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Putian Communication Group Limited

普天通信集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1720)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2025, the Group's operating results were summarised as follows:

- Total revenue increased by approximately 5.5% to approximately RMB700.1 million (2024: approximately RMB663.9 million).
- Gross profit increased by approximately 1.5% to approximately RMB143.5 million (2024: approximately RMB141.4 million).
- Gross profit margin decreased by approximately 0.8% to approximately 20.5% (2024: approximately 21.3%).
- Profit for the year attributable to the owners of the Company increased by approximately 37.3% to approximately RMB25.4 million (2024: approximately RMB18.5 million).
- Revenue from sale of optical fibers and optical fiber cables recorded an increase of approximately 15.2% to approximately RMB183.9 million (2024: approximately RMB159.7 million); revenue from sale of data and communications cables decreased by approximately 4.2% to approximately RMB328.4 million (2024: approximately RMB342.7 million); revenue from sale of structured cabling system products increased by approximately 16.3% to approximately RMB187.8 million (2024: approximately RMB161.5 million).
- The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Putian Communication Group Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Year**”), together with the comparative figures for the year ended 31 December 2024 (the “**Last Year**”). The annual results have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4	700,100	663,865
Cost of sales		<u>(556,629)</u>	<u>(522,461)</u>
Gross profit		143,471	141,404
Other income and gains		7,628	5,957
Selling and distribution expenses		(42,922)	(45,530)
Administrative expenses		(61,552)	(57,828)
Reversal of/(provision for) expected credit losses (“ ECL ”) on financial assets		2,780	(10,179)
Gain on disposal of a subsidiary		–	643
Share of loss of an associate		(116)	(56)
Finance costs	5	<u>(17,509)</u>	<u>(19,447)</u>
Profit before income tax	6	31,780	14,964
Income tax (expense)/credit	7	<u>(6,428)</u>	<u>3,511</u>
Profit for the year attributable to the owners of the Company		<u>25,352</u>	<u>18,475</u>
Other comprehensive loss			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		<u>(1,537)</u>	<u>(1,638)</u>
Other comprehensive loss for the year, net of tax		<u>(1,537)</u>	<u>(1,638)</u>
Total comprehensive income for the year attributable to the owners of the Company		<u>23,815</u>	<u>16,837</u>
Earnings per share	8		
– Basic and diluted (RMB)		<u>RMB0.023</u>	<u>RMB0.017</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	396,800	401,613
Intangible assets	10	6,887	8,019
Investment in an associate		2,097	2,213
Prepayments for property, plant and equipment	12	4,891	2,854
Deferred tax assets		6,675	9,108
		<u>417,350</u>	<u>423,807</u>
Current assets			
Inventories		73,532	65,129
Trade and bills receivables	11	627,730	506,329
Deposits, prepayments and other receivables	12	120,032	95,994
Current tax recoverable		5,162	6,663
Restricted cash	13	37,576	21,662
Cash and cash equivalents		34,409	29,239
		<u>898,441</u>	<u>725,016</u>
Current liabilities			
Trade and bills payables	14	195,799	141,462
Contract liabilities		34,409	19,715
Accruals and other payables		52,718	53,166
Deferred Income		790	–
Lease liabilities		1,073	1,068
Bank and other borrowings	15	289,942	215,363
		<u>574,731</u>	<u>430,774</u>
Net current assets		<u>323,710</u>	<u>294,242</u>
Total assets less current liabilities		<u>741,060</u>	<u>718,049</u>

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities			
Lease liabilities		648	1,182
Bank and other borrowings	<i>15</i>	88,500	96,580
Deferred Income		7,110	–
Deferred tax liabilities		27,151	26,451
		<u>123,409</u>	<u>124,213</u>
NET ASSETS		<u>617,651</u>	<u>593,836</u>
EQUITY			
Share capital		9,361	9,361
Reserves		608,290	584,475
TOTAL EQUITY		<u>617,651</u>	<u>593,836</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands as an exempted company under the Companies Law. The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 November 2017. The address of its registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s headquarters and principal place of business is located at the People’s Republic of China (the “**PRC**”).

The Company is an investment holding company. The principal activities of the Group are production and sales of optical fibers and optical fiber cables, data and communications cables and structured cabling system products in the PRC.

In the opinion of the Directors, both Arcenciel Capital Co., Ltd. and Point Stone Capital Co., Ltd., companies incorporated in the British Virgin Islands (the “**BVI**”) and holding 37.13% and 32.63% of the Company’s shares respectively, are considered as the controlling shareholders of the Company. Ms. Wang Qiuping and Mr. Zhao Xiaobao (the “**Controlling Shareholders**”), both executive directors of the Company and who are spouses, being the shareholders of Arcenciel Capital Co., Ltd. and Point Stone Capital Co., Ltd. respectively, are the ultimate controlling parties of the Company and the Group.

The material accounting policies and methods of computation used by the Group in the preparation of the consolidated financial statements for the year ended 31 December 2025 are consistent with those adopted in the consolidated financial statements for the year ended 31 December 2024, except for the adoption of the amendments to an HKFRS Accounting Standard as explained in Note 3.1 below.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which includes all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

2.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

2.3 Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The functional currency of the Company and certain of its subsidiaries is Hong Kong dollars (“**HKD**”). As the major operations of the Group are within the PRC, the Group presents its consolidated financial statements in Renminbi (“**RMB**”) and are rounded to the nearest thousand except where otherwise indicated.

3. ADOPTION NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

3.1 Adoption of amendments to an HKFRS Accounting Standard

In the preparation of the consolidated financial statements for the year ended 31 December 2025, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3.2 New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”)

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and consequential amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is currently assessing the impact that HKFRS 18 will have on the Group’s consolidated financial statements.

4. REVENUE

The principal activities of the Group are the production and sales of optical fibers and optical fiber cables, data and communications cables and structured cabling system products.

	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Timing of revenue recognition		
Goods transferred on a point in time basis	<u>700,100</u>	<u>663,865</u>

Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive Directors, who are the chief operating decision makers (“CODM”), for their decisions about resources allocation to the Group’s business components and for their review of the performance of those components. The business components in the internal financial information reported to the CODM are determined following the Group’s major operations. The measurement policies of the Group used for reporting segment results under HKFRS 8 *Operating Segments* are the same as those used in its consolidated financial statements prepared under HKFRS Accounting Standards.

Operating segments are managed separately as each business offers different returns and requires different business strategies.

The Group divides its cable products into three main categories: (a) Data and communications cables; (b) Optical fibers and optical fiber cables; and (c) Structured cabling system products. As a result, the Group has three major operations, each of which constitute an operating segment.

(a) *Data and communications cables*

Data and communications cable is a general term for electric cables which are mainly made of copper as the main conductive body. These cables are used widely; it can be used in transmission and distribution of electric energy, which is normally used in cities' underground electric network, power station as an extraction line. Data and communications cable can also be found in the industrial and mining enterprises for internal power supply and over the river or sea of underwater transmission lines or used as the network cabling for residential and commercial buildings.

(b) *Optical fibers and optical fiber cables*

Optical fiber refers to the technology that transmits information as light pulses along a glass or plastic fiber. A fiber optic cable can contain a varying number of these glass fibers from a few up to a couple hundred.

Optical fiber cable is a similar product as data and communications cable, but in an enhanced version. The optical fiber cables are used in telecommunications, network operators, radio network and etc., with the better useful life, safety conditions, speed and stability of transmission compared to data and communications cables. The weight and size of optical fiber cables are comparably smaller than data and communications cables, therefore they are considered as the new trend as a replacement of data and communications cable. However, data and communications cables are still widely use in connecting the personal computer and other electronic devices as optical fiber cables have not yet 100% replaced data and communications cables.

(c) *Structured cabling system products*

Structured cabling system products primarily include optical and copper jumper wires and connection and distribution components such as distribution frames, wiring closets, as well as data and audio modules and faceplates. Commercial buildings and residential units are built in modern style nowadays, especially in developed cities, such as Beijing, Shanghai, etc. Structured cabling system products are widely used to meet the requirement of interior electronic applicable products and towards a more 'intelligent' way.

The CODM reviews the Group's assets and liabilities as a whole without allocation to each segment. In the opinion of the CODM, all strategic business units consume similar materials, and their products are produced by same machinery and equipment and then they are sold to same types of customers. As a result, it is not necessary to monitor the assets and liabilities under different segments. No segment information on assets and liabilities is presented accordingly.

(i) *Business results*

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results attributable to each reportable segment on the following basis:

Segment profit represents the profit earned by each segment without allocation of central administrative expenses (including emoluments of Directors and senior management), other income and gains, reversal of/(provision for) ECLs on financial assets, gain on disposal of a subsidiary, share of loss of an associate and finance costs. This is the measure reported to the Group's CODM for the purposes of resource allocation.

The following table sets out the breakdown of the revenue and segment profit by reportable segments:

	Data and communications cables <i>RMB'000</i>	Optical fibers and optical fiber cables <i>RMB'000</i>	Structured cabling system products <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2025				
Revenue from external customers and reportable segment revenue				
– Point in time revenue recognition	<u>328,358</u>	<u>183,910</u>	<u>187,832</u>	<u>700,100</u>
Reportable segment profit	<u><u>30,086</u></u>	<u><u>1,249</u></u>	<u><u>50,748</u></u>	<u><u>82,083</u></u>
Year ended 31 December 2024				
Revenue from external customers and reportable segment revenue				
– Point in time revenue recognition	<u>342,706</u>	<u>159,668</u>	<u>161,491</u>	<u>663,865</u>
Reportable segment profit	<u><u>30,307</u></u>	<u><u>6,056</u></u>	<u><u>44,331</u></u>	<u><u>80,694</u></u>

Reportable segment revenue comprise of revenue from contracts with customers within the scope of HKFRS 15.

(ii) Geographical information

The Company is an investment holding company. The principal place of the Group's operations is in the PRC, which is considered as the Group's country of domicile for the disclosure purpose of HKFRS 8. Substantially all of the Group's non-current assets are located in the PRC as at 31 December 2025 and 2024.

The following table provides an analysis of the Group's revenue generated from external customers by geographical location of the customers. The geographical location of customers is determined based on the principal place of business of the customers.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The PRC	684,824	639,790
Overseas	<u>15,276</u>	<u>24,075</u>
	<u>700,100</u>	<u>663,865</u>

(iii) Information about major customers

Revenue from major customers, each of them accounting for 10% or more of the Group's revenue during the year, is set out below:

	2025	2024
	RMB'000	RMB'000
Customer A (<i>Notes (i) and (ii)</i>)	121,040	N/A
Customer B (<i>Note (i)</i>)	100,322	161,201

Notes:

- (i) Revenue from optical fibers and optical fiber cables, data and communications cables and structured cabling system products segments.
- (ii) Revenue from relevant customer was less than 10% of the Group's total revenue for the year ended 31 December 2024.

5. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interests and finance charges on bank and other borrowings	17,414	19,399
Interests on lease liabilities	<u>95</u>	<u>48</u>
	<u>17,509</u>	<u>19,447</u>

6. PROFIT BEFORE INCOME TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Auditor's remuneration	957	923
Cost of inventories recognised as expenses (<i>Note (i)</i>)	556,629	522,461
Transportation expenses (included in selling and distribution expenses)	13,989	15,001
Research expenditures (included in administrative expenses)		
– Employee benefit expenses	2,487	1,941
– Materials consumed	15,739	13,133
– Others	<u>240</u>	<u>107</u>
	<u>18,466</u>	<u>15,181</u>
Depreciation of property, plant and equipment and right-of-use assets (<i>Note (ii) and Note 9</i>)	38,040	42,639
Amortisation of intangible assets (included in cost of sales) (<i>Note 10</i>)	1,132	1,132
(Reversal of write-down)/write down on inventories to net realisable value (included in cost of sales)	(915)	1,878
(Reversal of)/provision for ECLs on financial assets	(2,780)	10,179
Short-term lease expenses (<i>Note (iii)</i>)	1,397	1,746
Employee benefit expenses (including Directors' emoluments) (<i>Note (iv)</i>):		
– Salaries, wages and allowances	37,230	44,937
– Discretionary bonuses	2,129	1,828
– Contribution to defined contribution schemes (<i>Note (v)</i>)	<u>6,064</u>	<u>5,606</u>
	<u>45,423</u>	<u>52,371</u>

Notes:

- (i) Amounts included cost of purchased materials of approximately RMB507,065,000 (2024: RMB462,398,000).
- (ii) Depreciation of property, plant and equipment and right-of-use assets of approximately RMB30,039,000 (2024: RMB32,841,000), RMB166,000 (2024: RMB184,000) and RMB7,835,000 (2024: RMB9,614,000) were included in cost of sales, selling and distribution expenses and administrative expenses, respectively.
- (iii) These expenses relate to short-term leases of office premises. They are directly charged as expenses and are not included in the measurement of lease liabilities under HKFRS 16. As at 31 December 2025, the amount of lease commitments for short-term leases was approximately RMB515,000 (2024: RMB732,000).
- (iv) Employee benefit expenses (including Directors' emoluments) of approximately RMB8,175,000 (2024: RMB9,761,000), RMB16,106,000 (2024: RMB24,248,000) and RMB21,142,000 (2024: RMB18,362,000) were included in cost of sales, selling and distribution expenses and administrative expenses, respectively.
- (v) The Group participates in a central pension scheme (the “**Scheme**”) whereby subsidiaries of the Group in the PRC are required to contribute a certain percentage of the basic salaries of their employees to the Scheme to fund their retirement benefits. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

7. INCOME TAX EXPENSE/(CREDIT)

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – the PRC Enterprise Income Tax (“EIT”)		
Charge for the year	6,631	–
Over-provision in respect of prior year	(3,336)	(2,643)
Deferred tax		
Charge/(credit) for the year	<u>3,133</u>	<u>(868)</u>
Income tax expense/(credit)	<u>6,428</u>	<u>(3,511)</u>

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the year (2024: Nil).

No provision for income tax in the Cayman Islands and the BVI has been made as the Group had no assessable income in these jurisdictions during the year (2024: Nil).

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulations of the EIT Law, the tax rate of the Company’s PRC subsidiaries is 25% (2024: 25%) except as described below. Provision for the EIT for the year was made based on the estimated assessable profits calculated in accordance with the relevant income tax laws, and regulations applicable to the subsidiaries operating in the PRC.

Putian Cable Group Co.,Ltd. (“**Putian Cable**”), one of the subsidiaries of the Company, was approved to be a high and new technology enterprise (“**HNTE**”) and is entitled to a preferential income tax rate of 15% (2024: 15%) for the year according to the PRC tax law, as it was awarded high-technology status by tax authority with a validity period of three years since 2023 and further extended to 2028. The HNTE certificate needs to be renewed every three years so as to enable Putian Cable to enjoy the reduced tax rate and additional 100% (2024: 100%) tax deduction (“**Tax Deduction**”) based on the eligible research and development expenses.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company of approximately RMB25,352,000 (2024: RMB18,475,000) and the weighted average of 1,100,000,000 shares (2024: 1,100,000,000 shares) in issue during the year.

There were no potential ordinary shares in issue during the years ended 31 December 2025 and 2024 and, therefore, diluted earnings per share are the same as the basic earnings per share.

9. PROPERTY, PLANT AND EQUIPMENT

	Construction in progress RMB'000	Land and buildings RMB'000	Machinery RMB'000	Motor vehicles RMB'000	Furniture, fixtures and office equipment RMB'000	Total RMB'000
Cost						
At 1 January 2024	6,941	255,975	329,502	3,362	22,698	618,478
Additions	20,157	3,362	3,586	–	1,873	28,978
Transferred from/(to)	(21,080)	–	20,068	–	1,012	–
Disposal of a subsidiary	–	–	(1,219)	(3)	(428)	(1,650)
Disposals	–	(2,356)	(5,044)	(208)	(4,014)	(11,622)
At 31 December 2024 and 1 January 2025	6,018	256,981	346,893	3,151	21,141	634,184
Additions	28,825	–	3,981	–	448	33,254
Transferred from/(to)	(28,380)	–	26,167	–	2,213	–
Disposals	–	–	(193)	–	(130)	(323)
At 31 December 2025	6,463	256,981	376,848	3,151	23,672	667,115
Accumulated depreciation						
At 1 January 2024	–	54,430	123,786	2,667	18,830	199,713
Depreciation	–	16,611	23,698	242	2,088	42,639
Disposal of a subsidiary	–	–	(799)	(3)	(403)	(1,205)
Disposals	–	(2,356)	(2,497)	(198)	(3,525)	(8,576)
At 31 December 2024 and 1 January 2025	–	68,685	144,188	2,708	16,990	232,571
Depreciation	–	13,722	22,619	239	1,460	38,040
Disposals	–	–	(174)	–	(122)	(296)
At 31 December 2025	–	82,407	166,633	2,947	18,328	270,315
Net carrying amount						
At 31 December 2025	6,463	174,574	210,215	204	5,344	396,800
At 31 December 2024	6,018	188,296	202,705	443	4,151	401,613

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis over their estimated useful lives and after taking into account of their estimated residual values.

Buildings, including structures, which are held for own use are situated on land held under medium term leases in the PRC.

At 31 December 2025, property, plant and equipment with net carrying amount of approximately RMB184,062,000 (2024: RMB208,016,000) were pledged as collateral for the Group's bank and other borrowings (Note 15).

Right-of-use assets

The Group leases a number of properties for the purpose of office use in the PRC and Hong Kong and has the ownership interests in the prepaid land leases in the PRC. The land use rights have an estimated useful life of 50 years and the leases of office premises have lease terms of two to five years (2024: two to three years). Lease terms are negotiated on an individual basis and contain various different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. The lease agreements do not impose any covenants.

The Group's interests in these right- of-use assets, which are included in "Land and buildings" class of property, plant and equipment, is set out below:

	Land and buildings RMB'000
At 1 January 2024	11,328
Addition	2,592
Depreciation	<u>(1,401)</u>
At 31 December 2024 and 1 January 2025	12,519
Addition	739
Depreciation	<u>(1,394)</u>
At 31 December 2025	<u><u>11,864</u></u>

	Net carrying amount at 31 December		Depreciation for the year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Ownership interests in prepaid land leases, carried with remaining lease term of 10 and 50 years	9,966	10,255	289	289
Office premises leased for own use	1,898	2,264	1,105	1,112
	<u>11,864</u>	<u>12,519</u>	<u>1,394</u>	<u>1,401</u>
			2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Short-term lease expenses			1,397	1,746
Interests on lease liabilities			<u>95</u>	<u>48</u>

During the year, the total cash outflows for the leases including short-term leases are approximately RMB2,760,000 (2024: RMB2,892,000).

The Group has several lease contracts that include extension options. In the opinion of the Directors, these options would provide the Group with flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 December 2025, there is no such triggering event (2024: Nil).

10. INTANGIBLE ASSETS

	Patents RMB'000
Cost	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u><u>11,321</u></u>
Accumulated amortisation	
At 1 January 2024	2,170
Amortisation	<u>1,132</u>
At 31 December 2024 and 1 January 2025	3,302
Amortisation	<u>1,132</u>
At 31 December 2025	<u><u>4,434</u></u>
Net carrying amount	
At 31 December 2025	<u><u>6,887</u></u>
At 31 December 2024	<u><u>8,019</u></u>

Patents for optical fibers production have finite useful lives over which the assets are amortised. Amortisation of patents is amortised on the straight-line basis over 10 years.

11. TRADE AND BILLS RECEIVABLES

	2025	2024
	RMB'000	RMB'000
Trade receivables, gross (<i>Note (i)</i>)	647,269	534,662
Less: loss allowance	<u>(26,124)</u>	<u>(28,904)</u>
Trade receivables, net	<u>621,145</u>	<u>505,758</u>
Bills receivables (<i>Note (ii)</i>)	<u>6,585</u>	<u>571</u>
Trade and bills receivables, net	<u>627,730</u>	<u>506,329</u>

Notes:

- (i) At 31 December 2024, trade receivables with carrying amount of approximately RMB20,000,000 were pledged as collateral for the Group's bank and other borrowings (Note 15). No trade receivables were pledged as at 31 December 2025.
- (ii) Bills receivables represented outstanding bank acceptance bills.

Based on the invoice dates, the ageing analysis of the Group's net carrying amount of trade and bills receivables is as follows:

	2025	2024
	RMB'000	RMB'000
Within 1 month	146,072	116,649
More than 1 month but within 2 months	55,123	56,114
More than 2 months but within 3 months	37,863	44,883
More than 3 months but within 6 months	86,946	112,029
More than 6 months but within 1 year	96,538	96,997
More than 1 year	<u>205,188</u>	<u>79,657</u>
	<u>627,730</u>	<u>506,329</u>

The credit term granted by the Group to its trade customers is normally ranged from 90 days to 365 days (2024: 90 days to 365 days).

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Current</i>		
Deposits (<i>Note (i)</i>)	28,772	28,973
Prepayments to suppliers	56,539	39,502
Prepayments	2,370	6,295
Valued added tax receivables	14,451	9,891
Consideration receivables regarding the disposal of a subsidiary	–	3,005
Other receivables (<i>Note (ii)</i>)	17,900	8,328
	<u>120,032</u>	<u>95,994</u>
<i>Non-current</i>		
Prepayments for property, plant and equipment	<u>4,891</u>	<u>2,854</u>

Notes:

- (i) The balance mainly comprises guarantee deposits for product supply projects, which the deposits will be released upon the completion of the projects. The balance also includes rental deposits and utility deposits, which, in the opinion of the Directors, these deposits would be refunded to the Group within 12 months.
- (ii) As at 31 December 2024, other receivables include amount due from the associate amounted to approximately RMB4,302,000. The amount due from the associate was fully settled during the year. As at 31 December 2025, other receivables include amount due from an executive director amounted to approximately RMB6,970,000, out of which amounting to RMB5,000,000 was settled up to the announcement date. The amount was non-trade nature, unsecured, interest free and recoverable on demand.

13. RESTRICTED CASH

Bank deposits have been pledged as security for letters of guarantee issued by banks on behalf of the Group for product supply projects and bills payables (*Note 14*). The restricted cash will be released upon the expiry of letters of guarantee or the settlement of relevant bills payables.

Restricted cash carry interests at prevailing market rates ranging from 0.05% to 1.20% (2024: 0.10% to 1.95%) per annum.

14. TRADE AND BILLS PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	121,260	72,977
Bills payables	74,539	68,485
	<u>195,799</u>	<u>141,462</u>

The credit terms of trade payables vary according to the terms agreed with different suppliers, are normally ranging from 30 days to 90 days (2024: 30 days to 90 days). Based on the receipt of services and goods, which normally coincided with the supplier invoice dates, the ageing analysis of the Group's trade payables as at the end of each reporting period is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	59,336	24,958
More than 1 month but within 2 months	24,388	13,133
More than 2 months but within 3 months	12,626	4,248
More than 3 months but within 6 months	4,218	9,342
More than 6 months but within 1 year	3,521	17,777
More than 1 year	17,171	3,519
	<u>121,260</u>	<u>72,977</u>

Trade and bills payables are short-term in nature and hence the carrying values of the Group's trade and bills payables are considered to be a reasonable approximation of their fair values.

The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

Supplier finance arrangements

The Group entered into bank acceptance bills and letters of credit with banks, under which the Group applies for these bills to be accepted by the banks in the PRC (the "Bills") and presents the accepted Bills to the suppliers as settlement of the trade payables. Under these arrangements, the banks undertake to pay the holder of the Bills upon their maturity, and the Group then settles with the banks on the maturity date of the Bills, which is normally 6 months after the issue date of the Bills. The suppliers can also arrange factoring from their banks to have an early settlement of the Bills or to endorse the Bills to their own suppliers for settlement of their own supplier invoices. These arrangements provide the Group with extended payment terms, compared to the related invoice payment due date.

In the consolidated statement of financial position, the Group has presented the payables to the banks under these arrangements as bills payables and included in trade and bills payables. At 31 December 2025, bills payables of approximately RMB45,039,000 (2024: RMB39,990,000) were secured by pledged bank deposits (Note 13) and bills payables of approximately RMB29,500,000 (2024: RMB28,495,000) were guaranteed by a subsidiary of the Company and the Controlling Shareholders.

In the consolidated statement of cash flows, payments to the banks for settlement of the Bills are included within operating cash flows based on the nature of the arrangements.

	2025	2024
	RMB'000	RMB'000
Carrying amount of the financial liabilities that are subject to supplier finance arrangements		
Presented as part of “Trade and bills payables” (<i>Note (i)</i>)	<u>74,539</u>	<u>68,485</u>
	Days	Days
Range of payment due dates		
For liabilities presented as part of “Trade and bills payables”		
– liabilities that are part of supplier finance arrangements	180 to 360	180 to 360
– comparable trade and bills payables that are not part of supplier finance arrangements	<u>30 to 90</u>	<u>30 to 90</u>

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from issue of the Bills and subsequent cash settlements.

Note:

- (i) No suppliers have already received payment from the finance providers.

15. BANK AND OTHER BORROWINGS

	2025	2024
	RMB'000	RMB'000
Bank borrowings – Secured	215,900	209,400
Bank borrowings – Unsecured	158,000	72,000
	373,900	281,400
Other borrowings – Secured	4,542	30,543
	378,442	311,943
Less: amount classified as non-current liabilities	(88,500)	(96,580)
Current liabilities	289,942	215,363
Borrowings fall due:		
– Within 1 year	289,942	215,363
– More than 1 year but within 2 years	31,500	17,580
– More than 2 years but within 5 years	35,000	46,000
– Over 5 years	22,000	33,000
Total bank and other borrowings	378,442	311,943

Bank borrowings of approximately RMB111,000,000 (2024: RMB108,000,000) bear variable interests at the bank's loan prime rate plus a premium. The effective interest rates of these borrowings are ranging from 3.00% to 5.00% (2024: 4.35% to 5.00%) per annum as at 31 December 2025.

Bank borrowings of approximately RMB262,900,000 (2024: RMB173,400,000) bear interest at fixed rates, ranging from 2.95% to 4.90% (2024: 2.60% to 5.50%) per annum as at 31 December 2025.

Other borrowings bear interests at fixed rates, ranging from 5.90% to 6.90% (2024: 5.90% to 6.90%) per annum as at 31 December 2025.

The weighted average effective interest rate on these bank and other borrowings is 3.99% (2024: 4.63%) per annum as at 31 December 2025.

For the bank and other borrowings which are secured by the assets of the Group, the net carrying amounts of these assets are set out as follows:

	2025	2024
	RMB'000	RMB'000
Property, plant and equipment (<i>Note 9</i>)		
– Land and buildings	147,534	162,491
– Machinery	36,528	45,525
Trade receivables (<i>Note 11</i>)	<u>–</u>	<u>20,000</u>

The bank borrowings are also secured by the properties and pledged bank deposits of the Controlling Shareholders and the family members of the Controlling Shareholders.

As at 31 December 2025 and 2024, guarantees are provided by the Company, certain subsidiaries of the Company, the Controlling Shareholders and the family members of the Controlling Shareholders for the bank and other borrowings.

Except for certain bank and other borrowings not included in the facilities granted, a summary of facilities granted by banks and other creditors and the amounts utilised by the Group at 31 December 2025 and 2024 is set out as follows:

	2025	2024
	RMB'000	RMB'000
Amounts granted	158,000	183,000
Amounts utilised	<u>127,500</u>	<u>58,800</u>

16. DIVIDENDS

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE REVIEW

In 2025, China's communications industry entered a recovery amid profound adjustments. During the second half of the year, with the continued deepening of the "Signal Upgrades" Special Operation, the overall acceleration of 5G-A networks, and the "East Data, West Computing" project entering a critical stage of computing-power allocation, investment in communications infrastructure expanded markedly. The fourth quarter, in particular, saw demand for optical fibre surged and industry sentiment steadily improved, driven jointly by the deployment of AI compute clusters and the initiation of low altitude economy infrastructure.

To seize opportunities from the current sectoral recovery, the Group adhered to its strategic priorities of "Cementing Foundation, Growing Increment, and Strengthening Coordination". During the year, the Group recorded total revenue of approximately RMB700.1 million, representing a year-on-year growth of 5.5%; gross profit rose by 1.5% year-on-year to approximately RMB143.5 million; and profit attributable to the owners of the parent company recorded a 37.3% year-on-year increase to RMB25.4 million. With core financial indicators materially outperforming industry averages, the Group further consolidated its market share.

Revenue growth was primarily attributable to a 15.2% year-on-year increase in sales of optical fibres and optical fibre cables to approximately RMB183.9 million. The sale of structured cabling system products also delivered steady growth of 16.3%.

In January 2026, the Ministry of Industry and Information Technology (MIIT) published the 2025 Statistical Communique on the Telecommunications Industry, which noted that China’s 5G-A network construction accelerated overall in 2025, gigabit optical network coverage continued to deepen, and rising computing infrastructure capacity placed China among global leaders. These developments further underscored the communications industry’s role in enabling the digital transformation of the real economy.

During the year, Putian Cable Group Co., Ltd. (“**Putian Cable**”), a wholly-owned subsidiary of the Company, demonstrated strong resilience through its direct sales business. It delivered an annual total of 5,430 projects, with a pronounced increase in overseas aid projects. Following the successful deployment of the national “East Data, West Computing” Gansu hub in 2024, Putian Cable became deeply involved in the construction of the “Yangtze River Delta Hub Computing Centre Cluster” this year, achieving substantive progress on both national strategic projects. At the same time, its collaborative ecosystem continued to expand: while faithfully fulfilling telecommunications operators’ annual VBP contracts, it established deep partnerships with leading internet companies such as Tencent, Alibaba and Baidu, and worked with emerging technology firms including ByteDance and ofidc to implement multiple initiatives in pioneering areas, such as AI compute clusters and large scale data centres, thereby reinforcing its full chain presence across data centres.

Product mix optimisation and upgrading delivered notable outcomes. In emerging fields, sales of optical guidance cables for UAVs grew strongly; while traditional strengths – optical fibres and cables, data cables, power cables, and structured cabling system products – all achieved comprehensive growth. The competitiveness of our core product lines is accelerating its shift from “scale advantage” to “technological leadership” and “value empowerment”.

During the year, Phase II of Putian Cable’s fibre drawing project was successfully completed and commissioned. By adding three fibre drawing towers and six fibre drawing production lines, its annual capacity was raised to 12 million fibre-kilometres. This effectively enhanced our ability to meet the urgent demand for fibre products generated by large-scaled 5G-A deployment, computing network construction and low altitude economy infrastructure, providing solid capacity support to capitalise on the current upcycle.

Our new business segment, “Industrial Specialised Cables”, reached full readiness and progressed steadily this year. Focusing on new energy, industrial manufacturing, mining enterprises and other sectors, this segment achieved a key breakthrough in the large scale application of cables for new energy vehicle charging stations, laying a solid foundation for full commercialisation.

The coordinated breakthroughs across business segments, together with capacity expansion and forward looking investments in emerging sectors, not only drove quality revenue and profit growth during the year, but also established a robust moat for sustainable medium and long term development.

FINANCIAL REVIEW

Revenue

Revenue of the Group is mainly derived from sales of optical fibers and optical fiber cables, data and communications cables and structured cabling system products, which represent three reportable segments of the Group. Total revenue of the Group increased by approximately 5.5% from approximately RMB663.9 million for the Last Year to approximately RMB700.1 million for the Year. Among which, revenue derived from sale of optical fibers and optical fiber cables increased by approximately 15.2% from approximately RMB159.7 million for the Last Year to approximately RMB183.9 million for the Year, revenue derived from sale of communication copper cables decreased by approximately 4.2% from approximately RMB342.7 million for the Last Year to approximately RMB328.4 million for the Year; revenue derived from sale of structured cabling system products increased by approximately 16.3% from approximately RMB161.5 million for the Last Year to approximately RMB187.8 million for the Year. The increase in revenue was primarily attributable to the successful bidding for optical fiber cables projects of China Unicom and the mass supply, as well as the growth in market demand for structured cabling system products.

Gross profit and margin

Gross profit increased by approximately 1.5% from approximately RMB141.4 million for the Last Year to approximately RMB143.5 million for the Year. The Group's gross profit margin decreased from approximately 21.3% for the Last Year to approximately 20.5% for the Year.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 5.7% from approximately RMB45.5 million for the Last Year to approximately RMB42.9 million for the Year, primarily due to the decrease in staff costs of sales personnel and a reduction in overseas transportation expenses.

Administrative expenses

Administrative expenses amounted to approximately RMB61.6 million for the Year, which increased by approximately 6.6% as compared to approximately RMB57.8 million for the Last Year, primarily due to the increase in the Company's research and development investment.

Finance costs

Finance costs decreased by approximately 9.8% from approximately RMB19.4 million for the Last Year to approximately RMB17.5 million for the Year, primarily due to the decrease in the Company's loan interest rates, resulting in lower interest expenses.

Income tax expense

Income tax credit amounted to approximately RMB3.5 million for the year ended 31 December 2024 because of utilisation of tax losses previously not recognised and an additional tax reduction arising from the research and development expenses and an income tax expense amounted to approximately RMB6.4 million for the year ended 31 December 2025 primarily because of an increase in profit before tax.

Profit for the Year

Profit for the Year increased by approximately 37.3% from approximately RMB18.5 million for the Last Year to approximately RMB25.4 million for the Year.

Cash position

As at 31 December 2025, the Group had restricted cash and cash and cash equivalents of approximately RMB72.0 million (2024: approximately RMB50.9 million) in aggregate, representing a increase of approximately 41.5% as compared to that as at 31 December 2024. As at 31 December 2025, the Group had restricted cash of approximately RMB37.6 million (2024: approximately RMB21.7 million) that was pledged to banks for as security for letters of guarantee issued by banks on behalf of the Group for product supply projects and bills payables. The restricted cash will be released upon the expiry of letters of guarantee or the settlement of relevant bills payables.

Borrowings and charges on the Group's assets

As at 31 December 2025, the Group had bank and other borrowings of approximately RMB378.4 million (2024: approximately RMB311.9 million), of which approximately RMB220.4 million (2024: approximately RMB239.9 million) were secured by legal charge over the property, plant and equipment and trade receivables of the Group and the properties of the controlling shareholders of the Company and their family members, and the balances of RMB158.0 million (2024: approximately RMB72.0 million) were unsecured. Bank and other borrowings of approximately RMB289.9 million (2024: approximately RMB215.4 million) will be repayable within one year.

Pledge of assets

As at 31 December 2025, the carrying amounts of the Group's pledged assets were approximately RMB221.6 million (2024: approximately RMB249.7 million).

Save as disclosed in this announcement, the Group did not have any charges of assets as at 31 December 2025 (2024: Nil).

Significant investments

The Group did not hold any significant investments during the Year (2024: Nil).

Material acquisitions or disposals

During the Year, the Group did not conduct any material acquisition or disposal of subsidiaries, associates and joint ventures (2024: Nil).

Gearing ratio

As at 31 December 2025, the gearing ratio of the Group, calculated by having the total liabilities divided by the total equity, was approximately 1.13 (2024: approximately 0.93).

Total debt to total asset ratio

As at 31 December 2025, the total debt to total asset ratio of the Group, calculated by having the total liabilities divided by the total assets, was approximately 0.53 (2024: approximately 0.48).

Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank borrowings and other borrowings with a floating rate. The Group does not have an interest rate hedging policy. However, the Directors will monitor interest rate exposure from time to time and will consider hedging significant interest rate exposure should the need arise.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the interest rates quoted by the People's Bank of China arising from the Group's bank borrowings and other borrowings with a floating rate.

The Group's interest rate risk mainly arises from bank and other borrowings. Bank and other borrowings arranged at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively. Certain bank borrowings of the Group as at 31 December 2025 and 2024 bore interest at floating rates. The interest rates and repayment terms of bank and other borrowings at the end of each reporting period are disclosed in note 15 to the consolidated financial statements.

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is represented by the exposure arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the Directors have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the Directors review the recoverable amount of each individual receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the credit risk of the Group is significantly reduced.

The credit risks on bills receivables, bank and restricted cash balances are considered to be insignificant because the counterparties are financial institutions with good reputation and high credit ratings assigned by international credit-rating agencies.

The credit risk of the Group is concentrated on trade receivables from the Group's two largest customers at 31 December 2025 amounted to approximately RMB319.6 million, and accounted for approximately 49.4% of the Group's gross trade receivables. In order to minimise the credit risk, the Directors continuously monitor the level of exposure by frequent review of the public financial information and credit quality of its customers to ensure that prompt actions will be taken to lower the exposure. These two largest customers of the Group are subsidiaries of listed companies in the PRC and Hong Kong. They are leading and large-scale full-service and integrated intelligent information services providers and both of them have good past credit repayment history and records with the Group.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

The Group applies the simplified and general approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables and 12-month ECLs for other receivables, unless there is significant increase in credit risk since initial recognition.

The Group measures ECLs for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. In measuring the ECLs, the trade receivables due from major customers have been assessed on individual basis, while the trade receivables due from non-major customers have been assessed on a collective basis and debtors ageing is applied to assess ECLs for its non-major customers because these customers consist of a large number of customers which share common risk characteristics that are representative of the customers' ability to pay all amounts due in accordance with the contractual terms. They have been grouped based on the days past due. The estimated ECL loss rates are estimated based on the Group's estimates of the market borrowing rates for each of the groupings, less risk-free rate, which reflect the credit risk of the debtors, over the expected life of the debtors and are adjusted forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities.

Capital Commitments

As at 31 December 2025, the Group had capital commitments of capital expenditure contracted but not provided in respect of acquisition of property, plant and equipment and intangible assets amounting to approximately RMB3.6 million (2024: approximately RMB36.0 million). At the same time, the capital contribution from related parties amounting to RMB20.6 million (2024: RMB20.6 million). The capital commitments incurred at the end of the Year were mainly contracted for the purchase of equipment for an optical fiber production line.

Future plans for material investments

The Group will continue to invest in its development projects and acquire suitable plant and machinery, if it thinks fit.

Employees and remuneration policies

As at 31 December 2025, the Group had 416 employees (2024: 412 employees). For the Year, the Group incurred staff costs of approximately RMB45.4 million (2024: approximately RMB52.4 million). As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans, including pension insurance and medical insurance. The Group adopts a competitive remuneration package for its employees. Remuneration packages are reviewed periodically with reference to the then prevailing market employment practices and legislation.

OUTLOOK

In 2025, the national agenda of building a “Digital China” entered a phase of deepened development. Under the MIIT’s “Special Operation for 5G-A Network Construction”, key cities had attained continuous 5G-A coverage and demand for ultra low loss optical fibre continued to materialise. The Guidelines for Developing the Low Altitude Economy specifically calls for the “construction of unmanned aerial vehicle communication, navigation and monitoring systems”, leading to a significant rise in demand for specialised cables. Concurrently, the China Communications Standards Association published the Technical Specifications for Data Centre High Speed Interconnectivity, accelerating the adoption of MPO/MTP pre terminated products as standard equipment for supercomputing centres.

The dual engines of favourable policies and technological iterations have created considerable opportunity to tap into the markets for communications cables, data centre cabling and specialised communication products. The rapid growth of emerging scenarios, such as edge computing, the Industrial Internet and low altitude economy, will further stimulate demand for highly reliable, customisable communications solutions. The Group will seize the historic opportunities presented by the advancement of the “East Data, West Computing” project, large scale commercialisation of 5G-A network and the construction of low altitude economy infrastructure, and consolidate its industry leadership guided by a “technology driven, global coordinating and scenario deepening” strategy.

BUSINESS PLAN

In 2026, the Group will capitalise on the window provided by the industry recovery to structure its business around core strengths and emerging sectors, driving business mix optimisation and a transition towards new growth dynamics.

At present, the optical fibre and cable market is entering a new demand expansion cycle, fuelled by the geometric increase in AI computing capacity and explosive build out of data centres. As large model training and intelligent compute clusters accelerate, the requirements for ultra high bandwidth and ultra low latency transmission have risen exponentially among AI data centres, directly stimulating massive demand for ultra low loss fibres and high density optical connectivity products. Meanwhile, with “East Data, West Computing” fully entering compute scheduling, the accelerated construction of node data centres across eight hubs has further widened the supply demand gap in the fibre market. In response to this structural opportunity, the Group will fully leverage its annual 12 million fibre-kilometres capacity and the scaled productivity of 6 fibre-drawing towers and 12 production lines to ensure stable delivery of core products, and to secure its supply position among VBP operators and industry customers. Concurrently, to meet AI compute clusters’ performance-based requirements for premium fibre products, we will continue to increase the proportion of high-added-value products, such as ultra-low-loss and bend-insensitive fibres, pursuing market share through the dual engines of productivity advantage and product upgrading.

To consolidate our traditional strengths, we will deepen core-market engagement in data centres and national compute hubs to improve project quality and customer retention. Our strategic priority for the year is to achieve a breakthrough in the “Industrial Specialised Cables” segment: we will concentrate resources on key sectors such as new energy, industrial manufacturing and mining, accelerate the transition from pilot projects to industry scale application, and dedicate ourselves to building a second growth curve.

Focusing on our core products, we will align with the roll out of new information infrastructure such as 5G/6G and gigabit optical network to grow sales and market share of telecommunications cables and fibre-distribution products. We will expand penetration into data centre, dedicated network, all optical network and other scenarios, substantially lift the revenue share of associated products through marketing for our product portfolio and solutions.

To optimise our business structure, we will adopt a systematic approach to enhance our capability to execute project-based work, allocate resources to large integrated projects, and increase the contribution of project-based business. We will actively secure terminal customers among government authorities, central enterprises and large enterprises, deepen strategic partnerships, improve client mix, strengthen supply-chain influence, and increase profitability. Through continued down-streaming of direct-sales channels and deeper regional coverage, we aim to further improve response efficiency and service capabilities in the terminal market.

Meanwhile, the Group will press ahead with intelligent production line upgrades and digital transformation of the supply chain to build a lean, full-chain management system. Through our closed strategic loop of “capacity assurance – product upgrading – market expansion”, we will decisively seize the dual opportunities presented by the communications industry recovery and the AI-compute-infrastructure wave, with a view to pursuing quality, sustainable development.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the Year (2024: Nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained sufficient public float throughout the Year as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had sold, purchased or redeemed any of the Company’s listed securities during the Year, (including sales of treasury shares (the “**Treasury Shares**”) within the meaning under the Listing Rules). As at 31 December 2025, the Company did not hold any Treasury Shares.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance and believes that a good corporate governance can (i) enhance management effectiveness and efficiency; (ii) increase the transparency of the Company; (iii) enhance risk management and internal control of the Company; and (iv) safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and the Company as a whole.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance practices. Save for the deviation as disclosed herein below, the Company has complied with the applicable code provisions as set out in the CG Code during the Year.

Chairman of the Board and Chief Executive Officer

Provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing.

Ms. Wang Qiuping (“**Ms. Wang**”) is the chairlady of the Board and the chief executive officer of the Company. This deviates from the practice under provision C.2.1 of the CG Code, where it provides that the two positions should be held by two different individuals. However, as Ms. Wang has considerable and extensive knowledge and experience in the industry and in enterprise operation and management in general, the Board believes that it is in the best interest of the Company and the Shareholders as a whole to continue to have Ms. Wang as the chairlady of the Board so that the Board can benefit from her knowledge of the business and her capability in leading the Board in the long-term development of the Group. From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the chairman should not be able to monopolise the voting of the Board. The Board considers that the balance of power between the Board and the senior management can still be maintained under the current structure. The Board shall review the structure from time to time to ensure appropriate action is taken should the need arise.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has made enquiries to all Directors regarding any non-compliance with the Model Code during the Year.

All the Directors confirmed that they have fully complied with the required standard set out in the Model Code during the Year.

Audit committee

The Company established an Audit Committee on 21 October 2017 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The duties of the Audit Committee include, without limitation, (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring integrity of the financial statements, the annual report and accounts and the half-year report, and reviewing significant financial reporting judgements contained therein; and (c) reviewing our financial controls, internal control and risk management systems. The terms of reference of the Audit Committee are currently made available on the websites of the Stock Exchange and the Company.

The Audit Committee consists of three independent non-executive Directors, namely, Ms. Cheng Shing Yan, Mr. Liu Guodong and Mr. Xie Haidong. Ms. Cheng Shing Yan who possesses the appropriate professional qualifications as required under Rule 3.10(2) and 3.21 of the Listing Rules is the chairlady of the Audit Committee. The quorum of meetings of the Audit Committee shall be any two members.

The Audit Committee will hold at least two meetings a year and will also meet the external auditor at least twice a year without the presence of the executive Directors. Terms of reference adopted by the Audit Committee are aligned with the Code Provisions set out in the CG Code.

Since 1 January 2025 and up to 31 December 2025, the Audit Committee had held two meetings, together with the management of the Company and external independent auditor, reviewed the Group's consolidated financial statements for the Year and this announcement, and considered that they were prepared in compliance with the relevant accounting standards and that the Company has made appropriate disclosure thereof.

COMPETING BUSINESS

The Company received confirmations from the controlling Shareholders in March 2024 on their compliance of the non-competition undertaking under the deed of non-completion as disclosed in the section headed "Relationship with Controlling Shareholders" in the prospectus of the Company dated 27 October 2017 (the "**Deed of non-competition**") for the Year. The independent non-executive Directors have reviewed the confirmations and evaluated the effectiveness of the implementation of the Deed of non-competition and concluded that none of the controlling Shareholders and their respective associates had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules and pursuant to the Deed of non-competition during the Year.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the Year.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a shareholder written resolution passed on 21 October 2017. From the date of the adoption of the Share Option Scheme and up to the end of the Year, no share option has been granted, or agreed to be granted, under the Share Option Scheme and therefore, there were no outstanding options as at 31 December 2025 (2024: Nil).

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2025, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Moore CPA Limited on the preliminary announcement.

ANNUAL REPORT

The annual report of the Company for the Year will be made available to the Shareholders and made available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.potel-group.com) in due course.

By order of the Board
Putian Communication Group Limited
Wang Qiuping
Chairlady

The PRC, 31 March 2026

As at the date of this announcement, the Board comprises Ms. Wang Qiuping, Mr. Zhao Xiaobao and Ms. Zhao Moge as executive Directors; and Ms. Cheng Shing Yan, Mr. Liu Guodong and Mr. Xie Haidong as independent non-executive Directors.