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ZHAOWEI

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

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

(Stock Code: 2692)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the "**Board**") of Shenzhen Zhaowei Machinery & Electronics Co., Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") hereby announces the consolidated annual results of the Group for the year ended 31 December 2025 (the "**Reporting Period**") together with comparative figures for the year ended 31 December 2024 as follows:

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2025	2024	**Change**
	RMB Million	*RMB Million*	
Revenue	**1,715.53**	1,524.60	12.52%
Gross profit	**572.81**	475.57	20.45%
Profit for the year	**255.18**	225.42	13.20%
Profit attributable to owners of the Company	**255.18**	225.42	13.20%
Earnings per share for profit attributable to owners of the Company:			
– Basic *(RMB per share)*	**1.07**	0.94	13.83%
– Diluted *(RMB per share)*	**1.06**	0.94	13.83%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	NOTES	**2025** **RMB'000**	2024 RMB'000
REVENUE	*5*	**1,715,534**	1,524,599
Cost of sales		**(1,142,726)**	(1,049,031)
Gross profit		**572,808**	475,568
Other income and gains	*5*	**78,436**	94,356
Selling and marketing expenses		**(66,305)**	(60,275)
Administrative expenses		**(125,430)**	(93,623)
Research and development costs		**(174,303)**	(155,136)
Impairment losses on financial assets, net		**(351)**	(6,334)
Other expenses		**(4,401)**	(2,038)
Finance costs		**(2,536)**	(2,411)
Share of loss of an associate		**(1,349)**	(5,391)
PROFIT BEFORE TAX	*6*	**276,569**	244,716
Income tax expense	*7*	**(21,394)**	(19,297)
PROFIT FOR THE YEAR		**255,175**	225,419
Attributable to:			
Owners of the parent		**255,175**	225,419
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic *(RMB)*			
– for profit for the year		**1.07**	0.94
Diluted *(RMB)*			
– for profit for the year		**1.06**	0.94

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	2025	2024
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**255,175**	225,419
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(8)**	(25)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(8)**	(25)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value, net of tax	**(2,474)**	(639)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(2,474)**	(639)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(2,482)**	(664)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**252,693**	224,755
Attributable to:		
Owners of the parent	**252,693**	224,755

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		2025	2024
	NOTES	***RMB'000***	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,087,855**	1,023,773
Intangible assets		**12,098**	12,571
Right-of-use assets		**41,971**	47,309
Investment in an associate		**61,260**	62,613
Equity investments designated at fair value through other comprehensive income		**36,072**	17,020
Financial assets at fair value through profit or loss		**1,500**	1,500
Deferred tax assets		**6,815**	198
Other non-current assets		**16,752**	17,530
Total non-current assets		**1,264,323**	1,182,514
CURRENT ASSETS			
Inventories		**210,276**	184,124
Trade and notes receivables	*10*	**593,781**	577,495
Prepayments, other receivables and other assets		**70,159**	40,737
Financial assets at fair value through profit or loss		**838,976**	902,726
Debt investments at fair value through other comprehensive income		**1,123,306**	928,701
Restricted bank deposits		**35,189**	62
Time deposits		**–**	80,734
Cash and cash equivalents		**181,781**	224,817
Total current assets		**3,053,468**	2,939,396

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	NOTES	**2025** **RMB'000**	2024 *RMB'000*
CURRENT LIABILITIES			
Trade and notes payables	*11*	**399,095**	434,335
Contract liabilities		**10,335**	19,257
Other payables and accruals		**162,015**	178,543
Financial liabilities at fair value through profit or loss		**–**	21,536
Interest-bearing bank borrowings		**169,638**	140,980
Lease liabilities		**4,103**	4,434
Tax payables		**4,361**	3,683
Total current liabilities		**749,547**	802,768
NET CURRENT ASSETS		**2,303,921**	2,136,628
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,568,244**	3,319,142
NON-CURRENT LIABILITIES			
Lease liabilities		**3,178**	7,189
Deferred tax liabilities		**31,083**	32,649
Deferred income		**50,989**	53,093
Total non-current liabilities		**85,250**	92,931
Net assets		**3,482,994**	3,226,211
EQUITY			
Equity attributable to owners of the parent			
Share capital	*12*	**240,734**	240,204
Treasury shares	*12*	**(13,226)**	(26,959)
Reserves		**3,255,486**	3,012,966
		3,482,994	3,226,211
Non-controlling interests		**–**	–
Total equity		**3,482,994**	3,226,211

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board (the "**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain 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 (RMB'000) except when otherwise indicated.

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.

3. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following revised IFRS Accounting Standards that have been issued but are not yet effective, in the Financial Statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

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

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

4. OPERATING SEGMENT INFORMATION

The Group manages its business as a whole for the purpose of making decision on resource allocation and performance assessment, therefore, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	2025	2024
	RMB'000	*RMB'000*
Chinese mainland	**1,514,858**	1,312,193
Other countries/regions	**200,676**	212,406
Total	**1,715,534**	1,524,599

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

(b) Non-current assets

Most of the Group's non-current assets are located in Chinese mainland. Thus, no geographic information is presented.

Information about major customers

Revenue from each of the major customers, which accounted for 10% or more of the Group's revenue during the Reporting Periods are set out below:

	2025	2024
	RMB'000	*RMB'000*
Customer A	**281,604**	269,059

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	**1,715,534**	1,524,599

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025	2024
	RMB'000	*RMB'000*
Types of goods or services		
Sales of products	**1,715,534**	1,524,599
Geographical markets		
Chinese mainland	**1,514,858**	1,312,193
Other countries/regions	**200,676**	212,406
Total revenue from contracts with customers	**1,715,534**	1,524,599
Timing of revenue recognition		
Products transferred at a point in time	**1,715,534**	1,524,599

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

	2025	2024
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the periods:		
Sale of products	**19,257**	21,409
Total	**19,257**	21,409

(b) Performance obligations

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

Sales of products

The performance obligation is satisfied upon delivery or acceptance of the products and payment is mainly due within 30 to 150 days from delivery, where payment in advance is required for some customers.

As the contracts with customers are rendered in a short period of time, which is generally less than one year, the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

Other income and gains

An analysis of other income and gains, net is as follows:

	2025	2024
	RMB'000	*RMB'000*
Other income		
Government grants	**11,048**	12,569
Additional deduction of value added tax and other tax reliefs	**8,238**	8,367
Bank interest income	**10,357**	9,439
Other interest income from debt investment at fair value through other comprehensive income	**23,838**	25,306
Investment income from financial assets at fair value through profit or loss	**3,349**	17,427
Others	**398**	304
Total other income	**57,228**	73,412
Gains		
Foreign exchange gains, net	**–**	1,048
Fair value gains on financial assets at fair value through profit or loss	**21,208**	19,896
Total gains	**21,208**	20,944
Total other income and gains	**78,436**	94,356

6. PROFIT BEFORE TAX

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

	2025	2024
	RMB'000	*RMB'000*
Cost of inventories sold*	**1,142,726**	1,049,031
Depreciation of property, plant and equipment	**97,153**	74,873
Depreciation of right of use assets	**5,502**	5,212
Amortisation of intangible assets	**2,979**	2,788
Research and development costs	**174,303**	155,136
Auditor's remuneration	**2,504**	866
Employee benefit expenses (excluding directors' and supervisors' remuneration):		
− Salaries, bonuses, allowances and benefits in kind	**393,998**	351,755
− Pension scheme contributions	**40,769**	35,032
− Share-based payment expenses	**11,105**	4,704
Total	**445,872**	391,491
Impairment losses on financial assets, net:		
Impairment of trade and notes receivables, net	**301**	7,319
Impairment/(reversal of impairment) of other receivables, net	**50**	(985)
Total	**351**	6,334
Fair value gains on financial assets at fair value through profit or loss	**(21,208)**	(19,896)
Investment income from financial assets at fair value through profit or loss	**(3,349)**	(17,427)
Foreign exchange (gains)/losses**	**1,530**	(1,048)
Bank interest income	**(10,357)**	(9,439)
Other interest income from debt investment at fair value through other comprehensive income	**(23,838)**	(25,306)
Government grants	**(11,048)**	(12,569)
Additional deduction of value added tax and other tax reliefs	**(8,238)**	(8,367)
Share of losses of an associate	**1,349**	5,391
Write-down of inventories to net realizable value*	**4,569**	3,550
Loss on disposal of items of property, plant and equipment, net**	**2,195**	618
Loss on disposal of intangible assets**	**77**	43
Loss on disposal of items of right-of-use, net**	**–**	81

* The amounts disclosed for cost of inventories sold included the write-down of inventories to net realisable value.

** The amounts included in "other income and gains" and "other expenses" in profit or loss.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. INCOME TAX

The income tax expense of the Group for the years ended 31 December 2024 and 2025 is analysed as follows:

	2025	2024
	RMB'000	*RMB'000*
Current tax expense	**21,309**	9,866
Deferred income tax	**85**	9,431
Total	**21,394**	19,297

8. DIVIDENDS

	2025	2024
	RMB'000	*RMB'000*
Dividends declared by the Company	**68,549**	94,055

Pursuant to the resolution of the Annual General Meeting of shareholders of the Company on 29 March 2024, an issuance of bonus shares for all the registered shareholders of the Company on a basis of 4 shares for every 10 ordinary shares has been approved.

The dividends of RMB0.29 (inclusive of tax) for each ordinary share to all shareholders whose names were registered in the register of members and were entitled to participate in the distribution on the record date during the year (2024: RMB0.55 per ordinary share) were approved by the Annual General Meeting of the Company. The Company has paid dividends of RMB68,230,000 during the year (2024: RMB93,482,000) respectively.

The Company proposed to distribute a cash dividend of RMB3.85 (inclusive of tax) for every 10 shares to all shareholders based on the total share capital of 267,482,700 shares on the day when the board of directors deliberated on this motion, totalling RMB102,980,000 (including tax) in cash dividends. No bonus shares will be issued.

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

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent (excluding cash dividends allocated to restricted shares which are expected to be vested), and the weighted average number of ordinary shares in issue (excluding treasury shares) during the reporting periods.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the outstanding share options and restricted shares contingently issuable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations 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 as used in the basic earning per share calculation	**255,175**	225,419
Less: Cash dividend allocated to restricted shares which are expected to be vested	**179**	279
Total	**254,996**	225,140

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation *('000)*	**239,329**	238,941
Effect of dilution-weighted average number of ordinary shares:		
Share options and Restricted shares	**969**	337
Weighted average number of ordinary shares used in the diluted earnings per share calculation *('000)*	**240,298**	239,278

10. TRADE AND NOTES RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Notes receivables	**76,198**	30,995
Trade receivables	**551,070**	579,686
Subtotal	**627,268**	610,681
Less: impairment of notes receivables	**(2,437)**	(874)
Less: impairment of trade receivables	**(31,050)**	(32,312)
Net carrying amount	**593,781**	577,495

The Group's trading terms with its customers are mainly on credit. For large and medium-sized customers with large scale and good reputation, the Group generally gives a credit period of 30 to 150 days. In terms of mould sales, in order to reduce the risk of product development, except for a small number of large and medium-sized customers with long-term cooperation and good reputation, the Group usually requires part of the payment in advance after signing the mould contract and collects the remaining amount after the product is finally confirmed by the customer or receiving a large number of orders.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's trade and notes receivables related to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and notes receivable balances.

Included in the Group's trade receivables are amounts due from the Group's related parties of RMB1,317,000 as at 31 December 2025 (2024: RMB73,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade and notes receivables as at the end of each reporting periods, based on revenue recognition date and net of loss allowance, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**592,767**	577,369
Over 1 year	**1,014**	126
Total	**593,781**	577,495

11. TRADE AND NOTES PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables	**238,395**	251,757
Notes payables	**160,700**	182,578
Total	**399,095**	434,335

The trade payables are non-interest-bearing and are normally settled on 180-days terms.

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

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**398,557**	433,607
1 to 2 years	**349**	37
2 to 3 years	**18**	73
Over 3 years	**171**	618
Total	**399,095**	434,335

12. SHARE CAPITAL AND TREASURY SHARES

	2025	2024
	RMB'000	*RMB'000*
	Number of shares	Number of shares
Registered, issued and fully paid:		
ordinary shares	**240,734,400**	240,203,500

A summary of movements in the Company's share capital and treasury shares is as follows:

	Number of shares in issue	**Share capital**	**Number of Treasury shares**	**Treasury shares**
		RMB'000		***RMB'000***
At 1 January 2024	171,008,218	171,008	336,218	7,783
Issue of shares under the 2024 Restricted Share Scheme *(note(a))*	1,262,700	1,263	1,262,700	26,959
Issuance of bonus shares *(note(b))*	68,403,287	68,403	134,487	–
Repurchase of restricted shares forfeited during the year *(note(c))*	(470,705)	(470)	(470,705)	(7,504)
Dividends declared	–	–	–	(279)
At 31 December 2024	240,203,500	240,204	1,262,700	26,959
Exercise of share options *(note(d))*	537,900	537	–	–
Vesting of restricted shares *(note(d))*	–	–	(627,850)	(13,405)
Repurchase of restricted shares forfeited during the year *(note(e))*	(7,000)	(7)	(7,000)	(149)
Dividends declared	–	–	–	(179)
At 31 December 2025	240,734,400	240,734	627,850	13,226

Notes:

(a) On 28 August 2024, the Company issued 1,262,700 restricted shares under the 2024 Restricted Share Scheme and received the whole repurchase fee of RMB26,959,000 from all the participants. An amount of RMB25,696,000 was credited to the Company's capital reserve.

(b) Pursuant to the resolution of the general meeting of shareholders of the Company on 29 March 2024, an issuance of bonus shares using capital reserve in an aggregate amount of RMB68,403,000 for all the registered shareholders of the Company on a basis of 4 shares for every 10 ordinary shares has been approved.

(c) On 8 May 2024, the Company repurchased 470,705 forfeited restricted shares under the 2021 Restricted Share Scheme from related participants as the vesting conditions were not satisfied.

(d) From August to November 2025, 537,900 share options were exercised and 627,850 restricted shares were vested under the 2024 Share Incentive Scheme as the vesting conditions were satisfied.

(e) In July 2025, the Company repurchased 7,000 forfeited restricted shares under the 2024 Share Incentive Scheme from related participants as the vesting conditions were not satisfied.

FINANCIAL REVIEW

Revenue

The table below sets forth the absolute amounts and percentages of the Company's revenue by business segment for 2025 and 2024:

	2025		2024		**Change**
	RMB million	***% of Revenue***	*RMB million*	*% of Revenue*	
Automotive products	**1,104.8**	**64.40%**	895.11	58.71%	23.43%
Consumer and healthcare technology products	**453.57**	**26.44%**	487.71	31.99%	-7.00%
Industrial and manufacturing products	**130.98**	**7.63%**	126.33	8.29%	3.68%
Embodied robotics products	**23.87**	**1.39%**	6.01	0.39%	297.17%
Others	**2.32**	**0.14%**	9.44	0.62%	-75.42%
Total	**1,715.53**	**100.00%**	1,524.6	100.00%	12.52%

In 2025, the Company achieved revenue of RMB1,715.53 million, representing a year-on-year growth of 12.52% as compared with the year of 2024, of which (i) revenue from automotive products amounted to RMB1,104.8 million, representing a year-on-year increase of 23.43%; (ii) revenue from consumer and healthcare technology products reached RMB453.57 million, representing a year-on-year decrease of 7%; and (iii) revenue from industrial and manufacturing products amounted to RMB130.98 million, representing a year-on-year increase of 3.68%; and (iv) revenue from embodied robotics products amounted to RMB23.87 million, representing a year-on-year increase of 297.17%.

From a business segment perspective, the revenue from automotive products was of RMB1,104.8 million for the year ended 31 December 2025, representing a year-on-year increase of 23.43%, primarily driven by the growing demand from several major customers in the automotive industry for various products such as screen movement actuators, tailgate actuators, and chassis sector products which can integrated into their end products, as we are able to meet their expanding business and manufacturing needs through these products.

The revenue from consumer and healthcare technology products was of RMB453.57 million for the year ended 31 December 2025, representing a year-on-year decrease of 7%, primarily due to a decline in sales of products applying integrated micro transmission and drive systems, including those used for functions such as interpupillary distance adjustment in VR/AR glasses.

The revenue from industrial and manufacturing products for the year ended 31 December 2025 was RMB130.98 million, representing a year-on-year increase of 3.68%, primarily driven by the fulfillment of several major orders for our drum motor products.

The revenue from embodied robotics products for the year ended 31 December 2025 was RMB23.87 million, representing a year-on-year increase of 297.17%, mainly due to our expanded outreach to new customers in the embodied robotics sector and growing demand from existing customers, driven in part by the rapid development of the embodied robotics industry. Participants in this sector are showing increasing demand for various products, such as planetary reduction gearboxes and right-angle geared motors, which are integrated into their end products (e.g., cobots and service robots) to achieve functions such as torque amplification and speed reduction.

From a regional contribution perspective, in 2025, revenue from Mainland China amounted to RMB1,514.86 million, representing a year-on-year increase of 15.45%; revenue from other countries or regions amounted to RMB200.68 million, representing a year-on-year decrease of 5.52%. The following table sets forth the absolute amounts and their respective percentages of total revenue of the Company by region for 2025 and 2024:

	2025		2024		**Change**
	Amount *RMB million*	***% of Total revenue***	Amount *RMB million*	*% of Total revenue*	
Mainland China	**1,514.86**	**88.30%**	1,312.19	86.07%	15.45%
Other countries or regions	**200.68**	**11.70%**	212.41	13.93%	-5.52%
Total	**1,715.53**		1,524.60		

Cost of Sales

Our cost of sales increased by 8.93% from RMB1,049.03 million for 2024 to RMB1,142.73 million for 2025, primarily due to (1) an increase in cost of materials, and (2) an increase in manufacturing overhead costs, generally in line with the growth of our revenue over the same period.

Gross Profit and Gross Profit Margin

Our gross profit increased by 20.45% from RMB475.57 million for the year ended 31 December 2024 to RMB572.81 million for the year ended 31 December 2025, generally in line with the growth of our revenue over the same period.

Our gross profit margin increased from 31.2% for the year ended 31 December 2024 to 33.4% for the year ended 31 December 2025. The improvement was primarily due to a higher proportion of our products being applied in areas with greater innovation requirements and higher technical complexity.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of (i) employee benefit expenses, which primarily represented the salaries, bonuses and other benefits for our sales and marketing personnel, including share-based payment expenses, (ii) traveling and business development expenses incurred by our sales and marketing personnel and (iii) advertising and market promotion expenses. Our selling and marketing expenses increased by 10.00% from RMB60.28 million for the year ended 31 December 2024 to RMB66.30 million for the year ended 31 December 2025, which was primarily attributable to the expansion of our sales network to support business development, as well as increased advertising, exhibition and promotional expenses for new product launches, which contributed to relatively strong revenue growth.

General and Administrative Expenses

Our general and administrative expenses primarily consisted of (i) employee benefit expenses, which primarily represented the salaries, bonuses and other benefits for our administrative personnel, including share-based payment expenses, (ii) depreciation and amortization, (iii) taxes and surcharges; (iv) consulting and other professional service fees, such as fees for engaging third-party consultants for professional advice on areas of improvements of our business, and audit fees; (v) traveling and business activities expenses incurred by our administrative personnel; and (vi) office expenses. Our general and administrative expenses increased by 33.97% from RMB93.62 million for the year ended 31 December 2024 to RMB125.43 million for the year ended 31 December 2025, which was primarily attributable to the commencement of operations at our Suzhou Industrial Park facilities, resulting in an increase in administrative headcount, as well as higher staff costs in line with revenue growth and increased share-based payment expenses.

Research and Development ("R&D") Costs

Our research and development costs primarily consisted of (i) employee benefit expenses, which primarily represented the salaries, bonuses and other benefits for our research and development personnel, including share-based payment expenses, (ii) research materials costs involved in our research and development activities, which also include the costs of prototypes and molds, (iii) depreciation and amortization, and (iv) research processing expenses, representing outsourced service fees for manufacturing and processing products in our R&D process. Our research and development costs increased by 12.35% from RMB155.14 million for the year ended 31 December 2024 to RMB174.30 million for the year ended 31 December 2025, which was primarily attributable to increased investment in the research and development of new products, the recruitment of industry talent, an overall increase in the remuneration levels of R&D personnel, and an increase in the number of R&D personnel. The Company has maintained a high level of investment in research and development, with the ratio of R&D expenses to revenue remaining relatively stable.

Other Income and Gains

Our other income and gains primarily consisted of (i) government grants, which primarily represented incentives and awards granted for our research and development initiatives and manufacturing upgrades that were recognized in profit or loss during the relevant periods, (ii) additional deduction of VAT and other tax reliefs, (iii) bank interest income; (iv) other interest income from debt investment at FVTOCI, which mainly represented our negotiable certificate of deposit; (v) investment income from and fair value gains on financial assets at FVTPL, mainly in connection with our wealth management products; and (vi) foreign exchange gains, net, which mainly arose from our cash and cash equivalents, trade receivables and trade payables denominated in U.S. Dollars. Our other income and gains decreased by 16.87% from RMB94.36 million for the year ended 31 December 2024 to RMB78.44 million for the year ended 31 December 2025, which was primarily attributable to the decrease in returns from wealth management products.

Impairment Losses on Financial Assets, Net

Our impairment losses on financial assets, net decreased by 94.46% from RMB6.33 million for the year ended 31 December 2024 to RMB0.35 million for the year ended 31 December 2025, primarily attributable to enhanced lifecycle management of accounts receivable, which led to improved collection performance and recovery of long-outstanding receivables, resulting in the reversal or reduction of impairment provisions. In addition, the Company continued to optimize its customer portfolio, leading to a steady improvement in asset quality.

Share of Losses of an Associate

Our share of losses of an associate decreased by 74.98% from RMB5.39 million for the year ended 31 December 2024 to RMB1.35 million for the year ended 31 December 2025, primarily attributable to the improvement in the operating performance of the associate.

Income Tax Expense

Our income tax expense increased by 10.87% from RMB19.30 million for the year ended 31 December 2024 to RMB21.39 million for the year ended 31 December 2025, primarily attributable to the increase in our taxable income during the year.

Finance Costs

Our finance costs consisted of interest expenses on our borrowings and lease liabilities. Our finance costs increased from RMB2.41 million for the year ended 31 December 2024 to RMB2.54 million for the year ended 31 December 2025, primarily attributable to an increase in interest expenses arising from the discounting of bank acceptance bills issued by state-controlled and nationally listed commercial banks.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 13.2% from RMB225.42 million for the year ended 31 December 2024 to RMB255.18 million for the year ended 31 December 2025. Our profit margin for the year increased from 14.79% for the year ended 31 December 2024 to 14.87% for the year ended 31 December 2025, primarily attributable to (i) the Company's efforts in deepening market expansion and optimizing its product mix, and (ii) the Company strengthened its cost and expense control during the Reporting Period, resulting in a growth in profit in line with revenue growth.

Financial Position

The table below sets forth the absolute amounts from the Company's consolidated statement of financial position as of 31 December 2025 and 31 December 2024:

	31 December 2025 *RMB million*	31 December 2024 *RMB million*
Total non-current assets	**1,264.32**	1,182.51
Total current assets	**3,053.47**	2,939.40
Total assets	**4,317.79**	4,121.91
Total non-current liabilities	**85.25**	92.93
Total current liabilities	**749.55**	802.77
Total liabilities	**834.80**	895.70
Equity attributable to owners of the Company	**3,482.99**	3,226.21
Net assets	**3,482.99**	3,226.21

The Company's total non-current assets increased from RMB1,182.51 million as of 31 December 2024 to RMB1,264.32 million as of 31 December 2025, primarily due to our increased procurement of equipment to enhance manufacturing capacity, as well as continued investment in plant construction to support operational expansion.

The Company's total current assets increased from RMB2,939.40 million as of 31 December 2024 to RMB3,053.47 million as of 31 December 2025, mainly due to the reallocating existing funds and new cash inflows to different types of products in order to strengthen our cash management.

The Company's total non-current liabilities decreased from RMB92.93 million as of 31 December 2024 to RMB85.25 million as of 31 December 2025, primarily due to the depreciation of right-of-use assets and the scheduled repayment of lease liabilities.

The Company's total current liabilities decreased from RMB802.77 million as of 31 December 2024 to RMB749.55 million as of 31 December 2025, mainly due to (i) the adoption of a short-term profit-oriented financing model through structured entities, (ii) a decrease in construction payables, and (iii) the exercise of restricted share awards in 2025.

The Company's net assets increased from RMB3,226.21 million as of 31 December 2024 to RMB3,482.99 million as of 31 December 2025, primarily driven by the Company's operating profits generated in 2025 and the exercise of certain share options during the Reporting Period.

Working Capital and Financial Resources

The Company maintains sufficient cash and cash equivalents to ensure capital flexibility. The Company's cash and cash equivalents mainly comprise cash at banks, cash in hand, and short-term bank deposits with initial terms within three months. The Company's cash and cash equivalents decreased from RMB224.82 million as of 31 December 2024 to RMB181.78 million as of 31 December 2025. This decrease was mainly due to the increase in net cash flows used in investing activities.

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

As of 31 December 2025, the Group had not used any financial instruments for hedging purposes. We have continued to maintain a healthy and sound financial position and have followed a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved.

Our interest-bearing bank borrowings primarily consisted of bank loans, discounted notes receivable and discounted letter of credit. Our discounted notes receivable arose from certain notes receivables accepted by PRC banks, for which we retained substantial risks and rewards (including default risks), and continued to recognize the full carrying amounts of the discounted notes and the associated borrowings. The Company obtains financing based on market interest rates and its capital operation plans. The Company's bank loans and bonds are sourced from commercial banks and financial institutions in Mainland China and other countries or regions. The table below sets forth the absolute amounts of our borrowings as of 31 December 2025 and 31 December 2024:

	31 December 2025	31 December 2024
	RMB million	*RMB million*
Bank loans – unsecured	**0**	9.01
Discounted notes receivable – unsecured	**169.64**	82.17
Discounted letter of credit – unsecured	**0**	49.80
Total	**169.64**	140.98

Bank loans of the Group for the year ended 31 December 2025 decreased from RMB9.01 million to nil as compared with the year ended 31 December 2024, primarily as a result of the full repayment of bank loans by the Company. The discounted notes receivable of the Group increased from RMB82.17 million to RMB169.64 million in 2025, primarily due to bill financing arising from the discounting of bank acceptance bills issued within the Group.

The discounted letter of credit unsecured of the Group decreased from RMB49.80 million for the year ended 31 December 2024 to nil for the year ended 31 December 2025, primarily because the discounted letter of credit unsecured had matured and were repaid.

The Company expects that there will be no material changes in the financing available to support its operations in the future.

The Company maintains a prudent capital ratio to support its business and manages its asset structure through asset-liability ratio. The table below sets forth the absolute amounts of total assets, total liabilities, and the asset-liability ratio as of 31 December 2025 and 31 December 2024:

	31 December 2025	31 December 2024
Total assets *(RMB million)*	**4,317.79**	4,121.91
Total liabilities *(RMB million)*	**834.80**	895.70
Asset-liability ratio	**19.33%**	21.73%

The Company's asset-liability ratio, defined as the proportion of total liabilities to total assets, decreased from 21.73% as of 31 December 2024 to 19.33% as of 31 December 2025. This decrease was primarily due to an increase in net assets of RMB256.78 million in 2025 and an increase in capitalized listing expenses in connection with the Global Offering.

The Company maintains a healthy cash flow level. In 2025, the Company's operating cash conversion ratio (defined as net cash generated from operating activities divided by annual profit) was 0.62 times. The cash generated from operating activities of the Company was used to support business operations. As of 31 December 2025, monetary assets accounted for more than 5.95% of the Company's total current assets.

Capital Commitment

The following table sets forth our capital commitments as of the dates indicated.

	31 December 2025 ***RMB million***	31 December 2024 *RMB million*
Contracted, but not provided for purchase of property, plant and equipment	**67.01**	116.95

Capital Expenditure

Our capital expenditures primarily related to purchases of property, plant and equipment, and, to a much lesser extent, additions of other intangible assets (i.e., software). The Company's capital expenditure in 2025 was RMB170.52 million, which remains relatively stable as compare with that of RMB168.64 million in 2024.

The Company will fund these capital expenditures through cash generated from operations and proceeds from the Global Offering.

Contingencies

As of 31 December 2025, we did not have any material contingent liabilities, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

Foreign Exchange Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations. We will mitigate such a risk by constantly reviewing the economic situation and foreign exchange risk, and applying hedging measures when necessary.

We have not implemented any hedging arrangements. We manage our foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

Pledged Assets

As of 31 December 2025, the Group had bank deposits of RMB35.1 million pledged as security mainly for wealth management products.

Off-Balance Sheet Arrangements

As of 31 December 2025, we had no material off-balance sheet arrangements.

Material Acquisitions and Disposals and Significant Investment

We did not have any material acquisitions and disposals and significant investments during the year ended 31 December 2025.

Future Plans for Material Investments and Capital Assets

Save as disclosed in (i) the section headed "Future Plans and Use of Proceeds" in the Prospectus, as of 31 December 2025, we did not have detailed future plans for material investments or capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Principal Business Activities Engaged by the Company during the Reporting Period

(I) Product Introduction

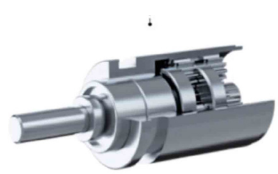
The Company specializes in the research and development, production and sales of micro transmission and drive systems, and provides one-stop micro drive system solutions for various customers.

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

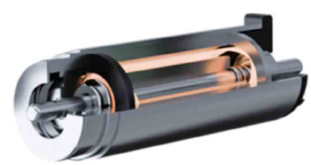
In the field of micro transmission, the Company offers a range of self-developed gear parts and micro gearbox series, which form a core part of our "1+1+1" tri-integrated framework. Relying on advanced mold molding and machining processes, the Company is capable of independently manufacturing core components,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

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

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



Micro Transmission Systems

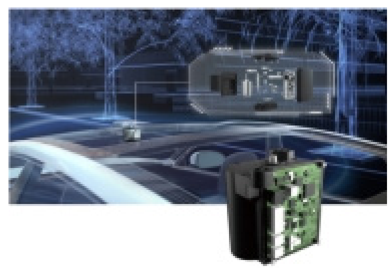


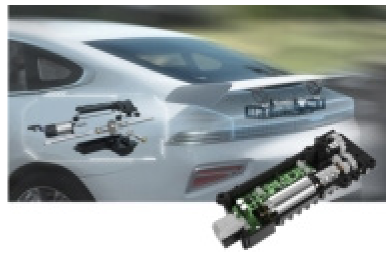
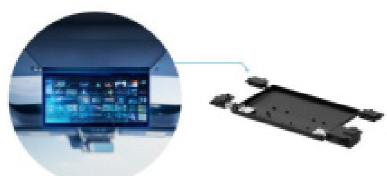
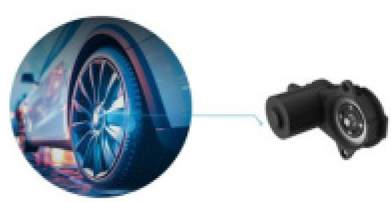
Micro Motor Systems

Electronic Control Systems

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

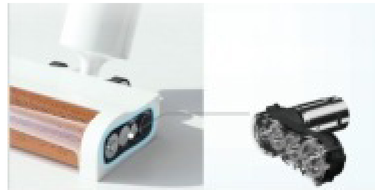
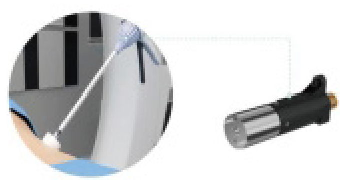
Application Area	Product Name	Illustration	Product Introduction
Intelligent Automotive	Central Control Screen Tilting Actuator		ZHAOWEI central control screen tilting actuator utilizes a combination of a DC motor, parallel transmission and worm gear transmission to achieve speed reduction and torque amplification. This mechanism drives the main shaft, which holds the screen, enabling the vehicle's central control screen to rotate 15° to the left or right, allowing it to face either the driver or the front passenger.
	Central Control Screen Rotation Actuator		ZHAOWEI central control screen rotation actuator uses a combination of a brushless DC motor, a single-stage worm gear and parallel transmission to drive the screen's 0-90° rotation between landscape and portrait orientations. A built-in buffer structure at the end-stop positions ensures smoother and more stable screen movement.

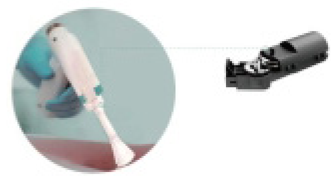
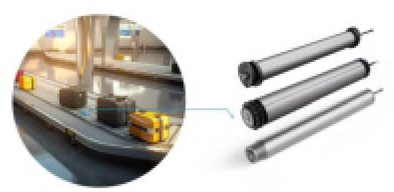
Application Area	Product Name	Illustration	Product Introduction
	Thermal Management Actuator		ZHAOWEI thermal management actuator consists of a brushless DC motor and a gear transmission module. It drives a ball valve to regulate the flow distribution across different pipelines, maintaining the motor and battery within their optimal temperature range and enabling efficient thermal utilization.
	LiDAR Adjustment Module		ZHAOWEI LiDAR adjustment module utilizes a stepper motor combined with a worm and helical gear structure to enable dynamic positioning of LiDAR components – either deploying the radar emitter outward from the vehicle or retracting it inside. This design enhances the radar's detection range and flexibility, enabling 360-degree environmental sensing and improving driving safety in complex conditions.

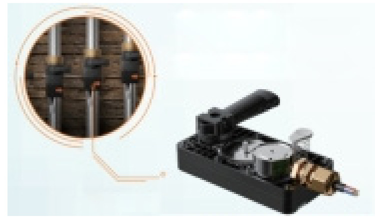
Application Area	Product Name	Illustration	Product Introduction
	Automotive Rear Spoiler Drive System		ZHAOWEI automotive rear spoiler drive system uses a DC motor combined with a planetary gearbox and parallel transmission to achieve speed reduction and torque amplification. It drives the spoiler's movement via a connected shaft, counteracting complex aerodynamic forces to alter the spoiler's angle and enhance its stability.
	Rear Ceiling-Mounted Screen Actuator		It primarily consists of a brushless motor coupled with a 5-stage gear reduction mechanism, complemented by two locking mechanisms, a driven mechanism, and a control board. This configuration enables functions such as stepless position holding, intelligent anti-pinch, diagnostics, self-test, and OTA.
	EPB System Actuator		ZHAOWEI EPB system actuator controls the parking brake via electronic circuitry, functioning similarly to a mechanical handbrake. It uses a motor and transmission system to actuate the caliper, thereby securing the vehicle when parked.

Application Area	Product Name	Illustration	Product Introduction
Consumer and Healthcare Technology	Learning Tablet Camera Module		ZHAOWEI's external camera solution for learning tablets integrates the camera module into the tablet body, achieving a more streamlined and unified product design. With the pop-up camera mechanism, users can easily angle the camera downward to capture textbook content, enabling seamless hybrid learning experiences both online and offline. Our solution not only enhances the user experience for students but also adds to the product's sense of technological sophistication.

Application Area	Product Name	Illustration	Product Introduction
	IPD Adjustment Module		ZHAOWEI IPD adjustment module is a device that adjusts the distance between the two lenses of smart wearable equipment to match the user's interpupillary distance, primarily applied in VR headsets and VR glasses. Through advanced processes and sophisticated design, this product simplifies assembly, enhances transmission efficiency and adjustment precision, and reduces operational noise, thereby lowering costs and improving efficiency while ensuring an optimal viewing experience for the user.
	Robotic Lawn Mower Drive System		ZHAOWEI robotic lawn mower micro drive system features a brushless motor paired with a multi-stage parallel gear transmission, enabling speed reduction and torque amplification. This system drives the rotation of the wheels, providing the necessary propulsion for forward and backward movement.

Application Area	Product Name	Illustration	Product Introduction
	Floor Scrubber Drive System		ZHAOWEI floor scrubber drive system consists of a DC motor and a parallel gear transmission mechanism. It can be equipped with a high-performance motor to work in coordination with manufacturers to enable the scrubber's roller brush cleaning and suction inlet self-cleaning functions. This product can also be designed with dustproof and waterproof features according to customer requirements.
	Minimally Invasive Electric Surgical Stapler Drive System		ZHAOWEI minimally invasive electric surgical stapler drive system employs a motor-driven planetary gearbox transmission to control the forward and backward movement of the stapling mechanism, thereby facilitating suturing. It features high torque output, a compact structure, and low noise operation.
	Insulin Injection Pump		ZHAOWEI insulin injection pump utilizes a stepper motor paired with a parallel transmission mechanism. A lead screw and nut assembly drives the injection piston, delivering insulin subcutaneously according to the required dosage, thereby precisely controlling the amount of insulin injected. It features smooth operation and low noise, making it suitable for most insulin injection devices.

Application Area	Product Name	Illustration	Product Introduction
	Orthopedic Surgical Wound Irrigation Pump System		ZHAOWEI orthopedic surgical wound irrigation pump system is designed to regulate irrigation flow during orthopedic surgeries. This product controls flow using a DC motor combined with a face gear transmission. Its multi-level flow regulation function allows for appropriate selection based on surgical requirements to control the output flow rate.
Advanced Industry and Smart Manufacturing	Drum Motor Drive System		ZHAOWEI ZWG drum motor series represents a new generation of integrated drum motor with built-in "motor, gearbox and electronic control system". It is characterized by compact size, easy assembly and simple operation. It is widely used in applications such as food transportation, industrial automation, and airport/high-speed rail security screening.

Application Area	Product Name	Illustration	Product Introduction
	Air/water Valve Actuators		Our air/water valve actuators feature an integrated design that combines electronic control, gearbox transmission and drive motor. They offer a certain degree of self-locking capability and are characterized by their compact size, high temperature resistance, strong load capacity, low noise, cost-effectiveness and long service life.
	5G Base Station RCU Module		The Company provides customers with a comprehensive RCU module that includes both hardware and drive module design. When integrated with the customer's software system, it enables remote adjustment of the downtilt angle of base station antenna radiation signals, allowing for precise control of network coverage position and range.

Application Area	Product Name	Illustration	Product Introduction
	Micro Transmission Module for Antenna Feed System		The Company's transmission module for antenna feed system adjusts the signal coverage range of the antenna by regulating the phase of the phase shifter. Utilizing one motor for gear shifting and another for driving, this module controls and adjusts the phase of multi-port antennas, thereby modifying their signal coverage range.
Robotics	Core Drive Module for Humanoid Robots		The core drive module for the dexterous hand features an integrated electromechanical design and is equipped with a high-performance motor. It delivers a high transmission ratio within a compact space, enabling six degrees of freedom in the drive shaft. This allows the module to replicate complex human finger movements and execute refined, lifelike gestures with precision.

Application Area	Product Name	Illustration	Product Introduction
	Dexterous Hand		The bionic robotic dexterous hand integrates structural, hardware and software system development. Primarily utilized in the robotics sector, it can be paired with various embodied robotics. Characterized by multiple degrees of freedom and high power density, it can perform complex and dexterous gripping actions.

(II) Business Model

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

(1) Procurement Model

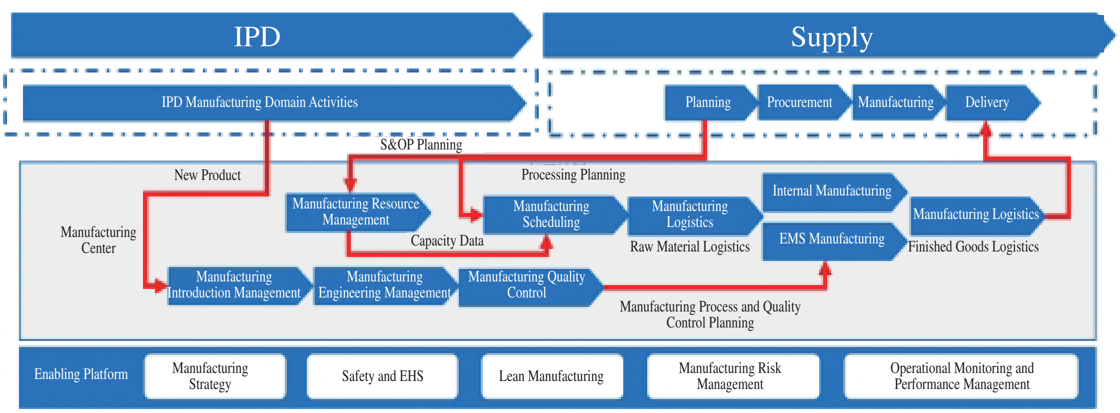
The Company adheres to a "make-to-order" procurement principle, where the procurement cycle and quantities are primarily determined based on customer orders and product demand, aligning with our business model centered on customized products. The sales and production management departments use the Material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

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

(2) *Manufacturing Model*

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

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



(3) R&D Model

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

(4) Sales Model

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

(III) Performance Drivers

In 2025, under the leadership of the Board of Directors, the Company's management team strictly adhered to the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other laws and regulations, as well as the articles of association of Shenzhen Zhaowei Machinery & Electronics Co., Ltd., to standardize corporate governance. We remained committed to market stability, strategic focus, and transformation resilience, maintaining steady development. All operational management tasks and major project constructions progressed in an orderly manner. During the Reporting Period, the Company achieved operating revenue of RMB1,715.53 million, representing a year-on-year increase of 12.52%. Net profit attributable to shareholders of the listed Company was RMB255.18 million, representing a year-on-year increase of 13.20%.

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

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

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

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

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

During the Reporting Period, the Company continuously pursued technological improvements based on existing product manufacturing processes and technologies. By leveraging both internal and external resources, we upgraded existing manufacturing processes and equipment, enhancing our capabilities in informatization, automation, and intelligence to maintain our leading position in the micro transmission and drive industry. We are committed to advancing process and technological innovation, increasing R&D investment in new products, new processes, and cleanroom construction. This improves our process and resource integration levels, further reduces production costs, increases product added value, and strengthens product competitiveness. We are continuously strengthening the talent pool of our R&D design team, gear technology team, electronic drive team, automation team, gear testing laboratory, and comprehensive testing laboratory, building a more competitive comprehensive development platform covering R&D, design, manufacturing, and testing. During the Reporting Period, the Company was awarded the "Guangdong Provincial Government Quality Award" and obtained the "CNAS Laboratory Accreditation Certificate". Our subsidiary, Dongguan Zhaowei, was recognized as a "National-level 'Little Giant' Specialized and Sophisticated Enterprise" and a "Dongguan Key Enterprise in Artificial Intelligence".

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

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

We maintain a commitment to deep industry insights in sectors such as intelligent automotive, consumer and healthcare technology, industrial and manufacturing, and robotics. Using market insights as a starting point, we identify market demands and pain points, analyze challenges facing products of the clients, and fully leverage our resources and platform advantages to proactively provide customers with optimization solutions and recommendations. Keeping pace with market trends, we simultaneously delve deeper into our strong markets while continuously developing potential target markets. By integrating our existing resources, we strengthen operations in niche target markets, expanding our product visibility and brand influence. We will increase participation in major international and domestic exhibitions and allocate more resources to promotional activities on websites and new media platforms to continuously enhance brand value. We will strengthen our sales force, promote skill development among sales personnel, and build a sales team characterized by elite personnel, streamlined organization, and value-driven projects. We will enhance key account management, actively cultivate strategically valuable customers, and optimize the structure of our customer base and order portfolio. We will strengthen project initiation management, refine project selection and review mechanisms, and focus on major projects and large orders to increase the number of high-value projects. During the Reporting Period, the Company's global expansion progressed steadily. The construction of the Suzhou Zhaowei Drive Industrial Park was successfully completed. In June 2025, preparatory work, including secondary interior finishing of the factory and the procurement, installation, and commissioning of production equipment, was finalized. In July 2025, the factory and production equipment met all commissioning standards, successfully passed system certification and on-site customer audits, and officially commenced independent production, generating product sales revenue. This facility has become a key pillar for the Company's production and business layout in the East China region. In terms of overseas expansion, ZHAOWEI Thailand is under construction. Together with Zhaowei's subsidiaries in US and Germany, these entities lay a solid foundation for the Company to expand into international markets and deepen its global footprint.

4. *Strengthen Corporate Culture and Talent Development*

Talent is the cornerstone of sustainable corporate development and the foundation of core competitiveness. Currently, the Company is in a new phase of rapid growth. As our business footprint continues to expand, higher demands are placed on talent reserves and systematic management. To support the implementation of our strategy, the Company formally established a Talent Management Committee and initiated its substantive operations. Going forward, we will systematically build our talent pipeline, training mechanisms, and cadre management system around the Company's development goals.

Talent Pipeline Development: Centered on business departments, we will identify outstanding internal and external talent, establish a talent pool and dynamic growth mechanisms to strengthen our succession capabilities;

Training Empowerment: We will establish a systematic and platform-based training system, establish ZHAOWEI Business School, and build a learning and development platform covering multiple fields. Differentiated training programs will be implemented for new employees, production staff, frontline employees, and various professional areas. Practical models such as a "mentorship system" will be implemented. Additionally, we will select middle and senior management to systematically study relevant management courses to continuously enhance the professional skills and management capabilities of all employees;

Cadre and Core Position Management: We will refine the criteria for identifying and selecting cadres, establish a cultivation system and promotion pathway, conduct dynamic assessments of the core talent pool, strengthen ethical conduct and work style development, and implement specialized development plans;

Performance Incentives: We will deepen our human resources performance management system, implement an evaluation mechanism centered around projects, customer orientation, and results to stimulate proactivity and enhance the stability of key personnel.

Concurrently, internally, we will optimize qualification management, refine the criteria for talent pipeline levels, and create a growth model that benefits both employees and the Company. Externally, we will continue to recruit talent for key positions to fill talent gaps during this rapid development phase. By establishing a virtuous cycle of "people shaping the environment, and the environment shaping people", we aim to achieve the co-evolution of the organization and its talent, thereby comprehensively enhancing the Company's competitiveness.

II. Industry Overview during the Reporting Period

The Company operates in the micro transmission industry, a specialized sub-sector, while also strategically developing within the micro drive sector. The micro transmission industry in which the Company operates differs significantly from the traditional transmission industry in terms of product specifications, primary materials, manufacturing processes, core functions, and application areas. Currently, relatively few companies in China have entered this emerging niche sector.

Against the backdrop of the ongoing "Dual Carbon" strategy, the accelerated industrialization of artificial intelligence models, and the domestic substitution of high-end equipment, the Company continues to focus on high-growth sectors such as intelligent automotive, AI terminals, advanced manufacturing equipment, and embodied robots. This focus drives the structural upgrade of our core business and the move up the value chain. The Company is deeply engaged in the R&D and industrialization of micro transmissions, motors, and control systems, having built a "1+1+1" tri-integrated micro drive control platform. This enables terminal products to evolve from fulfilling single functions to achieving system-level reliability, long-term stable operation, and high-precision control consistency. Particularly in critical application scenarios such as high-frequency start-stop, high-precision control, complex operating conditions, and extended operational cycles, our micro transmission and drive systems leverage sustained technological accumulation and precision manufacturing capabilities to achieve a strategic transition from a "cost component" to a "value hub". They become a critical support for the performance boundaries and brand premium of end-products. By continuously strengthening our foundational core technologies, we maintain our competitive advantages and market leadership amidst the trends of intelligentization, precision, miniaturization and systematization, providing a solid foundation for the Company's long-term, stable growth.

The micro transmission and micro drive industry in which the Company operates is characterized by a wide range of applications and a diverse customer base, with no significant cyclical fluctuations. Benefiting from the further development of downstream markets such as intelligent automotive, consumer electronics, medical equipment, industrial automation, and robotics, the market for micro transmission and micro drive systems is also gradually expanding. Against this backdrop, the Company focuses on these key industries undergoing intelligent development, quickly meet application needs across sectors such as intelligent automotive, consumer and healthcare technology, advanced industry and smart manufacturing, and robotics by providing micro drive system solutions. During the Reporting Period, the Company continued to make continuous progress in R&D capabilities, equipment standards, product services, and lean manufacturing. Consistently upholding our vision and mission to "committed to progress in the field of micro-drives to create a smarter and better life", and leveraging our leading position and competitive advantages in the industry, we continue to deeply cultivate the micro transmission and micro drive sectors. Regarding the development status of the main industries we serve and our market position within them, the details are as follows:

(I) Intelligent Automotive

Driven by breakthrough advancements in core technologies such as power batteries, electric motors, and electronic control systems, along with the accelerated development of nationwide charging infrastructure, new energy vehicle sales surpassed those of traditional vehicles in 2025, transitioning from an “emerging choice” to a “mainstream choice”. The intelligent automotive sector is also increasingly demonstrating a trend where high-level intelligent capabilities are being deployed in more affordable models while cost optimization is pursued in parallel. High-level assisted driving is expanding from pilot models into mainstream vehicle segments. The electronic and electrical architecture is further evolving towards centralized platforms, with significant increases in the penetration rates of intelligent thermal management, and dynamic cockpit structural actuators. The number and complexity of actuation units are increasing simultaneously, placing comprehensive demands on micro drive systems for high responsiveness, long lifespan, and high consistency. Leveraging our accumulated technical expertise in precision transmission design and dynamic control, the Company is accelerating its transition from “precision component supply” to “functional module and system solution” provision, with its product structure undergoing continuous optimization.

The Company focuses on the independent R&D and manufacturing of micro precision transmission systems. Its strategic collaborations with core customers such as Bosch, BYD, and Changan continue to deepen. In the fields of intelligent cockpits and drive-by-wire chassis, the Company has secured new project design wins and achieved mass production for several projects, with its technical capabilities and project execution validated by the market. Leveraging its long-standing technical accumulation in transmission efficiency, vibration and noise control, and structural reliability, the Company’s electric tailgate drive system, automotive screen motion modules, and precision components for ABS braking systems are widely applied in numerous popular vehicle models of leading domestic independent brands and top emerging vehicle manufacturers. These applications cover key actuation areas ranging from intelligent cockpit experience to chassis safety control. As the penetration rate of vehicle electrification continues to rise and intelligent chassis technology develops rapidly, the market demands higher precision retention, durability, and lightweight design for micro transmission systems. In the future, driven by the commercialization of cutting-edge technologies such as drive-by-wire chassis and domain control units, high-precision micro-drive systems, as the core carriers of actuation mechanisms, will encounter new opportunities for structural growth.

(II) Consumer and Healthcare Technology

As the consumer technology industry trends towards "AI on the edge" and "intelligent scenarios", large AI models are accelerating deployment on end-side devices, driving continuous improvements in chip integration. While highly integrated chips endow terminal devices with powerful computing capabilities, they also lead to a sharp increase in device power density. This imposes more stringent requirements on the thermal performance and internal integration processes of smart hardware, and presents new technical challenges for the integration and stability of micro transmission systems.

Meanwhile, as an upstream supplier of automation components for medical devices, the Company actively participates in the electrification of medical equipment, providing customers with competitively positioned solutions in areas such as electric staplers, surgical robots, and insulin injection pumps. The Company continues to increase R&D investment in high-precision reduction structures, low-vibration and low-noise design, and the establishment of medical-grade reliability systems. This deepens our technological engagement in consumer and healthcare technology applications, empowering customer product iteration and upgrades with our core transmission technologies.

(III) Advanced Industry and Smart Manufacturing

According to the "Action Plan for Promoting Large-Scale Equipment Renewal and the Replacement of Consumer Goods" issued by the State Council, enterprises are encouraged to vigorously promote the production and application of advanced equipment, accelerate the replacement of outdated and inefficient equipment, and enhance the overall level of industrial equipment. Amidst continued policy support, the industrial equipment and smart manufacturing sectors emphasize benchmarking the performance of alternative products and their ability to be deployed at scale. Industrial equipment is upgrading towards high precision, flexibility, and digitalization. The Company integrates its electromechanical integration capabilities, expanding the deep application of embedded control algorithms in industrial scenarios to form modular drive system solutions centered around precision reduction structures. By optimizing gear transmission efficiency, enhancing motor response precision, and improving control algorithm adaptability, the Company's products are achieving increasing penetration in areas such as industrial automation lines, precision testing equipment, logistics transportation equipment, and smart buildings. This assists downstream customers in achieving domestic substitution of core components and upgrading system integration.

(IV) Robotics

In 2025, embodied intelligence has become a key direction for the integration of artificial intelligence and high-end manufacturing. The central government has consistently increased policy support. The Ministry of Industry and Information Technology issued the "Guiding Opinions on the Innovative Development of Humanoid Robots", which explicitly aims to ensure the safe and effective supply of core components by 2025, achieve breakthroughs in key "limb" technologies, develop humanoid robotic arms and dexterous hands, and strengthen the R&D and manufacturing capabilities of foundational components. Concurrently, the action plan for stable growth jointly issued by the Ministry of Industry and Information Technology and the State Administration for Market Regulation also emphasizes unwaveringly promoting the use of domestic products in domestic industries, increasing policy support for key enterprises in the industrial chain, enhancing the reliability and safety of components and parts, and strengthening the resilience and security of the industrial and supply chains. The Company continues to enhance its integrated R&D capabilities for micro transmission and drive systems. By optimizing multi-joint coordinated control algorithms and multimodal sensor fusion capabilities, and strengthening the development of industrial and testing standard systems, we continuously improve the stability and reliability of our products in complex application scenarios. Our dexterous hand products have been further refined in terms of expanded degrees of freedom, independent actuation control, and flexible control capabilities, enhancing their performance in complex grasping and fine manipulation tasks. As the commercial pathways for embodied intelligence become clearer, the stability and scalability for mass production of core actuation components become critical. The Company is well-positioned to establish a differentiated competitive advantage in the field of core components for humanoid robots, leveraging its platform-based capabilities in micro motor drive systems.

In July 2025, the Company officially launched its next-generation bionic dexterous hand series, the A17 and B06. Among them, the A17 features 17 active degrees of freedom with power units integrated within the finger joints, making it suitable for complex and refined operation scenarios; the B06 utilizes a linkage transmission solution with 6 degrees of freedom to meet high-intensity operational demands. Through differentiated designs, the two products cater to diverse scenario requirements. In January 2026, the Company further unveiled the B20 dexterous hand at the International Consumer Electronics Show (CES). With a total hand weight of 600g and 20 active degrees of freedom, it achieved a dual breakthrough in lightweight design and high performance. Currently, the mass production work of the Company's dexterous hand products is continuously progressing. At the core drive level, the Company introduced industry-breakthrough innovations: linear drive motors integrated within each finger joint, a parallel motor configuration for the thumb, and a linear drive motor embedded in the palm, establishing a highly integrated drive system architecture. Concurrently, the Company launched its 4-42mm fully self-developed high-performance motor series, covering full-scenario needs from micro to low-power applications. With their outstanding performance characterized by high efficiency, low failure rates, and long lifespan, these motors provide a solid foundation for the precise control and stable operation of the dexterous hand. The Company's technological breakthroughs in the micro drive system domain further solidify its leading position in the bionic robotics core component sector.

III. Analysis of Core Competitiveness

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

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

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

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

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

Our research and development capabilities form the cornerstone of our technological advantages and long-term competitiveness. The Company views innovation as a strategic imperative and a core value. We have established a comprehensive and integrated R&D framework built upon our "1+1+1" tri-integrated framework, seamlessly linking system design, process development and product realization, to ensure a continuous cycle of technology iteration and original breakthroughs. As of the end of December 2025, the Company had accumulated 650 intellectual property rights, including 102 invention patents, with the number of granted patents continuously increasing.

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

During the Reporting Period, the Company refined and supplemented foundational data on plastic gear wear and lifespan, and advanced the development of design software for novel transmissions. We conducted and completed research on the friction and wear between carbon fiber-reinforced PEEK (a specialty engineering plastic) and metal gears during high-speed operation, gaining insights into how factors like structural design, injection molding parameters, and torque load affect the failure modes of PEEK gears. We explored the theoretical basis for how modification of plastic gear pairs influences contact stress on tooth surfaces, leading to a significant increase in plastic gear durability. We completed the formulation of a national standard for calculating the load capacity of plastic gears, revised three national standards for the precision of small-module gears, established a group standard for integrated joint interfaces, and participated in the compilation of the new edition of the "Gear Handbook". We finalized applied research on worm and helical gear transmission under high-load conditions. We achieved advancements in technologies such as screw transmission efficiency and efficient small-module gear transmission. We launched the next-generation dexterous hand, ZWHAND, which, powered by four core technologies, endows the robotic hand with human-like dexterity.

For motor products, we completed the platform-based series development for brushed DC motors, brushless DC motors, and brushless coreless motors, all of which are now in mass production. Notably, the 4mm brushless coreless motor has been successfully mass-produced for use in major national astronomical equipment. Future efforts will focus on developing 4-pole micro products to enhance torque density and provide an ultimate lightweight solution for the dexterous hand. For brushless DC motors, we achieved a breakthrough into smaller diameters, utilizing a segmented stator core assembly process to improve torque density. Development of 12mm/16mm motors has been completed and is now in small-batch production. We developed a solution for active cooling of consumer electronics products, with prototype trials now complete. In the field of powder metallurgy small-module gears, the Company focused R&D and technical efforts on metal powder materials, mold design and manufacturing, and process stability for mass production. Building on our capabilities for high-precision, large-scale manufacturing of small-module powder metallurgy gears, we developed proprietary materials with lower cost and higher compactibility, as well as materials offering enhanced elongation and impact resistance, balancing cost reduction with improved industry competitiveness.

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

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

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

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

(IV) Superior Advanced Manufacturing Capabilities Enabling Precision at Scale

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

On the equipment front, we have made significant investments in globally renowned machinery brands, such as imported injection molding equipment from FANUC, SODICK, etc.; gear processing and inspection centers, such as ZEISS CT, WAHLI, etc.; ultra-high-speed Computer Numerical Control (CNC) machining equipment like YASDA, Mikron, etc.; high-precision wire-cutting machines like Swiss GF AgieCharmilles. Concurrently, we have invested in GF Electrical Discharge Machining (EDM) precision imported equipment, established an automated EDM line, and expanded an automated engraving and milling CNC line, enabling 24-hour unmanned and automated manufacturing processes, achieving digitalized and intelligent manufacturing. In the machining of high-performance micro planetary gear reducers, the Company has introduced high-end manufacturing equipment such as CNC high-speed gear shapers, high-precision gear grinders, and high-precision honing machines, while also optimizing advanced processes like 0.1mm ultra-fine micro-particle blasting and electrolytic surface polishing. In terms of information system software supporting manufacturing equipment, we have implemented intelligent manufacturing management systems including MES, EMAN, iMould, and SRM, achieving data visualization, standardization, and intelligent control across the entire production process.

The Company has devoted significant resources to our R&D initiatives. Our R&D hub is equipped with design, simulation, testing and prototyping infrastructure. We have established a experienced testing team. Currently, the Company has established several key facilities: the Precision Measurement Center, primarily responsible for dimensional inspection, product characterization, material performance evaluation, and reliability testing; the Micro Drive Integrated Testing Laboratory, providing capabilities for appearance, performance, reliability, environmental, and comprehensive testing and validation; the Intelligent Control Laboratory, which is a National Center for Enterprise Technology and a Shenzhen Engineering Research Center, with joint laboratories established with several renowned domestic universities for academic-industry-research collaboration, focusing on the testing and validation of electrical performance, signals, and reliability of products; and an EMC Semi-Anechoic Chamber, compliant with CISPR 25 Ed5 Class 5 requirements, equipped with composite absorbing materials and a dedicated test table for automotive electronics, specifically designed for electromagnetic compatibility testing of automotive electronic components. The Company's laboratories have been awarded the CNAS Laboratory Accreditation Certificate.

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

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

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

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

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

(VI) Advantages in Talent Pipeline Development and Talent Cultivation

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

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

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

IV. Outlook on the Company's Future Development

(I) Company Development Strategy

Company Vision & Mission: Committed to progress in the field of micro-drives to create a smarter and better life.

Company Core Values: Creating Value, Embracing Innovation, Striving for Continuous Effort, and Pursuing Excellence.

Company Business Direction: The Company serves a wide range of downstream application fields, with products primarily involved in intelligent automotive, consumer and healthcare technology, advanced industry and smart manufacturing, and robotics. In terms of business expansion, the Company closely follows market demand, pursue a diversified layout, implement differentiated business strategies, continuously intensify efforts to explore various business areas, and increase customer coverage.

Company Strategic Direction: The Company focuses on the R&D and manufacturing of precision drive systems, providing customers with intelligent drive solution designs, as well as customized services for component manufacturing and assembly. Over the years, the Company has been committed to providing one-stop micro drive system solutions for various customers. The Company's "1+1+1" tri-integrated framework synergizes transmission systems, micro motor systems and electronic control systems into a unified framework. Unlike conventional R&D efforts conducted in isolation, we pursue coordinated development across all three domains, achieving functional harmony, faster iterations and system-level optimization, and significantly enhancing product value. This integrated approach enables customers to overcome complex technical bottlenecks and accelerate their shift toward intelligent, high-end transformation.

Leveraging our “1+1+1” tri-integrated strategy and comprehensive product and solution portfolio, the Company is advancing the development and deployment of key proprietary brand products, with a focus on further expanding our market share through our “dual-pronged” strategy. On one hand, the Company will continue to deepen existing customer relationships and co-develop customized solutions with leading industry players to address complex application needs, capture diversified growth opportunities, and create multiple growth engines. On the other hand, the Company will accelerate the commercialization of core products under our proprietary brand, particularly through deployment and promotion in emerging high-growth verticals, driving standardization, scale, and market recognition.

The Company’s Functional Strategy Support:

In R&D: The Company values R&D investment, leveraging technology to empower progress and innovation to drive development. While continuously solidifying our advantages in core technologies such as precision components and the R&D and manufacturing of micro transmission systems, we will focus on strengthening our R&D capabilities in drive and control systems. We will increase investment in product R&D and promotion for emerging industries. We will enhance our ability to provide solutions and create value for customers based on their needs. We will continuously improve design, production processes, and manufacturing techniques to shorten R&D cycles and increase project success rates.

In Manufacturing: The Company’s main production bases are currently in Shenzhen and Dongguan. The construction of the Suzhou Zhaowei Drive Industrial Park has been completed and officially commenced production during the Reporting Period. Based on business development, the Company will orderly advance project construction, gradually release production capacity, and continuously optimize industrial layout and capacity distribution. We will increase efforts in automation and digital factory construction, actively build smart factories, enhance the Company’s information and automation capabilities, reduce equipment energy consumption, and conserve resources.

In Talent Development: The Company will continue to intensify its cultivation efforts, establish comprehensive training mechanisms and incentive reward systems to retain core talent. The Company will continue to build a talent-centric corporate culture, establishing systematic talent security systems and a fair, merit-based competitive mechanism for talent cultivation and deployment. We will provide employees with diverse career development paths and a multi-dimensional employee care environment. We will continuously improve incentive systems, including performance appraisal and reward systems, annual evaluation systems, and equity incentive plans, to fully create a favorable environment for developing, retaining, and utilizing talent.

(II) The Company's 2026 Operational Plan

1. Further Expand Market Share through Proprietary Brand Development and Deeper Customer Penetration

Leveraging our "1+1+1" tri-integrated strategy and comprehensive product and solution portfolio, we are advancing the development and deployment of key proprietary brand products. We will steadfastly invest in R&D and product iteration, actively participate in technical seminars, industry exhibitions, and other multi-channel, multi-format activities to enhance the market recognition of the "ZHAOWEI" brand, positioning it as synonymous with "innovation, intelligence, precision, and reliability."

Leveraging the strong industry reputation and collaborative foundation established with leading customers across various industries in both global and Chinese markets, we will further consolidate these partnerships. By closely aligning with our customers' evolving application needs and providing highly customized, dedicated solutions, we aim to achieve deeper integration within their product ecosystems. Through customer-centric innovation and product development, we will further enhance market penetration and share.

2. *Accelerate the Commercialization of Dexterous Hand Products to Seize First-Mover Advantages in Industrial and Consumer-Grade Applications*

The Company is committed to accelerating the commercialization of its next-generation dexterous hand drive modules and complete hand systems, continuously reinforcing its technological first-mover advantages and market leadership in this field. On the hardware front, we will continuously optimize material selection, motor miniaturization, and mechanical structure design to enhance power density, motion dexterity, and product durability. On the algorithm front, we will further strengthen the synergy with hardware architecture, focusing on enhancing core functions such as motion control, gesture learning, and AI algorithm-based adaptability.

3. *Invest in AI-powered Digital Innovation to Reinforce our Technological Edge*

The Company is actively advancing the integration of AI and digital intelligence across its end-to-end operations to continuously consolidate and enhance its core competitiveness in micro transmission and drive technologies. The Company has established an AI innovation division, continuously optimizing the team structure and actively recruiting AI professionals from top domestic and international universities and industry-leading companies. Currently, the Company's AI digital pilot projects have achieved initial results. In the future, we plan to extend these capabilities to cover key end-to-end processes such as project management, design standardization, pricing and contract review, production scheduling, procurement planning, and sales forecasting, empowering high-quality development through digital intelligence.

4. *Optimize Capacity Layout and Actively Capture Global Growth Opportunities*

Currently, the Company's main production bases are located in Shenzhen and Dongguan. The Suzhou Zhaowei Drive Industrial Park has been successfully completed and officially commenced production during the Reporting Period. Going forward, the Company will continue to introduce advanced intelligent manufacturing technologies and high-end equipment to build modern intelligent production lines, further shortening product delivery cycles and enhancing service efficiency for domestic customers. Concurrently, the construction of the Thailand production base is steadily progressing to further improve responsiveness to international customers and optimize the global supply chain system. Through localized overseas production, we aim to effectively reduce logistics costs, shorten delivery cycles, and strengthen local service capabilities, thereby better capturing global market growth opportunities.

5. *Continuously Expand and Optimize Global Footprint to Accelerate Business Internationalization*

The Company is committed to bringing its micro drive technologies and intelligent solutions to a broader global market. We have established a presence in key overseas markets such as the United States and Europe, laying a solid foundation for our global development. Going forward, the Company will continue to deepen collaboration with international partners, continuously enhance our global sales and service network, and precisely reach more customers in core markets. We will strategically expand into overseas regions with strong product demand and favorable business environments, promote channel diversification, and build local responsiveness capabilities. By adopting a flexible and efficient service model, we aim to meet the diverse needs of customers across different global regions.

(III) Risks and Countermeasures

1. Risk of Rising Labor Costs

As a technology-intensive enterprise, the Company consistently regards technological innovation as the core driver of its business development. However, factors such as the decline in the working-age population and rising employee expectations for compensation and benefits are leading to a continuous upward trend in labor costs. The Company's products are characterized by customization, miniaturization, high precision, and small batch sizes, with relatively low standardization, making comprehensive automation difficult. Most products still rely on manual assembly. Against the backdrop of an aging population, to attract and retain talent in technical, sales, management, and production roles, and to ensure the supply of skilled workers, the Company may face sustained pressure from rising labor costs. If future product sales revenue and gross profit margins do not increase correspondingly, the continuously rising labor costs could adversely affect the Company's operating results.

To address this, the Company will continue to deepen lean production management, optimize production processes and manufacturing techniques, and comprehensively enhance production and operational efficiency. In terms of the compensation and incentive system, while ensuring base pay, the Company will improve the short-term variable compensation mechanism, advocating for value creation and rewarding higher performance. Through medium-to-long-term incentives such as equity incentives, we aim to build a platform where the Company and employees share interests and risks, stabilizing the core talent team and fostering mutual growth and coordinated development between the Company and its employees.

2. Risk of Raw Material Price Fluctuations

The Company's main raw materials include micro motors, plastic granules, gears, shafts, brackets, mold materials, bearings, housings, electronic components, and packaging materials. During the Reporting Period, the cost of major materials accounted for a significant portion of the current cost of principal operations. Fluctuations in raw material prices will directly impact manufacturing costs and gross profit margins, introducing uncertainty to the Company's production operations and profitability, thereby affecting its operating results.

To address this, the Company has implemented several measures: continuously expanding supply channels, establishing long-term strategic partnerships with suppliers, strengthening cost control, and rationally planning procurement; focusing on optimizing product structure, prioritizing the production and sales volume of high-profit, high-value-added products, and refining product mix and strategic layout; strengthening the coordination of production organization, improving capacity utilization across production lines, accelerating equipment technological upgrades and production process optimization, and promoting cost reduction and efficiency enhancement to improve overall profitability; and, concurrently, communicating and negotiating with customers in a timely manner to seek partial pass-through of cost pressures.

3. Risks in the Development of New Products and Technologies

The downstream industries the Company serves are characterized by rapid technological iteration. Emerging application scenarios and innovation projects continuously generate new technical requirements. If the Company fails to keep pace with industry technology trends and promptly undertake new product R&D and product iteration upgrades, it will struggle to adapt to evolving market demands. This could weaken our industry-leading advantages and adversely impact the Company's long-term development and sustained growth in operating results.

To address this, the Company has formed specialized R&D teams segmented by downstream industries, focusing on technology development research in each field and closely tracking changes in market demand. By continuously promoting technological innovation and product development, we provide solid support and technical assurance for the stable growth of the Company's various business segments.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The share incentive scheme was approved at the third meeting of the third session of the Board held on 7 August 2024 and the second extraordinary general meeting of the Company held on 28 August 2024 ("**2024 Share Incentive Scheme**"). For the year ended 31 December 2025, the Company had repurchased certain restricted A Shares granted to certain participants under 2024 Share Incentive Scheme and certain participants exercised their options to purchase A shares of the Company. On 21 July 2025, the Company repurchased 7,000 restricted A shares granted to certain participants under 2024 Share Incentive Scheme at the price of RMB21.35 per share.

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

ISSUANCE OF SHARES

On 9 March 2026, the Company issued 26,748,300 H Shares at the price of HK$71.28 per share, which are listed on the Main Board of the Hong Kong Stock Exchange. A total of 26,748,300 H Shares were issued by the Company with total proceeds of HK$1,906.62 million, with net proceeds of approximately HK$1,827.73 million (a net price of approximately HK$68.33 per share) after deducting issuance costs incurred directly by issuing new shares.

During the Reporting Period, a total of additional 537,900 A Shares were exercised through exercise of options by the participants under 2024 Share Incentive Scheme at their own discretion.

Save as disclosed above, no other Shares were issued during the Reporting Period.

DIVIDENDS

The Board of Directors proposes a cash dividend distribution to A Shareholders and H Shareholders for the year ended 31 December 2025, with a distribution of RMB3.85 (inclusive of tax) per 10 shares (tax inclusive). The cash dividend is denominated and declared in RMB, with payments to be made in RMB to A Shareholders and in HKD to H Shareholders. The actual amount of the H share dividend conversion will be calculated based on the central parity rate of RMB to HKD as announced by the People's Bank of China on the trading day immediately preceding the date on which the Board of Directors of the Company considered this proposal (27 March 2026) (HK$1 to RMB0.88361), and accordingly, the dividend payable per 10 H Shares is HK$4.357 (inclusive of tax). The proposed dividend distribution is subject to approval at the Company's 2025 annual general meeting and is expected to be distributed within two months from the 2025 annual general meeting. As at the date of this announcement, the Company did not hold any H shares of our Company as treasury shares (as defined in the Listing Rules).

There were no arrangements under which Shareholders had waived or agreed to waive any dividends during the Reporting Period.

USE OF PROCEEDS

The shares of the Company were listed on the main board of the Stock Exchange on 9 March, 2026. The net proceeds received from the Global Offering (after deducting the estimated underwriting commissions and other fees and expenses payable by the Company in connection with the Global Offering) was approximately HK$1,827.73 million.

As at the date of this announcement, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and none of the net proceeds from the Global Offering was utilized by the Company. To the extent that net proceeds are not immediately used for the intended use, the Company will place the net proceeds as short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), or applicable laws and regulations in other jurisdictions). For details of the breakdown of the use of proceeds, please refer to the H Shares annual report of the Company for the year ended 31 December 2025 to be published.

SUBSEQUENT EVENTS

Apart from the aforementioned listing of H shares of the Company on the main board of the Stock Exchange and proposed dividend distribution, there were no other material subsequent events since the end of the Reporting Period.

AUDIT COMMITTEE

The Audit Committee of the Board (the "**Audit Committee**") comprises three independent non-executive Directors of the Company. The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group and discussed financial reporting matters, including the review of the Group's consolidated annual financial statements for the year ended 31 December 2025, and matters in relation to risk management and internal control. There was no objection to such matters.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the annual results announcement have been agreed by the Group's auditor, 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 assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young, on the annual results announcement.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

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

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

As the Company's Shares had not been listed on the Stock Exchange as of 31 December 2025, the CG Code was not applicable to the Company during the Reporting Period. The Board is of the view that throughout the period from the Listing Date and up to the date of this announcement, the Company has complied with all the applicable code provisions as set out in the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

As the Company's Shares had not been listed on the Stock Exchange as of 31 December 2025, the Model Code was not applicable to the Company during the Reporting Period. However, specific enquiry has been made of all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the period from the Listing Date and up to the date of this announcement.

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

PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT

This results announcement is published on the websites of the Company (http://www.szzhaowei.net) and the Hong Kong Stock Exchange (http://www.hkexnews.hk). The 2025 annual report of the Company will be available on the websites of the Company and the Hong Kong Stock Exchange stated above in due course.

DEFINITIONS

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

"A Shares"	domestic shares of the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi
"Board" or "Board of Directors"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
"China" or "the PRC"	the People's Republic of China
"Company Law"	the Company Law of the People's Republic of China
"Company", "the Company", "we", "us" or "our"	Shenzhen Zhaowei Machinery & Electronics Co., Ltd. (深圳市兆威機電股份有限公司), a PRC company established on 19 April 2001, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 003021), and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2692)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"domestic China" or "Mainland China"	mainland China, for the purpose of this report only, excluding Hong Kong, Macau and Taiwan

"H Shares"	foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"HK" or Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Date"	9 March 2026, the date on which the H Shares of the Company were listed and commenced trading on the Main Board of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
"Reporting Period"	1 January 2025 to 31 December 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Securities Law"	the Securities Law of the People's Republic of China
"Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"year-on-year"	compared with the same period last year

"Zhaowei", "Zhaowei Group", "the Group", "our Group" or "we"	the Company and its consolidated subsidiaries
"%"	percent

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

Shenzhen, the PRC, 30 March 2026

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