Hebei Haiwei Electronic New Material Technology Co., Ltd.
河北海偉電子新材料科技股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 09609)

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

FINANCIAL SUMMARY OF THE GROUP

- For the six months ended 30 June 2026, the total revenue of the Group was approximately RMB163,536 thousand, representing a decrease of approximately RMB20,056 thousand compared with the corresponding period in 2025, with a decrease rate of 10.9%;

- For the six months ended 30 June 2026, the gross profit was approximately RMB42,057 thousand, representing a decrease of approximately RMB21,928 thousand or 34.3% as compared to the corresponding period in 2025;

- The basic and diluted earnings per share for the six months ended 30 June 2026 amounted to RMB0.03 and RMB0.03, respectively;

- No dividends were declared for the six months ended 30 June 2026.

The Board of Directors of the Company hereby announces the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 June 2026, together with the comparative figures for the six months ended 30 June 2025. These consolidated interim results have been reviewed by our Board's audit committee together with our management.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
	NOTES	**2026**	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**163,536**	183,592
Cost of sales		**(121,479)**	(119,607)
Gross profit		**42,057**	63,985
Other income	*4*	**5,700**	4,560
Impairment losses recognised under expected credit loss ("**ECL**") model, net		**(2,379)**	(462)
Other gains and losses	*5*	**(13,874)**	(892)
Distribution and selling expenses		**(1,538)**	(1,958)
Administrative expenses		**(18,106)**	(7,505)
Research and development expenses		**(7,079)**	(8,593)
Listing expenses		**–**	(6,214)
Finance costs		**(26)**	(1,119)
Profit before tax		**4,755**	41,802
Income tax expense	*7*	**(380)**	(6,100)
Profit and total comprehensive income for the period	*8*	**4,375**	35,702
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		**5,420**	36,864
Non-controlling interests		**(1,045)**	(1,162)
		4,375	35,702
Earnings per share			
– Basic *(RMB)*	*9*	**0.03**	0.30
– Diluted *(RMB)*		**0.03**	0.30

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	NOTES	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**121,288**	127,048
Right-of-use assets		**55,956**	5,216
financial assets at fair value through profit or loss ("**FVTPL**")	*10*	**20,000**	–
Deposits paid for acquisition of plant and equipment	*11*	**84,716**	260,915
Long-term deposits and prepayments		**3,086**	–
Deferred tax assets		**5,169**	5,204
		290,215	398,383
Current assets			
Inventories		**147,771**	134,772
Trade, bills and other receivables	*12*	**259,438**	220,863
Cash and cash equivalents		**523,531**	442,441
		930,740	798,076
Current liabilities			
Trade, bills and other payables	*13*	**31,220**	28,294
Amounts due to related parties		**1,876**	3,211
Lease liabilities		**681**	715
Bank borrowings		**–**	3,872
Tax liabilities		**368**	616
		34,145	36,708
Net current assets		**896,595**	761,368
Total assets less current liabilities		**1,186,810**	1,159,751

	NOTES	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current liability			
Lease liabilities		**1,405**	628
Net assets		**1,185,405**	1,159,123
Capital and reserves			
Share capital	*14*	**160,926**	159,168
Reserves		**1,022,069**	996,500
Equity attributable to owners of the Company		**1,182,995**	1,155,668
Non-controlling interests		**2,410**	3,455
Total equity		**1,185,405**	1,159,123

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. BASIS OF PREPARATION

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

2. ACCOUNTING POLICIES

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 financial statements for the year ended 31 December 2025.

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 Improvement 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

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of capacitor films products		
– Capacitor base films	**123,400**	143,552
– Metallized films	**23,710**	23,536
– Other	**16,426**	16,504
	163,536	183,592

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

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

The geographical location of customers is based on the location at which the goods are delivered. The revenue of the Group is all derived from customers in the PRC during the six months ended 30 June 2026 and 2025.

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

4. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**2,588**	492
Government subsidies *(note)*	**3,112**	2,109
Financial guarantee income from related parties	**–**	1,959
Total	**5,700**	4,560

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

5. **OTHER GAINS AND LOSSES**

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange losses	**(13,874)**	(947)
Others	**–**	55
Total	**(13,874)**	(892)

6. **DIVIDENDS**

No dividend was paid or proposed during the six months ended 30 June 2026 and 2025, nor has any dividend been proposed since the end of the Reporting Period.

7. **INCOME TAX EXPENSE**

The income tax expense of the Group is analysed as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**345**	5,294
Deferred tax	**35**	806
Total	**380**	6,100

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (other than those disclosed below) during the six months ended 30 June 2026 and 2025.

The Company has been recognised as the High New Technology Enterprise from December 2024 to December 2027. Its subsidiary, Anhui Ningguo Haiwei Electronics Co., Ltd (安徽省寧國市海偉電子有限公司) ("**Ningguo Haiwei**") has been recognised as the High New Technology Enterprise from October 2024 to October 2027. According to the EIT Law for High New Technology Enterprises, these companies are subject to a reduced EIT rate of 15% during the six months ended 30 June 2026 and 2025.

8. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months to 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**7,929**	10,945
Depreciation of right-of-use assets	**903**	388
Cost of inventories recognised as an expense	**123,154**	119,146
(Reversal of write-down) write-down of inventories (included in cost of sales)	**(1,675)**	461

9. EARNINGS PER SHARE

The calculation of basic earnings per share for six months ended 30 June 2026 is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended 30 June 2026, the exercise of the Company's over-allotment options granted pursuant to the listing of the Company's shares on the Hong Kong Stock Exchange was not included in the calculation of diluted earnings per share, as the exercise price of those over-allotment options was higher than the average market price for shares during the relevant period. Accordingly, diluted earnings per share for the six months ended 30 June 2026 is the same as the basic 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 for the purpose of basic and diluted earnings per share:		
– Profit for the period attributable to owners of the Company	**5,420**	36,864

	2026	2025
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares:		
– Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**160,917**	123,712

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

On 17 April 2026, the Group subscribed for a 0.2825% equity interest in Sunshine Hydrogen Technology Co., Ltd. ("**Sunshine Hydrogen**") which engaged in hydrogen energy equipment manufacturing and production for a cash consideration of RMB20,000,000. The investment is subject to certain investor-protective arrangements pursuant to the investment agreement. The Group accounts for the investment and relevant rights as financial assets at FVTPL.

11. DEPOSITS PAID FOR ACQUISITION OF PLANT AND EQUIPMENT

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

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

12. TRADE, BILLS AND OTHER RECEIVABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade receivables	**184,772**	147,081
Bills receivables	**88,182**	86,929
Less: allowance for credit losses	**(19,736)**	(16,367)
	253,218	217,643
Other receivables, prepayments and deposits	**4,558**	1,887
Advance payment to suppliers	**4,553**	889
Value-added taxes recoverable	**195**	444
	262,524	220,863
Current	**259,438**	220,863
Non-current	**3,086**	–
	262,524	220,863

In relation to the sales of capacitor films products, the Group generally allows a credit period from 60 days to 90 days (year ended 31 December 2025: 60 to 90 days) to its trade customers and the Group accepts trade receivables settled by bills.

Aging analysis of trade receivables presented based on date of invoices is as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
0–90 days	**90,439**	63,823
91–180 days	**46,812**	37,084
181–365 days	**22,508**	27,451
1–2 years	**14,729**	8,868
Over 2 years	**10,284**	9,855
	184,772	147,081

13. TRADE, BILLS AND OTHER PAYABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade payables	**21,924**	17,379
Accrued staff costs and retirement benefit scheme contributions	**3,391**	3,170
Value added tax payables	**2,326**	2,055
Other tax payables	**35**	210
Accrued operating expenses	**25**	192
Accrued listing expenses	**–**	888
Accrued share issue costs	**–**	606
Other payables	**3,519**	3,794
Total	**31,220**	28,294

The aging analysis of the Group's trade payables based on the invoice dates at the end of the reporting period are as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within 1 year	**20,178**	15,387
Over 1 year	**1,746**	1,992
Total	**21,924**	17,379

14. SHARE CAPTTAL

	Number of shares *'000*	**Share capital** *RMB'000*
Ordinary shares of RMB1 each registered, issued and fully paid:		
At 1 January 2025 (audited) and 30 June 2025 (unaudited)	123,712	123,712
At 1 January 2026 (audited)	159,168	159,168
Shares issue upon over-allotment option *(note)*	1,758	1,758
At 30 June 2026 (unaudited)	160,926	160,926

Note: On 2 January 2026, the Company issued 1,758,600 H Shares pursuant to the partial exercise of the over-allotment option at the price of HKD14.28 per share, leading the Company received additional net proceeds of approximately HK$25,113,000 (equivalent to approximately RMB22,682,000) in connection with the partial exercise of the over-allotment option.

FINANCIAL REVIEW

Revenue

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

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

	Six months ended 30 June				
	2026		2025		
	(Unaudited)		(Unaudited)		
	RMB'000	***As a Percentage of Total Revenue***	*RMB'000*	*As a Percentage of Total Revenue*	Change
Capacitor films					
Capacitor base films					
Ultra-thin base films[1]	**7,418**	**4.5%**	16,009	8.7%	-53.7%
Thin base films[2]	**95,614**	**58.5%**	107,922	58.8%	-11.4%
Medium-thick base films[3]	**20,368**	**12.5%**	19,621	10.7%	3.8%
Subtotal	**123,400**	**75.5%**	143,552	78.2%	-14.0%
Metallized films	**23,710**	**14.5%**	23,536	12.8%	0.7%
Other Products[4]	**16,426**	**10.0%**	16,504	9.0%	-0.5%
Including: Recycled granules	**16,424**	**10.0%**	15,583	8.5%	5.4%
Total	**163,536**	**100.0%**	183,592	100.0%	-10.9%

Note:

(1) Referring to capacitor base films with a thickness ranging from 2.0 μm to 3.9 μm.

(2) Referring to capacitor base films with a thickness ranging from 4.0 μm to 6.9 μm.

(3) Referring to capacitor base films with a thickness ranging from 7.0 μm to 14.9 μm.

(4) In addition to recycled granules, other products primarily include electronic anti-theft tag films and composite copper foil base films.

For the six months ended 30 June 2026, the Group achieved revenue of RMB163,536 thousand, representing a year-on-year decrease of 10.9%, which was mainly due to the intensifying competition in the domestic market, leading to a decrease in the average selling price of the Group's major products.

Cost of sales

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

The table below sets forth the Group's cost of sales and percentages of revenue for the six months ended 30 June 2026 and the six months ended 30 June 2025:

	Six months ended 30 June				
	2026 (Unaudited)		2025 (Unaudited)		
	RMB'000	***As a Percentage of Total Revenue***	*(RMB'000)*	*As a Percentage of Total Revenue*	Change
Cost of sales	**121,479**	**74.3%**	119,607	65.1%	1.6%
Raw material costs	**101,362**	**62.0%**	96,939	52.8%	4.6%
– Capacitor base films	**65,761**	**40.2%**	63,578	34.6%	3.4%
– Metallized films	**22,492**	**13.8%**	20,804	11.3%	8.1%
– Other products	**13,109**	**8.0%**	12,557	6.8%	4.4%
Manufacturing costs	**15,819**	**9.7%**	19,150	10.4%	-17.4%
Direct labor costs	**4,298**	**2.6%**	3,518	1.9%	22.2%
Total	**121,479**	**74.3%**	119,607	65.1%	1.6%

For the six months ended 30 June 2026, the Group's cost of sales amounted to RMB121,479 thousand, representing a year-on-year increase of 1.6%, broadly in line with the slight increase in sales volume.

Gross Profit and Gross Profit Margin

The table below sets forth the absolute gross profit amounts and gross profit margins of the Group by product for the six months ended 30 June 2026 and for the six months ended 30 June 2025:

	Six months ended 30 June				
	2026 (Unaudited)		2025 (Unaudited)		
	Gross Profit RMB'000	***Gross Profit Margin***	*Gross Profit RMB'000*	*Gross Profit Margin*	Change
Capacitor films					
Capacitor base films					
Ultra-thin base films(1)	**3,183**	**42.9%**	7,639	47.7%	-4.8%
Thin base films(2)	**31,483**	**32.9%**	45,235	41.9%	-9.0%
Medium-thick base films(3)	**7,328**	**36.0%**	9,210	46.9%	-10.9%
Subtotal	**41,994**	**34.0%**	62,084	43.2%	-9.2%
Metallized films	**-134**	**-0.6%**	1,489	6.3%	-6.9%
Other Products(4)	**197**	**1.2%**	412	2.5%	-1.3%
Total	**42,057**	**25.7%**	63,985	34.9%	-9.2%

Notes:

(1) Referring to capacitor base films with a thickness ranging from 2.0 μm to 3.9 μm.

(2) Referring to capacitor base films with a thickness ranging from 4.0 μm to 6.9 μm.

(3) Referring to capacitor base films with a thickness ranging from 7.0 μm to 14.9 μm.

(4) In addition to recycled granules, other products primarily include electronic anti-theft tag films and composite copper foil base films.

For the six months ended 30 June 2026, the gross profit margin of the Group was 25.7%, representing a year-on-year decrease of 9.2%, primarily due to intensified competition in the domestic market, which resulted in a decline in the average selling price of the Group's principal products. The adverse impact of the lower average selling prices on the Group's gross profit was partially offset by (i) a slight increase in the sales volume of its core capacitor film products; and (ii) an approximately 0.9% decrease in the unit cost of capacitor base films as compared with the corresponding period in 2025, as the Group's advance procurement arrangements and inventory planning mitigated part of the impact of rising raw material prices. Notably, the average selling prices of certain core products have showed signs of recovery since May 2026.

Other Income

Other income of the Group increased from approximately RMB4,560 thousand for the six months ended 30 June 2025 to approximately RMB5,700 thousand for the six months ended 30 June 2026, primarily attributable to the increase in interest income from the Proceeds.

Other Gains and Losses

The Group's net other losses increased from approximately RMB892 thousand for the six months ended 30 June 2025 to approximately RMB13,874 thousand for the six months ended 30 June 2026, primarily due to the net foreign exchange losses resulting from the appreciation of RMB against the HKD in the first half of 2026 and the translation of the Proceeds.

Distribution and Selling Expenses

The Group's distribution and selling expenses decreased from approximately RMB1,958 thousand for the six months ended 30 June 2025 to approximately RMB1,538 thousand for the six months ended 30 June 2026, generally consistent with the decrease in revenue.

Administrative Expenses

Our administrative expenses increased from approximately RMB7,505 thousand for the six months ended 30 June 2025 to approximately RMB18,106 thousand for the six months ended 30 June 2026, primarily due to the increase in expenses incurred by the Company to maintain post-listing compliance requirements.

Research and Development Expenses

The Group's research and development expenses decreased from approximately RMB8,593 thousand for the six months ended 30 June 2025 to approximately RMB7,079 thousand for the six months ended 30 June 2026, primarily due to fluctuation in the research and development project cycle.

Finance Costs

The Group's finance costs decreased from approximately RMB1,119 thousand for the six months ended 30 June 2025 to approximately RMB26 thousand for the six months ended 30 June 2026, mainly due to lower interest expenses on bank borrowings as a result of the decrease in our bank borrowings.

Income Tax Expense

The Group's income tax expense mainly refers to the total current income tax and deferred income tax expense of the Group under the relevant income tax rules and regulations in the jurisdictions where the Group operated in the current year. Income tax expenses decreased from approximately RMB6,100 thousand for the six months ended June 30, 2025 to approximately RMB380 thousand for the six months ended June 30, 2026, primarily due to a decrease in the total profits of the Group.

Impairment Losses under Expected Credit Loss

The Group's impairment losses recognised under expected credit loss increased from approximately RMB462 thousand for the six months ended 30 June 2025 to approximately RMB2,379 thousand for the six months ended 30 June 2026, mainly due to the increase in trade, bills and other receivables.

Profit for the Period

As the result of the foregoing, the Group's profit for the six months ended 30 June 2026 was approximately RMB4,375 thousand.

Liquidity and Financial Resources

The Group maintains sufficient cash and cash equivalents to maintain financial flexibility. Its primary sources of funds include cash generated from operating activities, bank loans, and proceeds from the listing of its H shares on the Stock Exchange. The Group available cash and cash equivalents comprise bank balances and bank deposits. The Group's cash and cash equivalents increased from approximately RMB442,441 thousand as of 31 December 2025 to approximately RMB523,531 thousand as of 30 June 2026, primarily due to the refund of RMB176,000 thousand received by Zhejiang Haiwei from Kunda Machinery in March 2026 and cash received from the exercise of the over-allotment option. The Group may require additional cash due to changing business conditions or other future developments. The Group expects that there will be no material changes in the financing available to support its operations in the future.

The Group maintains a robust capital ratio to support its business and manages its asset structure through the gearing ratio. The Group's gearing ratio (being the ratio of total liabilities to total assets) decreased from 3.12% as of 31 December 2025 to 2.91% as of 30 June 2026, primarily attributable to ample funds during the Period. Consequently, the Group repaid bank borrowings and settled amounts due to suppliers, further optimizing its financial structure.

The current ratio of the Group, which is calculated as current assets divided by current liabilities as at the end of each financial period, increased to approximately 27.26 times as of 30 June 2026 from approximately 21.74 times as of 31 December 2025, primarily due to (i) the increase in current assets resulting from the refund of RMB176,000 thousand received by Zhejiang Haiwei from Kunda Machinery in March 2026 and cash received from the exercise of the over-allotment option; and (ii) the decrease in current liabilities resulting from a decrease in interest-bearing bank borrowings.

Capital Commitments

The Group's capital commitments were mainly related to the acquisition of property, plant and equipment. The Group's capital commitments decreased from approximately RMB815,840 thousand as at 31 December 2025 to approximately RMB840 thousand as at 30 June 2026, primarily due to the termination of the Procurement Agreement by mutual agreement between the Group and Kunda Machinery in March 2026.

Capital Expenditures and Investments

The Group's capital expenditures and investments included payments for the purchase of property, plant and equipment, land use rights and financial assets. The Group's capital expenditures increased from approximately RMB5,144 thousand for the six months ended 30 June 2025 to approximately RMB70,362 thousand for the six months ended 30 June 2026, primarily due to the acquisition of land use rights for the Southern China Facility and an increase in investment in Sunshine Hydrogen.

Significant Investments Held

As of 30 June 2026, the Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures.

Pledge of Assets

As of 30 June 2026, the Group had no pledge of assets.

Off-Balance-Sheet Arrangements

As of 30 June 2026, the Group has not entered into, nor does it expect to enter into any off-balance-sheet arrangements.

Employees and Remuneration Policies

As of 30 June 2026, the Group had 231 employees. The Group primarily recruit personnel through our online channels by conducting structured recruitment programs in partnership with recruiting firms and other third-party platforms. The Group has also implemented an internal referral policy to attract qualified talent to join our team.

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

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

Contingent Liabilities

As of 30 June 2026, the Group had no contingent liabilities.

Foreign Exchange Risk

All of the Group's sales transactions are conducted within the PRC and are denominated in RMB. The Group is involved in procurement of raw materials settled in USD, but it is able to promptly pass on fluctuations in foreign exchange rates to its customers. As of 30 June 2026, the Group has not entered into any hedging arrangements in respect of foreign exchange risks, as such risks did not have a material adverse impact on the Group's operations. Net foreign exchange losses during the Reporting Period amounted to RMB13,874 thousand, compared with RMB947 thousand for the six months ended 30 June 2025, mainly due to the impact of fluctuations in the exchange rate of HKD against RMB, as the Proceeds were held in HKD. The Company is conducting foreign exchange settlement in an orderly manner in accordance with the fund usage plan as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and responsibility. The Board believes that high standards of corporate governance are crucial for providing the Group with a framework to protect shareholder interests, enhance corporate value, formulate business strategies and policies, and improve transparency. The Company has adopted the Corporate Governance Code as its own corporate governance code. During the Reporting Period, the Company has complied with all applicable provisions of the Corporate Governance Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

Model Code for Securities Transactions by Directors

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

After making specific inquiries to all Directors, the Directors have confirmed that they have complied with the Model Code during the Reporting Period. The Company has also established an inside information management policy to govern securities transactions by employees who, by virtue of their positions or employment, may have access to inside information regarding the Company or its securities, the terms of which are no less exacting than those of the Model Code. To the best knowledge of the Company, no incident of non-compliance of the regulations on information disclosure by the employees was noted by the Company during the Reporting Period.

Use of Proceeds from the Global Offering

The H Shares of the Company were listed on the Main Board of the Stock Exchange on 28 November 2025, after deducting of the underwriting fees, commissions and other related listing expenses, the total net proceeds of the Group's initial public offering amounted to approximately HKD451.76 million. On 25 December 2025, the over-allotment option described in the Prospectus was partially exercised, a total of 1,758,600 H Shares were allotted and issued by the Company, and after deducting the issuing expenses payable by the Company in respect of the partial exercise of the over-allotment option, the additional net proceeds received by the Company amounted to approximately HKD24.4 million (together with the net proceeds of approximately HKD451.76 million, the "**Net Proceeds**").

The Net Proceeds have been and will be allocated and utilized in accordance with the purposes and proportions set out in the Company's Prospectus, and the intended use of the Net Proceeds disclosed in the Prospectus has not changed.

The following table sets out the intended use of the Net Proceeds and a summary of their utilization as of 30 June 2026:

Intended Use of Net Proceeds	Allocation of Net Proceeds *(HKD million)*	Percentage to Total Net Proceeds	Net Proceeds Utilised as of 30 June 2026 *(HKD million)*	Balance of Net Proceeds Unutilised as at 30 June 2026 *(HKD million)*	Intended Timetable for Use of the Unutilised Net Proceeds[1]
(i) To fund the production capacity expansion of our capacitor films	390.5	82%	19.8	370.7	2027
(ii) To enhance our R&D capabilities	23.8	5%	0	23.8	2027
(iii) For sales and marketing activities	14.3	3%	2.7	11.6	2027
(iv) For working capital and other general corporate purposes	47.6	10%	47.6	0	N/A

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

MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Situation During the Reporting Period

Major economies around the world have set clear targets and are committed to achieving carbon neutrality or net-zero emissions around 2050, driving an accelerated transition from fossil fuels to renewable energy and strong demand for new energy vehicles, new energy power systems and industrial and household electronic and electrical equipment; Capacitors are indispensable core electronic components for these applications, delivering critical functions including energy storage, voltage stabilization and system performance enhancement. Among the three mainstream capacitor categories (ceramic, aluminium electrolytic and film capacitors), film capacitors stand out for their outstanding voltage resistance, high-frequency stability and long service life, with their market share rising steadily increase, supported by widening adoption in high-growth, high-reliability sectors such as new energy. In the first half of 2026, the global film capacitor market size was approximately US$4.23 billion, representing a year-on-year increase of approximately 5.8%; The global BOPP capacitor film market size is approximately US$1.126 billion, and is expected to reach US$1.653 billion by 2032, representing a CAGR of approximately 6.6% from 2026 to 2032. China's capacitor base film market has also maintained steady growth with persistent demand outpacing supply.

The industrial chain of capacitor films can be divided into three main segments: upstream raw materials, midstream manufacturing, and downstream applications. The core upstream raw material is electrical-grade polypropylene; this sector has a relatively high technical barrier, and global supply is relatively concentrated. The midstream segment involves the manufacture of capacitor films, which is one of the Group's core businesses. Its main products include capacitor base films and metallized films. The Group is one of the few companies among its domestic peers with the capability to independently design and develop capacitor base film production lines; all existing production lines have been designed, developed, and assembled in-house by the Group, which effectively shortens production line delivery cycles compared to the industry average. The downstream market encompasses multiple high-growth sectors, including new energy vehicles, new energy power systems, AI and data centers, and ultra-high-voltage power grids. Technological advancements across these downstream industries continue to drive growth in the value and market demand for film capacitors, and the Group has established deep business partnerships with leading industry players. From an industry perspective, both the global and domestic markets for capacitor base films are in a growth phase, and the industry as a whole is characterized by tight supply; The high-end capacitive film sector has a relatively high barrier to entry; new entrants must contend with multiple constraints, including capital investment in equipment, process development, and product certification, and the competitive landscape favors existing market leaders. In response to the market opportunities presented by the rapid development of downstream application sectors, the Group will continue to focus on the research and development of high-end products, such as base films for ultra-thin capacitors, while simultaneously advancing efforts to localize the production of upstream raw materials, thereby further solidifying its technological advantages and strengthening the stability of its supply chain. Leveraging its accumulated technological expertise, established customer base, plans for production capacity expansion, and the benefits of industry growth, the Group will capitalize on this window of opportunity for industrial development to continuously consolidate and enhance its market position within the industry.

II. Principal Business Activities During the Reporting Period

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

1. Capacitor Base Films – Capacitor base films serve as the dielectric in film capacitors, determining their performance. Capacitor base films represent the largest portion of the Group's revenue, accounting for 91.9%, 71.8%, 72.8%, 78.8%, and 75.5% of the Group's total revenue in 2022, 2023, 2024, 2025, and the six months ended 30 June 2026, respectively.

2. Metallized Films – Before capacitor base films are used in film capacitors, one side of the film needs to be coated with a metal layer, transforming it into a metallized film. This metal layer acts as the electrode in film capacitors. Although the Group's customers typically use the capacitor base films provided by us to produce metallized films themselves, they may directly purchase metallized films from the Group due to limited production capacity.

III. Analysis on Core Competitiveness

The Group possesses significant core competitive advantages in the capacitor film industry and has established a multi-dimensional competitive landscape centered on technological R&D, customer resources, capacity layout, and digitalized office operations.

1. Technological R&D advantages constitute the Group's most core competitive moat. During the Reporting Period, the Group is the only enterprise among major capacitor film manufacturers in China that boasts the capability to independently design and develop capacitor base film production lines. As of 30 June 2026, all five of the Group's existing capacitor base film production lines have been independently designed, developed, and assembled. The delivery cycle for these production lines is approximately eight months, significantly shorter than the industry average of three to five years. Leveraging this core technological advantage, the Group can flexibly adjust production line parameters according to customer needs, offering multi-specification products with thicknesses ranging from 2.7 microns to 13.8 microns to meet the differentiated demands of various end-use applications such as new energy vehicles, new energy power systems, AI, and data centers.

2. Deeply bound customer resources are an important guarantee of the Group's market competitiveness. The Group has formed strategic synergies with leading downstream customers. BYD became a shareholder of the Company in 2023. As of the date of this announcement, BYD holds approximately 3.77% of the Shares of the Company. This dual "shareholder + customer" engagement model not only ensures stable sales channels but also helps the Group to gain deep insights into the development trends of the downstream new energy vehicle and new energy power system industries, achieving long-term collaborative growth with its key customers. The Company further strengthened its partnership with Faratronic. For the six months ended 30 June 2026, the Group's sales volume and sales revenue generated from Faratronic increased by 32.66% and 14.77%, respectively, as compared with the corresponding period in 2025.

3. Precisely seizing emerging market opportunities is an important driving force for the Group's sustained growth. With the explosive growth of the AI industry, AI server power systems have imposed higher requirements on high-frequency stability, high-voltage endurance, long service life and high reliability of supporting film capacitors, which has created significant new incremental market demand for core products of the Group. Leveraging our deep accumulated technological expertise in the R&D and manufacturing of ultra-thin capacitor base films, the Group have successfully achieved market entry in this fast-growing emerging sector. The rapid development of downstream sectors such as new energy vehicles, photovoltaic energy storage, and AI, bring broad market opportunities for the Group.

4. Capacity layout and supply chain optimization are important supports for the Group's future growth. The Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on 28 November 2025. The Proceeds raised will be primarily used to expand capacity by constructing Southern China Facility, research and develop cutting-edge technologies such as ultra-thin capacitor base films with thicknesses below 2.5 microns, and promote the domestic substitution of raw materials. The Group's capital management principles of strictly controlling investment risks and ensuring the safety of funds leave sufficient flexibility for future production capacity construction.

   During the Reporting Period, the Group made progress in the preliminary preparations for its Southern China Facility project. In February 2026, the land use rights for 79,137 sq.m. of Class II industrial land in Changxing County, Huzhou City, Zhejiang Province were acquired through bidding for a land grant fee of RMB47.96 million and a grant term of 50 years. In March of the same year, the formal real estate ownership certificate was obtained. The timing of completion of the Southern China Facility will depend on, among others, the Group's business development needs, the Group's financial position, relevant policy and financing support, market demand and the progress of construction. The Company will provide updates on any material developments in due course in accordance with the applicable requirements of the Listing Rules.

5. Digital office solutions and internal control upgrades. During the Reporting Period, the Group continued to advance the digitalisation of its office operations and its internal control system. The Group implemented a collaborative office platform, and its associated process approval system, which covers all core business segments, including procurement management, production and operations, sales, and contract management. Leveraging capabilities such as system-level access control, approval workflow configuration, and operation logging, the system enables the online processing of various business matters and ensures full traceability throughout the entire process. It breaks down barriers to interdepartmental collaboration, continuously strengthens the Group's internal control foundation, enhances overall operational efficiency and risk management standards, and provides a solid foundation for the Group's standardized operations and high-quality development.

IV. Future Prospects of the Company's Development

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

1. Technology Autonomy Deepening Strategy. The Group is the only enterprise among major capacitor film manufacturers in China that boasts the capability to independently design and develop capacitor base film production lines. In the future, the Group will continue to bring into play this core advantage to further optimize production line design, shorten delivery cycles, reduce investment costs, and simultaneously make breakthroughs in manufacturing technologies for ultra-thin capacitor base films with thicknesses below 2.5 microns to maintain technological leadership in high-end products.

2. Industrial Chain Extension Strategy. The Group has completed a full industrial chain layout covering "capacitor base films + metallized films" and will continue to improve industrial chain synergy to enhance product added value. Meanwhile, the Group has extended its business to the field of composite copper foil base films. We are expanding application scenarios for new lithium battery materials and creating new growth curves through joint R&D with an A-share listed company.

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

4. With the rapid development of the artificial intelligence industry, market demand for computing power continues to grow. The Group has noted the potential development opportunities in the AI computing power leasing business sector and is currently at a preliminary assessment and research stage. As at the date of this announcement, the Group has not yet taken any specific implementation actions, entered into any relevant agreements, nor made any capital commitments in relation to this business direction. There remains significant uncertainty as to whether and when the Group will pursue such business. Any decision will depend on, among others, the relevant industry developments, the Group's ability to establish the necessary capabilities, the Group's financial position, the Group's overall business development strategy and comprehensive assessment of commercial viability.

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

During the Reporting Period, the Company or any of its subsidiaries did not purchase, sell, or redeem any securities of the Company listed on the Stock Exchange (including the sale of treasury shares). As of 30 June 2026, the Company held no treasury shares as defined under the Listing Rules.

DIRECTORS' RIGHTS TO SUBSCRIBE FOR SHARES OR DEBENTURES

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

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

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

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of interim dividends for the six months ended 30 June 2026. There were no arrangements where shareholders waived or agreed to waive any dividends.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in accordance with the Corporate Governance Code. The members of the Audit Committee comprise two independent non-executive Directors and one non-executive Director, namely Mr. Yu Qing (Chairman of the Audit Committee), Mr. Zhang Hao, and Ms. Zhong Ying. The Audit Committee has considered and reviewed the unaudited interim financial information of the Group for the Reporting Period, and discussed with members of the senior management matters concerning the accounting policies and practices adopted by the Company and internal controls. The Audit Committee is of the view that these interim results have been prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

SUBSEQUENT EVENT AND MATERIAL CHANGES

The Board is not aware of any material events that may affect the Group since 30 June 2026 to the date of this announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement has been published on the websites of the Company (www.haiwei.net) and the Stock Exchange (www.hkexnews.hk). The 2026 interim report will be dispatched to shareholders in due course and will also be available at the Company's and the Stock Exchange's websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

"Audit Committee"	The Audit Committee of the Board of Directors
"Board" or "Board of Directors"	The Board of Directors of the Company
"CAGR"	compound annual growth rate
"Corporate Governance Code"	The Corporate Governance Code as set out in Appendix C1 of the Hong Kong Listing Rules
"China" or "the PRC"	the People's Republic of China
"Company Law"	The Company Law of the People's Republic of China

"Company"	Hebei Haiwei Electronic New Material Technology Co., Ltd. (formerly known as Hebei Haiwei Group Electronic Material Co., Ltd. and Hebei Haiwei Electronic Material Co., Ltd.), which was initially incorporated under the laws of the PRC as a limited liability company on 6 September 2006 and was subsequently converted into a joint stock company with limited liability on 11 January 2023, and listed on the Main Board of the Hong Kong Stock Exchange on 28 November 2025 (Stock Code: 09609)
"Director(s)"	the director(s) of the Company
"Domestic" or "Mainland"	Mainland China (for the purpose of this announcement only, excluding Hong Kong, Macau, and Taiwan)
"H Share(s)"	The overseas listed foreign ordinary shares of the Company with a par value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HKD
"Haowei Electronic"	Ningguo Haowei Electronic Technology Co, Ltd. (寧國市浩偉電子科技有限公司), a limited liability company established under the laws of the PRC on 6 January 2021
"Hong Kong Dollar" or "HKD"	Hong Kong dollar, the lawful currency of Hong Kong
"HK" or "Hong Kong"	The Hong Kong Special Administrative Region of China
"Hong Kong Listing Rules" or "Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"International Financial Reporting Standards"	International Financial Reporting Standards, including the standards, amendments, and interpretations issued by the International Accounting Standards Board, as well as international accounting standards and interpretations issued by the International Accounting Standards Committee
"Global Offering"	The Company offered H shares for subscription; details are set forth in the Prospectus

"Group" or "We"	The Company and its consolidated subsidiaries
"Model Code"	Appendix C3 to the Hong Kong Listing Rules, The Model Code for Securities Transactions by Directors of Listed Issuers
"Procurement Agreement"	the procurement agreement in relation to the procurement of BOPP film production line supporting equipment entered into between Zhejiang Haiwei and Kunda Machinery on 15 December 2025, and terminated on 27 March 2026
"Proceeds"	the net proceeds arising from the Global Offering, taking into account the net proceeds arising from the partial exercise of the over-allotment option on 25 December 2025
"Prospectus"	The prospectus of the Company for the Global Offering dated 20 November 2025
"Reporting Period" or "Period"	The six months ended 30 June 2026
"RMB"	Renminbi, the lawful currency of Mainland China
"Share(s)"	Ordinary share in the share capital of the Company with a par value of RMB1.00 each
"Shareholder(s)"	holder(s) of our share(s)
"Southern China Facility"	the Company's new manufacturing facility for capacitor base films in Southern China
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rule unless the context otherwise requires
"US$"	United States dollars, the lawful currency of the United States
"Year-on-year"	A comparison with the corresponding period of the previous year

"Zhejiang Haiwei"	Zhejiang Haiwei Electronic New Materials Co., Ltd. (浙江海偉電子新材料有限公司), a limited liability company established under the laws of the PRC on 23 September 2025 and a wholly-owned subsidiary of the Company
"%"	Percentage

By order of the Board of Directors
Hebei Haiwei Electronic New Material Technology Co., Ltd.
Song Wenlan
Chairman of the Board and Executive Director

Hebei, the PRC, August 25, 2026

As of the date of this announcement, the Board of Directors comprises (i) Mr. Song Wenlan, Mr. Cao Chaozhi, Mr. Sheng Zhixuan, and Mr. Liu Qingbin as executive Directors; (ii) Ms. Zhong Ying as non-executive Director; and (iii) Ms. Gu Qun, Mr. Zhang Hao, and Mr. Yu Qing as independent non-executive Directors.