WOER
沃尔核材

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

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

(Stock Code: 9981)

DISCLOSEABLE TRANSACTION IN RELATION TO THE INVESTMENT AGREEMENT

THE INVESTMENT AGREEMENT

The Board is pleased to announce that on March 31, 2026, Shanghai Keter, an indirect non-wholly owned holding subsidiary of the Company, entered into the Investment Agreement with the Committee, pursuant to which Shanghai Keter has conditionally agreed to invest in the Project and the Committee has conditionally agreed to assist Shanghai Keter to implement the Project after Shanghai Keter has acquired the land use right in relation to the Project through Listing-for-Sale.

The Project is subject to the successful bidding by Shanghai Keter of the land use right over the Land through the Listing-for-Sale process. The Project will involve the construction of a new production base over the Land for research and development laboratories, production plants, office premises and other ancillary facilities planned, which will primarily be used for the research and development and production of new energy protection products, electronic components, refractory specialty materials and aerogel products.

The total investment amount of the Project is approximately RMB1.2 billion, which includes, among others, land acquisition, plant construction and the purchase of production equipment. The investment amount was determined with reference to the scale of the Project, taking into account the costs for the construction of plant and supporting facilities, the commissioning of production equipment and other factors. The investment amount will be financed by internal resources of the Group and does not involve the proceeds from the global offering.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the entering into of the Investment Agreement exceeds 5% but all are less than 25%, the entering into of the Investment Agreement constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements, but exempt from the related Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, the terms and timetable for land purchase, equipment purchase and the construction of the production base have not yet been finalised. The Company will publish further announcement(s) in respect of the Project in due course or as required under the Listing Rules.

There is no guarantee and/or assurance that Shanghai Keter will acquire the Land under the Listing-for-Sale. In addition, the construction of the project is subject to the approval of relevant competent authorities in respect of project establishment, environmental protection, planning, construction and other related matters, and therefore the Investment Agreement may or may not continue to proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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The principal terms of the Investment Agreement are set out below:

Date

March 31, 2026

Parties

(1) Shanghai Keter New Materials Co., Ltd.

(2) Zhejiang Dushan Port Economic Development Zone Management Committee

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Committee and its ultimate beneficiaries are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

The Project

Pursuant to the Investment Agreement, Shanghai Keter has conditionally agreed to invest in the Project. The Project is subject to the successful bidding by Shanghai Keter of the land use right over the Land through the Listing-for-Sale process. The Project will involve the construction of a new production base over the Land for research and development laboratories, production plants, office premises and other ancillary facilities, which will primarily be used for the research and development, production and sales of new energy protection products, electronic components, refractory specialty materials and aerogel product.

The Land

Pursuant to the Investment Agreement, Shanghai Keter will acquire the land use right over the Land through Listing-for-Sale to be conducted by the relevant land department. The Land consists of two pieces of industrial land with a total site area of approximately 160.5 mu (畝), with a term of the land grant of 50 years. The exact size of the Land is based on the actual measurement by the relevant land department.

Investment Amount

The total investment amount of the Project is approximately RMB1.2 billion, which includes, among others, land acquisition, plant construction and the purchase of production equipment. The Project is being developed in two phases: (a) phase I will comprise a land area of approximately 108.5 mu (畝), with a total investment of RMB1.0 billion, of which the fixed asset investment amounted to approximately RMB700 million; and (b) phase II has reserved a land area of approximately 52 mu (畝), with a total investment of RMB0.2 billion, of which the fixed asset investment amounted to approximately RMB100 million. The investment amount was determined with reference to the scale of the Project, expected price for the acquisition of land, the costs for the construction of plant and supporting facilities, the commissioning of production equipment and other factors. The investment amount will be financed by internal resources of the Group, and will not involve the net proceeds from the Global Offering.

Suspension

The Investment Agreement shall be suspended if any force majeure event happens, including but not limited to earthquakes, typhoons, floods and wars, which affects a party's performance of its obligations under the Investment Agreement. The parties shall immediately consult with each other to find a fair solution and shall use all reasonable endeavours to minimize the impact of the force majeure event. The parties shall resume performance of the Investment Agreement unconditionally upon the cessation of the force majeure event.

Investment Undertakings by Shanghai Keter

The construction of the phase I of the Project is scheduled to commence by the end of December 2026, subject to the commencement of piling works upon the mobilization of piling equipment after obtaining the construction permit in accordance with the law. Phase I is expected to be completed and production is expected to be commenced by January 2029, with the actual timeline subject to the approval of construction project filings and the actual progress of construction works, and it is expected that certain tax targets will be achieved by 2030.

Shanghai Keter shall proactively fulfil the economic indicators and investment agreement as stipulated under the Investment Agreement. At the same time, Shanghai Keter shall not transfer the actual output value and other relevant economic data generated within the jurisdiction of the Committee to other regions. During the term of the Investment Agreement, in the event of fluctuations in the relevant data resulting from objective market factors, Shanghai Keter shall be obliged to provide detailed and reasonable explanations to the Committee in a timely and comprehensive manner.

INFORMATION ON THE GROUP AND SHANGHAI KETER

The Group is one of the largest manufacturers of heat-shrinkable materials and telecoms cable products in the world. The principal businesses of the Group consists of: (i) electronic communications business, which involves the development, manufacture, and sale of (a) telecoms cable products, including high-speed copper cables, consumer and industrial electronic cables, and (b) electronic materials; (ii) electrical power transmission business, comprising the development, manufacture, and sale of (a) NEV power transmission products including NEV charging products and power battery safety protection products as well as (b) electrical cable accessories; and (iii) other businesses, mainly including our wind power operations.

Shanghai Keter is a joint stock company incorporated in the PRC with limited liability and is an indirect non-wholly-owned holding subsidiary of the Company. Shanghai Keter is principally engaged in the research & development, manufacturing and sales of power battery safety protection products for NEVs. The product and business line of power battery safety protection products under NEV power transmission products of our Group is wholly carried out by Shanghai Keter.

INFORMATION ON THE COMMITTEE

The Committee is a governmental authority in Dushan Port, Zhejiang Province, the PRC, responsible for, among other things, the administration of the Zhejiang Dushan Port Economic Development Zone.

REASONS FOR ENTERING INTO THE INVESTMENT AGREEMENT AND IMPLEMENTING THE PROJECT

1. Broad Market Prospects for the Investment Project

The new energy protection products, electronic components, refractory specialty materials, aerogel products and other products manufactured in this investment project fall under the functional polymer materials sector. These products are widely used in new energy vehicles, wire and cable, consumer electronics and other fields. They are classified under key basic materials in the new materials sector, one of the key areas listed in the Industrial "Four Basics" Catalogue, and are aligned with national strategies and industrial development plans. Benefiting from the rapid growth of the new energy vehicle industry and the continuous expansion of power battery shipments, the market size for new energy protection products is expected to see sustained growth.

2. Rational Project Location and Site Selection with Significant Synergy Effects

The proposed investment project will be located in Zhejiang Dushan Port Economic Development Zone, which is adjacent to the headquarters of Shanghai Keter. The construction of this project is expected to enhance collaboration among the R&D, manufacturing and sales departments of Shanghai Keter, facilitating resource integration and centralised management, thereby improving overall manufacturing capacity and R&D efficiency.

3. **Addressing Business Development Needs and Mitigating Capacity Constraints**

As the market business of its subsidiary, Shanghai Keter, continues to grow, the existing plant premises have become saturated in terms of site capacity, limiting further production capacity expansion. Moreover, most of its production sites are leased, with lease terms and renovation of production workshops subject to restrictions. The construction of this new production base will help meet the demand for production facilities arising from Shanghai Keter's anticipated market growth and mitigate the risk of losing business orders due to capacity constraints.

Therefore, the Directors are of the view that the terms of the Investment Agreement and the Project are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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There is no guarantee and/or assurance that Shanghai Keter will acquire the Land under the Listing-for-Sale. In addition, the construction of the project is subject to the approval of relevant competent authorities in respect of project establishment, environmental protection, planning, construction and other related matters, and therefore the Investment Agreement may or may not continue to proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meaning:

"Board"	the board of Directors
"Committee"	Zhejiang Dushan Port Economic Development Zone Management Committee (浙江獨山港經濟開發區管理委員會), a governmental authority in the PRC responsible for, among other things, the administration of the Dushan Port Economic Development Zone of Zhejiang Province
"Company"	Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (深圳市沃爾核材股份有限公司), a joint stock limited company incorporated in the PRC, the Shares of which are listed on the SZSE (Stock Code: 002130) and Hong Kong Stock Exchange (Stock Code: 9981), respectively
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Investment Agreement"	the Project Investment Agreement entered into between Shanghai Keter and the Committee on March 31, 2026, pursuant to which Shanghai Keter has conditionally agreed to invest in the Project
"Land"	a piece of industrial land of approximately 160.5 mu (畝) to be provided by the Committee to Shanghai Keter
"Listing-for-Sale"	the listing-for-sale bidding process (招拍掛) to be conducted for the bidding of the Land
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"NEV"	new energy vehicle, vehicle powered by an alternative energy source rather than traditional fossil fuels

"PRC"	the People's Republic of China, except where the content or context requires otherwise, for the purposes of this announcement only, excluding Taiwan, Hong Kong Special Administrative Region and Macao Special Administrative Region of the PRC
"Project"	the proposed investment by Shanghai Keter for the investment and construction of a new production base in the Zhejiang Dushan Port Economic Development Zone for the construction of research and development laboratories, production plants, office premises and other ancillary facilities, which will primarily be used for the research and development, production and sales of new energy protection products, electronic components, refractory specialty materials and aerogel products
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Keter"	Shanghai Keter New Materials Co., Ltd. (上海科特新材料股份有限公司), a company incorporated in the PRC and a subsidiary of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiaries"	has the meaning ascribed to it under the Listing Rules
"Zone"	Zhejiang Dushan Port Economic Development Zone* (浙江獨山港經濟開發區), a provincial economic development zone located in Zhejiang Province of the PRC

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

Shenzhen, the PRC, March 31, 2026

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