei Drive Industrial Park has been completed and is now fully operational. The Company will continue to integrate advanced smart manufacturing equipment and cutting-edge processes to establish intelligent production lines, thereby shortening delivery lead times and enhancing service efficiency for domestic customers. Meanwhile, construction of the Thailand production base is progressing steadily. By leveraging localized overseas production, the Company will optimize its global supply chain, reduce cross-border logistics costs, expedite international deliveries, and augment its localized service capabilities, positioning itself to better capture incremental demand from global markets.

5. Expanding the Company's global footprint and accelerating its pace of internationalization. The Company is committed to introducing its micro drive technologies and intelligent solutions into broader global markets. It has already systematically established a strategic presence in key overseas regions, including the United States and Europe, laying a solid foundation for its global expansion. Going forward, the Company will continue to deepen synergies with international partners, continuously refine its global sales and service networks, and precisely target core client segments. Furthermore, the Company will strategically penetrate overseas regions with robust product demand and favorable business environments, promoting diversified channel distribution and localized responsiveness. Through flexible and efficient service models, it aims to meet the diverse demands of customers across different regions worldwide.

Amid dynamic industry transformations and potential market volatility, the Company will remain firmly anchored in its core business and stay technology-driven. The Company will agilely adapt its operational strategies to evolving market conditions and systematically advance its development plans. By striving for robust and steady performance growth, the Company aims to deliver sustainable long-term value to its shareholders, customers, and all stakeholders.

## FINANCIAL REVIEW

The following discussions are based on the financial information and notes set out in other sections of this announcement and should be read in conjunction with them.

### Revenue

The table below sets forth the absolute amounts and percentages of the Company's revenue by business segment for the six months ended 30 June 2025 and 2026:

| | **For the six months ended 30 June** | | | | **Change** |
|---|---|---|---|---|---|
| | **2026** | | 2025 | | |
| | ***RMB million*** | ***% of total revenue*** | *RMB million* | *% of total revenue* | |
| Micro transmission systems | **505.94** | **61.97** | 497.51 | 63.25 | 1.69% |
| Precision components | **276.41** | **33.85** | 239.42 | 30.44 | 15.45% |
| Precision molds and other products | **34.10** | **4.18** | 49.64 | 6.31 | -31.31% |
| **Total** | **816.45** | **100%** | 786.57 | 100% | 3.80% |

During the six months ended 30 June 2026, the Company achieved revenue of RMB816.45 million, representing a year-on-year growth of 3.80% as compared with the same period in 2025, of which (i) revenue from micro transmission systems amounted to RMB505.94 million, representing a period-to-period increase of 1.69%; (ii) revenue from precision components reached RMB276.41 million, representing a period-to-period increase of 15.45%; and (iii) revenue from precision molds and other products amounted to RMB34.10 million, representing a period-to-period decrease of 31.31%.

By business segment, micro transmission systems and precision components saw year-over-year growth, primarily driven by business expansion in the industrial and consumer healthcare sectors. The Company continued to expand its customer base in the drum motor, smart home and medical product markets. The automotive electronics segment remained generally stable, while the Company vigorously developed its robotics segment, where product development progressed smoothly and contributed to the Company's revenue growth. Revenue from precision molds and other products declined year-over-year, primarily due to temporary fluctuations in the pace of mold development and delivery, which led to variations in revenue.

The following table sets forth the absolute amounts of, and percentage contributions to, the Company's revenue by region for the six months ended 30 June 2025 and 2026:

| | For the six months ended 30 June | | | | Change |
|---|---|---|---|---|---|
| | **2026** | | 2025 | | |
| | ***RMB million*** | ***% of total revenue*** | *RMB million* | *% of total revenue* | |
| Chinese Mainland | **713.82** | **87.43%** | 692.98 | 88.10% | 3.01% |
| Other countries or regions | **102.62** | **12.57%** | 93.59 | 11.90% | 9.65% |
| **Total** | **816.45** | **100%** | 786.57 | 100% | 3.80% |

From a regional contribution perspective, for the six months ended 30 June 2026, revenue from Chinese Mainland market amounted to RMB713.82 million, representing a period-to-period increase of 3.01%, while revenue from other countries or regions amounted to RMB102.62 million, representing a period-to-period increase of 9.65%.

## Cost of Sales

Our cost of sales increased by 5.64% from RMB535.13 million for the six months ended 30 June 2025 to RMB565.33 million for the six months ended 30 June 2026, primarily due to (1) an increase in cost of materials; and (2) an increase in manufacturing overhead costs, generally in line with the growth of our revenue over the same period.

## Gross Profit and Gross Profit Margin

Our gross profit decreased slightly by 0.13% from RMB251.44 million for the six months ended 30 June 2025 to RMB251.12 million for the six months ended 30 June 2026. Our gross profit margin decreased from 31.97% for the six months ended 30 June 2025 to 30.76% for the six months ended 30 June 2026. The decrease in gross profit margin was primarily due to changes in the product sales mix.

**Selling and Marketing Expenses**

Our selling and marketing expenses primarily consisted of (i) employee benefit expenses, which primarily represented the salaries, bonuses and other benefits for our sales and marketing personnel, including share-based payment expenses; (ii) travelling and business development expenses incurred by our sales and marketing personnel; and (iii) advertising and market promotion expenses. Our selling and marketing expenses remained relatively stable, decreasing slightly by 0.25% from RMB32.87 million for the six months ended 30 June 2025 to RMB32.78 million for the six months ended 30 June 2026.

**Administrative Expenses**

Our administrative expenses primarily consisted of (i) employee benefit expenses, which primarily represented the salaries, bonuses and other benefits for our administrative personnel, including share-based payment expenses; (ii) depreciation and amortisation; (iii) utilities and rental expenses; (iv) consultancy and other professional service fees, such as fees for engaging third-party consultants to provide professional advice on areas of improvement in our business, and audit fees; (v) travelling and business activity expenses incurred by our administrative personnel; and (vi) office and renovation expenses. Our administrative expenses increased by 15.04% from RMB47.02 million for the six months ended 30 June 2025 to RMB54.09 million for the six months ended 30 June 2026, primarily attributable to (1) an increase in service vendor fees and corporate transformation expenses incurred following our Hong Kong listing; and (2) an increase in employee benefit expenses as a result of increased administrative headcount.

**Research and Development ("R&D") Costs**

Our R&D costs primarily consisted of (i) employee benefit expenses, which primarily represented the salaries, bonuses and other benefits for our R&D personnel, including share-based payment expenses; (ii) research material costs incurred in our R&D activities, including the costs of prototypes and molds; (iii) depreciation and amortisation; and (iv) R&D processing expenses, representing outsourced service fees for the manufacture and processing of products in our R&D process. Our R&D costs increased by 5.21% from RMB81.40 million for the six months ended 30 June 2025 to RMB85.65 million for the six months ended 30 June 2026, primarily attributable to (1) the increase in R&D materials and research processing expenses, primarily due to our increased investment in the R&D of new products and the continued advancement of research, testing and validation activities for our key R&D projects; (2) the increase in employee benefit expenses, primarily due to the recruitment of additional industry talent, the expansion of our R&D team and an overall increase in the remuneration levels of R&D personnel; and (3) depreciation and amortisation expenses resulting from the acquisition and commissioning of new equipment. The Company has maintained a high level of investment in R&D, with the ratio of R&D expenses to revenue remaining relatively stable.

### Other Gains

Our other gains primarily consisted of (i) government grants, which primarily represented incentives and awards granted for our R&D initiatives and manufacturing upgrades that were recognised in profit or loss during the relevant periods; and (ii) refund of handling fees for withholding individual income tax. Our other gains increased by 5.0% from RMB11.9 million for the six months ended 30 June 2025 to RMB12.5 million for the six months ended 30 June 2026, primarily attributable to the increase in refund of handling fees for withholding individual income tax.

### Share of Losses of an Associate

Our share of losses of an associate decreased by 59.40% from RMB2.64 million for the six months ended 30 June 2025 to RMB1.07 million for the six months ended 30 June 2026, primarily attributable to an improvement in the operating performance of the associate.

### Income Tax Expense

Our income tax expense decreased by 39.52% from RMB11.68 million for the six months ended 30 June 2025 to RMB7.07 million for the six months ended 30 June 2026, primarily attributable to the decrease in taxable income during the period.

### Finance Costs

Our finance costs consisted of interest expense (net of interest income), foreign exchange gains or losses and other bank expenses. Our finance costs changed from net finance income of RMB17.48 million for the six months ended 30 June 2025 to finance costs RMB12.60 million for the six months ended 30 June 2026, primarily attributable to the exchanges losses incurred in relation to cash and cash equivalents denominated in U.S. dollars.

### Profit for the Period

As a result of the foregoing, our profit for the period decreased by 34.10% from RMB113.27 million for the six months ended 30 June 2025 to RMB74.65 million for the six months ended 30 June 2026. Our profit margin for the period decreased from 14.4% for the six months ended 30 June 2025 to 9.14% for the six months ended 30 June 2026.

**Financial Position**

The table below sets forth the absolute amounts from the Company's consolidated statement of financial position as at 30 June 2026 and 31 December 2025:

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Total non-current assets | **1,339.67** | 1,264.32 |
| Total current assets | **4,568.98** | 3,053.47 |
| Total assets | **5,908.65** | 4,317.79 |
| Total non-current liabilities | **87.69** | 85.25 |
| Total current liabilities | **750.99** | 749.55 |
| Total liabilities | **838.68** | 834.80 |
| Equity attributable to owners of the Company | **5,069.97** | 3,482.99 |
| Net assets | **5,069.97** | 3,482.99 |

The Company's total non-current assets increased from RMB1,264.32 million as at 31 December 2025 to RMB1,339.67 million as at 30 June 2026, primarily due to (1) an increase in intangible assets, primarily attributable to the acquisition of the land use rights of Xinqiao Industrial Park; and (2) an increase in our construction in progress, mainly driven by our continued investment in plant construction to support operational expansion.

The Company's total current assets increased from RMB3,053.47 million as at 31 December 2025 to RMB4,568.98 million as at 30 June 2026, mainly due to a significant increase in monetary funds following the receipt of proceeds from the listing of the Company's H Share.

The Company's total non-current liabilities increased from RMB85.25 million as at 31 December 2025 to RMB87.69 million as at 30 June 2026, primarily due to an increase in deferred income following the receipt of government grants related to assets, partially offset by a decrease in deferred tax liabilities, mainly driven by an increase in deductible temporary differences and the resulting deferred tax impact.

The Company's total current liabilities increased from RMB749.55 million as at 31 December 2025 to RMB750.99 million as at 30 June 2026, mainly due to an increase in trade and notes payables, primarily attributable to the advance procurement of production materials to support production needs; partially offset by (1) a decrease in short-term borrowings, as a result of reduction in bill financing borrowings; and (2) a decrease employee benefits payable, as a result of payment of employee year-end bonuses accrued in the previous year.

The Company's net assets increased from RMB3,482.99 million as at 31 December 2025 to RMB5,069.97 million as at 30 June 2026, primarily driven by the Company's operating profit generated in 2026 and the net proceeds from the the Global Offering during the Reporting Period (i.e. for the six months ended 30 June 2026).

## Working Capital and Financial Resources

The Company maintains sufficient cash and cash equivalents to ensure capital flexibility. The Company's cash and cash equivalents mainly comprise cash at banks, cash in hand and short-term bank deposits with initial terms of three months or less. The Company's cash and cash equivalents increased from RMB181.78 million as at 31 December 2025 to RMB1,660.16 million as at 30 June 2026.

Our primary use of cash is to fund our working capital requirements and payments for the purchase and construction of property, plant and equipment for production. During the Reporting Period, we financed our capital expenditures and working capital requirements primarily through our existing cash and cash generated from our operations and, to a lesser extent, through bank borrowings and net proceeds from Global Offering. Going forward, we believe that our liquidity requirements will be satisfied by cash generated from our operations, net proceeds from the Global Offering and other debt and equity financing from time to time according to our needs. Taking into account the financial resources available to us, including cash and cash equivalents and operating cash inflows, our Directors are of the view that we have sufficient working capital to meet our present requirements and those for the next 12 months.

As at 30 June 2026, the Group had not used any financial instruments for hedging purposes. We have continued to maintain a healthy and sound financial position and have followed a set of funding and treasury policies to manage our capital resources and mitigate the potential risks involved.

Our interest-bearing bank borrowings primarily consisted of bank loans, discounted notes receivable and discounted letters of credit. Our discounted notes receivable arose from certain notes receivable accepted by PRC banks, for which we retained substantially all risks and rewards, including default risks, and continued to recognise the full carrying amounts of the discounted notes and the associated borrowings. The Company obtains financing based on market interest rates and its capital operation plans. The Company's bank loans and bonds are sourced from commercial banks and financial institutions in Mainland China and other countries or regions. The table below sets forth the absolute amounts of our borrowings as at 30 June 2026 and 31 December 2025:

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Bank loans – unsecured | **0** | 0 |
| Discounted notes receivable – unsecured | **130.21** | 169.64 |
| Discounted letters of credit – unsecured | **0** | 0 |
| Total | **130.21** | 169.64 |

The Company maintains a prudent capital ratio to support its business and manages its capital structure through the asset-liability ratio. The table below sets forth the absolute amounts of total assets and total liabilities, and the asset-liability ratio, as at 30 June 2026 and 31 December 2025:

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| Total assets *(RMB million)* | **5,908.65** | 4,317.79 |
| Total liabilities *(RMB million)* | **838.68** | 834.80 |
| Asset-liability ratio | **14.19%** | 19.33% |

The Company's asset-liability ratio, defined as total liabilities divided by total assets, decreased from 19.33% as at 31 December 2025 to 14.19% as at 30 June 2026. This decrease was primarily due to the impact of the listing of H Shares.

The Company maintains a healthy cash flow level. During the six months ended 30 June 2026, the Company's operating cash conversion ratio, defined as net cash generated from operating activities divided by profit for the period, was 1.78 times. The Company's cash generated from operating activities was used to support its business operations. As at 30 June 2026, monetary assets accounted for more than 36.39% of the Company's total current assets.

## OTHER INFORMATION

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

The share incentive scheme was approved at the third meeting of the third session of the Board held on 7 August 2024 and the second extraordinary general meeting of the Company held on 28 August 2024 ("**2024 Share Incentive Scheme**").

For the six months ended 30 June 2026, the Company had repurchased certain restricted A Shares granted to certain participants under 2024 Share Incentive Scheme and certain participants exercised their options to purchase A shares of the Company.

As the Resolution on Repurchase and Cancellation of Certain Restricted Shares and Cancellation of Certain Share Options was considered and passed at the 17th meeting of the 3rd session of the Board and the 2025 annual general meeting, the Company now intends to complete the procedures for cancellation. The Company repurchased 24,800 restricted A shares granted to certain participants under 2024 Share Incentive Scheme at the price of RMB21.35 per share. The aforementioned repurchased A shares have not been cancelled as at the date of this announcement.

Save as disclosed above, the Company and its subsidiaries did not repurchase, redeem or sell any listed securities (including treasury shares) of the Company during the Reporting Period.

## ISSUANCE OF SHARES

On 9 March 2026, the Company issued 26,748,300 H Shares at the price of HK$71.28 per share, which are listed on the Main Board of the Hong Kong Stock Exchange. A total of 26,748,300 H Shares were issued by the Company with total proceeds of HK$1,906.62 million, with net proceeds of approximately HK$1,828.10 million (a net price of approximately HK$68.33 per share) after deducting issuance costs incurred directly by issuing new shares.

During the Reporting Period, a total of additional 81,550 A Shares were exercised through exercise of options by the participants under 2024 Share Incentive Scheme at their own discretion. Save as disclosed above, no other Shares were issued during the Reporting Period.

## EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there are no material subsequent events undertaken by the Group after 30 June 2026 and up to the date of this announcement.

## USE OF NET PROCEEDS FROM LISTING

The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 9 March 2026. The net proceeds received from the Global Offering (after deducting the estimated underwriting commissions and other fees and expenses payable by the Company in connection with the Global Offering) was approximately HK$1,828.10 million.

The following table sets forth the planned use and actual use of the net proceeds from the Global Offering as of 30 June 2026:

| | Percentage of net proceeds from the Global Offering | Net proceeds from the Global Offering | Utilized amount from the Listing Date to 30 June 2026 | Unutilized amount as of 30 June 2026 | Expected timeline of full utilization[1] |
|---|---|---|---|---|---|
| | | | *(HK$ million)* | | |
| Global technology R&D and expansion of our product portfolio | 35% | 639.83 | 18.49 | 621.34 | 31 December 2030 |
| Expand our global production capacity worldwide and enhance production efficiency | 30% | 548.44 | 49.5 | 498.94 | 31 December 2030 |
| Pursue strategic alliances, investments and acquisitions globally | 15% | 274.21 | 0 | 274.21 | 31 December 2030 |
| Expand global service and sales network and strengthen global marketing efforts | 10% | 182.81 | 8.64 | 174.17 | 31 December 2030 |
| Working capital and general corporate purposes | 10% | 182.81 | 182.81 | 0 | 31 December 2026 |
| **Total** | **100%** | **1,828.10** | **259.44** | **1,568.66** | |

*Note:*

(1) The expected timeline for fully utilizing the unutilized amount disclosed above is based on the best estimates made by the Board pursuant to the latest information up to the date of this announcement.

As at the date of this announcement, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and HK$259.44 million of the net proceeds from the Global Offering was utilized by the Company. To the extent that net proceeds are not immediately used for the intended use, the Company will place the net proceeds as short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), or applicable laws and regulations in other jurisdictions).

## CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency.

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

The Board is of the view that throughout the period from the Listing Date and up to the date of this announcement, the Company has complied with all the applicable code provisions as set out in the CG Code.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules.

The Directors have confirmed that they have complied with the Model Code throughout the period from the Listing Date and up to the date of this announcement.

The Company has also established Administrative Measures for Information Disclosure 《(信息披露管理辦法》) and Administrative Measures for the Compliance of Inside Information and Stock Trading 《(內幕信息及股票交易合規管理辦法》) (the "**Regulations on Information Disclosure**") no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. The Regulations on Information Disclosure regulates the principles of information disclosure, content, responsibilities for information disclosure and confidentiality, and the process of assessment and disclosure and ensures that inside information could be identified timely and remain confidential until the disclosure of such information is appropriately approved, and the dissemination of such information shall be accurately, effectively and consistently made. To the best knowledge of the Company, no incident of non-compliance of the Regulations on Information Disclosure by the employees was noted by the Company during the period from the Listing Date and up to the date of this announcement.

## AUDIT COMMITTEE

The Audit Committee of the Board (the "**Audit Committee**") comprises three independent non-executive Directors of the Company.

The Audit Committee has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2026 and has discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026.

## PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND THE INTERIM REPORT

This announcement was published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and on the website of the Company (http://www.szzhaowei.net). The interim report for the six months ended 30 June 2026 will be available on the websites of the Company and the Hong Kong Stock Exchange in due course.

## DEFINITIONS

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

| | |
|---|---|
| "2024 Share Incentive Scheme" | the share incentive scheme approved at the third meeting of the third session of the Board held on 7 August 2024 and the second extraordinary general meeting of the Company held on 28 August 2024 |
| "A Share(s)" | domestic shares of the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi |
| "A Shareholder(s)" | holder(s) of the A Share(s) |
| "Board" or "Board of Directors" | the board of Directors of the Company |

| | |
|---|---|
| "CG Code" | the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules |
| "China" or "the PRC" | the People's Republic of China |
| "Company", "the Company", "we", "us" or "our" | Shenzhen Zhaowei Machinery & Electronics Co., Ltd. (深圳市兆威機電股份有限公司), a PRC company established on 19 April 2001, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 003021), and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2692) |
| "Company Law" | the Company Law of the People's Republic of China |
| "CSRC" | the China Securities Regulatory Commission (中國證券監督管理委員會) |
| "Director(s)" | the director(s) of the Company |
| "domestic China" or "Mainland China" | mainland China, for the purpose of this announcement only, excluding Hong Kong, Macau and Taiwan |
| "H Share(s)" | foreign share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars |
| "H Shareholder(s)" | holder(s) of the H Share(s) |
| "HK" or "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "HK$" or "Hong Kong dollars" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Hong Kong Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| "Hong Kong Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Listing Date" | 9 March 2026, the date on which the H Shares of the Company were listed and commenced trading on the Main Board of the Hong Kong Stock Exchange |

| | |
|---|---|
| "Model Code" | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules |
| "Reporting Period" | 1 January 2026 to 30 June 2026 |
| "RMB" or "Renminbi" | Renminbi, the lawful currency of the PRC |
| "Securities Law" | the Securities Law of the People's Republic of China |
| "Share(s)" | ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Shares and H Shares |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Zhaowei", "Zhaowei Group", "the Group", "our Group" or "we" | the Company and its consolidated subsidiaries |
| "%" | percent |

By Order of the Board
**Shenzhen Zhaowei Machinery & Electronics Co., Ltd.**
**Mr. Li Haizhou**
*Executive Director and Chairman of the Board*

Shenzhen, the PRC, 14 August 2026

*As of the date of this announcement, the Board comprises: (i) Mr. Li Haizhou, Ms. Xie Yanling, Mr. Ye Shubing and Mr. Li Ping as executive Directors; (ii) Mr. Lu Zhiqiang as Employee Representative Director; and (iii) Ms. Guo Xinmei, Dr. Zhou Changjiang and Mr. Lin Sen as independent non-executive Directors.*