WOER
沃尔核材

Shenzhen Woer Heat-Shrinkable Material Co., Ltd.
深圳市沃爾核材股份有限公司

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

(Stock Code: 9981)

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

FINANCIAL HIGHLIGHTS

- For the six months ended June 30, 2026, the revenue of the Group amounted to RMB4,649.5 million, representing an increase of 17.97% compared with the revenue of RMB3,941.3 million for the six months ended June 30, 2025.

- For the six months ended June 30, 2026, the Group achieved a net profit attributable to shareholders of the Company of RMB566.7 million, representing an increase of 1.54% compared with the net profit attributable to shareholders of the Company of RMB558.1 million for the six months ended June 30, 2025.

The Board hereby announces the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended June 30, 2026 together with the comparative figures for the six months ended June 30, 2025, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**4,649,481**	3,941,350
Cost of sales		**(3,334,215)**	(2,708,627)
Gross profit		**1,315,266**	1,232,723
Other income, gains and losses	*4A*	**7,225**	42,736
Selling expenses		**(190,758)**	(182,614)
Administrative expenses		**(156,715)**	(156,890)
Research and development expenses		**(266,693)**	(207,720)
Share of results of associates		**1,656**	2,411
Finance costs	*5*	**(27,129)**	(25,222)
Impairment losses on financial assets, net	*6*	**(12,173)**	(8,089)
Listing expenses		**(4,109)**	(122)
Profit before taxation	*6*	**666,570**	697,213
Income tax expense	*7*	**(74,485)**	(92,723)
PROFIT FOR THE PERIOD		**592,085**	604,490
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(16,070)**	(790)
Change in fair value on hedging instruments designated in cash flow hedges		**(77,726)**	—
Item that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income, net of tax		**(521)**	(27,791)
Other comprehensive expenses for the period		**(94,317)**	(28,581)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**497,768**	575,909

	Notes	Six months ended 30 June **2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**566,684**	558,074
Non-controlling interests		**25,401**	46,416
		592,085	604,490
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**477,456**	529,378
Non-controlling interests		**20,312**	46,531
		497,768	575,909
EARNINGS PER SHARE	*9*		
Basic *(RMB)*		**0.42**	0.45
Diluted *(RMB)*		**0.42**	0.45

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**30 June 2026** **RMB'000** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**4,262,633**	3,946,339
Right-of-use assets		**620,623**	676,425
Goodwill		**694,828**	694,828
Intangible assets		**18,556**	20,506
Investment properties		**13,872**	14,617
Interests in associates		**45,678**	52,895
Equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**22,384**	44,768
Deferred tax assets		**76,120**	68,135
Contract assets		**6,514**	8,972
Trade and other receivables	*10*	**239,952**	161,415
Pledged bank deposits		**14,912**	12,042
Total non-current assets		**6,016,072**	5,700,942
CURRENT ASSETS			
Inventories		**1,520,697**	1,232,758
Contract assets		**38,575**	33,397
Trade and other receivables	*10*	**4,172,016**	3,909,482
Tax recoverable		**5,218**	9,386
Financial assets at fair value through profit or loss ("**FVTPL**")		**180,000**	53,787
Restricted bank deposits		**9,985**	10,805
Pledged bank deposits		**82,879**	21,986
Bank balance and cash		**3,506,260**	1,288,024
Total current assets		**9,515,630**	6,559,625

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
CURRENT LIABILITIES			
Trade and other payables	*11*	**2,893,227**	2,458,520
Tax payable		**49,369**	85,988
Bank and other borrowings	*12*	**951,648**	1,538,917
Lease liabilities		**38,247**	38,192
Derivative financial instruments		**87,842**	—
Contract liabilities		**87,024**	94,702
Deferred income		**13,703**	13,347
Total current liabilities		**4,121,060**	4,229,666
NET CURRENT ASSETS		**5,394,570**	2,329,959
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,410,642**	8,030,901
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**91,837**	97,592
Bank and other borrowings	*12*	**1,507,564**	806,381
Lease liabilities		**184,710**	221,399
Deferred income		**105,561**	101,037
Total non-current liabilities		**1,889,672**	1,226,409
Net assets		**9,520,970**	6,804,492
EQUITY			
Share capital	*13*	**1,399,888**	1,259,899
Reserves		**7,793,090**	5,237,215
Total equity attributable to owners of the Company		**9,192,978**	6,497,114
Non-controlling interests		**327,992**	307,378
Total equity		**9,520,970**	6,804,492

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standards 34 ("**IAS 34**") "Interim Financial Reporting" issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**").

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate. The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the application of accounting policies for hedge accounting which became relevant to the Group during the current interim period.

Hedge accounting

The Group has applied cash flow hedge accounting for the first time to mitigate its exposures to commodity price risk. During the current interim period, the Group entered into commodity futures contracts to hedge the price volatility of highly probable forecast purchases of raw materials. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;

- the effect of credit risk does not dominate the value changes that result from that economic relationship; and

- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Hedge accounting (Continued)

Assessment of hedging relationship and effectiveness (Continued)

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other income, gains and losses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the profit or loss is impacted by the forecast transactions. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Application of amendments to IFRS Accounting Standards

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

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

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue for the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers disaggregated by products		
Electronic Communication Business		
Sales of telecoms cable products	**1,551,940**	1,246,053
Sales of electronic material products	**1,475,881**	1,332,932
Electrical Power Transmission Product Business		
Sales of NEV power transmission products	**977,856**	712,341
Sales of electrical cable accessories products	**480,173**	486,723
Sales of wind power	**59,265**	79,817
Others	**104,366**	83,484
Total revenue	**4,649,481**	3,941,350
Timing of revenue recognition		
Over time	**35,397**	34,246
At a point in time	**4,614,084**	3,907,104
Total revenue	**4,649,481**	3,941,350

(b) Segment information

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

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

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

For the six months ended 30 June 2026 and 2025, segment results represent the gain generated by each segment without allocation of the income tax expense. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance. Inter-segment sales are charged at prevailing market rates.

Segment information for the six months ended 30 June 2026 and 2025 is as follows:

Six months ended 30 June 2026 (unaudited)

	Electronics & electricity *RMB'000*	Wires and cables *RMB'000*	New energy products *RMB'000*	Wind power *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue from external customers	**2,029,681**	**1,580,065**	**980,470**	**59,265**	**—**	**4,649,481**
Inter-segment sales	**42,425**	**1,069**	**498**	**—**	**(43,992)**	**—**
Total segment revenue	**2,072,106**	**1,581,134**	**980,968**	**59,265**	**(43,992)**	**4,649,481**
Segment profit and profit before taxation	**441,295**	**98,865**	**92,119**	**34,926**	**(635)**	**666,570**
Income tax expense						**(74,485)**
Profit for the period						**592,085**

Six months ended 30 June 2025 (unaudited)

	Electronics & electricity *RMB'000*	Wires and cables *RMB'000*	New energy products *RMB'000*	Wind power *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue from external customers	1,888,468	1,259,502	713,563	79,817	—	3,941,350
Inter-segment sales	38,794	2,069	1,266	—	(42,129)	—
Total segment revenue	1,927,262	1,261,571	714,829	79,817	(42,129)	3,941,350
Segment profit and profit before taxation	474,917	144,504	82,003	52,127	(56,338)	697,213
Income tax expense						(92,723)
Profit for the period						604,490

Segment assets and liabilities

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Segment assets		
Electronics and electricity	**9,468,857**	7,011,510
Wires and cables	**3,853,562**	2,969,595
New energy products	**1,913,088**	1,851,512
Wind power	**1,082,755**	1,098,163
Eliminations	**(786,560)**	(670,213)
Consolidated assets	**15,531,702**	12,260,567
Segment liabilities		
Electronics and electricity	**2,968,063**	3,111,167
Wires and cables	**2,789,611**	1,911,566
New energy products	**965,444**	989,962
Wind power	**110,475**	152,052
Eliminations	**(822,861)**	(708,672)
Consolidated liabilities	**6,010,732**	5,456,075

4A. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grant *(note a)*	**16,987**	12,696
Interest income	**14,486**	4,629
Gross rental income	**3,611**	3,919
Value added tax refund	**869**	1,337
Additional value added tax deductible *(note b)*	**9,302**	12,691
	45,255	35,272
Other gains and losses		
Loss on disposal of property, plant and equipment, net	**(464)**	(98)
Loss on disposal of intangible assets, net	**(7)**	—
Gain on early termination of lease	**491**	—
Gain from changes in fair value of financial assets at FVTPL	**1,696**	1,980
Loss from hedge ineffectiveness on cash flow hedges	**(5,294)**	—
Impairment loss on property, plant and equipment	**(302)**	(110)
Foreign exchange (loss)/gains, net	**(32,475)**	5,689
Donation	**(2,767)**	—
Others	**1,092**	3
	(38,030)	7,464
	7,225	42,736

Notes:

(a) Included in the amount are government grants received by the Group amounting to RMB9,698,000 and RMB8,557,000 for the six months ended 30 June 2026 and 2025, representing tax refunds, operating subsidies and various industry-specific subsidies granted by the government authorities to reward the Group's effort for technological innovation with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognised.

(b) Additional value added tax deductible represents the tax authority allows advanced manufacturing enterprises to deduct an additional 5% of their deductible input tax from payable value added tax.

4B. FAIR VALUE LOSS ON INVESTMENTS IN EQUITY INSTRUMENTS AT FVTOCI

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	
Fair value gain during the period arising from:		
— Investments in equity instruments derecognised during the period	**8,072**	N/A
— Investments in equity instruments held at the end of the period	**(8,685)**	N/A
Deferred tax assets recognised relating to fair value loss	**92**	N/A
Total losses on equity instruments at FVTOCI recognised in other comprehensive income	**(521)**	N/A

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expenses on:		
— bank borrowings	**23,048**	18,598
— lease liabilities	**4,768**	4,437
— discounted bills	**689**	2,187
Total borrowing costs	**28,505**	25,222
Less: amounts capitalised in cost of qualifying assets	**(1,376)**	—
	27,129	25,222

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

6. PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**2,445,788**	2,175,626
Depreciation of property, plant and equipment	**162,224**	121,671
Depreciation of right-of-use assets	**35,027**	23,600
Amortisation of intangible assets included in administrative expenses	**4,119**	3,984
Depreciation of investment properties	**745**	713
Total depreciation and amortisation	**202,115**	149,968
Capitalised in inventories	**(144,299)**	(118,424)
	57,816	31,544
Written-down of inventories	**23,992**	18,713
Impairment losses/(reversal of impairment losses), net:		
— trade receivables	**11,805**	8,192
— bills receivable	**(95)**	(866)
— other receivables	**541**	(729)
— contract assets	**(78)**	1,492
	12,173	8,089
Short-term lease payments	**6,340**	11,484
Gross rental income from investment properties	**3,611**	3,919
Less: direct operating expenses incurred for investment properties included in administrative expenses	**(745)**	(713)
	2,866	3,206

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Staff cost (including directors', chief executive's, and supervisors' remuneration):		
Basic salaries, allowances and other benefits in kind	**651,347**	620,169
Retirement benefit expense	**54,524**	48,416
Equity-settled share-based payments	**7,689**	4,628
	713,560	673,213
Listing expenses	**4,109**	122

7. INCOME TAX EXPENSE

Taxation in the condensed consolidated statement of profit or loss

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
Current tax	**77,843**	88,290
(Over)/under provision in prior years	**(3,311)**	1,302
	74,532	89,592
Deferred tax		
Current period	**(47)**	3,262
Attributable to a change in tax rate	**—**	(131)
	(47)	3,131
	74,485	92,723

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

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

For PRC subsidiaries that qualified as "Small and Micro-Sized Enterprises ("**SME**")", annual taxable income shall be recognised at a reduced rate of 25% as taxable income and be subject to the applicable income tax rate of 20%.

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

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

8. DIVIDENDS

The Board does not declare any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

On 26 May 2026, the Company's shareholders approved the payment of the final dividend of RMB229.3 million in aggregate (RMB1.65 per 10 ordinary A Shares and HK$1.89 per 10 ordinary H Shares) in respect of the year ended 31 December 2025. The final dividend in respect of A Shares and H Shares were paid on 10 July 2026 and 16 July 2026, respectively.

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

9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**566,684**	558,074
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,353,444**	1,246,334
Effect of dilutive potential ordinary shares		
— Share awards	**770**	378
— Share options	**948**	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,355,162**	1,246,712

The weighted average number of ordinary shares outstanding during the six months ended 30 June 2026 have been adjusted for the effect of the Company's share awards scheme and Company's share option scheme granted in April 2025 and Company's share awards re-granted in October 2025. Company's share awards re-granted in January 2026 are not included in the calculation of diluted earnings per share because they are anti-dilutive for the six months ended 30 June 2026.

The weighted average number of ordinary shares outstanding during the six months ended 30 June 2025 have been adjusted for the effect of the Company's share awards scheme granted in April 2025.

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade receivables *(note)*	**3,346,022**	3,025,855
Less: allowance for expected credit losses	**(193,937)**	(182,399)
	3,152,085	2,843,456
Bills receivable	**711,903**	756,881
Less: allowance for expected credit losses	**(5,338)**	(5,433)
	706,565	751,448
Other receivables	**559,917**	482,140
Less: allowance for expected credit losses	**(6,599)**	(6,147)
	553,318	475,993
	4,411,968	4,070,897
Analysis for reporting purposes:		
Non-current portion	**239,952**	161,415
Current portion	**4,172,016**	3,909,482
	4,411,968	4,070,897

Note:

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

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within 90 days	**2,293,416**	2,069,082
90 to 180 days	**458,196**	435,669
180 to 270 days	**155,927**	135,568
270 days to 1 year	**69,982**	48,270
1 year to 2 years	**119,746**	119,345
Over 2 years	**54,818**	35,522
	3,152,085	2,843,456

11. TRADE AND OTHER PAYABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade payables *(note)*	**1,328,278**	1,206,627
Bills payable	**672,658**	591,403
Other payables	**892,291**	660,490
	2,893,227	2,458,520

Note:

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

The following is an aged analysis of trade payables as at 30 June 2026 and 31 December 2025, presented based on the invoice date.

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within 180 days	**1,241,375**	1,164,806
180 days to 1 year	**59,595**	16,268
1 year to 2 years	**13,661**	12,513
2 years to 3 years	**4,131**	5,002
Over 3 years	**9,516**	8,038
	1,328,278	1,206,627

12. BANK AND OTHER BORROWINGS

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Bank borrowings		
Secured	**576,094**	799,640
Unsecured	**1,469,237**	1,141,388
	2,045,331	1,941,028
Bank borrowings under supplier finance arrangements	**30,569**	39,424
Endorsed bills payable	**383,312**	364,846
	2,459,212	2,345,298

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
The carrying amounts of the above bank borrowings are repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	**537,767**	1,134,647
Within a period of more than one year but not exceeding two years	**682,264**	268,460
Within a period of more than two years but not exceeding five years	**755,262**	477,857
Within a period of more than five years	**70,038**	60,064
	2,045,331	1,941,028
The carrying amounts of the above bank borrowings under supplier finance arrangements are repayable within one year	**30,569**	39,424
The carrying amounts of the above endorsed bills payable are repayable within one year	**383,312**	364,846
	2,459,212	2,345,298
Less: amounts due within one year shown under current liabilities	**(951,648)**	(1,538,917)
Amounts shown under non-current liabilities	**1,507,564**	806,381

The exposure of the Group's bank borrowings are as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Fixed-rate borrowings	**310,741**	405,190
Variable-rate borrowings	**1,734,590**	1,535,838
	2,045,331	1,941,028

The Group's variable-rate bank borrowings carry interest at Loan Prime Rate. Interest is reset every three, six or twelve months.

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

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Effective interest rate:		
Fixed-rate borrowings	**2.21%–2.40%**	2.35%–2.60%
Variable-rate borrowings	**2.15%–2.90%**	2.25%–2.90%

The Group has entered into certain supplier finance arrangements with banks, under which the Group obtained extended credit in respect of the invoice amounts owed to certain suppliers of raw materials. Under these arrangements, the banks advanced funds to the Group for the settlement to suppliers on the original due dates of the invoices. The Group then settles with the banks between 11 to 360 days (year ended 31 December 2025: 11 to 364 days) after loans granted by the banks with interest rates ranging from 1.8% to 3.05% (year ended 31 December 2025: 2.60% to 3.50%) per annum for the six months ended 30 June 2026. These arrangements provide the Group with extended payment terms, compared to the original due dates of the respective invoices. Therefore, the Group classifies the amounts payable to banks as bank borrowings. The interest rates are consistent with the Group's short-term borrowing rates.

13. SHARE CAPITAL

	A Shares		H Shares		
	Number of shares *'000*	**Amount** *RMB'000*	**Number of shares** *'000*	**Amount** *RMB'000*	**Total capital** *RMB'000*
Registered, issued and fully paid ordinary shares with par value of RMB1.00 each share					
At 1 January 2025, 31 December 2025 and 1 January 2026	**1,259,899**	**1,259,899**	**—**	**—**	**1,259,899**
Issue of new shares upon global offering of H Shares	**—**	**—**	**139,989**	**139,989**	**139,989**
At 30 June 2026	**1,259,899**	**1,259,899**	**139,989**	**139,989**	**1,399,888**

Notes:

(i) At 30 June 2026, the total number of issued ordinary shares of the Company included 10,283,600 A Shares held as treasury shares (31 December 2025: 10,283,600 A Shares) and 1,640,700 A Shares (31 December 2025: 3,281,400 A Shares) held under the share award scheme.

(ii) At 13 February 2026, the Company issued a total of 139,988,800 new H Shares with a nominal value of RMB1 each at an issue price of HK$20.09 per ordinary share including share premium for a total cash consideration of approximately HK$2,812.4 million (equivalent to RMB2,497.0 million) before deducting underwriting fees, commissions and related expenses.

14. CAPITAL COMMITMENTS

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Capital expenditure in respect of acquisition of plant, property and equipment, intangible assets and right-of-use assets contracted for but not provided in the consolidated financial statements	**2,128,402**	943,940

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

I. Business Review during the Reporting Period

During the Reporting Period, the Group's principal businesses and products did not undergo any material change.

The Group's principal business focused on the electronic communications and new energy power sectors, comprising five principal businesses: electronic materials, telecoms cables, electrical cable accessories products, NEV power transmission products and wind power generation. The Group maintained established manufacturing bases across multiple domestic locations and in Vietnam to meet the needs of customers from different regions; its sales network covered major and medium-sized cities across China and several overseas markets, with products exported to numerous countries and regions, thereby cultivating a strong brand effect.

(I) Operational performance of the principal business of the group during the Reporting Period

1. Electronic materials business

During the Reporting Period, the Group drove product upgrading through R&D and innovation, cultivated growth drivers through market expansion, and consolidated its development foundation through operational efficiency improvement, which enabled the overall electronic material business to maintain a stable development trend. In terms of R&D and innovation, leveraging its mature technological and product systems, the Group closely kept pace with the development trends of the industry and customer application demands, continuously advancing iterative upgrades of existing products and the development of new products, enriching its product portfolios and enhancing its product matrix, with a particular focus on intensifying R&D efforts in high-end and high-value-added products to strengthen its competitive edge in key application areas. In terms of market expansion, the Group implemented a multi-brand strategy to achieve comprehensive coverage of different market segments, concurrently deepening engagement in existing markets and exploring emerging markets. Leveraging its advantages of extensive product specifications and broad customer base, the Company continued to deepen cooperation with existing customers while introducing supplementary products, explored incremental demand from new customers, and concentrated resources to vigorously develop the emerging key industries such as new energy vehicles, energy storage, medical care, and low-altitude flight. In terms of operational efficiency enhancement, the Group continued to leverage the professional and flexible operating advantages of its subsidiaries, refined the collaborative management mechanism of "independent operation and joint operation", strengthened the coordinated allocation of resources across R&D, procurement, production and sales within each business segment, and empowered business operations through digitalization and intelligence, thereby providing strong support for the steady development of the electronic materials business.

2. *Telecoms cable business*

During the first half of 2026, driven by the continuous advancement of global computing infrastructure construction, the accelerated iteration of large-scale models, and growing market demand in the robotics and industrial automation sectors, the market demand for telecoms cables maintained a growth trajectory. In the first half of 2026, the revenue of the Group's telecoms cables business was RMB1,552 million, representing an increase of 24.55% year-on-year, of which the revenue of high-speed copper cables was RMB631 million, representing an increase of 35.29% year-on-year. High-speed copper cables remained a key growth driver for the telecoms cables business.

During the Reporting Period, as production capacity for high-speed copper cables continued to expand, industry competition became increasingly intense. Concurrently, end customers imposed higher performance requirements on high-speed copper cables due to iterative upgrades in technological solutions, while the transition between new and old projects, product validation and project introductions required certain lead times, resulting in a certain lag in end-market demand. In response to industry competition and market changes, the Group carried out initiatives in product R&D, customer expansion, production assurance and operational efficiency enhancement, focusing on key products such as high-speed copper cables, to further consolidate its business development foundation. In terms of product R&D, the Group continued to advance the iterative upgrading of high-speed copper cables products. The Group continuously innovated its single-channel 224G high-speed copper cables product offerings and maintained scaled deliveries, with the single-channel 224G product being the flagship product of its high-speed copper cables business. The Group completed the development of samples of single-channel 448G high-speed copper cables, with samples of certain specifications tested and verified to meet customer performance requirements, and entered the stage of small-batch trial production and customer processing validation, further consolidating the Group's competitive advantages in the high-speed copper cable connectivity sector. Meanwhile, keeping pace with industry trends such as automotive intelligence, vehicular connectivity and embodied intelligence, the Group continued to advance the development and technological upgrading of in-vehicle communication cables and robotics cables, addressing application needs such as high-speed in-vehicle data transmission and embodied intelligence device connectivity, thereby cultivating new business growth drivers. In terms of market expansion, the Group continued to deepen cooperation with key customers, increased investment in key projects, strengthened technological collaboration and demand exploration, and promoted the application of high-speed copper cables products in areas such as AI computing power and data centers. Focusing on areas such as intelligent connected vehicles and embodied intelligence, the Group intensified market development efforts for in-vehicle communication cables and related industrial cables, continuously expanding its business growth potential. In terms of production assurance, all of the Rosendahl foamed core wire extrusion equipment previously ordered by the Group had been delivered and installed at the Huizhou Shuikou Plant and Vietnam Plant respectively. The Group will coordinate the commissioning schedule and production arrangements for the equipment in light of market and order demand, while continuously enhancing production organization efficiency and delivery assurance capabilities. The capacity expansion projects at the Huizhou Shuikou Industrial Park and the Bac Ninh province in Vietnam were progressing as planned. In terms of operational efficiency improvement, the Group continued to strengthen lean operations management, with ongoing optimization of key areas such as production efficiency, product quality and cost control. Through process improvements, equipment upgrades and workflow enhancements, the Group continuously improved manufacturing efficiency and product yield, enhancing both operational quality and profitability while meeting customers' requirements for rapid delivery.

3. *New energy vehicle (NEV) power transmission products business*

During the first half of 2026, benefiting from favorable external factors including the continued development of the new energy vehicle industry, steady progress in charging infrastructure construction, and the accelerating adoption of high-current charging technologies, coupled with the Group's robust in-house manufacturing system and certain sub-segments achieving full in-house production, the Group's new energy vehicle power transmission products business continued to maintain a sound development trajectory.

During the Reporting Period, the Group continued to deepen its strategic layout in the new energy vehicle power transmission products business, enhancing its core competitiveness through technological innovation, intelligent manufacturing and market expansion, thereby driving steady growth in new energy vehicle power transmission products business. In terms of technological innovation, the Group continued to advance R&D and technological upgrades for key products including high-current charging guns, in-vehicle high-voltage connections and thermal runaway protection products for power batteries. It continued to enrich its product offerings for key items such as DC charging guns and high-current liquid-cooled charging guns, continuously upgraded product power ratings, expanded application scenarios, and optimized product performance and adaptability. During the Reporting Period, the Group's self-developed liquid-cooled charging guns of various specifications achieved positive results in market expansion, with sales recording rapid growth. In terms of intelligent manufacturing, the Group continued to enhance the level of automation in production equipment and advance the construction of digital workshops. Through the implementation of production management systems, it achieved production process visualization and refined production management, thereby improving production efficiency. Meanwhile, the Group strengthened the coordination of resources and supply chain synergies between its two major production bases in Shenzhen and Wuhan to improve product performance consistency and delivery reliability, further enhancing its scaled manufacturing capabilities. In terms of market expansion, the Group continued to consolidate its competitive advantages in the domestic market and deepened cooperation with key customers including charging pile manufacturers and OEMs. In overseas markets, the Group actively seized opportunities arising from the development of overseas charging infrastructure, accelerated the promotion of European and American standard charging gun products and the development of distribution channels. During the Reporting Period, sales of relevant products maintained relatively rapid growth, with further expansion in overseas market coverage and further improvement in brand influence.

4. *Electrical cable accessories products business*

During the first half of 2026, as power grid investment progressed, power grid renovation and infrastructure demand steadily released, and the Group actively advanced its overseas market expansion, providing certain support for the development of its electrical cable accessories products business, with overall operations maintaining resilience. However, due to factors such as the phased adjustment in newly installed capacity of PV and wind power, the consequent reduction in market demand for supporting electricity products, and rising raw material prices, the electrical cable accessories products business faced certain operating pressures, with overall operating results recording a slight decline compared with the same period of last year.

During the Reporting Period, in response to changes in industry demand, the Group continued to drive product category innovation, manufacturing capability enhancement, and market system development, vigorously promoting the evolution of electrical cable accessories products towards higher voltage levels and intelligence. In terms of product innovation, the Group continued to focus on the development directions of high-voltage, extra-high-voltage and intelligent power grids, advancing product R&D and technological reserves, progressively refining its product series, accelerating the R&D and industrial application of key products, and continuously enhancing its independent innovation capabilities and core competitive advantages. In terms of intelligent manufacturing, the Group accelerated the introduction of intelligent equipment and the automated upgrading of production processes, reducing manual operation links, and improving manufacturing efficiency and process control capabilities. Concurrently, the Group continued to promote the deployment of digital systems, strengthening data analytics, intelligent forecasting, and production monitoring applications, driving the upgrade of production management towards lean and intelligent operations. In terms of market expansion, the Group continued to deepen cooperation with key customers including the State Grid Corporation of China and China Southern Power Grid, actively participating in bidding and tendering projects at various grid levels, closely monitoring emerging market opportunities, and extensively expanding its customer base. Simultaneously, the Group steadily explored overseas markets through international exhibitions and online promotion, continuously enhancing its market coverage and improving overseas market influence, thereby further strengthening the comprehensive competitive advantages of its electrical cable accessories products business.

5. *Wind power business*

The wind power business operated stably during the Reporting Period. The total installed capacity of Qingdao Wind Power Hetoudian (青島風電河頭店), Dongdazhai (東大寨) and Heya wind farms (河崖風電場) amounted to 144.2 MW. The on-grid power for the first half of 2026 stood at 124 million kWh, all sold to State Grid Shandong Electric Power Company Yantai Power Supply Company.

(II) Summary of the Group's overall operating results for the first half of 2026

During the first half of 2026, the Group remained committed to its primary development focus of "electronic communications + new energy power", promoting the coordinated development of its various business segments, continuously refining its product layout, accelerating the R&D and industrialization of high-end products, deepening cooperation with key customers, and actively expanding both domestic and overseas markets. The Group's business segments as a whole maintained steady development. In particular, the electronic materials business continued to drive product innovation, leveraging its mature product system and extensive customer base to sustain steady growth. The communication cables business continued its growth trajectory, benefiting from factors including the ongoing advancement of global computing infrastructure, the accelerated iteration of large models, and developments in robotics and industrial automation, with high-speed copper cables remaining a key growth engine. Driven by continued development for the NEV industry and the accelerated construction of charging infrastructure, the Group's NEV power transmission products business sustained a favorable growth momentum. The electrical cable accessories products business, however, faced certain pressures due to the phased adjustment in newly installed capacity of PV and wind power and the consequent reduction in demand for supporting products, with operating results recording a decline compared with the same period of last year. Concurrently, the Group's cost of sales and period expenses increased year-on-year, primarily attributable to the continued rise in raw material prices, increased foreign exchange losses arising from fluctuations in the exchange rates of the US dollar and Hong Kong dollar, and the Group's continued increase in R&D investment and market development efforts focused on key markets and key businesses.

In summary, the Group achieved revenue of RMB4,649.5 million during the Reporting Period, representing an increase of 17.97% compared to the same period last year; net profit attributable to shareholders of the listed company amounted to RMB566.7 million, representing an increase of 1.54% compared to the same period last year.

II. Outlook for Future Development of the Group

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

1. Electronics and telecoms industries

In the high-speed communications sector, with the iterative development of large models and the gradual implementation of AI applications across various industries, demand for computing power has maintained rapid growth. Major overseas technology giants have continued to intensify the computing infrastructure. The combined full-year capital expenditure ceiling of the four major overseas cloud vendors currently is expected to approach US$750 billion. On the domestic front, the "15th Five-Year Plan" explicitly incorporates the "deepening of the Eastern Data and Western Computing Project and the construction of a multi-tiered computing infrastructure system and a nationally integrated computing network" into China's top-level planning documents. Coupled with the iterative development of domestic AI chips and the accelerated deployment of computing clusters based on domestic architectures by domestic technology enterprises, these factors continue to drive demand across the upstream and downstream industrial chains. In short-distance interconnection scenarios, high-speed copper cables, leveraging their superior high-frequency performance, high reliability, and significant cost advantages, are well-suited to meet the development needs of the computing power industry. IDC forecasts that the global AI infrastructure market size will exceed US$1.08 trillion in 2029 and rise to US$1.21 trillion in 2030, representing a five-year compound annual growth rate of approximately 30% from 2025 to 2030. In the automotive cable sector, with the continued advancement of automotive electronification and intelligence, the insufficient bandwidth of traditional in-vehicle buses has driven steady growth in the in-vehicle high-speed Ethernet cable market. According to research by QYResearch, the global in-vehicle Ethernet cable market is expected to reach US$3.855 billion in 2031, with a compound annual growth rate of 11% during the 2025–2031 period, which will effectively drive substantial growth in the automotive communication cable market. In the robotics cable sector, AI development and favorable policies are driving the upgrade of the robotics cable industry. The robotics cable market is expanding from traditional supporting materials for industrial robots to emerging areas such as humanoid robots, with continuously escalating technical standards for cables in terms of high flexibility, lightweight design, high-speed communication capability, modular integration, and intelligence. According to an industry report published by QYResearch, the global robotics wiring harness and cable market is expected to reach US$5.01 billion in 2032, with a compound annual growth rate (CAGR) of 12.3% over the coming years, indicating substantial industry growth potential.

In the electronic materials sector, the rapid development of industries such as new energy, rail transportation, and intelligent manufacturing is driving improvements in electrical equipment safety protection standards. High-performance heat-shrink materials, with their superior insulation, corrosion resistance, and waterproof protection, can effectively improve the operational stability and service life of electrical systems. At the policy level, the "Recommendations for the 15th Five-Year Plan for National Economic and Social Development" published in October 2025, explicitly proposes the integrated advancement of innovation infrastructure construction, technology R&D, and product iteration and upgrading, while accelerating the development of strategic emerging industry clusters including new energy, new materials, aerospace, and the low-altitude economy. The relevant policy documents have created a favorable policy support environment for the development and application of high-performance heat-shrink materials. Concurrently, leading companies in the industry continue to increase R&D investment and enhance material performance and customized support capabilities, related products are swiftly penetrating high-tech, high-value-added fields such as energy storage, medical, and rail transportation. This expansion of application scenarios is generating new growth momentum for the heat-shrink materials market.

2. *New energy power industry*

Driven by the steady growth in NEV production and sales, coupled with consumer demand for rapid charging and extended range, the charging gun market has demonstrated relatively rapid growth, while concurrently imposing higher performance requirements in terms of power and efficiency. In March 2026, China formally incorporated the "Three-Year Doubling" action for charging infrastructure into the 2026 National Development Plan, indicating that the construction of charging infrastructure in China has officially entered a new phase of accelerated development. According to data from the National Energy Administration, the cumulative incremental addition of charging infrastructure in China during the first half of 2026 amounted to 2.405 million units, representing a year-on-year increase of 51.9%, with an average daily addition of approximately 13,000 units. The European Union's Alternative Fuels Infrastructure Regulation (AFIR), effective from 2026, mandates the enforcement of hardware technical provisions for charging facilities, driving large-scale new construction and retrofitting of existing charging facilities in Europe through binding targets. Coupled with the continued growth of NEV ownership in Europe, the overseas market for charging guns presents broad prospects. Concurrently, the proliferation of the 800V high-voltage platform in NEVs has driven upward demand for high-power fast charging; the accelerated electrification of heavy-duty vehicle types including electric heavy-duty trucks, mining trucks, and intercity buses has driven continued growth in demand for megawatt-level high-power fast charging and high-current specialized charging guns. In the field of battery safety protection, China's policies in the area of power battery and energy storage battery safety for NEVs have been progressively refined and increasingly stringent in recent years. The "Safety Requirements for Power Batteries for Electric Vehicles" (《電動汽車用動力蓄電池安全要求》) (GB38031–2025), which took effect on July 1, 2026, revised the technical requirements for thermal propagation testing from "providing a thermal event alarm signal 5 minutes before fire or explosion" to "must not catch fire or explode" (不起火、不爆炸) (alarm still required), and smoke shall not cause harm to occupants". This standard upgrades safety requirements from "alarm and early warning" to "intrinsic safety", compelling enterprises to increase R&D investment in protective materials for new energy power batteries.

Cable accessories constitute important components of power systems. With the large-scale integration of renewable energy into the grid and the rapid upgrading of power transmission networks towards digitalization and intelligence, the functional positioning of cable accessories is extending towards precision and intelligent applications, driving continuous iteration in the industry. In December 2025, the National Development and Reform Commission (NDRC) and the National Energy Administration (NEA) issued the "Guiding Opinions on Promoting High-Quality Development of the Power Grid" (《關於促進電網高質量發展的指導意見》), stating that by 2030, a new type of power grid platform will be initially established, with the main power grid and distribution network serving as important foundations and smart microgrids as a beneficial supplement, clearly stating the need for increased investment in the power grid construction.

To implement this major national strategic deployment, the total investment of the two major grid companies during the "15th Five-Year Plan" period (2026–2030) is expected to reach RMB5 trillion, significantly higher than the RMB2.85 trillion during the "14th Five-Year Plan" period, representing a substantial increase in investment scale. The investment focus is concentrated on ultra-high-voltage transmission, distribution network upgrading and retrofitting, and digital and intelligent grid transformation, which will bring broad development headroom for the cable accessories industry. According to data from the National Energy Administration, newly installed capacity of PV and wind power generation in China during the first half of 2026 recorded a year-on-year decline. This phenomenon represents a phased industry adjustment, transitioning from scale-oriented expansion to high-quality development, which has exerted a certain impact on related supporting demand for cable accessories in the short term. Nevertheless, the medium-to-long-term growth momentum for PV and wind power installed capacity remains solid. Pursuant to the "15th Five-Year Plan for Renewable Energy Development" (《可再生能源發展「十五五」規劃》) jointly issued by the National Development and Reform Commission and the National Energy Administration on July 23, 2026, by 2030, China's total installed capacity of renewable energy power generation will reach approximately 3,500 million kilowatts, with the total installed capacity of wind power and solar power reaching at least 2,800 million kilowatts, accounting for over 50% of total installed capacity. Over the next five years, the headroom for new installed capacity of wind power and PV is nearly 1,000 million kilowatts, indicating that the medium-to-long-term industry market space remains considerable.

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

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

1. *Strategic focus and coordinated development*

The Group's strategic layout in the two major fields of electronic communications and new energy power aligns perfectly with national industrial policy guidance, with continuously expanding market space. In the second half of 2026, the Group will continue to concentrate on core businesses, maintain its focus on key business areas such as electronic materials, telecoms cables, electrical cable accessories products, NEV power transmission products, and wind power generation. The Group will strengthen its core industries layout, further strategically concentrating on core products in application areas such as data centers, NEVs, and robotics. It will continually optimize its product structure and resource allocation in line with market demand and business development while further leveraging its technological experience, product portfolio and market expansion advantages accumulated in core businesses. It will strengthen synergies and coordination among various business segments, promote synergistic development between traditional core businesses and new AI businesses and strengthen the diversified complementarity and synergistic effect of its product matrix. By continuously improving its product system and application layout, the Group will bolster its risk resistance and market adaptability brought by its diversified product structure, promote deeper synergies and complementary advantages among various business segments in terms of technology, market, and customer resources, and build a development pattern that emphasizes both synergy and efficiency, stability and growth, laying a solid foundation for the Group's long-term sustainable development.

2. *Proactive iteration and continuous innovation*

The Group will continue to strengthen its technology innovation-driven development strategy, concentrate on industry development trends and market demand, enhance its proactive planning of R&D directions, and further advance the R&D of new products, technologies, and processes across all business segments. It will actively deploy cutting-edge new products to maintain its industry-leading position. In the second half of 2026, the Group will closely follow technological advancements in the industry and changes in market demand, focus on its key businesses and core products, accelerate the commercialization of R&D achievements, and promote the coordinated advancement of new product development and the upgrading of existing products, and expand related application scenarios and market space to further enhance its product technology level and market competitiveness. Furthermore, the Group will continue to improve its R&D system, optimize its R&D management mechanism, strengthen the training and innovation mechanisms for R&D talent, and comprehensively enhance its independent innovation capabilities, thus further consolidating its technological leadership in relevant subsectors.

3. *Key breakthroughs and global expansion*

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

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

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

III. Risks Faced by the Group and the Countermeasures

(I) Macroeconomic Environment & Policy Risks

The Group's industry is closely linked to the national macroeconomic environment, international trade conditions, industrial policies and industry development trends. Any changes in macroeconomic conditions in the future, adjustments to state-level industrial policy and sectoral direction, or significant changes in the international trade environment may affect the Group's production, operations and market demand, thereby creating uncertainty in its operating performance.

The Group will continue to monitor changes in the macroeconomic conditions, international trade environment, industrial policies and market environment, strengthen industry study and policy research, and timely optimize its business strategies and resource allocation. At the same time, the Group will continue to promote technological innovation and product upgrades, proactively expanding application areas of its products and broadening its customer base, continuously enhance its core competitiveness and risk resilience, with a view to promoting steady, sustainable development of the Group's operations.

(II) Market Competition Risks

With the rapid development of emerging industries such as AI and NEVs, the market size of downstream industries continues to expand and their development prospects remain favorable, attracting more market participants to enter the market, which will further intensify industry competition. If the Group fails to fully leverage its existing advantages and resources, continuously enhance its overall competitive strength, and rapidly adapt to industry development trends and the market environment in the future, it may face the risk of erosion of its market share or margin pressure.

The Group will continue to strengthen market research, accurately identify industry development trends and changes in customer demand, and remain committed to the business philosophy of "customer-oriented approach centered on high quality, low cost and excellent service", while continuing to promote product upgrades and technological innovation and continuously optimize product structure and market footprint. Meanwhile, the Group will strengthen the development of key customers and the expansion of domestic and overseas markets, deepen synergies with its customers, continuously enhance product competitiveness and brand influence, and further consolidate its competitive advantages in the market.

(III) Raw-Material Price Volatility Risks

The Group's principal raw materials are silver, copper and petroleum-derived products, which represent a significant proportion of finished-product costs, and are relatively sensitive to factors such as changes in supply and demand in the international commodity markets, geopolitical conditions and exchange rate fluctuations. If the prices of principal raw materials continue to fluctuate significantly and the Group is unable to pass on the cost pressures to downstream sectors in a timely manner, it could undermine the Group's cost control and profitability.

The Group will continue to monitor the price trends for key raw materials, strengthen market analysis and price assessment, deepen strategic cooperation with core suppliers, optimize procurement strategies and inventory management, and fully leverage the advantages of centralized procurement. Meanwhile, the Group will continue to advance the digitalization of its supply chain, enhance procurement coordination efficiency and cost control capabilities, and reasonably utilize risk management tools such as hedging in light of its operating conditions. Through measures such as process optimization, improving material utilization and lean production, the Group will continuously enhance its cost control capabilities and mitigate the impact of fluctuations in raw material prices on its operating performance.

(IV) Management Risks

With the continued advancement of the Company's global expansion, its domestic and overseas production bases and marketing networks have been continuously improved. The Group's organizational scale has continued to expand and its business systems have become increasingly complex, bringing mounting difficulty to cross-regional management, and elevating requirements on the Group's governance, internal control, resource coordination and operational management capabilities. If the Group's management systems cannot be continuously optimized, it could hinder the Group's operational efficiency and quality.

The Group will continuously improve its corporate governance and internal control systems, optimize organizational management mechanisms, strengthen the development of its talent succession and long-term incentive mechanisms, and continuously enhance its refined management capabilities and risk prevention and control capabilities. Meanwhile, the Group will continue to advance the development of digital and intelligent management systems, strengthen resource coordination among subsidiaries across various business segments, enhance operational management efficiency, and continuously strengthen the Company's international operational and management capabilities.

(V) Technology R&D Risks

With the continuous iteration of technologies of products and constant changes in downstream market demand, the market's requirements for performance, quality and reliability of products continue to increase. If the Group fails to maintain its R&D and innovation capabilities, complete the development of new products and the industrialization of technological achievements in a timely manner, or its products fail to meet changes in downstream market demand in the future, its technological competitive advantages may weaken, which may impact its operating performance.

The Group will continue to increase investment in R&D, keep abreast of the direction of technological development in the industry, strategically concentrating on core products in application areas such as data centers, NEVs and robotics, proactively invest in frontier technologies, and accelerate the conversion and industrial application of R&D outcomes. Meanwhile, the Group will continue to deepen partnerships with industrial, academic and research institutions, strengthen the development of high-caliber R&D teams, improve incentives for R&D and innovation, and continuously enhance its independent innovation capabilities and core competitive advantages.

FINANCIAL REVIEW

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

REVENUE

The Group's revenue amounted to RMB4,649.5 million for the six months ended June 30, 2026, representing an increase of 17.97% as compared with RMB3,941.3 million for the same period in 2025. This change was mainly attributable to the varying degrees of growth in revenue from sales of telecoms cables products, NEV power transmission products and electronic material products.

COST OF SALES

The Group's cost of sales amounted to RMB3,334.2 million for the six months ended June 30, 2026, representing an increase of 23.10% from RMB2,708.6 million for the same period in 2025, mainly due to the increase in product sales volume, resulting in a corresponding rise in cost of sales alongside revenue growth, coupled with rising material costs, which also had an impact on cost of sales.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit amounted to RMB1,315.3 million for the six months ended June 30, 2026, representing an increase of 6.70% from RMB1,232.7 million for the same period in 2025.

The gross profit margin of the Group decreased from 31.28% for the six months ended June 30, 2025 to 28.29% for the six months ended June 30, 2026. Specifically, the gross profit margin of electronic materials products was 39.92%, representing an increase of 0.14% compared with the same period last year; the gross profit margin of electrical cable accessories products was 33.45%, representing a decrease of 5.42% compared with the same period last year; the gross profit margin of telecoms cable products was 18.51%, representing a decrease of 2.63% compared with the same period last year; the gross profit margin of NEV power transmission products was 18.75%, representing a decrease of 2.90% compared with the same period last year; the gross profit margin of wind power was 56.48%, representing a decrease of 11.83% compared with the same period last year.

Among these, the gross profit margin of electronic materials products remained broadly stable as compared with the same period of last year. The decrease in gross profit margin of telecoms cable products and NEV power transmission products was primarily attributable to the sustained rise in raw material prices, resulting in an increase in costs. The decrease in gross profit margin of cable accessories products was primarily attributable to the combined effect of rising raw material prices and a decline in sales volume of high-voltage cable accessories products with higher margins. The decrease in gross profit margin of wind power was primarily due to a decline in production volume.

OTHER INCOME, GAINS AND LOSSES

The Group's other income, gains and losses decreased from the net gains of RMB42.7 million for the six months ended June 30, 2025 to net gains of RMB7.2 million for the six months ended June 30, 2026, mainly due to the continued depreciation of the US dollar and Hong Kong dollar exchange rates, resulting in increased foreign exchange losses, a decrease in investment income resulting from the basis of newly added hedging futures contracts, and the additional public-welfare donation expenses.

SELLING EXPENSES

The Group's selling expenses increased by 4.46% from RMB182.6 million for the six months ended June 30, 2025 to RMB190.8 million for the six months ended June 30, 2026, mainly due to the growth in revenue, which led to a corresponding increase in selling expenses, principally employee remuneration and business entertainment expenses, partially offset by a decrease in other expenses.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased by 0.11% from RMB156.9 million for the six months ended June 30, 2025 to RMB156.7 million for the six months ended June 30, 2026, remaining broadly flat as compared with the same period of last year.

LISTING EXPENSES

For the six months ended June 30, 2026, the Group's listing expenses amounted to RMB4.1 million (for the corresponding period in 2025: RMB0.1 million), which was primarily attributable to the completion of the Company's listing on the Hong Kong Stock Exchange during the Reporting Period, pursuant to which the remaining listing-related expenses were recognised in the current period in line with the progress of the listing exercise.

RESEARCH AND DEVELOPMENT EXPENSES

The Group's research and development expenses increased by 28.39% from RMB207.7 million for the six months ended June 30, 2025 to RMB266.7 million for the six months ended June 30, 2026, mainly due to the increased investment in materials for R&D testing and employee remuneration.

FINANCE COSTS

The Group's finance costs increased by 7.56% from RMB25.2 million for the six months ended June 30, 2025 to RMB27.1 million for the six months ended June 30, 2026, primarily due to increased interest expenses arising from increased borrowings.

IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

Impairment losses on financial assets, net of the Group increased by 50.49% from RMB8.1 million for the six months ended June 30, 2025 to RMB12.2 million for the six months ended June 30, 2026, primarily due to higher expected credit impairment losses arising from an increase in receivables.

SHARE OF RESULTS OF ASSOCIATES

The Group's share of results of associates represents its proportionate share of the net profit or loss of associates over which the Group has significant influence but not control. The Group's share of results of associates amounted to RMB2.4 million for the six months ended June 30, 2025 and RMB1.7 million for the six months ended June 30, 2026.

INCOME TAX EXPENSE

For the six months ended June 30, 2026, the Group's income tax expense was RMB74.5 million, representing a decrease of 19.67% as compared with RMB92.7 million for the six months ended June 30, 2025.

PROFIT FOR THE PERIOD

As a result of the foregoing, the Group's profit for the period amounted to RMB592.1 million for the six months ended June 30, 2026, representing a decrease of 2.05% as compared with RMB604.5 million for the same period in 2025.

OTHER COMPREHENSIVE EXPENSES

The Group's other comprehensive expenses amounted to RMB94.3 million for the six months ended 30 June 2026 (for the corresponding period in 2025: RMB28.6 million), which was primarily attributable to the floating loss from forward positions on hedging futures contracts arising from fluctuations in the market prices of silver and copper during the Reporting Period, as well as the effects of foreign currency translation arising from the conversion of financial statements.

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash generated from operating activities of the Group amounted to RMB349.1 million for the six months ended June 30, 2026, representing a decrease of 29.97% compared with the same period last year, primarily due to the increase in trade and other receivables and inventories, which expanded working capital occupation.

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash used in investing activities of the Group amounted to RMB629.9 million for the six months ended June 30, 2026, representing an increase of 58.12% compared with the same period last year, primarily due to the increase in cash paid for purchases of structured deposit investments.

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash generated from financing activities of the Group for the six months ended June 30, 2026 stood at RMB2,501.8 million (same period in 2025: net outflow of RMB214.0 million), switching from a net outflow to a net inflow, primarily due to the receipt of proceeds following the completion of the Company's Hong Kong listing during the Reporting Period.

FINANCIAL POSITION

The Group's total non-current assets increased from RMB5,700.9 million as of December 31, 2025 to RMB6,016.1 million as of June 30, 2026, primarily due to additions to property, plant and equipment.

The Group's total current assets increased from RMB6,559.6 million as of December 31, 2025 to RMB9,515.6 million as of June 30, 2026, primarily attributable to increases in bank balances and cash, inventories, trade and other receivables.

The Group's total current liabilities decreased from RMB4,229.7 million as of December 31, 2025 to RMB4,121.1 million as of June 30, 2026, remaining essentially unchanged year-on-year, primarily due to the offsetting effect of an increase in trade and other payables and a reduction in bank and other borrowings (short term).

The Group's total non-current liabilities increased from RMB1,226.4 million as of December 31, 2025 to RMB1,889.7 million as of June 30, 2026, primarily attributable to an increase in long-term borrowings.

The Group's net assets increased from RMB6,804.5 million as of December 31, 2025 to RMB9,521.0 million as of June 30, 2026, primarily due to the receipt of proceeds following the completion of the Listing on the Hong Kong Stock Exchange during the Reporting Period, together with the increase in net profit.

DEBT GEARING RATIO

During the Reporting Period, the debt gearing ratio was used to monitor the Group's debt position. The ratio is calculated as net interest-bearing debt divided by total equity. Net interest-bearing debt comprises all bank loans and other borrowings, less bank balance and cash. As of June 30, 2026, the Group's debt gearing ratio was -8.66%, reflecting the Group's net cash position (December 31, 2025: 19.35%).

INVENTORIES

The Group's inventories primarily comprise finished goods, raw materials and consumables, and work in progress. The Group's inventories increased from RMB1,232.8 million as of December 31, 2025 to RMB1,520.7 million as of June 30, 2026, primarily due to the growth in revenue and the rapid increase in orders during the Reporting Period, which led to higher inventories of raw materials, work in progress and finished goods to ensure timely delivery.

TRADE AND OTHER RECEIVABLES

The Group's trade and other receivables primarily represent trade receivables and bills receivable (namely receivables arising from the sales of products and provision of services to our customers) and other receivables (primarily comprising deposits and prepayments for materials and equipment). The Group's trade and other receivables increased from RMB4,070.9 million as of December 31, 2025 to RMB4,412.0 million as of June 30, 2026, primarily due to an increase in trade receivables resulting from the increase in revenue.

PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment primarily consist of buildings, plant and machinery, electricity generation and related equipment, leasehold improvements, motor vehicles and construction in progress. The Group's property, plant and equipment increased from RMB3,946.3 million as of December 31, 2025 to RMB4,262.6 million as of June 30, 2026, primarily due to the additions in machinery and equipment for the production capacity expansion of the communication cable business and the construction of the Huizhou Industrial Park project.

GOODWILL

The Group's goodwill arose from the acquisitions of CYG Electronics. The carrying amount of goodwill remained unchanged at RMB694.8 million from December 31, 2025 to June 30, 2026.

RIGHT-OF-USE ASSETS

The Group's right-of-use assets primarily consist of land use rights and leased properties. The Group's right-of-use assets decreased from RMB676.4 million as of December 31, 2025 to RMB620.6 million as of June 30, 2026, primarily due to the telecoms cables segment adjusting the leased area of its Vietnam factory and the termination of replaced lease contracts during the Reporting Period.

TRADE AND OTHER PAYABLES

The Group's trade and other payables primarily consist of trade and bills payables in relation to purchase of raw materials from suppliers, and other payables comprising amounts due for purchase of property, plant and equipment, and employee compensation payables. The Group's trade and other payables increased from RMB2,458.5 million as of December 31, 2025 to RMB2,893.2 million as of June 30, 2026, primarily due to an increase in the Company's inventories and rising raw material prices, as well as higher balances of trade and bills payables during the Reporting Period; meanwhile, on May 26, 2026, the Company's shareholders approved the payment of the final dividend of RMB229.3 million in aggregate (RMB1.65 per 10 ordinary A Shares and HK$1.89 per 10 ordinary H Shares) in respect of the year ended December 31, 2025. Such dividends had not yet been physically settled as at the end of June, resulting in a higher balance of dividends payable.

EQUITY INSTRUMENTS AT FVTOCI/FINANCIAL ASSETS AT FVTPL

The Group's equity instruments at FVTOCI decreased from RMB44.8 million as of December 31, 2025 to RMB22.4 million as of June 30, 2026, primarily due to the disposal of shares in CYG Technology Group Co., Ltd. (長園科技集團股份有限公司) during the Reporting Period. The Group's Financial assets at FVTPL consisted of wealth management products held in banks during the Reporting Period, which increased from RMB53.8 million as of December 31, 2025 to RMB180.0 million as of June 30, 2026, primarily due to the structured deposits purchased during the Reporting Period.

CONTRACT LIABILITIES

The Group's contract liabilities decreased from RMB94.7 million as of December 31, 2025 to RMB87.0 million as of June 30, 2026, primarily due to the reduction in advance receipts during the Reporting Period.

LEASE LIABILITIES

The Group's lease liabilities decreased from RMB259.6 million as of December 31, 2025 to RMB223.0 million as of June 30, 2026, primarily attributable to the telecoms cable segment's adjustment to the leased area of its Vietnam factory and the termination of replaced lease contracts during the Reporting Period.

CAPITAL STRUCTURE, LIQUIDITY AND CAPITAL RESOURCES

The Group's total assets increased from RMB12,260.6 million as of December 31, 2025 to RMB15,531.7 million as of June 30, 2026. The Group's total liabilities increased from RMB5,456.1 million as of December 31, 2025 to RMB6,010.7 million as of June 30, 2026. The interest-bearing debt gearing ratio decreased from 38.28% as of December 31, 2025 to 28.17% as of June 30, 2026. The Group's current ratio, being current assets divided by current liabilities as of the respective date, increased from 1.55 times as of December 31, 2025 to 2.31 times as of June 30, 2026.

Historically, the Group has primarily relied on cash generated from operations and bank loan financing to meet its working capital needs and capital expenditures. The Group maintains sufficient bank balance and cash to ensure capital flexibility, bank balance and cash mainly comprise bank deposits and cash. The Group's bank balance and cash increased from RMB1,288.0 million as of December 31, 2025 to RMB3,506.3 million as of June 30, 2026, primarily due to net cash inflows from financing activities arising from the completion of the Company's listing in Hong Kong and receipt of the proceeds during the Reporting Period, and cash inflows from operating activities of the Company was partially offset by the expansion of net cash outflows from investing activities. The Group's bank balance and cash are mainly denominated in RMB.

The Group's bank and other borrowings increased from RMB2,345.3 million as of December 31, 2025 to RMB2,459.2 million as of June 30, 2026, primarily due to additions to long-term borrowings. The maturities of borrowings range from 2026 to 2036. As at June 30, 2026, all borrowings of the Group were denominated in RMB (December 31, 2025: denominated in RMB). The interest on bank borrowings is charged at both fixed and floating rates. Among them, the bank borrowings with a fixed rate amounted to approximately RMB310.7 million, and the bank borrowings with a floating rate amounted to approximately RMB1,734.6 million.

TREASURY POLICY

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

CAPITAL EXPENDITURE

The Group's capital expenditure mainly comprises purchases of property, plant and equipment and other asset items that related to capacity expansion. The Group's capital expenditure amounted to RMB486.2 million for the six months ended June 30, 2026 (same period in 2025: RMB465.4 million), mainly attributable to increased investment in machinery and equipment for capacity expansion of the communication cables business, together with the expansion project of the Shuikou Industrial Park in Huicheng District, Huizhou, as well as the ongoing construction of the Huizhou Sanhe New Materials Industrial Park Project.

FOREIGN EXCHANGE RATE AND HEDGING

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

In order to effectively mitigate the operational risks arising from fluctuations in raw material prices, and to stabilise production costs and operating performance, the Company convened the fifth meeting of the eighth session of the Board of Directors on March 25, 2026 and the eighth meeting of the eighth session of the Board of Directors on May 12, 2026, at which it considered and approved the proposal to authorise the Company and its subsidiaries to utilise the hedging functions of futures and other instruments, and to selectively carry out futures hedging operations in respect of raw materials related to the Company's production and operations, including copper, silver and plastics, in accordance with the actual production and operational plans. The aggregate amount of margin and premium for the proposed futures hedging operations is expected to be no more than RMB200 million (exclusive of the physical delivery amount under the futures contracts), and the maximum contract value held on any single trading day shall not exceed 30% of the latest audited net assets of the Company.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As of June 30, 2026, the Group's outstanding capital commitments in respect of fixed assets amounted to approximately RMB2,128.4 million (December 31, 2025: approximately RMB943.9 million). As of June 30, 2026, the Group had no material contingent liabilities.

PLEDGE OF ASSETS

As of June 30, 2026, the property, plant and equipment and right-of-use assets of the Group with carrying amounts of RMB503.0 million and RMB94.9 million (as of December 31, 2025: RMB484.4 million and RMB96.0 million), respectively, were pledged as guarantees for borrowings obtained by the Group. As of June 30, 2026, the bank deposits of the Group in the amount of RMB36.3 million (as of December 31, 2025: RMB34.0 million) were pledged as margin deposit for bills payable and bank guarantees. As at June 30, 2026, the Group's futures margin amounted to RMB61.5 million (December 31, 2025: nil), which was deposited for the settlement of futures trading transactions. As of June 30, 2026, the trade and other receivables of the Group in the amount of RMB405.1 million (as of December 31, 2025: RMB378.7 million) were pledged as security for bank and other borrowings.

Save as disclosed above, the Group did not have any pledged assets as of June 30, 2026.

EMPLOYEE INFORMATION AND COMPENSATION POLICY

As of June 30, 2026, the Group had 9,133 employees. The staff costs of the Group were approximately RMB713.6 million during the Reporting Period.

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

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

The remuneration of Directors of the Company is determined by the Remuneration and Appraisal Committee of the Board after considering the Group's operating performance, personal performance and comparable market statistics; it is submitted to the Board for consideration and requires approval by the shareholders' meeting.

In response to the operational and development needs of the Company, the Group established a comprehensive training system for both new and existing employees. Annual corporate-level and department-level training plans were formulated each year. In light of the practical needs of the Group's various business segments, the Group conducted overall planning and dynamic optimisation of training contents. Meanwhile, it actively explored new training modes, continuously monitored and improved training effectiveness, progressively enhanced the training evaluation and feedback mechanism, and strengthened the training and development planning for key-position staff and management personnel, so as to ensure the orderly and efficient implementation of the Group's training work in support of the achievement of the Group's strategic objectives.

PENSION SCHEMES

The Group only operates defined contribution pension schemes. The employees of the Group's subsidiaries which operate in China are required to participate in central pension schemes operated by the local municipal government and the central government, respectively. These subsidiaries are required to contribute a certain percentage of payroll costs to the central pension schemes. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes.

The Group has no forfeited contributions available (i.e., contributions made by the Group on behalf of employees who left the plan before such contributions were fully vested) to reduce contributions payable in future years or to reduce the Group's current level of contributions to the pension scheme.

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

On March 31, 2026, the Company convened the sixth meeting of the eighth session of the Board, at which the "Proposal on the Adjustments to the External Investment and Construction Project of a Controlling Subsidiary and the Execution of a Project Investment Agreement" (《關於控股子公司調整對外投資建設項目暨簽訂〈項目投資協議書〉的議案》) was considered and approved. Having prudently evaluated regional synergies, capacity requirements, and long-term operational efficiency, the Board agreed that Shanghai Keter New Materials Co., Ltd. (上海科特新材料股份有限公司) ("**Shanghai Keter**"), an indirect non-wholly-owned controlled subsidiary of the Company, to adjust its investment plan based on the actual progress of the project: terminating the Keter (Suzhou) New Materials Project located in Wujiang Economic and Technological Development Zone, Jiangsu Province, and instead construct a new production base in Dushan Port Economic Development Zone, Zhejiang Province.

On the same day, Shanghai Keter formally entered into an investment agreement (the "**Investment Agreement**") with the Zhejiang Dushan Port Economic Development Zone Management Committee. Pursuant to the Investment Agreement, Shanghai Keter will construct a new production base in the development zone, comprising research and development laboratories, production plants, office premises and other ancillary facilities, which will primarily be used for the research and development, production and sales of new energy protection products, electronic components, refractory specialty materials and aerogel products. The total investment amount of the project is approximately RMB1.2 billion, comprising, among others, land acquisition, plants construction and procurement of equipment. The investment amount will be funded by the Group's internal resources and will not involve the proceeds from the Global Offering. For details of the Investment Agreement, please refer to the Company's announcement dated March 31, 2026.

This investment plan is expected to alleviate the production capacity constraints of Shanghai Keter's existing leased plant and facilitate the rational allocation of the Group's overall production bases. Meanwhile, the investment will also enable Shanghai Keter to increase the production capacity of its key products, further enhance its overall profitability and market competitiveness, and is in line with the Company's long-term development strategy.

As of June 30, 2026, Shanghai Keter had not yet legally acquired the land use rights of the project through relevant public bidding procedures such as the Listing-for-Sale process.

Save as disclosed above and in the section headed "USE OF PROCEEDS FROM THE GLOBAL OFFERING", as of June 30, 2026, the Group had no significant investments or any future plan for significant investments or purchase of capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Company disposed of an aggregate of 3,880,771 shares of Changyuan Technology Group Ltd. As of June 30, 2026, the Company held only 1,566,193 shares of CGN Nuclear Technology Development Co., Ltd.

Pursuant to the Company's overall strategic layout and in order to further focus on the principal business of Shanghai Keter, a non-wholly owned subsidiary of the Company, and having regard to the current state of business development of Shanghai Keter, the Company proposes to conduct a public offering and transfer of listing of Shanghai Keter from the National Equities Exchange and Quotations (the "**NEEQ**") to the Beijing Stock Exchange (the "**BSE**") (the "**Public Offering and Transfer of Listing**"). As of the date of this announcement, the BSE has formally accepted the application of Shanghai Keter for the public issuance of shares to qualified investors and its listing on the BSE. The Public Offering and Transfer of Listing may constitute a deemed disposal of the Company's interest in Shanghai Keter.

For details regarding the Public Offering and Transfer of Listing, please refer to the Company's announcements dated April 23, 2026, May 26, 2026, June 24, 2026 and June 30, 2026, and the circular for the 2025 Annual General Meeting of the Company dated April 23, 2026.

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

GEARING RATIO

As of June 30, 2026, the Group's gearing ratio (calculated as total interest-bearing debt at the end of the period divided by total assets, multiplied by 100%) was 17.27%, compared with 21.25% as of December 31, 2025.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company issued 139,988,800 H Shares under the Global Offering at an offering price of HK$20.09 per H Share, and was listed on the Stock Exchange on February 13, 2026. The par value of the H Shares is RMB1.00 per H Share.

The net proceeds from the Global Offering received by the Company (after deduction of underwriting fees and commissions and related costs and expenses) were approximately RMB2,422.4 million (the "**Net Proceeds**").

As of June 30, 2026, there has been no change to the intended use of the Net Proceeds as previously disclosed under the "Future Plans and Use of Proceeds" section in the Prospectus. Details of the use of the Net Proceeds are set out as follows:

		% of total Net Proceeds	Planned allocation of the Net Proceeds *(RMB million)*	Expected timeline for full utilization of Net Proceeds	Net Proceeds utilized up to June 30, 2026 *(RMB million)*	Net Proceeds unutilized up to June 30, 2026 *(RMB million)*
Diversifying our product portfolio and upgrading products	Product development and production capacity expansion of electronic communications business	28%	678.3	December 31, 2029	20.8	657.5
	Product development and production capacity expansion of electrical power transmission product business	17%	411.8	December 31, 2029	0	411.8
Expanding global business footprint		27%	654.1	December 31, 2029	0	654.1
Potential strategic investments and/or acquisitions		18%	436.0	*	0	436.0
Working capital and general corporate purposes		10%	242.2	December 31, 2029	241.7	0.5
Total		100%	2,422.4		262.5	2,159.9

Notes:

* As of the date of this announcement, we had not identified any specific investment and/or acquisition targets. As such, we had not established a timetable for implementation.

(1) The expected timeline for full utilization of the remaining Net Proceeds as set out in the above table is based on the Group's best estimate of future market conditions and may be subject to change depending on current and future market developments.

(2) The total figures may not be equal to the sum of the individual amounts due to rounding.

As disclosed in the Prospectus, to the extent permitted by the relevant law and regulations, if the Net Proceeds are not immediately used for the intended use, the Company will only place the Net Proceeds as short-term deposits at licensed banks or financial institutions. As at the date of this announcement, the remaining unutilized Net Proceeds were placed at licensed banks.

INTERIM DIVIDENDS

The Board did not declare any interim dividend for the six months ended June 30, 2026.

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

For the six-month period ended June 30, 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As of June 30, 2026, 10,283,600 A Shares were held by our Company as treasury A Shares, which shall only be used by our Company in connection with employee incentive schemes of our Company. Save for the aforementioned treasury A Shares, as of June 30, 2026, the Company did not hold any other treasury shares.

SUBSEQUENT EVENTS

In order to further enhance the Company's environmental, social and governance ("**ESG**") management standards, the Board resolved on July 10, 2026 to approve the change of name of a special committee under the Board, from the "Strategy and Investment Decision Committee of the Board" to the "Strategy and ESG Committee of the Board". For details, please refer to the Company's announcement dated July 10, 2026.

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

AUDIT COMMITTEE AND INTERIM RESULTS REVIEW

The Company has established an Audit Committee in accordance with the provisions of the CG Code and Rule 3.21 of the Listing Rules and has stipulated the written terms of reference. As at the date of this announcement, the Audit Committee consists of Mr. Zeng Fanyue and Mr. Wang Dong, both of whom are independent non-executive Directors, and Dr. Li Wenyou, a non-executive Director, and Mr. Zeng Fanyue serves as the chairperson of the committee. Mr. Zeng Fanyue possesses the appropriate accounting or related financial management expertise as set out in Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee are to assist the Board in forming an independent view on the effectiveness of the Group's financial reporting processes, internal control and risk management systems, oversee the audit process, and fulfil other duties and responsibilities assigned by the Board, including but not limited to: (i) putting forward proposals to the Board in respect of the appointment and replacement of external auditors; (ii) supervising the implementation of the Group's internal audit system; (iii) coordinating work between the internal audit department and external auditors; and (iv) reviewing the Group's financial information and relevant disclosures.

The unaudited interim results of the Group for the six months ended June 30, 2026 have been reviewed and discussed by the Audit Committee. The Audit Committee is of the view that the unaudited consolidated interim results of the Group for the six months ended June 30, 2026 comply with the applicable accounting standards, laws and regulations, and adequate disclosures have been made by the Company in this respect. The unaudited consolidated interim results of the Group for the six months ended June 30, 2026 have not been reviewed by the external auditors of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and ensuring a high standard of corporate governance practices, and has adopted corporate governance principles aimed at safeguarding the interests of the Company and its shareholders.

The Company has adopted the applicable code provisions of the CG Code as the basis for its corporate governance practices.

The Board is of the view that the Company has complied with the applicable code provisions set out in the CG Code from the Listing Date to June 30, 2026 . The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct for securities transactions by the Directors, members of senior management and employees who, because of their office or employment, are likely to possess inside information relating to the Group or the Company's securities.

Having made specific enquiry of all Directors, each Director has confirmed that he/she has complied with the required standards set out in the Model Code since the Listing Date to June 30, 2026. In addition, the Company is not aware of any non-compliance with the Model Code by the members of the senior management or the relevant employees of the Group since the Listing Date to June 30, 2026.

INTERIM REPORT

The Company's Interim Report will be despatched to shareholders who make requests to the Company for a copy on or before the end of August 2026, and will also be published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (www.woer.com) for inspection.

DEFINITIONS

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

"A Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SZSE and traded in RMB
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of directors of the Company
"CG Code"	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, but for the purpose of the announcement and for geographical reference only, references in the announcement to "China" and the "PRC" do not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

"Company" or "our Company"	Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (深圳市沃爾核材股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A Shares and H Shares of which are listed on the SZSE (Stock Code: 002130) and the Stock Exchange (Stock Code: 9981), respectively
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"H Share(s)"	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange to be subscribed for and traded in Hong Kong dollars
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on February 13, 2026
"Listing Date"	the date on which the Shares are listed on the Stock Exchange and dealings in the Shares are permitted to commence trading on the Stock Exchange, being February 13, 2026
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Prospectus"	the prospectus published by the Company on February 5, 2026
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Reporting Period"	From January 1, 2026 to June 30, 2026

"treasury share(s)"	has the meaning ascribed to it under the Listing Rules

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

Shenzhen, the PRC, August 24, 2026

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