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Electronics

比亞迪電子(國際)有限公司
BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)

(Stock code: 285)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

Revenue	1.22%	To RMB179,477 million
Gross profit	-12.56%	To RMB10,757 million
Profit attributable to owners of the parent	-17.61%	To RMB3,515 million
EBITDA	-10.35%	To RMB10,453 million
Earnings per share	-17.61%	To RMB1.56
Proposed final dividend		RMB0.156 per share

HIGHLIGHTS

- The smart terminal components business decreased due to changes in customer demand, while the assembly business recorded year-on-year growth.
- Driven by increases in both product categories and shipment volumes, the new energy vehicle business sustained rapid growth.
- The server business has achieved steady growth. Focusing on core products such as liquid cooling and power, a new growth engine for AI computing infrastructure is being built.

FINANCIAL RESULTS

The Board (“Board”) of Directors (the “Directors”) of BYD Electronic (International) Company Limited (the “Company” or “BYD Electronic”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 (the “Year”) together with comparative figures in 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
REVENUE	4	179,477,404	177,305,549
Cost of sales		<u>(168,720,739)</u>	<u>(165,004,243)</u>
Gross profit		<u>10,756,665</u>	<u>12,301,306</u>
Other income and gains	4	1,201,759	1,347,935
Government grants and subsidies	5	767,504	327,449
Research and development expenses		(4,464,997)	(4,889,311)
Selling and distribution expenses		(1,878,319)	(1,888,464)
Administrative expenses		(1,649,294)	(1,596,566)
Reversal of/(impairment) losses on financial assets, net		55,807	(43,889)
Loss on disposal of financial assets measured at amortised cost		(42,000)	–
Other expenses		(455,478)	(297,190)
Finance costs	6	<u>(370,306)</u>	<u>(520,854)</u>
PROFIT BEFORE TAX	7	3,921,341	4,740,416
Income tax expense	8	<u>(406,769)</u>	<u>(474,778)</u>
PROFIT FOR THE YEAR		3,514,572	4,265,638
Attributable to owners of the parent		<u><u>3,514,572</u></u>	<u><u>4,265,638</u></u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted – For profit for the year		<u><u>RMB1.56</u></u>	<u><u>RMB1.89</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Year ended 31 December 2025*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>3,514,572</u>	<u>4,265,638</u>
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Receivables financing:		
Changes in fair value	<u>1,006</u>	<u>(202)</u>
Exchange differences on translation of foreign operations	<u>(53,955)</u>	<u>18,063</u>
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	<u>(52,949)</u>	<u>17,861</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	<u>(52,949)</u>	<u>17,861</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>3,461,623</u>	<u>4,283,499</u>
Attributable to owners of the parent	<u>3,461,623</u>	<u>4,283,499</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2025*

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		17,798,131	17,113,075
Right-of-use assets		2,142,297	2,027,029
Prepayments, other receivables and other assets		588,244	1,498,986
Goodwill	<i>15</i>	4,361,657	4,361,657
Other intangible assets		2,777,131	3,706,376
Deferred tax assets		817,144	803,248
Other non-current financial assets		449,878	421,322
Total non-current assets		28,934,482	29,931,693
CURRENT ASSETS			
Inventories		18,481,951	18,088,651
Trade receivables	<i>10</i>	14,893,165	32,306,016
Receivables financing	<i>11</i>	105,879	471,346
Prepayments, other receivables and other assets		2,679,587	2,497,424
Financial assets at fair value through profit or loss		2,155,183	–
Pledged deposits		–	50
Restricted deposits		2,809,749	–
Cash and cash equivalents		13,552,178	7,052,024
Total current assets		54,677,692	60,415,511
Total assets		83,612,174	90,347,204
CURRENT LIABILITIES			
Trade and bills payables	<i>12</i>	29,476,037	35,331,180
Other payables, other liabilities and accruals		8,403,807	7,684,380
Lease liabilities		607,651	359,955
Derivative financial instruments		79,406	–
Tax payable		876,755	942,850
Interest-bearing loans		7,183,992	6,504,965
Total current liabilities		46,627,648	50,823,330
NET CURRENT ASSETS		8,050,044	9,592,181
TOTAL ASSETS LESS CURRENT LIABILITIES		36,984,526	39,523,874

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Interest-bearing loans		–	4,302,368
Deferred tax liabilities		711,063	922,958
Lease liabilities		1,098,888	1,292,217
Deferred income		276,717	239,839
Provision		455,908	364,828
		<hr/>	<hr/>
Total non-current liabilities		2,542,576	7,122,210
		<hr/>	<hr/>
Net assets		34,441,950	32,401,664
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Share capital	<i>13</i>	4,052,228	4,052,228
Reserves		30,389,722	28,349,436
		<hr/>	<hr/>
Total equity		34,441,950	32,401,664
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS

31 December 2025

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results for the year ended 31 December 2025 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (chapter 622 of the laws of Hong Kong) (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2025 in due course.

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in Hong Kong with limited liability on 14 June 2007.

The Company's shares have been listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 20 December 2007.

The registered office of the Company is located at Unit 505-510, 5/F, Core Building 1E, 1 Science Park E Avenue, Science Park, Pak Shek Kok, Tai Po, Hong Kong.

The Group is a global leading provider of high-tech and innovative products, providing customers around the world with one-stop product solutions relying on its core advantages in electronic information, AI, 5G and Internet of Things, thermal management, new materials, precision molds and digital manufacturing technologies. The Group engages in diversified market segments, such as smart phones, computers, new energy vehicles, AI computing infrastructure, smart home, game hardware, unmanned aerial vehicles, 3D printers, Internet of Things, robots and communication equipment.

In the opinion of the directors, the immediate holding company of the Company is Golden Link Worldwide Limited, an enterprise incorporated in the British Virgin Islands, and the ultimate holding company of the Company is BYD Company Limited, a company established in the PRC whose H shares are listed on the Stock Exchange and A shares are listed on the Main Board of Shenzhen Stock Exchange.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name	Place of incorporation or registration and operations	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Lead Wealth International Limited ("Lead Wealth") (領裕國際有限公司) ***	British Virgin Islands	US\$50,000	–	100	Investment holding
BYD Precision Manufacture Co., Ltd. ("BYD Precision") (比亞迪精密製造有限公司)*	PRC/Chinese Mainland	US\$145,000,000	–	100	Manufacture and sale of mobile handset components, modules and other products
Huizhou BYD Electronic Co., Limited ("Huizhou Electronic") (惠州比亞迪電子有限公司)**	PRC/Chinese Mainland	US\$110,000,000	–	100	High-level assembly
Xi'an BYD Electronic Co., Limited ("Xi'an Electronic") (西安比亞迪電子有限公司) *	PRC/Chinese Mainland	RMB100,000,000	–	100	Manufacture and sale of mobile handset components and other products
BYD (Changsha) Electronic Co., Limited ("Changsha Electronic") (長沙比亞迪電子有限公司) *	PRC/Chinese Mainland	RMB50,000,000	–	100	Manufacturing and sales of smart products
Chengdu BYD Electronics Co., Ltd. (成都比亞迪電子有限公司) **	PRC/Chinese Mainland	US\$1,200,868,285	–	100	Manufacture and sale of components for consumer electronics products
Wuxi BYD Electronics Co., Ltd. (無錫比亞迪電子有限公司)*	PRC/Chinese Mainland	RMB1,287,833,100	–	100	Manufacture and sale of components for consumer electronics products

* These subsidiaries are registered as wholly-foreign-owned enterprises under PRC law.

** These subsidiaries are registered as Sino-foreign joint ventures under PRC law.

*** These subsidiaries are registered as wholly-foreign-owned enterprises under foreign law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with HKFRS accounting standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss, receivables financing and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to HKFRS Accounting Standards-Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS accounting standards.) HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 Financial Instruments: Disclosures:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- **HKAS 7 Statement of Cash Flows:** The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group’s financial statements.

3. OPERATING SEGMENT INFORMATION

The Group’s primary business is the manufacture, assembly and sale of mobile handset components, modules and other products. For management purposes, the Group is organised into one operating segment based on industry practice and management’s vertical integration strategy. Management monitors the results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. No further analysis thereof is presented. Segment performance is evaluated based on the revenue and profit before tax which is consistent with the Group’s revenue and profit before tax.

Geographical information

(a) *Revenue from external customers*

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
PRC (including Hong Kong, Macau and Taiwan)	60,439,038	55,791,549
Overseas	119,038,366	121,514,000
Total revenue	<u>179,477,404</u>	<u>177,305,549</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025 RMB'000	2024 <i>RMB'000</i>
PRC (including Hong Kong, Macau and Taiwan)	20,773,151	23,101,477
Overseas	2,532,652	1,243,565
Total non-current assets	23,305,803	24,345,042

The non-current asset information above is based on the locations of the assets and excludes goodwill, equity investments and deferred tax assets.

Information about major customers

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

	2025 RMB'000
Customer A ¹	99,515,554
Customer B ¹	26,104,908
	2024 <i>RMB'000</i>
Customer A ¹	97,471,729
Customer B ¹	19,337,642

¹ Revenue from major customers comes from the sale of mobile handset components, modules and other products.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	<u>179,477,404</u>	<u>177,305,549</u>

Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December 2025

Segments

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of goods or services		
Sale of mobile handset components, modules and other products	178,355,253	175,563,514
Rendering of services	<u>1,122,151</u>	<u>1,742,035</u>
Total	<u>179,477,404</u>	<u>177,305,549</u>

Geographical markets

PRC (including Hong Kong, Macau, and Taiwan)	60,439,038	55,791,549
Overseas	<u>119,038,366</u>	<u>121,514,000</u>
Total	<u>179,477,404</u>	<u>177,305,549</u>

Timing of revenue recognition

Goods transferred at a point in time	178,905,045	176,258,159
Services transferred over time	<u>572,359</u>	<u>1,047,390</u>
Total	<u>179,477,404</u>	<u>177,305,549</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of mobile handset components, modules and other products	<u>603,652</u>	<u>1,090,627</u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 are as follows:

	2025 RMB'000 VAT exclusive	2024 <i>RMB'000</i> VAT exclusive
Within one year	1,027,628	618,943
More than one year	75,200	59,909
Total	1,102,828	678,852

	2025 RMB'000	2024 <i>RMB'000</i>
Other income		
Bank interest income	377,040	307,997
Sale of scrap and materials	142,420	206,420
Compensation from suppliers and customers	81,978	85,297
Exchange gain, net	–	330,991
Others	600,321	417,230
Total	1,201,759	1,347,935

5. GOVERNMENT GRANTS AND SUBSIDIES

	2025 RMB'000	2024 <i>RMB'000</i>
Related to assets		
Subsidies related to assets	71,540	84,289
Related to income		
Subsidies on operating expense	626,030	179,675
Others	69,934	63,485
Total	767,504	327,449

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on borrowings	294,233	447,766
Interest on lease liabilities	76,073	73,088
Total	<u>370,306</u>	<u>520,854</u>

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold [#]	168,000,035	163,227,839
Cost of services provided [#]	805,173	1,324,957
Depreciation of property, plant and equipment	4,662,189	4,875,202
Depreciation of right-of-use assets	568,900	590,396
Lease payments not included in the measurement of lease liabilities	176,766	236,793
Auditors' remuneration	1,440	1,440
Amortisation of other intangible assets	930,337	932,779
Employee benefit expense (excluding directors', supervisors' and senior executive officers' remuneration):		
– Wages and salaries	15,850,338	17,166,292
– Retirement benefit scheme contributions	2,190,892	1,799,452
– Share-based payment expenses	65,191	–
Total	<u>18,106,421</u>	<u>18,965,744</u>
(Reversal of)/impairment of trade receivables, net	(55,760)	43,479
(Reversal of)/write-down of inventories to net realisable value [#]	(84,469)	451,447
(Reversal of)/impairment of other receivables, net	(47)	410
Loss on disposal of items of property, plant and equipment	38,518	191,737
Fair value loss/(gains), net:		
Derivative instruments	79,406	(5,224)
Other non-current financial assets	(28,556)	(49,222)
Foreign exchange loss/(gains), net	<u>213,024</u>	<u>(330,991)</u>

[#] Cost of inventories sold, Cost of services provided and Write-down of inventories to net realisable value are included in "Cost of sales" in the consolidated statement of profit or loss

8. INCOME TAX

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

Under the relevant income tax law, the PRC subsidiaries are subject to corporate income tax (“CIT”) at a statutory rate of 25% on their respective taxable income during the year.

BYD Precision renewed its status of a high and new technology enterprise in 2024, and was entitled to a reduced enterprise income tax rate of 15% from 2024 to 2026.

Huizhou Electronic renewed its status of a high and new technology enterprise in 2024, and was entitled to a reduced enterprise income tax rate of 15% from 2024 to 2026.

Xi’an Electronic which operates in the Chinese mainland was entitled to a reduced enterprise income tax rate of 15% of the estimated assessable profits for the year pursuant to the Western Development Policy.

Chengdu Electronic which operates in the Chinese mainland was entitled to a reduced enterprise income tax rate of 15% of the estimated assessable profits for the year pursuant to the Western Development Policy.

Shantou Electronic renewed its status of a high and new technology enterprise in 2023, and was entitled to a reduced enterprise income tax rate of 15% from 2023 to 2025.

Taxes on taxable profits overseas have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The major components of the income tax expense for the year are as follows:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Current –China		
Charge for the year	564,665	925,766
Current – Elsewhere – income taxes (excluding Pillar Two income)	5,481	5,664
Pillar Two income taxes – current tax	62,413	9,435
	<u>632,559</u>	<u>940,865</u>
Deferred	<u>(225,790)</u>	<u>(466,087)</u>
Total tax charge for the year	<u><u>406,769</u></u>	<u><u>474,778</u></u>

A reconciliation of the tax expense/(credit) applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2025 <i>RMB’000</i>	%	2024 <i>RMB’000</i>	%
Profit before tax	<u>3,921,341</u>		<u>4,740,416</u>	
Tax at the applicable tax rate	980,334	25	1,185,104	25
Effect of different tax rates applicable to certain subsidiaries	(449,576)	(11)	(481,487)	(10)
Expenses not deductible for tax	28,532	1	32,624	1
Research and development costs and other super-deduction as required by taxation laws	(200,942)	(5)	(280,428)	(6)
Tax losses utilised from previous periods	(57,692)	(1)	(148,377)	(3)
Tax losses and deductible differences not recognised	43,700	1	157,907	3
Pillar Two income taxes – current tax	62,413	2	9,435	–
Tax charge at the Group’s effective rate	<u><u>406,769</u></u>	<u><u>10</u></u>	<u><u>474,778</u></u>	<u><u>10</u></u>

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in Hong Kong and certain other jurisdictions where a domestic minimum top-up tax has not been implemented. The Group will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2025 in certain jurisdiction in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, a Pillar Two tax provision amounted to RMB62,413,000 had been provided by the Group in respect of profits earned in certain jurisdiction where the Pillar Two effective tax rate is below 15% due to certain income exclusions and incentives received. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount for the year is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,248,189,500 (2024: 2,253,204,500) outstanding during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding during those years.

The calculation of basic and diluted earnings per share are based on:

	2025	2024
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	3,514,572	4,265,638
Less: net profit attributable to unvested restricted shares	11,068	–
Adjusted profit attributable to ordinary equity holders of the parent	<u>3,503,504</u>	<u>4,265,638</u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<u>2,248,189,500</u>	<u>2,253,204,500</u>

10. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	14,931,606	32,399,262
Impairment	<u>(38,441)</u>	<u>(93,246)</u>
Net carrying amount	<u><u>14,893,165</u></u>	<u><u>32,306,016</u></u>

The Group's trading terms with its customers are mainly on credit. The credit period is generally two to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. At the end of the reporting period, the Group had a certain concentration of credit risk as 50% (2024: 49%) and 68% (2024: 61%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables as at the end of the reporting period, based on revenue recognition and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	14,553,789	31,715,854
91 to 180 days	328,748	578,315
181 to 360 days	<u>10,628</u>	<u>11,847</u>
Total	<u><u>14,893,165</u></u>	<u><u>32,306,016</u></u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	93,246	49,972
Impairment losses, net	(55,760)	43,479
Amount written off as uncollectible	<u>955</u>	<u>(205)</u>
At end of the year	<u><u>38,441</u></u>	<u><u>93,246</u></u>

There are no significant changes in the loss allowance.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns by product type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Aging as at 31 December 2025				Total
	Within 90 days	91 to 180 days	181 to 360 days	Over 1 year	
Expected credit loss rate	0.25%	0.25%	0.25%	100.00%	0.26%
Gross carrying amount (RMB'000)	14,583,548	329,572	10,654	7,832	14,931,606
Expected credit losses (RMB'000)	29,759	824	26	7,832	38,441

As at 31 December 2024

	Aging as at 31 December 2024				Total
	Within 90 days	91 to 180 days	181 to 360 days	Over 1 year	
Expected credit loss rate	0.29%	0.29%	0.29%	100.00%	0.29%
Gross carrying amount (RMB'000)	31,801,507	579,997	11,882	5,876	32,399,262
Expected credit losses (RMB'000)	85,653	1,682	35	5,876	93,246

The net carrying amount of due from the holding companies and fellow subsidiaries included in the above are as follows:

	2025 RMB'000	2024 RMB'000
Due from the ultimate holding company	157,471	157,134
Due from the intermediate holding company	146,779	143,763
Due from fellow subsidiaries	7,142,065	7,872,492
Due from other related parties	175	364
Total	<u>7,446,490</u>	<u>8,173,753</u>

The balances are unsecured, non-interest-bearing and on credit terms similar to those offered to the major customers of the Group.

11. RECEIVABLES FINANCING

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank acceptance bills	106,256	472,730
Less: other comprehensive income – change in fair value	377	1,384
Total	<u>105,879</u>	<u>471,346</u>

The Company has changed the business model for a portion of its receivables to target both to receive the contractual cash flows when due and the sales. Accordingly, this portion of the receivables is classified as a financial asset at fair value through other comprehensive income (which can be reclassified to profit or loss in subsequent periods).

The Group reclassified bills receivable into financial assets at fair value through other comprehensive income, presented as receivables financing. As of 31 December 2025, the Group did not have any accumulated impairment provision for receivables financing (31 December 2024: Nil).

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	29,448,177	35,293,870
1 to 2 years	15,307	29,492
Over 2 years	12,553	7,818
Total	<u>29,476,037</u>	<u>35,331,180</u>

The trade payables are non-interest-bearing and normally settled within one year.

The balances due to the holding companies, fellow subsidiaries and other related companies included in the above are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Due to the ultimate holding company	134,946	233,081
Due to the intermediate holding company	12,005,074	10,485,778
Due to fellow subsidiaries	3,241,464	12,516,371
Total	<u>15,381,484</u>	<u>23,235,230</u>

The balances are unsecured, non-interest-bearing and repayable on demand.

13. SHARE CAPITAL

Shares

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Issued and fully paid 2,253,204,500(2024: 2,253,204,500) ordinary shares	4,052,228	4,052,228

14. DIVIDENDS

The Board has resolved to declare a final dividend for the year ended 31 December 2025 of RMB0.156 per ordinary share (for the year ended 31 December 2024: RMB0.568 per share). The proposed final dividend is subject to consideration and approval at the Company's annual general meeting (the "AGM").

The final dividend will be denominated and declared in RMB but will be paid in Hong Kong dollars. The exchange rate for the dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Hong Kong dollars to RMB as announced by the People's Bank of China during the five business days prior to the date of declaration of the dividend at the AGM.

The Company will issue announcement, circular and notice of AGM regarding the AGM in accordance with the Listing Rules and the Articles of Association of the Company. The Company will also make separate announcement regarding the record date and date of closure of register of members for the payment of the final dividend. It is expected that the final dividend will be distributed before 9 August 2026.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Proposed final RMB0.156 (2024: RMB0.568) per ordinary share	351,500	1,279,820

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

15. GOODWILL

RMB'000

At 1 January 2024

Cost and net carrying amount at 1 January 2024, 31 December 2024,
1 January 2025 and 31 December 2025

4,361,657

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the Juno Newco Target Holdco Singapore Pte. Ltd. ("Juno Newco") and its subsidiaries as a cash-generating unit for impairment testing:

The recoverable amount of the Juno Newco and its subsidiaries has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management.

The pre-tax discount rate applied to the cash flow projections, the revenue growth rate and the terminal growth rate used to extrapolate the cash flows of the cash-generating unit beyond the five-year period are as follows:

31 December 2025

Revenue growth rate	2.0-5.0%
Pre-tax discount rate	14.67%
Terminal growth rate	2.00%

Revenue growth rate – The rate reflects management's estimation of future market development.

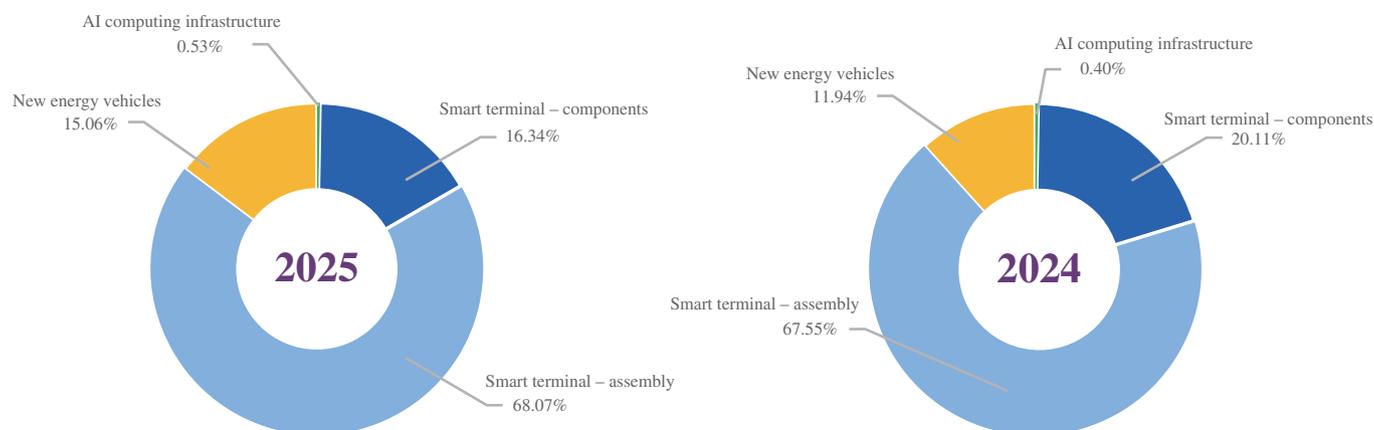
Pre-tax discount rate – The rate reflects management's estimate of the risks specific to the unit.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a global leading provider of high-tech and innovative products, providing customers around the world with one-stop product solutions relying on its core advantages in electronic information, AI, 5G and Internet of Things, thermal management, new materials, precision molds and digital manufacturing technologies. The Group engages in diversified market segments, such as smart phones, computers, new energy vehicles, AI computing infrastructure, smart home, game hardware, unmanned aerial vehicles, 3D printers, Internet of Things, robots and communication equipment. As a participant and driver of industry development, the Group consistently anchors its future direction with strategic foresight, continuously consolidates its R&D and smart manufacturing strengths, expands its business boundaries, and focuses on building long-term core competitiveness that transcends cycles to achieve sustainable, high-quality growth.

In 2025, against the backdrop of multiple challenges in the global economy, international trade frictions intensified, policy uncertainties rose, and the growth rate of the world economy continued to face pressure. With the support of proactive and robust macroeconomic policies, China's economy demonstrated strong resilience and vitality. The main economic and social development goals for the year were successfully achieved, with the national economy maintaining a stable and positive trajectory while advancing toward new and higher levels of quality. China's GDP grew by 5.0% year-on-year in 2025, injecting significant momentum into the global economy. Facing multiple challenges in the global political and economic environment, the Group demonstrated strong resilience and comprehensive strength, continuing to expand its market presence and improve the business layout. While maintaining prudent operations in existing businesses and enhancing efficiency, the Group continuously strengthened its core competitiveness and accelerates its expansion into promising emerging sectors. In 2025, despite macroeconomic challenges dampening consumer confidence, the Group actively consolidated its leadership position in the high-end product supply chain while continuously expanding collaborations with domestic and overseas clients, driving steady growth in the smart terminal business segment. Against the backdrop of rapid development in AI computing infrastructure, the AI server business proactively cultivated by the Group experienced rapid growth and emerged as a new driver of the Group's business expansion. Meanwhile, shipments of various automotive products achieved rapid growth, with the new energy vehicle segment maintaining strong momentum. In 2025, the Group recorded sales of approximately RMB179,477 million, representing a year-on-year increase of approximately 1.22%. Profit attributable to shareholders in 2025 decreased by approximately 17.61% year-on-year to approximately RMB3,515 million.



In the smart terminal sector, the deep integration of emerging technologies such as AI and IoT is reshaping the technological landscape, driving the expansion of smart terminal application scenarios and market upgrades. However, amid the dual pressures of an unstable macroeconomic environment and weak consumer confidence, overall market momentum has slowed down. During the period, the smartphone market achieved moderate growth despite challenges including tariff fluctuations, supply chain disruptions and macroeconomic pressures in multiple countries. According to IDC statistics, global smartphone shipments rose by 1.9% year-on-year to 1.26 billion units in 2025, while global PC shipments increased by 8.1% to 285 million units. Data from Omdia shows that global tablet shipments reached approximately 162 million units in 2025, representing a year-over-year increase of 9.8%. Premiumization and technological breakthroughs are emerging as the core drivers of the smartphone industry, with leading manufacturers continuously strengthening their brand competitiveness through differentiated products. Foldable smartphones have rapidly emerged as a new trend in the high-end market, thanks to their groundbreaking design and interactive experience. Meanwhile, the introduction of emerging technologies such as generative AI and satellite communications has significantly expanded application boundaries and enhanced end-user experiences. As penetration of foldable smartphone continues to rise, manufacturers are accelerating the introduction of new specifications and innovative designs to expand their share of the high-end market. According to IDC data, China's foldable smartphone shipments grew 9.2% year-over-year to 10.01 million units in 2025. The high-end product series have continuously advanced in terms of technological iteration, product form and function upgrades, enhancing the value of the end products and expanding the boundaries of application scenarios. Simultaneously, it injects new growth momentum into the industrial chain while imposing higher demands on manufacturing processes and technical capabilities. Throughout the year, leveraging its leading technological edge and exceptional delivery capabilities, the Group continued to build technological and value moats, deepened collaborations with all client segments, and expanded its product portfolio. In the components business, the Group maintained its leadership position in the supply chains for high-end flagship smartphones of domestic and international clients, while continuously expanding collaborations in smart terminal sectors such as wearables and smart home devices. However, due to changes in demand of major customer for specific models, component revenue decreased year-over-year. In the assembly business, benefiting from the further increase in final assembly share for major overseas clients, our business scale has achieved slight growth year-over-year. During the year, the Group recorded RMB151,507 million in revenue in the smart terminal business segment, comprising approximately RMB29,331 million from components and approximately RMB122,176 million from assembly.

In the field of new energy vehicles, China maintains its global leadership position, with production and sales volumes topping the world for 11 consecutive years. Driven by both policy and innovation, China's new energy vehicle market maintains rapid growth while its industrial structure undergoes continuous optimization. In 2025, new energy vehicles accounted for 50.8% of domestic sales, surpassing traditional fuel vehicles for the first time. This milestone signifies that China's automotive industry has officially entered an era dominated by new energy vehicles. According to data from the China Association of Automobile Manufacturers, China's new energy vehicle production and sales reached 16.626 million units and 16.49 million units respectively in 2025, representing year-on-year growth of 29% and 28.2%. Exports of new energy vehicles are growing rapidly, with 2.615 million units exported in 2025, doubling that of the previous year. In 2025, China's new energy vehicle industry underwent a strategic transformation from "power transition" to "intelligent leap" through the widespread adoption of intelligent driving technologies, establishing itself as a benchmark sector for new quality productive forces. China has incorporated the intelligent connected vehicle industry into its national strategic emerging industries framework. Driven by the combined forces of policy, market, and technological advancements, advanced intelligent driving has entered an era of "Technology Equality" valued at trillions of dollars. This shift not only propels iterative upgrades in automotive technology but also sparks new demands across the entire industry while reshaping the competitive landscape. The widespread adoption of intelligent driving is accelerating, driving rapid growth in the penetration rate of intelligent driving systems. Data from the Gaogong Intelligent Vehicle Research Institute indicates that in 2025, China's domestic passenger vehicle market (excluding imports and exports) saw 2.0709 million units delivered with factory-installed standard urban Navigate on Autopilot (NOA) systems, up 155.83% year-on-year, with the penetration rate reaching 15.18%. Urban NOA is gradually penetrating the mid-to-high-end mainstream price segment from its initial positioning in premium models, emerging as a key driver for scaling up high-level driver assistance computing platforms. The Group possesses distinct first-mover technological advantages in intelligent cockpit systems, intelligent driving systems, intelligent suspension systems, thermal management, controllers and sensors. The Group has achieved multi-product supply and large-scale delivery, and will benefit from the growth of the new energy vehicle market and the advancement of intelligent capabilities. During the year, the Group's intelligent driving systems recorded steadily rising shipments, while its intelligent suspension systems achieved mass production for mainstream vehicle models, driving rapid shipment growth. Business scale for intelligent cockpit products and thermal management products continued to expand, with the new energy vehicle business segment maintaining robust growth. During the year, the Group's new energy vehicle business segment generated revenue of approximately RMB27,027 million, accounting for 15.06% of total revenue of the Group, representing a year-on-year increase of approximately 27.69%.

In the AI computing infrastructure sector, as the industry's focus shifts from model training to inference applications, hyperscale data centers and cloud service providers are ramping up investments to launch a new wave of application-side deployments. Global AI computing infrastructure development is accelerating, driving rapid expansion in markets for servers, liquid cooling, power and high-speed connectivity products. According to forecast of Global Market Insights, the global AI server market would reach US\$167.2 billion in 2025, growing at an annual rate of 30.6%. High-power chips and computing power growth pose challenges in thermal management and energy consumption. Thermal management technology has become a key factor constraining computing power development. Liquid cooling technology, with its advantages of efficient heat dissipation, energy savings, and low carbon footprint, is emerging as the inevitable choice for data center cooling. MarketsandMarkets forecast that the global data center liquid cooling market would reach US\$2.84 billion in 2025, representing a year-over-year growth rate of 44.9%. TrendForce forecast that the market penetration rate of liquid cooling technology would increase by 19 percentage points year-on-year to 33% in 2025. With the advancement of liquid cooling technology and expansion of its applications, suppliers possessing precision manufacturing capabilities and the ability to deliver full-stack liquid cooling solutions are poised to seize significant market opportunities. As individual AI chips surpass kilowatt-level power consumption and single-cabinet power surges toward megawatt-level, traditional low-voltage power supply systems can no longer support the explosive growth in computing power. This has accelerated the adoption of 800V high-voltage direct current (HVDC) architecture in AI data centers. The Group actively seizes market opportunities arising from AI development, implementing a comprehensive strategic planning centered on core AI computing infrastructure products. The Group has developed integrated solutions encompassing servers, liquid cooling, power supplies, and high-speed connectivity. One of the Group's core strengths lies in its ability to transfer and reuse technologies across different fields. Leveraging deep technological experience across the entire industry chain accumulated in the intelligent terminal field, which covers a complete range of capabilities from material R&D, mold design, precision component development to automated manufacturing, as well as thermal management and power supply technologies successfully deployed in the automotive business, the Company deeply integrated and innovatively applied the technological advantages from both fields to rapidly empower the development of new AI computing infrastructure products. During the year, the Group has secured multiple new server clients, with server shipments showing year-on-year growth. A number of liquid cooling products have been certified and have commenced small-scale trial production, and several power supply products are currently under active development, injecting fresh momentum into the Group's business growth. During the year, the Group's AI computing infrastructure business segment recorded revenue of approximately RMB943 million, representing a year-on-year increase of approximately 31.70%.

R&D and Innovation

Through years of dedicated expertise in innovative materials, precision molds and equipment, product software and hardware development, and large-scale manufacturing of components and complete systems, the Group has established a comprehensive technology chain spanning fundamental research, product development, and system-level delivery. This has forged a unique and difficult-to-replicate competitive advantage. Our robust technological platform continuously drives the enhancement of the Group's R&D and innovation capabilities, fostering breakthroughs in cross-industry products and ensuring the sustainable development of our business.

The Group has continuously strengthened its intellectual property portfolio and increased investment in technological barriers for new businesses and high-growth-potential products. As of 31 December 2025, the Group had filed a cumulative total of 12,010 patent applications and obtained 8,279 authorized patents, with a significant year-on-year increase in newly added patents related to AI computing infrastructure. In 2025, the Group invested approximately RMB4,465 million in research and development, accounting for 2.49% of total revenue, fully demonstrating the Group's long-term commitment to innovation-driven growth.

The Group's R&D focus has shifted from traditional businesses to new business areas related to new energy vehicles and AI. Meanwhile, the Group is deepening its intelligent transformation, advancing the application of AI technology, and continuously enhancing its overall competitiveness.

In the automotive product sector, the Group has established a comprehensive patent portfolio spanning multiple product lines including intelligent cockpits, intelligent driving assistance systems, intelligent suspension systems, thermal management systems, connectors and sensors, building a robust patent and technological barrier to support the sustained growth of our automotive business. In the AI computing infrastructure field, the Group has established a robust portfolio of patents in areas such as liquid cooling systems, power supply systems and server system design, laying a solid foundation for the rapid growth of new businesses.

Additionally, the Group has commenced large-scale deployment of AMR intelligent logistics robots and is actively developing AI robots and core components to continuously enhance production efficiency, yield rates, and manufacturing agility, thereby further strengthening its competitive edge in manufacturing.

Leveraging its leading technological capabilities and smart manufacturing expertise, the Group keeps setting high standards within the industry. In 2025, it garnered high praises from clients and secured multiple key partnerships, further elevating its market recognition and solidifying its leadership position within the sector.

Furthermore, the Group is committed to integrating environmental, social, and governance (ESG) considerations into the core of its corporate strategy and operational management, while continuously enhancing its corporate governance structure. In 2026, the Group will establish a Board-level Strategy and Sustainability Committee to comprehensively oversee corporate social responsibility management and supervision. This committee will deeply implement the Board's oversight framework and policy directives, integrating compliance principles into every stage of strategic decision-making. Regarding employee incentives, the Group adopted a new share award scheme in March 2025 (the “**2025 Share Award Scheme**”) and completed the purchase and grant of share awards in July 2025, with total funding of approximately RMB227 million. The awarded shares are scheduled to vest in three phases subject to vesting conditions. The distribution of rewards will further enhance the Group's long-term, effective incentive mechanisms and help drive continuous improvements in operational quality and efficiency. Regarding shareholder returns, the Group's 2024 profit distribution plan was approved at the Annual General Meeting held on 6 June 2025. A cash dividend of RMB0.568 per share (including tax) was distributed to all shareholders, actively rewarding their long-term support and sharing the fruits of development with shareholders.

Upholding the principle of sustainable development, the Group actively fulfills its comprehensive responsibilities toward the economy, environment, and society. The Group fully supports the national “dual carbon” policy, continuously optimizing green technologies and solutions to drive product upgrades and process innovations, with an aim to promote the industry's green and low-carbon transformation. Meanwhile, the Group actively engages in public welfare and charitable endeavors, consistently donating supplies and providing support to those in need. Through concrete actions, it gives back to society, demonstrating a high sense of responsibility and warmth as a corporate citizen.

Future Strategy

Looking ahead to 2026, despite ongoing global political and economic uncertainties, China's economy remains grounded in a solid foundation and strong resilience. The supportive conditions and fundamentals for sustained long-term growth remain robust. The country is expected to introduce further macroeconomic policies and stimulus measures to comprehensively expand domestic demand. This will drive continuous optimization of the economic structure, foster new sources of growth momentum, and maintain an overall positive development trajectory, with steady progress in developing new quality productive forces. National support policies will continue to focus on intelligent upgrading and the full-chain integration of "AI + Manufacturing", prioritizing sectors such as new energy vehicles, AI and high-end chip manufacturing within the electronic and intelligent manufacturing industry. Efforts will be intensified to cultivate and expand emerging industries and future industries, driving explosive growth in high-end manufacturing, emerging consumption and new business models and formats. In 2026, the vehicle trade-in subsidy policy will be extended and optimized, with a focus on supporting new energy vehicles. The "Implementation Rules for the 2026 Vehicle Trade-In Subsidy Program" jointly issued by eight departments including the Ministry of Commerce took effect on 1 January 2026. The core optimization involves shifting from a fixed subsidy amount to a subsidy proportional to the price of the new vehicle, while also expanding the age range of eligible trade-in vehicles. Policies are expected to continue stimulating consumer demand, injecting fresh momentum into the automotive industry's transformation, upgrading and high-quality development. Additionally, the Implementation Opinions on the Artificial Intelligence Plus Manufacturing Special Action Plan, jointly issued by eight departments including the Ministry of Industry and Information Technology on 9 January 2026, explicitly calls for strengthening core areas such as smart chips and intelligent computing facilities to support the industrial upgrading of manufacturing. The goal is to advance the implementation of artificial intelligence in manufacturing, with the prerequisite being the development of robust computing infrastructure. The implementation of these policies will help quickly boost market confidence, channel capital toward the computing infrastructure sector and drive demand in core areas such as smart chips, AI servers and intelligent computing center construction. As a leading global provider of high-tech innovative products, the Group will continue to deepen core technology R&D, enhance high-end manufacturing innovation capabilities, strengthen vertical integration barriers and deepen strategic cooperation with major clients, striving to secure a commanding position in future markets. While consolidating our leading position in the smart terminal industry, the group will maintain rapid growth in the new energy vehicle business and accelerate the development in emerging businesses such as AI computing infrastructure and AI robotics, collectively driving the Group's sustained progress.

In the smart terminal sector, driven by the synergistic forces of deep AI technology empowerment and iterative product innovation, edge AI application scenarios are rapidly expanding. User demand for intelligent solutions continues to surge, propelling smart terminals beyond single-device form factors toward a new paradigm of multi-device collaboration and cross-scenario integration. This evolution injects fresh momentum into the smart terminal industry's development. Leveraging its deep strategic deployment in AI robotics, smart home solutions, gaming hardware and drones, the Group has secured a strong position and is well-positioned to fully capitalize on the wave of technological transformation. In the short term, as prices for core components such as memory enter a strong upward cycle, they will drive up the cost of finished products and force terminal pricing up, thereby suppressing market demand. According to Counterpoint, smartphone shipments are expected to decline by 2.1% year-over-year in 2026. IDC's latest forecast indicates

that global PC shipments will decline by 5 to 9 percent year-over-year in 2026. The emotional value derived from a product's appearance design and brand emotional connection has become equally important as its technical performance. Mobile phone manufacturers will allocate more resources to stimulate consumer purchasing desire through form factor innovation and distinctive design. IDC forecasts that the global foldable smartphone market will grow in 2026, with a year-on-year increase reaching 30%, driven by hardware innovation and the entry of major international mobile phone manufacturers. In the long term, as AI permeates all domains at an accelerated pace, smart terminals are ushering in a new era of human-machine interaction. Gartner forecasts that global AI PC shipments will grow 84% year-over-year to 143 million units in 2026, accounting for 54.7% of the global PC market share. Meanwhile, global shipments of generative AI smartphones are projected to increase 51% year-over-year to 559 million units. The rising complexity of AI terminals and the sustained growth of the foldable screen market will drive demand for high-strength lightweight components and efficient heat dissipation devices, creating new development opportunities for the industry. Moreover, driven by continuous breakthroughs in AI technology, AI is accelerating its shift from cloud-based to edge-based deployment. This trend is spurring the rapid emergence of next-generation smart devices and hardware such as smart wearables, smart home systems and AI robots, addressing challenges like high latency, privacy risks and cost pressures associated with cloud-centric solutions. This evolution not only reshapes human-machine interaction but also opens up vast growth opportunities for the entire industry chain. The proliferation of generative AI and multimodal interactions is driving the evolution of end devices from "tools" to "intelligent assistants". Application scenarios continue to deepen and expand, creating new value in areas such as speech recognition, image processing, health monitoring and autonomous driving. According to the data from Fortune Business Insights, the global smart wearables market size is expected to grow from US\$61.51 billion in 2026 to US\$359.32 billion by 2034, with a CAGR of 24.70%. Additionally, the global smart home market is expected to grow from US\$180.12 billion in 2026 to US\$848.47 billion by 2034, representing a CAGR of 21.4%. As a globally leading provider of high-tech innovation products, the Group will continue to deepen strategic collaborations with clients on premium products, closely align with their needs, fully support their product upgrades, and continuously strengthen its leading position in the smart terminal sector. In addition, the group will seize the AI development opportunities by deploying new AI-enabled devices and actively expanding into high-value, promising new product categories and markets. In the future, the iterative development of AI technology and the expansion of application scenarios will drive a new wave of growth in the smart terminal market. The Group will collaborate with domestic and overseas clients to seize industry growth opportunities and propel the sustained development of our business.

In the new energy vehicle sector, China's industry is transitioning from leading in volume to leading in quality. China's homegrown brands have transitioned from "exporting products" to "exporting industries" through multidimensional strengths including leading technological innovation, comprehensive industrial chains and continuously enhanced brand power. Their international market share and recognition have surged simultaneously. In the Chinese market, under the positive guidance of policies, competition has shifted from price wars to a comprehensive value-based competition centered on product strength, technological experience, service ecosystems and brand value. According to China Association of Automobile Manufacturers, China's new energy vehicle sales will reach 19 million units in 2026, representing a year-on-year increase of 15.2%. The penetration rate of electrification is expected to exceed 60%. The ramp-up of localized production capacity by leading automakers overseas will partially replace direct vehicle exports. China's automobile exports are expected to reach 7.4 million units in 2026, marking a 4.3% year-on-year increase. As global policy support weakens, the industry has entered a new phase characterized by both slowing growth and profound restructuring. Statista projects that the global electric vehicle market will generate revenue of US\$996.3 billion in 2026, with China contributing approximately US\$533 billion. The market is expected to grow at an average annual growth rate of approximately 2.88% between 2026 and 2030. 2026 marks a pivotal window for breakthroughs in advanced automotive intelligent driving technology maturity, policy frameworks, user acceptance and business models. High-level autonomous driving is poised for large-scale commercial deployment, with leading automakers possessing full-stack in-house R&D capabilities set to pioneer implementation. Leveraging technological and experiential advantages, these manufacturers will establish a competitive edge and directly benefit from premium pricing driven by intelligent features. On 15 December 2025, the Ministry of Industry and Information Technology conditionally approved the market entry of two Level 3 autonomous driving vehicle models, marking the official entry of intelligent driving technology into the high-level stage in China. According to Research Nester, the global Advanced Driver Assistance Systems (ADAS) market size will grow from US\$40.78 billion in 2026 to over US\$107.11 billion by 2035, with a CAGR exceeding 11.2%. The adoption of intelligent driving technology is accelerating, while consumers' demands for automotive comfort and handling continue to rise. Intelligent suspension systems are transitioning from premium options to mainstream standard features, signaling a pivotal moment for market expansion and widespread adoption. According to Mordor Intelligence, the global air suspension market size will reach US\$13.64 billion in 2026 and US\$20.06 billion by 2031, with a CAGR of 8.02%. As new energy vehicles evolve toward "configuration upgrades, premium specifications, intelligent systems", intelligent system solutions and high-performance key components will see significant market opportunities. The Group is capitalizing on the strategic opportunity presented by the accelerated intelligent transformation of the new energy vehicle industry. By leveraging its accumulated technological expertise and experience in the smart terminal sector, the Group has established diversified product and technological advantages in the fields of automotive electrification and intelligentization. The Group will continue to benefit from the deepening progress of automotive intelligentization. In the future, the Group will continue to increase R&D investment, expand customer base, and deepen cooperation with global automotive clients, with an aim to become a leading provider of intelligent and premium solutions for new energy vehicles.

In terms of AI computing infrastructure, the rapid evolution of AI technology and the accelerating pace of global digitalization have driven exponential growth in computing power demand, propelling the AI data center into a phase of rapid expansion. The Group has proactively invested R&D resources in AI computing infrastructure, establishing a strategic portfolio encompassing servers, liquid cooling systems, power and high-speed connectivity products. This positioning will enable the Group to capitalize on substantial market growth opportunities. Fortune Business Insights forecasts that the global AI data center market size will grow from US\$21.27 billion in 2026 to US\$133.51 billion by 2034, at a CAGR of 25.80% during the forecast period. As major cloud service providers continue to enhance investments in AI infrastructure, the global AI server market is poised for a new wave of explosive growth. According to TrendForce, global AI server shipments will achieve a 28.3% year-over-year growth in 2026, expanding at a significantly faster pace than in 2025. To address the surging demand for AI computing power, chip power consumption and computational density have skyrocketed, making data center heat dissipation and energy consumption critical bottlenecks constraining the advancement of computing power. According to Research Nester, the global data center liquid cooling market is expected to grow from US\$5.63 billion in 2026 to US\$44.39 billion in 2035, with a CAGR exceeding 25.5%. Moreover, the rapid advancement of AI technology has presented unprecedented challenges and demands for data center power supply systems, driving upgrades in power efficiency and power density. Traditional uninterruptible power supplies (UPS) are rapidly evolving toward high-voltage direct current (HVDC) power supply. HVDC power supply, with its advantages of high energy efficiency, high reliability, adaptability to high-density computing demands, and low construction and operational costs, will become the standard configuration for AI data centers. According to chinabaogao.com, the global data center HVDC power supply market is expected to reach US\$10 billion in 2026, accounting for 53.5% of the total market share and surpassing UPS systems. The global data center HVDC power supply market is projected to grow further to US\$17.7 billion by 2027, with its share increasing to 71.4%. In 2026, driven by the sustained growth in computing power demand, the Group's AI computing infrastructure business will enter a phase of rapid expansion. The Group's server business is poised for robust growth, with liquid cooling products entering scaled mass production. Meanwhile, the Group will actively expand its customer base both domestically and internationally, accelerate the rollout of new products such as power supplies and high-speed connectivity solutions and create new growth engines for its business.

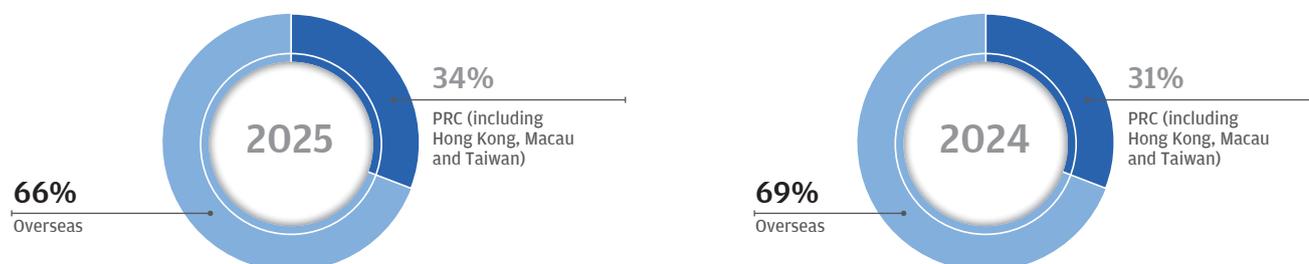
Focusing on deepening technological expertise and driving R&D innovation, the Group has established a comprehensive technical team covering key areas including innovative materials and processes, precision molds, product design and development, automation and information technology, continuously strengthening its core competitive advantages. Leveraging its deep technological expertise, the Group will seize market opportunities, delve into the value of its core clients, and actively expand its business horizons. The Group has achieved strategic expansion, successfully diversifying its business from smart terminals into multiple sectors including new energy vehicles and AI computing infrastructure. Its growth model has also transitioned from precision manufacturing-driven to R&D innovation-driven. Looking ahead, the Group will remain steadfast in its core values, continuously strengthening its independent innovation and R&D capabilities, seize first-mover advantages and comprehensively advance smart manufacturing upgrades. The Group is committed to achieving high-quality, sustainable development and continuously creating value for our customers and shareholders.

FINANCIAL REVIEW

Revenue of the Group for the Year recorded an increase of 1.22%, whereas profit attributable to equity holders of the parent recorded an decrease of 17.61% as compared to the previous year. The decrease in profit was primarily attributable to a shift in the product sales mix towards products with lower gross profit margins.

SEGMENT INFORMATION

Set out below is a comparison of segment revenue by customer location of the Group for the years ended 31 December 2025 and 2024:



GROSS PROFIT AND MARGIN

The Group's gross profit for the Year decreased by approximately 12.56% to approximately RMB10,757 million. Gross profit margin decreased from approximately 6.94% in 2024 to approximately 5.99%. The decrease in gross profit margin was mainly due to the change of product sales structure.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group recorded a cash inflow from operations of approximately RMB18,768 million, compared with approximately RMB6,714 million recorded in 2024. The increase in the cash inflow of the Group recorded during the period was mainly due to the increase in cash received from the sale of goods. As of 31 December 2025, the Group had interest-bearing bank and other borrowings of approximately RMB7,184 million (31 December 2024: RMB10,807 million). The maturity profile of the interest-bearing bank and other borrowings thereof spreads over a period of one year and all of the interest-bearing bank and other borrowings were repayable within one year.

The Group maintained sufficient liquidity to meet daily liquidity management and capital expenditure requirements, and control internal operating cash flows. Turnover days of trade receivables and receivables financing were approximately 48 days for the Year, compared with approximately 57 days for the year ended 31 December 2024, which was mainly due to the year-on-year increase in the average balance of accounts receivable was lower than the increase in operating income over the same period. Turnover days of inventory for the year were approximately 40 days, compared with approximately 41 days for the year ended 31 December 2024, representing little change from the previous period.

CAPITAL STRUCTURE

The Group's financial division is responsible for the Group's financial risk management which operates according to policies implemented and approved by senior management. As of 31 December 2025, the Group had interest-bearing bank and other borrowings of approximately RMB7,184 million (31 December 2024: RMB10,807 million), which were settled in RMB, and its cash and cash equivalents were mainly held in RMB and US dollars. The Group's current bank deposits and cash balances and fixed deposits, as well as net cash derived from operating activities, will be sufficient to satisfy the Group's material commitments and working capital, capital expenditure, business expansion, investments and the expected debt repayment for at least the next year. As at 31 December 2025, the Group's outstanding loans were RMB loans at fixed interest rates.

The Group monitors capital using a gearing ratio, which is net liabilities divided by equity. The Group's policy is to maintain the gearing ratio as low as possible. Net liabilities include interest-bearing liabilities less cash and bank balances. Equity represents equity attributable to owners of the parent. The gearing ratio was -13.53% as of 31 December 2025 (18.01% as of 31 December 2024).

EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's income and expenditure are settled in RMB and US dollars, and therefore, the Group's foreign exchange risk primarily arises from fluctuations in the exchange rate between RMB and US dollars. During the Year, to manage the foreign exchange risk arising from US dollar income and expenditure, the Group entered into several foreign currency forward contracts, foreign exchange swap contracts and portfolio products to hedge part of the foreign exchange risk. During the Year, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group will have sufficient foreign exchange to meet its own foreign exchange needs.

CHARGE ON ASSETS

As at 31 December 2025, dedicated bank deposit was approximately RMB2,809,749,000 and RMB2,809,736,000 was subsequently released (dedicated bank deposit was approximately RMB50,000 as at 31 December 2024).

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 31 December 2025, the Group had approximately 165 thousand employees. During the Year, total staff cost accounted for approximately 11.34% of the Group's revenue. Employees' remuneration was determined based on performance, qualifications and prevailing industry practices, with compensation policies being reviewed on a regular basis. Employees may receive bonuses and rewards, based on their annual performance evaluation. Incentives (including share-based rewards) were offered to encourage personal motivation. On 17 March 2025, the Board resolved to adopt a share award scheme (the "Share Award Scheme"). The Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and is subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, the Share Award Scheme does not involve awards granted by way of issue of new Shares. Accordingly, the Share Award Scheme does not constitute a scheme involving issue of new Shares within the meaning of Chapter 17 of the Listing Rules and the adoption of which will not be subject to the approval of the Shareholders.

The total number of persons who participate in the Share Award Scheme is intended to be not more than 3,000, and the participants include (i) executive Directors and senior management of the Company; and (ii) mid-level management and core backbone employees of the Group. The employees who meet the above criteria in the Share Award Scheme may participate on the basis of the Company's independent discretion, voluntary participation by employees and self-assumed risk, with no instances of compulsory involvement through methods such as apportionment or forced allocation for employees. The Company will narrow down the final list of participants therefrom. All participants are required to work in the Group and have signed a labor contract or been employed by the Group.

The total amount involved in the Share Award Scheme shall not exceed RMB250 million. The Board or its Authorised Person(s) may purchase the Shares of the Company through the secondary market with the aforesaid funds at the prevailing market price at such time as it thinks fit in accordance with the relevant provisions of the Share Award Scheme, which will be the source of the Underlying Shares under the Share Award Scheme.

The Underlying Shares held under the Share Award Scheme will be unlocked in three phases. These three tranches of Shares will be unlocked after 12 months, 24 months and 36 months commencing from the next day upon the completion of the last purchase of the Underlying Shares, respectively. The ratio of each tranche of the Underlying Shares to be unlocked is 30%, 30% and 40%, respectively. The specific unlocking ratio and number for each tranche shall be determined based on the Company's performance appraisal and individual performance appraisal results.

Since 2021, the Group has standardized a three-tier training framework for new staff members and has concretely carried out training. The subjects, hours and assessment methods of the three-tier training framework are clearly stated, and safety training materials and examination questions are drafted according to the job nature of employees. New employees are required to attend the training and pass the examination before taking on the job.

DIVIDEND DISTRIBUTION POLICY

The Company seeks to maintain a balance between meeting shareholders' expectations and prudent capital management with sustainable dividend policy. The Company's dividend policy aims to allow shareholders to share the Company's profits and the Company to retain adequate reserves for future growth. In proposing any dividend payout, the Company would consider various factors including (i) the financial performance and overall financial position of the Group; (ii) the debt-to-equity ratio and return on equity of the Group; (iii) the liquidity position and capital requirements of the Group; (iv) the current and future operation of the Group; (v) the business development strategy and future expansion plans of the Group; (vi) the general market conditions; (vii) any relevant requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and applicable laws, rules and regulations as well as the Company's articles of association (the "Articles of Association"); and (viii) any other factors which the Board deems relevant. Final dividend shall be approved at the general meeting after thorough discussion and compliance with relevant decision-making procedures. Subject to compliance with the conditions under the dividend distribution policy, the Board may propose interim dividend distribution based on the profitability and capital requirements of the Company.

The Company shall review and reassess the dividend policy and its effectiveness on a regular basis or when necessary.

FINAL DIVIDEND

The Board has resolved to declare a final dividend of RMB0.156 per ordinary share (2024: RMB0.568 per ordinary share) for the Year which is subject to consideration and approval at the forthcoming annual general meeting of the Company. No shareholder has waived or agreed to waive any dividends. Please refer to note 14 to the financial statements included in this announcement for details of the final dividend.

SHARE CAPITAL

As at 31 December 2025, the share capital of the Company was as follows:

Number of ordinary shares issued: 2,253,204,500 shares.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES AND MATERIAL INVESTMENTS OF CAPITAL ASSETS

There was no other significant investment held, material acquisition or disposal of subsidiaries and associates during the Year. There was no plan authorised by the Board for material investments or additions of capital assets as at the date of this announcement.

CAPITAL COMMITMENT

As at 31 December 2025, the total capital commitments of the Company were approximately RMB700 million, compared with approximately RMB807 million as at 31 December 2024.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

There is no subsequent event which has occurred to the extent that the Group's financial condition or operation has been materially affected after 31 December 2025 and up to the date of this announcement.

ENVIRONMENTAL PROTECTION AND SOCIAL SECURITY

During the Year, the Group had no significant environmental protection or social security issues.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE CODE (THE “CODE”)

The Board is committed to maintaining and ensuring high standards of corporate governance practices.

The Board puts emphasis on maintaining a quality Board with the balance of skill set of the Directors, high transparency and effective accountability system in order to enhance shareholders' value. To the best of the Directors' knowledge, information and belief, the Company had complied with the applicable principles and code provisions as set out in Part 2 of Appendix C1 of the Listing Rules during the Year.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANIES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as the Company's code of conduct regarding securities transactions by its Directors. Having made specific enquiry, the Company confirmed all Directors have complied with their obligations under the Model Code regarding their securities transactions during the Year.

AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive Directors and two non-executive Directors. A meeting was convened by the Company's audit committee on 27 March 2026 to review the accounting policies and practices adopted by the Group and to discuss auditing, internal control, risk management and financial reporting matters (including the review of the annual results of the Company for the Year) for recommendation to the Board for approval.

SCOPE OF WORK OF AUDITOR ON THE PRELIMINARY ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of this preliminary annual results announcement of the Group have been agreed by the Group's independent auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this preliminary annual results announcement.

PUBLICATION OF 2025 ANNUAL RESULTS AND 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement has been published on the HKEXnews website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company at <http://electronics.byd.com>. The annual report of the Company for the year ended 31 December 2025 will be despatched to the Shareholders and be available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
BYD Electronic (International) Company Limited
WANG Nian-qiang
Director

Hong Kong, 27 March 2026

As at the date of this announcement, the executive Directors are Mr. WANG Nian-qiang and Mr. JIANG Xiang-rong; the non-executive Directors are Mr. WANG Chuan-fu and Mr. WANG Bo; and the independent non-executive Directors are Mr. CHUNG Kwok Mo John, Mr. QIAN Jing-jie and Ms. WANG Ying.