WOER 沃尔核材 WOER HEAT-SHRINKABLE MATERIAL

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

2026
INTERIM REPORT

Contents

Corporate Information

THE BOARD

Executive Directors

Mr. Zhou Heping
(Chairman and Executive Director)
Ms. Yi Huarong *(Executive Director and General Manager)*
Mr. Liu Zhanli
Mr. Xia Chunliang
Ms. Deng Yan

Non-executive Director

Dr. Li Wenyou

Independent Non-executive Directors

Mr. Zeng Fanyue
Ms. Dai Bingjie
Mr. Wang Dong

AUDIT COMMITTEE

Mr. Zeng Fanyue *(Chairperson)*
Mr. Wang Dong
Dr. Li Wenyou

REMUNERATION AND APPRAISAL COMMITTEE

Ms. Dai Bingjie *(Chairperson)*
Ms. Yi Huarong
Mr. Zeng Fanyue

NOMINATION COMMITTEE

Mr. Wang Dong *(Chairperson)*
Mr. Zhou Heping
Ms. Dai Bingjie

STRATEGY AND ESG COMMITTEE[1]

Mr. Zhou Heping *(Chairperson)*
Ms. Yi Huarong
Mr. Zeng Fanyue

JOINT COMPANY SECRETARIES

Ms. Qiu Wei
Mr. Tam Ka Lung

AUTHORIZED REPRESENTATIVES

Mr. Liu Zhanli
Mr. Tam Ka Lung

AUDITOR

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
1001–1010, North Tower
World Finance Centre
Harbour City, 19 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

Zandar Certified Public Accountants LLP
11F, Radio and Television Financial Center
No. 9 Pengcheng No. 1 Road Fuxin Community
Lianhua Avenue
Futian District
Shenzhen City
Guangdong
PRC

1 formerly known as the "Strategy and Investment Decision Committee of the Board", renamed as the "Strategy and ESG Committee of the Board" on July 10, 2026

Corporate Information

HONG KONG LEGAL ADVISER

Tian Yuan Law Firm LLP
Suites 3304–3309,33/F, Jardine House
One Connaught Place
Central
Hong Kong

COMPLIANCE ADVISER

Gram Capital Limited
Room 1209
12/F, Nan Fung Tower
88 Connaught Road Central/173 Des Voeux Road Central
Central
Hong Kong

REGISTERED OFFICE

Woer Industrial Park, Lanjing North Road
Longtian Subdistrict
Pingshan District
Shenzhen
Guangdong
PRC

HEAD OFFICE IN THE PRC

Woer Industrial Park, Lanjing North Road
Longtian Subdistrict
Pingshan District
Shenzhen
Guangdong
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 504, 5/F,
Cheong Tai Commercial Building
60–66 Wing Lok Street
Sheung Wan
Hong Kong SAR

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

PRINCIPAL BANKERS

Bank of China Limited, Shenzhen Xili Sub-branch
Rooms 101–103, 207–213, 215–223, 229–233, 235–243, 245–253, 255–263, 265–273, 275–277, 302, 303
East Tower, Dingxin Building
Shahe West Road, Nanshan District
Shenzhen, PRC

Industrial and Commercial Bank of China, Shenzhen Shajing Sub-branch
Units 1056–1059 (1F) & Unit 2060 (2F)
Building 4, Vanke Philia (Residence)
Shajing Subdistrict, Bao'an District
Shenzhen, PRC

China Everbright Bank Company Limited, Shenzhen Longgang Sub-branch
Unit 102, Zone 101C, Duplex Level
Xie Li Garden Phase 3 Shopping Center
Longhe Road, Pingnan Community,
Longgang Subdistrict, Longgang District
Shenzhen, PRC

STOCK CODE

Hong Kong Stock Exchange (H Shares): 9981
Shenzhen Stock Exchange (A Shares): 002130

COMPANY WEBSITE

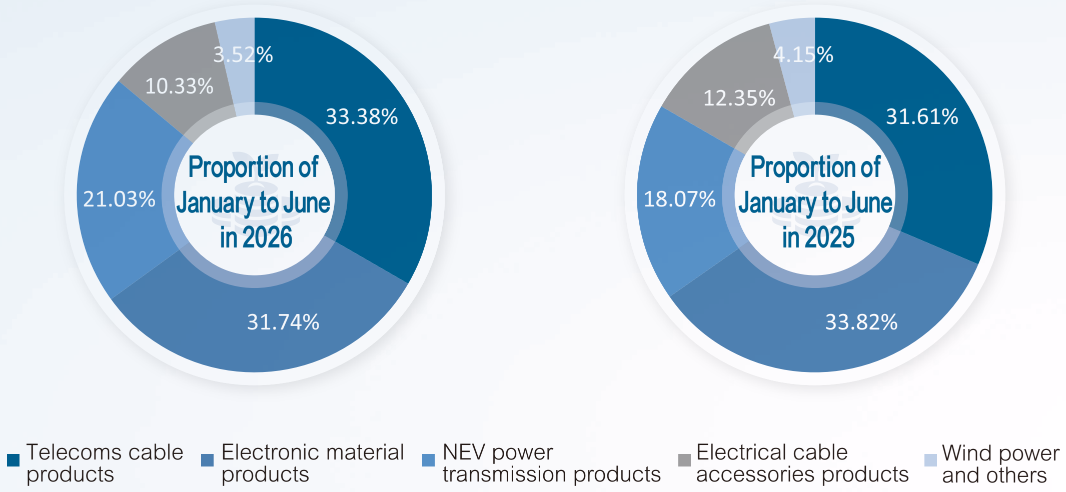
www.woer.com

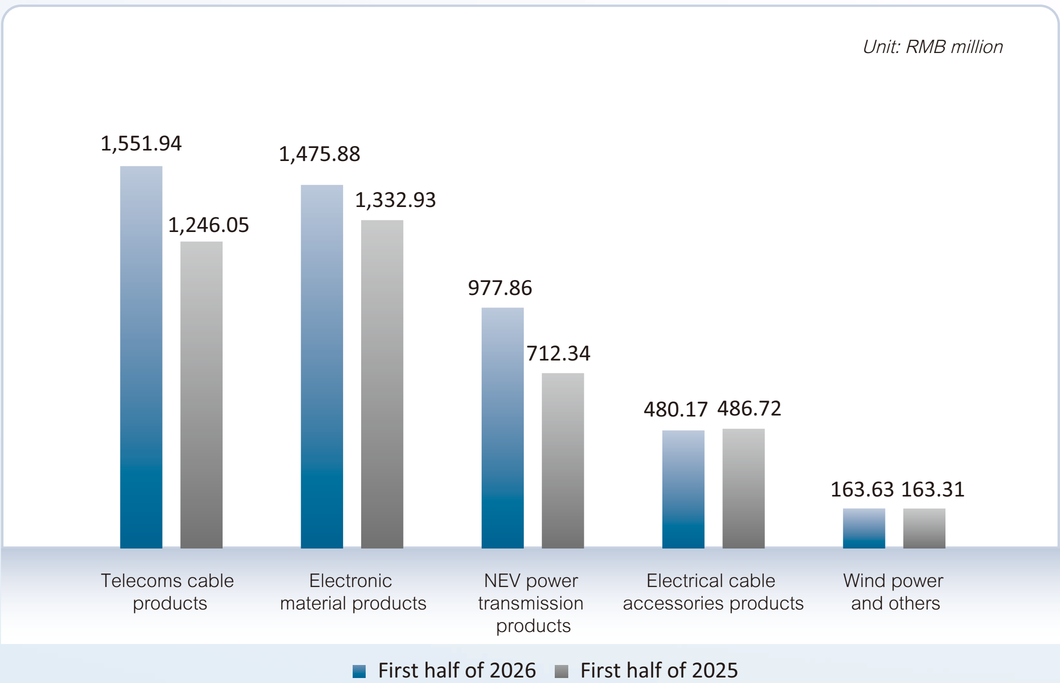
Financial Summary

- For the six months ended June 30, 2026, the revenue of the Group amounted to RMB4,649.5 million, representing an increase of 17.97% compared with the revenue of RMB3,941.3 million for the six months ended June 30, 2025.

- For the six months ended June 30, 2026, the Group achieved a net profit attributable to shareholders of the Company of RMB566.7 million, representing an increase of 1.54% compared with the net profit attributable to shareholders of the Company of RMB558.1 million for the six months ended June 30, 2025.

Revenue Breakdown by Segment





Financial Summary

The Board hereby announces the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended June 30, 2026 together with the comparative figures for the six months ended June 30, 2025, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Six months ended June 30,		
	2026	2025	
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	Change
Revenue	**4,649,481**	3,941,350	17.97%
Gross profit	**1,315,266**	1,232,723	6.70%
Gross profit margin	**28.29%**	31.28%	
Profit before taxation	**666,570**	697,213	(4.40%)
Profit for the period	**592,085**	604,490	(2.05%)
Profit for the period attributable to owners of the Company	**566,684**	558,074	1.54%
Total comprehensive income for the period	**497,768**	575,909	(13.57%)

Condensed Consolidated Statement of Financial Position

	June 30, 2026	December 31, 2025	
	RMB'000	RMB'000	
	(Unaudited)	(Audited)	Change
Assets			
Total non-current assets	**6,016,072**	5,700,942	5.53%
Total current assets	**9,515,630**	6,559,625	45.06%
Total assets	**15,531,702**	12,260,567	26.68%
Liabilities			
Total non-current liabilities	**1,889,672**	1,226,409	54.08%
Total current liabilities	**4,121,060**	4,229,666	(2.57%)
Total liabilities	**6,010,732**	5,456,075	10.17%
Total equity	**9,520,970**	6,804,492	39.92%

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

I. BUSINESS REVIEW DURING THE REPORTING PERIOD

(I) Principal business of the Group during the Reporting Period

During the Reporting Period, the Group's principal businesses and products did not undergo any material change.

During the Reporting Period, the Group's principal business focused on the electronic communications and new energy power sectors, comprising five principal businesses: electronic materials, telecoms cables, electrical cable accessories products, NEV power transmission products and wind power generation. The Group maintains established manufacturing bases across multiple domestic locations and in Vietnam to meet the needs of customers from different regions; its sales network covers major and medium-sized cities across China and several overseas markets, with products exported to numerous countries and regions, thereby cultivating a strong brand effect.

Production base distribution map of the Company

Management Discussion and Analysis

1. *Electronic materials business*

The electronic materials business primarily comprises heat-shrinkable tubings, dual-wall tubings, tapes and heat-shrinkable busbar insulation tubings. By offering outstanding features such as convenient shrinkage, temperature resistance, flame retardancy, corrosion resistance and halogen-free environmental friendliness, the Group's electronic material products provide insulation and protection for wires, cables and electrical equipment. They are widely applied in electronics, electrical appliances, communications, automotive, rail transit, medical, nuclear power and aerospace sectors. Key products and typical application scenarios are illustrated below:

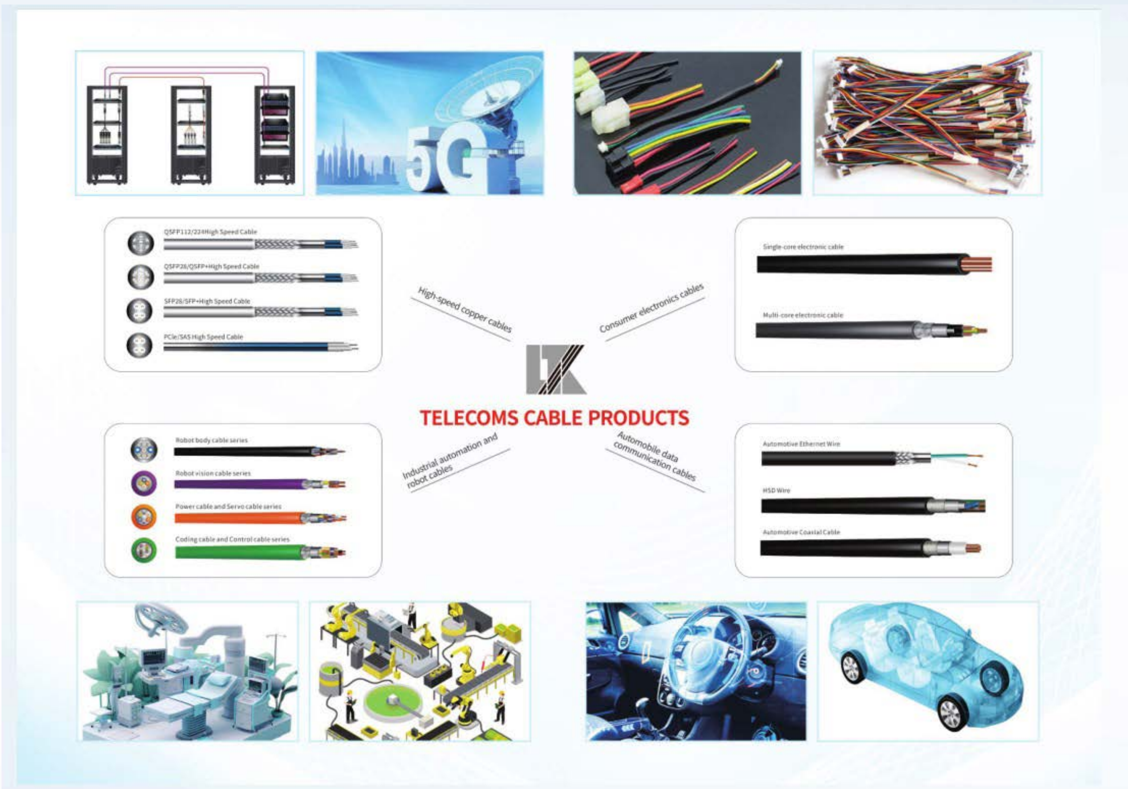
Management Discussion and Analysis

Since its establishment, the Company has been deeply engaged in the heat-shrinkable materials sector and has become a leading enterprise in China's heat-shrinkable materials industry. After years of technological accumulation and business development, the Group has formed a heat-shrinkable materials product system covering diverse application scenarios and multiple industry sectors. Leveraging leading technological capabilities, a comprehensive range of product specifications, complete certification systems, synergistic effects from multiple manufacturing bases, lean smart manufacturing as well as an extensive marketing network, the Group's electronic materials business continues to sustain strong market competitiveness and industry influence.

During the Reporting Period, the Group drove product upgrading through R&D and innovation, cultivated growth drivers through market expansion, and consolidated its development foundation through operational efficiency improvement, which enabled the overall electronic materials business to maintain a stable development trend. In terms of R&D and innovation, leveraging its mature technological and product systems, the Group closely kept pace with the development trends of the industry and customer application demands, continuously advancing iterative upgrades of existing products and the development of new products, enriching its product portfolios and enhancing its product matrix, with a particular focus on intensifying R&D efforts in high-end and high-value-added products to strengthen its competitive edge in key application areas. In terms of market expansion, the Group implemented a multi-brand strategy to achieve comprehensive coverage of different market segments, concurrently deepening engagement in existing markets and exploring emerging markets. Leveraging its advantages of extensive product specifications and broad customer base, the Company continued to deepen cooperation with existing customers while introducing supplementary products, explored incremental demand from new customers, and concentrated resources to vigorously develop the emerging key industries such as new energy vehicles, energy storage, medical care, and low-altitude flight. In terms of operational efficiency enhancement, the Group continued to leverage the professional and flexible operating advantages of its subsidiaries, refined the collaborative management mechanism of "independent operation and joint operation", strengthened the coordinated allocation of resources across R&D, procurement, production and sales within each business segment, and empowered business operations through digitalization and intelligence, thereby providing strong support for the steady development of the electronic materials business.

2. *Telecoms cable business*

The telecoms cable business principally includes high-speed copper cables, automotive data communication cables, industrial automation and robot cables. The Group's telecoms cable products feature stable performance, low signal attenuation, strong interference resistance and high compatibility, enabling high-speed data transmission, signal control and power transmission. These products are widely used in our core markets, such as high-speed communications equipment, industrial machinery and robotics, and the automotive sector. Key products and typical application scenarios are illustrated below:



The Group's communication cable business is operated by its controlling subsidiary, LTK Electric, which has nearly 40 years of experience in the telecoms cable field. It is extensively experienced in product R&D and process control, and boasts competitive strengths in R&D design, performance testing, quality control, intelligent manufacturing and large-scale mass production. LTK Electric offers a diverse product range, with some products attaining international advanced standards; it also maintains long-term strategic partnerships with leading industry customers, underpinning a strong brand reputation.

During the first half of 2026, driven by the continuous advancement of global computing infrastructure construction, the accelerated iteration of large-scale models, and growing market demand in the robotics and industrial automation sectors, the market demand for telecoms cables maintained a growth trajectory. In the first half of 2026, the revenue of the Group's telecoms cables business was RMB1,552 million, representing an increase of 24.55% year-on-year, of which the revenue of high-speed copper cables was RMB631 million, representing an increase of 35.29% year-on-year. High-speed copper cables remained a key growth driver for the telecoms cables business.

During the Reporting Period, as production capacity for high-speed copper cables continued to expand, industry competition became increasingly intense. Concurrently, end customers imposed higher performance requirements on high-speed copper cables due to iterative upgrades in technological solutions, while the transition between new and old projects, product validation and project introductions required certain lead times, resulting in a certain lag in end-market demand. In response to industry competition and market changes, the Group carried out initiatives in product R&D, customer expansion, production assurance and operational efficiency enhancement, focusing on key products such as high-speed copper cables, to further consolidate its business development foundation. In terms of product R&D, the Group continued to advance the iterative upgrading of high-speed copper cables products. The Group continuously innovated its single-channel 224G high-speed copper cables product offerings and maintained scaled deliveries, with the single-channel 224G product being the flagship product of its high-speed copper cables business. The Group completed the development of samples of single-channel 448G high-speed copper cables, with samples of certain specifications tested and verified to meet customer performance requirements, and entered the stage of small-batch trial production and customer processing validation, further consolidating the Group's competitive advantages in the high-speed copper cable connectivity sector. Meanwhile, keeping pace with industry trends such as automotive intelligence, vehicular connectivity and embodied intelligence, the Group continued to advance the development and technological upgrading of in-vehicle communication cables and robotics cables, addressing application needs such as high-speed in-vehicle data transmission and embodied intelligence device connectivity, thereby cultivating new business growth drivers. In terms of market expansion, the Group continued to deepen cooperation with key customers, increased investment in key projects, strengthened technological collaboration and demand exploration, and promoted the application of high-speed copper cables products in areas such as AI computing power and data centers. Focusing on areas such as intelligent connected vehicles and embodied intelligence, the Group intensified market development efforts for in-vehicle communication cables and related industrial cables, continuously expanding its business growth potential. In terms of production assurance, all of the Rosendahl foamed core wire extrusion equipment previously ordered by the Group had been delivered and installed at the Huizhou Shuikou Plant and Vietnam Plant respectively. The Group will coordinate the commissioning schedule and production arrangements for the equipment in light of market and order demand, while continuously enhancing production organization efficiency and delivery assurance capabilities. The capacity expansion projects at the Huizhou Shuikou Industrial Park and the Bac Ninh province in Vietnam were progressing as planned. In terms of operational efficiency improvement, the Group continued to strengthen lean operations management, with ongoing optimization of key areas such as production efficiency, product quality and cost control. Through process improvements, equipment upgrades and workflow enhancements, the Group continuously improved manufacturing efficiency and product yield, enhancing both operational quality and profitability while meeting customers' requirements for rapid delivery.

3. *New energy vehicle (NEV) power transmission products business*

Our key NEV power transmission products include EV charging guns, charging sockets, in-vehicle high-voltage wiring, high-voltage connectors and power battery safety protection products. The Group's NEV products feature high charging efficiency, strong safety, reliable performance and wide compatibility, and are widely applied in EV charging and in-vehicle high-voltage connection systems. The Group's key NEV power transmission products and typical application scenarios are illustrated below:

The Group has been deeply engaged in NEV-related business areas for a decade. Committed to driving product upgrading through technological innovation and guiding product layout based on market demand, and leveraging its in-house manufacturing capabilities for core components and key materials, the Group has established an industrial chain system covering charging guns, charging sockets, high-voltage cables and high-voltage connectors, and boasts strong capabilities in independent R&D, large-scale manufacturing and comprehensive supporting capabilities. Among others, the Group's GB standard DC charging gun products rank among the forefront of the industry in terms of market share; its liquid-cooled ultra-fast charging technology is at the domestically leading level, forming strong market competitive advantages in the new energy vehicle industry.

During the first half of 2026, benefiting from favorable external factors including the continued development of the new energy vehicle industry, steady progress in charging infrastructure construction, and the accelerating adoption of high-current charging technologies, coupled with the Group's robust in-house manufacturing system and certain sub-segments achieving full in-house production, the Group's new energy vehicle power transmission products business continued to maintain a sound development trajectory.

During the Reporting Period, the Group continued to deepen its strategic layout in the new energy vehicle power transmission products business, enhancing its core competitiveness through technological innovation, intelligent manufacturing and market expansion, thereby driving steady growth in new energy vehicle power transmission products business. In terms of technological innovation, the Group continued to advance R&D and technological upgrades for key products including high-current charging guns, in-vehicle high-voltage connections and thermal runaway protection products for power batteries. It continued to enrich its product offerings for key items such as DC charging guns and high-current liquid-cooled charging guns, continuously upgraded product power ratings, expanded application scenarios, and optimized product performance and adaptability. During the Reporting Period, the Group's self-developed liquid-cooled charging guns of various specifications achieved positive results in market expansion, with sales recording rapid growth. In terms of intelligent manufacturing, the Group continued to enhance the level of automation in production equipment and advance the construction of digital workshops. Through the implementation of production management systems, it achieved production process visualization and refined production management, thereby improving production efficiency. Meanwhile, the Group strengthened the coordination of resources and supply chain synergies between its two major production bases in Shenzhen and Wuhan to improve product performance consistency and delivery reliability, further enhancing its scaled manufacturing capabilities. In terms of market expansion, the Group continued to consolidate its competitive advantages in the domestic market and deepened cooperation with key customers including charging pile manufacturers and OEMs. In overseas markets, the Group actively seized opportunities arising from the development of overseas charging infrastructure, accelerated the promotion of European and American standard charging gun products and the development of distribution channels. During the Reporting Period, sales of relevant products maintained relatively rapid growth, with further expansion in overseas market coverage and further improvement in brand influence.

4. *Electrical cable accessories business*

Electrical cable accessories comprise products for voltage range between 1kV and 500kV and various insulating protection products. The Group's electrical cable accessories products emphasize independent design and core manufacturing, featuring ease of installation, high insulation strength and reliable performance, among other benefits. They provide electrical connections and insulation protection for cables, transmission and distribution lines and related equipment, and are widely applicable to power generation, power distribution, complete equipment, rail transit, petrochemicals, high-speed rail and marine sectors. Key products and typical application scenarios are illustrated below:

Management Discussion and Analysis

Having operated in the field of electrical cable accessories for years, the Group drives growth through technological innovation and has mastered core technologies such as material formulations, structural design and intelligent monitoring for electrical cable accessories, while accumulating extensive experience for product-related operations. With a comprehensive product portfolio, stable performance, full certification qualifications, a well-established sales network in China, close relationships with customers and high-quality services, the Group ranks among the leading players in scale and industry position within the electrical power cable accessories segment.

During the first half of 2026, as power grid investment progressed, power grid renovation and infrastructure demand steadily released, and the Group actively advanced its overseas market expansion, providing certain support for the development of its electrical cable accessories products business, with overall operations maintaining resilience. However, due to factors such as the phased adjustment in newly installed capacity of PV and wind power, the consequent reduction in market demand for supporting electricity products, and rising raw material prices, the electrical cable accessories products business faced certain operating pressures, with overall operating results recording a slight decline compared with the same period of last year.

During the Reporting Period, in response to changes in industry demand, the Group continued to drive product category innovation, manufacturing capability enhancement, and market system development, vigorously promoting the evolution of electrical cable accessories products towards higher voltage levels and intelligence. In terms of product innovation, the Group continued to focus on the development directions of high-voltage, extra-high-voltage and intelligent power grids, advancing product R&D and technological reserves, progressively refining its product series, accelerating the R&D and industrial application of key products, and continuously enhancing its independent innovation capabilities and core competitive advantages. In terms of intelligent manufacturing, the Group accelerated the introduction of intelligent equipment and the automated upgrading of production processes, reducing manual operation links, and improving manufacturing efficiency and process control capabilities. Concurrently, the Group continued to promote the deployment of digital systems, strengthening data analytics, intelligent forecasting, and production monitoring applications, driving the upgrade of production management towards lean and intelligent operations. In terms of market expansion, the Group continued to deepen cooperation with key customers including the State Grid Corporation of China and China Southern Power Grid, actively participating in bidding and tendering projects at various grid levels, closely monitoring emerging market opportunities, and extensively expanding its customer base. Simultaneously, the Group steadily explored overseas markets through international exhibitions and online promotion, continuously enhancing its market coverage and improving overseas market influence, thereby further strengthening the comprehensive competitive advantages of its electrical cable accessories products business.

5. *Wind power business*

The wind power business operated stably during the Reporting Period. The total installed capacity of Qingdao Wind Power Hetoudian (青島風電河頭店), Dongdazhai (東大寨) and Heya wind farms (河崖風電場) amounted to 144.2 MW. The on-grid power for the first half of 2026 stood at 124 million kWh, all sold to State Grid Shandong Electric Power Company Yantai Power Supply Company.

(II) R&D achievements of the Group's principal business during the Reporting Period

The Group adhered to independent innovation as a core driving force, continuously enhanced its R&D system and developed an R&D model combining "independent R&D + customized development". Leveraging market development trends and customer demand, the Group actively conducted forward-looking technology R&D and customized product development, while strengthening collaboration with external innovation resources, such as universities and research institutions, to continuously advance technological innovation and the conversion of technological achievements and develop new products that meet market demand.

As of the end of the Reporting Period, the Group had more than 2,200 valid patents, including more than 500 invention patents and more than 900 valid registered trademarks, with more than 700 domestic registered trademarks. During the Reporting Period, the Group was newly granted 103 licensed patents, including 21 invention patents, and 59 new registered trademarks. During the Reporting Period, the Group's R&D achievements across all business areas were as follows:

1. *Electronic materials business*

First, in the automotive sector, the Group independently developed large-size halogen-free and red phosphorus-free flame-retardant heat-shrinkable tubing. While meeting the performance requirements for flame retardancy and electrical insulation, the product further enhances environmental performance and can be used for insulation protection of components such as soft connections in new energy vehicles and copper busbars in energy storage systems, meeting the application needs of the new energy vehicle industry for environmentally friendly materials. The Group also completed the development of 150°C-grade heat-shrinkable silicone products and obtained UL certification. These products feature high-temperature resistance, flexibility and ageing resistance, and are suitable for application scenarios requiring heat-resistant and flexible insulation protection, such as soft connections in new energy vehicles. The products have currently been commercialized for mass sales.

Second, in the energy storage sector, the Group completed the development of large-size orange halogen-free heat-shrinkable tubing products for energy storage applications and achieved mass production. The products are primarily used for insulation protection of conductive metal busbars in energy storage batteries and are capable of meeting customers' stringent performance requirements in terms of halogen-free properties, surface smoothness and tensile stability. The Group also overcame technical challenges relating to material formulations and molding processes for large-size products.

Third, in liquid cooling, focusing on the application requirements for liquid cooling and heat dissipation in the electronic information and AI sectors, the Group completed the development of supporting products such as PTFE corrugated pipes for liquid cooling pipelines. The relevant products are currently undergoing customer testing and validation.

2. *Communication cable business*

First, in the high-speed copper cables: the Group has continued to innovate in its single-channel 224G high-speed copper cables categories and maintained scaled deliveries. The products can meet the stringent requirements of high-speed data transmission. The Group completed the development of samples of the next-generation single-channel 448G high-speed copper cables. Samples of certain specifications were submitted for testing, and their performance met customers' requirements and reached the relevant technical indicators. The Group has commenced small-batch trial production for further processing and validation by customers.

Second, in the automotive cables: the Group has completed the development of certain specifications of 56Gbps automotive Ethernet cables. These products are primarily used for high-speed data signal transmission in automotive electronic control units (ECUs) and are a key component of data transmission in automotive backbone networks.

Third, in the industrial cables, focusing on emerging application scenarios such as humanoid robots and robotic dogs, the Group has completed the development of a series of specialized cables, including joint motor power cables, radar communication cables and cables for coreless motors in dexterous hands. These products offer excellent torsion resistance, bending resistance and high-speed data transmission performance, meeting the application requirements of embodied intelligent devices in complex motion scenarios. The products are currently in small-batch production.

3. *New energy vehicle (NEV) power transmission products business*

In charging guns, during the Reporting Period, the Group completed the development of fast-change DC charging guns and passed reliability testing and validation. The products are specifically designed for high-power ultra-fast charging scenarios such as heavy-duty trucks and mining trucks. By adopting a quick-replacement structure for vulnerable terminals, the products can effectively improve the operation and maintenance efficiency of charging equipment. In charging sockets, the Group's independently developed single-piece assembled DC charging sockets have completed development, trial production and validation, and can be applied across various charging scenarios, including passenger vehicles, commercial vehicles and high-power ultra-fast charging. In thermal runaway protection products for power batteries, during the Reporting Period, the Group completed the development of highly insulating and low-compression aerogel materials samples, which are currently undergoing customer validation.

4. *Electrical cable accessories business*

First, in high-voltage cable accessories, the Group continued to advance technology R&D and product upgrades. During the Reporting Period, the Group completed the development of 110kV and 220kV silicone rubber cable accessories and commenced sales thereof, facilitating the first engineering application of silicone rubber-based stress control components in high-voltage products and further improving the Group's high-voltage cable accessories product portfolio.

Second, in the intelligent cable system field, the Group's independently developed 35kV intelligent cable accessories have been implemented in projects, integrating functions such as partial discharge detection and Internet of Things communications, thereby providing customers with intelligent cable operation and maintenance solutions.

(III) *Summary of the Group's overall operating results during the Reporting Period*

During the first half of 2026, the Group remained committed to its primary development focus of "electronic communications + new energy power", promoting the coordinated development of its various business segments, continuously refining its product layout, accelerating the R&D and industrialization of high-end products, deepening cooperation with key customers, and actively expanding both domestic and overseas markets. The Group's business segments as a whole maintained steady development. In particular, the electronic materials business continued to drive product innovation, leveraging its mature product system and extensive customer base to sustain steady growth. The communication cables business continued its growth trajectory, benefiting from factors including the ongoing advancement of global computing infrastructure, the accelerated iteration of large models, and developments in robotics and industrial automation, with high-speed copper cables remaining a key growth engine. Driven by continued development for the NEV industry and the accelerated construction of charging infrastructure, the Group's NEV power transmission products business sustained a favorable growth momentum. The electrical cable accessories products business, however, faced certain pressures due to the phased adjustment in newly installed capacity of PV and wind power and the consequent reduction in demand for supporting products, with operating results recording a decline compared with the same period of last year. Concurrently, the Group's cost of sales and period expenses increased year-on-year, primarily attributable to the continued rise in raw material prices, increased foreign exchange losses arising from fluctuations in the exchange rates of the US dollar and Hong Kong dollar, and the Group's continued increase in R&D investment and market development efforts focused on key markets and key businesses.

In summary, the Group achieved revenue of RMB4,649.5 million during the Reporting Period, representing an increase of 17.97% compared to the same period last year, net profit attributable to shareholders of the listed company amounted to RMB566.7 million, representing an increase of 1.54% compared to the same period last year.

II. OUTLOOK FOR FUTURE DEVELOPMENT OF THE GROUP

(I) The industry landscape and trends in which the Group operates

1. Electronics and telecoms industries

In the high-speed communications sector, with the iterative development of large models and the gradual implementation of AI applications across various industries, demand for computing power has maintained rapid growth. Major overseas technology giants have continued to intensify the computing infrastructure. The combined full-year capital expenditure ceiling of the four major overseas cloud vendors currently is expected to approach US$750 billion. On the domestic front, the "15th Five-Year Plan" explicitly incorporates the "deepening of the Eastern Data and Western Computing Project and the construction of a multi-tiered computing infrastructure system and a nationally integrated computing network" into the China's top-level planning documents. Coupled with the iterative development of domestic AI chips and the accelerated deployment of computing clusters based on domestic architectures by domestic technology enterprises, these factors continue to drive demand across the upstream and downstream industrial chains. In short-distance interconnection scenarios, high-speed copper cables, leveraging their superior high-frequency performance, high reliability, and significant cost advantages, are well-suited to meet the development needs of the computing power industry. IDC forecasts that the global AI infrastructure market size will exceed US$1.08 trillion in 2029 and rise to US$1.21 trillion in 2030, representing a five-year compound annual growth rate of approximately 30% from 2025 to 2030. In the automotive cable sector, with the continued advancement of automotive electronification and intelligence, the insufficient bandwidth of traditional in-vehicle buses has driven steady growth in the in-vehicle high-speed Ethernet cable market. According to research by QYResearch, the global in-vehicle Ethernet cable market is expected to reach US$3.855 billion in 2031, with a compound annual growth rate of 11% during the 2025–2031 period, which will effectively drive substantial growth in the automotive communication cable market. In the robotics cable sector, AI development and favorable policies are driving the upgrade of the robotics cable industry. The robotics cable market is expanding from traditional supporting materials for industrial robots to emerging areas such as humanoid robots, with continuously escalating technical standards for cables in terms of high flexibility, lightweight design, high-speed communication capability, modular integration, and intelligence. According to an industry report published by QYResearch, the global robotics wiring harness and cable market is expected to reach US$5.01 billion in 2032, with a compound annual growth rate (CAGR) of 12.3% over the coming years, indicating substantial industry growth potential.

In the electronic materials sector, the rapid development of industries such as new energy, rail transportation, and intelligent manufacturing is driving improvements in electrical equipment safety protection standards. High-performance heat-shrinkable materials, with their superior insulation, corrosion resistance, and waterproof protection, can effectively improve the operational stability and service life of electrical systems. At the policy level, the "Recommendations for the 15th Five-Year Plan for National Economic and Social Development" published in October 2025, explicitly proposes the integrated advancement of innovation infrastructure construction, technology R&D, and product iteration and upgrading, while accelerating the development of strategic emerging industry clusters including new energy, new materials, aerospace, and the low-altitude economy. The relevant policy documents have created a favorable policy support environment for the development and application of high-performance heat-shrinkable materials. Concurrently, leading companies in the industry continue to increase R&D investment and enhance material performance and customized support capabilities, related products are swiftly penetrating high-tech, high-value-added fields such as energy storage, medical, and rail transportation. This expansion of application scenarios is generating new growth momentum for the heat-shrinkable materials market.

2. *New energy power industry*

Driven by the steady growth in NEV production and sales, coupled with consumer demand for rapid charging and extended range, the charging gun market has demonstrated relatively rapid growth, while concurrently imposing higher performance requirements in terms of power and efficiency. In March 2026, China formally incorporated the "Three-Year Doubling" action for charging infrastructure into the 2026 National Development Plan, indicating that the construction of charging infrastructure in China has officially entered a new phase of accelerated development. According to data from the National Energy Administration, the cumulative incremental addition of charging infrastructure in China during the first half of 2026 amounted to 2.405 million units, representing a year-on-year increase of 51.9%, with an average daily addition of approximately 13,000 units. The European Union's Alternative Fuels Infrastructure Regulation (AFIR), effective from 2026, mandates the enforcement of hardware technical provisions for charging facilities, driving large-scale new construction and retrofitting of existing charging facilities in Europe through binding targets. Coupled with the continued growth of NEV ownership in Europe, the overseas market for charging guns presents broad prospects. Concurrently, the proliferation of the 800V high-voltage platform in NEVs has driven upward demand for high-power fast charging; the accelerated electrification of heavy-duty vehicle types including electric heavy-duty trucks, mining trucks, and intercity buses has driven continued growth in demand for megawatt-level high-power fast charging and high-current specialized charging guns. In the field of battery safety protection, China's policies in the area of power battery and energy storage battery safety for new energy vehicles have been progressively refined and increasingly stringent in recent years. The "Safety Requirements for Power Batteries for Electric Vehicles" (《電動汽車用動力蓄電池安全要求》) (GB38031-2025), which took effect on July 1, 2026, revised the technical requirements for thermal propagation testing from "providing a thermal event alarm signal 5 minutes before fire or explosion" to "must not catch fire or explode (不起火、不爆炸) (alarm still required), and smoke shall not cause harm to occupants". This standard upgrades safety requirements from "alarm and early warning" to "intrinsic safety", compelling enterprises to increase R&D investment in protective materials for new energy power batteries.

Management Discussion and Analysis

Cable accessories constitute important components of power systems. With the large-scale integration of renewable energy into the grid and the rapid upgrading of power transmission networks towards digitalization and intelligence, the functional positioning of cable accessories is extending towards precision and intelligent applications, driving continuous iteration in the industry. In December 2025, the National Development and Reform Commission (NDRC) and the National Energy Administration (NEA) issued the "Guiding Opinions on Promoting High-Quality Development of the Power Grid" (《關於促進電網高質量發展的指導意見》), stating that by 2030, a new type of power grid platform will be initially established, with the main power grid and distribution network serving as important foundations and smart microgrids as a beneficial supplement, clearly stating the need for increased investment in the power grid construction. To implement this major national strategic deployment, the total investment of the two major grid companies during the "15th Five-Year Plan" period (2026–2030) is expected to reach RMB5 trillion, significantly higher than the RMB2.85 trillion during the "14th Five-Year Plan" period, representing a substantial increase in investment scale. The investment focus is concentrated on ultra-high-voltage transmission, distribution network upgrading and retrofitting, and digital and intelligent grid transformation, which will bring broad development headroom for the cable accessories industry. According to data from the National Energy Administration, newly installed capacity of PV and wind power generation in China during the first half of 2026 recorded a year-on-year decline. This phenomenon represents a phased industry adjustment, transitioning from scale-oriented expansion to high-quality development, which has exerted a certain impact on related supporting demand for cable accessories in the short term. Nevertheless, the medium-to-long-term growth momentum for PV and wind power installed capacity remains solid. Pursuant to the "15th Five-Year Plan for Renewable Energy Development" (《可再生能源發展「十五五」規劃》) jointly issued by the National Development and Reform Commission and the National Energy Administration on July 23, 2026, by 2030, China's total installed capacity of renewable energy power generation will reach approximately 3,500 million kilowatts, with the total installed capacity of wind power and solar power reaching at least 2,800 million kilowatts, accounting for over 50% of total installed capacity. Over the next five years, the headroom for new installed capacity of wind power and PV is nearly 1,000 million kilowatts, indicating that the medium-to-long-term industry market space remains considerable.

(II) Future development strategy and business plan for the Group

In the second half of 2026, the Group will maintain its focus on two core businesses of "electronic communications + new energy power", strengthen its commitment to sustainable growth, solidify the leading positions of its advantageous products in their respective segments, and drive the rapid development of its core business segments. In response to industry trends, the Group will identify and capitalize on development opportunities for supporting products in key industries while continuously optimizing its business structure and resource allocation. It will also plan its international development path, leveraging its H Shares listing platform and overseas production bases to actively explore global business opportunities. The Group will adhere to its differentiated competition strategies, continuously strengthen its technological innovation and market expansion capabilities, and further enhance its comprehensive competitiveness and industry influence in its segmented markets through economies of scale, thereby promoting high-quality, long-term, and stable development.

1. *Strategic focus and coordinated development*

The Group's strategic layout in the two major fields of electronic communications and new energy power aligns perfectly with national industrial policy guidance, with continuously expanding market space. In the second half of 2026, the Group will continue to concentrate on core businesses, maintain its focus on key business areas such as electronic materials, telecoms cables, electrical cable accessories products, NEV power transmission products, and wind power generation. The Group will strengthen its core industries layout, further strategically concentrating on core products in application areas such as data centers, NEVs and robotics. It will continually optimize its product structure and resource allocation in line with market demand and business development while further leveraging its technological experience, product portfolio and market expansion advantages accumulated in core businesses. It will strengthen synergies and coordination among various business segments, promote synergistic development between traditional core businesses and new AI businesses and strengthen the diversified complementarity and synergistic effect of its product matrix. By continuously improving its product system and application layout, the Group will bolster its risk resistance and market adaptability brought by its diversified product structure, promote deeper synergies and complementary advantages among various business segments in terms of technology, market, and customer resources, and build a development pattern that emphasizes both synergy and efficiency, stability and growth, laying a solid foundation for the Group's long-term sustainable development.

2. *Proactive iteration and continuous innovation*

The Group will continue to strengthen its technology innovation-driven development strategy, concentrate on industry development trends and market demand, enhance its proactive planning of R&D directions, and further advance the R&D of new products, technologies, and processes across all business segments. It will actively deploy cutting-edge new products to maintain its industry-leading position. In the second half of 2026, the Group will closely follow technological advancements in the industry and changes in market demand, focus on its key businesses and core products, accelerate the commercialization of R&D achievements, and promote the coordinated advancement of new product development and the upgrading of existing products, and expand related application scenarios and market space to further enhance its product technology level and market competitiveness. Furthermore, the Group will continue to improve its R&D system, optimize its R&D management mechanism, strengthen the training and innovation mechanisms for R&D talent, and comprehensively enhance its independent innovation capabilities, thus further consolidating its technological leadership in relevant subsectors.

3. *Key breakthroughs and global expansion*

The Group will continue to deepen its engagement in core industries, focusing on key business areas and niche markets. It will concentrate its resources to achieve breakthroughs in key sectors, strengthen cooperation with key industry clients and leading customers, continually optimize its customer structure, and deepen collaboration. By continuously improving product quality and technical service capabilities, the Group will further enhance strategic synergy with core clients, forging stable and long-term partnerships. Building on its domestic market advantages, the Group will steadily advance its overseas market expansion. Through the coordinated development of overseas production bases and the improvement of its global marketing network and service system, we aim to gradually establish a multi-dimensional global operating system encompassing production, sales, and service. This strategy will continuously boost the brand influence and competitiveness of the Group's products in the international market and further expand the Group's business development opportunities.

4. Improved quality and efficiency for steady and long-term development

The Group will continue to emphasize refined management and improve efficiency, leveraging the synergistic advantages of its subsidiaries and production bases in terms of market, production capacity, and technology by strengthening resource allocation and internal collaboration, continuously optimizing resource allocation and operational management, so as to further enhance overall operational efficiency. Looking ahead, the Group will continue to deepen digital and intelligent transformation, advancing the development of information systems and the intelligent upgrading of manufacturing. It will continuously optimize business processes and management systems to drive sustained improvements in production, operation, and management efficiency. Meanwhile, the Group will continue to improve its corporate governance structure and internal management system. By seizing opportunities in the capital market, we aim to continually elevate our standardized operation levels and management capabilities, providing a solid foundation for the Group's high-quality, long-term, and stable development.

III. RISKS FACED BY THE GROUP AND THE COUNTERMEASURES

(I) Macroeconomic Environment & Policy Risks

The Group's industry is closely linked to the national macroeconomic environment, international trade conditions, industrial policies and industry development trends. Any changes in macroeconomic conditions in the future, adjustments to state-level industrial policy and sectoral direction, or significant changes in the international trade environment may affect the Group's production, operations and market demand, thereby creating uncertainty in its operating performance.

The Group will continue to monitor changes in the macroeconomic conditions, international trade environment, industrial policies and market environment, strengthen industry study and policy research, and timely optimize its business strategies and resource allocation. At the same time, the Group will continue to promote technological innovation and product upgrades, proactively expanding application areas of its products and broadening its customer base, continuously enhance its core competitiveness and risk resilience, with a view to promoting steady, sustainable development of the Group's operations.

(II) Market Competition Risks

With the rapid development of emerging industries such as AI and NEVs, the market size of downstream industries continues to expand and their development prospects remain favorable, attracting more market participants to enter the market, which will further intensify industry competition. If the Group fails to fully leverage its existing advantages and resources, continuously enhance its overall competitive strength, and rapidly adapt to industry development trends and the market environment in the future, it may face the risk of erosion of its market share or margin pressure.

The Group will continue to strengthen market research, accurately identify industry development trends and changes in customer demand, and remain committed to the business philosophy of "customer-oriented approach centered on high quality, low cost and excellent service", while continuing to promote product upgrades and technological innovation and continuously optimize product structure and market footprint. Meanwhile, the Group will strengthen the development of key customers and the expansion of domestic and overseas markets, deepen synergies with its customers, continuously enhance product competitiveness and brand influence, and further consolidate its competitive advantages in the market.

(III) Raw-Material Price Volatility Risks

The Group's principal raw materials are silver, copper and petroleum-derived products, which represent a significant proportion of finished-product costs, and are relatively sensitive to factors such as changes in supply and demand in the international commodity markets, geopolitical conditions and exchange rate fluctuations. If the prices of principal raw materials continue to fluctuate significantly and the Group is unable to pass on the cost pressures to downstream sectors in a timely manner, it could undermine the Group's cost control and profitability.

The Group will continue to monitor the price trends for key raw materials, strengthen market analysis and price assessment, deepen strategic cooperation with core suppliers, optimize procurement strategies and inventory management, and fully leverage the advantages of centralized procurement. Meanwhile, the Group will continue to advance the digitalization of its supply chain, enhance procurement coordination efficiency and cost control capabilities, and reasonably utilize risk management tools such as hedging in light of its operating conditions. Through measures such as process optimization, improving material utilization and lean production, the Group will continuously enhance its cost control capabilities and mitigate the impact of fluctuations in raw material prices on its operating performance.

(IV) Management Risks

With the continued advancement of the Company's global expansion, its domestic and overseas production bases and marketing networks have been continuously improved. The Group's organizational scale has continued to expand and its business systems have become increasingly complex, bringing mounting difficulty to cross-regional management, and elevating requirements on the Group's governance, internal control, resource coordination and operational management capabilities. If the Group's management systems cannot be continuously optimized, it could hinder the Group's operational efficiency and quality.

The Group will continuously improve its corporate governance and internal control systems, optimize organizational management mechanisms, strengthen the development of its talent succession and long-term incentive mechanisms, and continuously enhance its refined management capabilities and risk prevention and control capabilities. Meanwhile, the Group will continue to advance the development of digital and intelligent management systems, strengthen resource coordination among subsidiaries across various business segments, enhance operational management efficiency, and continuously strengthen the Company's international operational and management capabilities.

(V) Technology R&D Risks

With the continuous iteration of technologies of products and constant changes in downstream market demand, the market's requirements for performance, quality and reliability of products continue to increase. If the Group fails to maintain its R&D and innovation capabilities, complete the development of new products and the industrialization of technological achievements in a timely manner, or its products fail to meet changes in downstream market demand in the future, its technological competitive advantages may weaken, which may impact its operating performance.

The Group will continue to increase investment in R&D, keep abreast of the direction of technological development in the industry, strategically concentrating on core products in application areas such as data centers, NEVs and robotics, proactively invest in frontier technologies, and accelerate the conversion and industrial application of R&D outcomes. Meanwhile, the Group will continue to deepen partnerships with industrial, academic and research institutions, strengthen the development of high-caliber R&D teams, improve incentives for R&D and innovation, and continuously enhance its independent innovation capabilities and core competitive advantages.

Management Discussion and Analysis

FINANCIAL REVIEW

The following discussion and analysis are based on our condensed consolidated financial statements prepared in accordance with IFRS Accounting Standards.

REVENUE

The Group's revenue amounted to RMB4,649.5 million for the six months ended June 30, 2026, representing an increase of 17.97% as compared with RMB3,941.3 million for the same period in 2025. This change was mainly attributable to the varying degrees of growth in revenue from sales of telecoms cables products, NEV power transmission products and electronic material products.

	January to June 2026		January to June 2025		Year-on-year increase or
Revenue by product category	RMB'000	Proportion	RMB'000	Proportion	decrease
Telecoms cable products	1,551,940	33.38%	1,246,053	31.61%	24.55%
Electronic material products	1,475,881	31.74%	1,332,932	33.82%	10.72%
NEV power transmission products	977,856	21.03%	712,341	18.07%	37.27%
Electrical cable accessories products	480,173	10.33%	486,723	12.35%	(1.35%)
Wind power	59,265	1.27%	79,817	2.03%	(25.75%)
Others	104,366	2.25%	83,484	2.12%	25.01%
Total	4,649,481	100.00%	3,941,350	100.00%	17.97%

(1) Telecoms cable products

In the first half of 2026, driven by factors such as the continued advancement of global computing infrastructure, the accelerated iteration of large-scale models, and the growing market demand in the robotics and industrial automation sectors, the market demand for telecoms cable products maintained a growth trend. During the first half of 2026, the Company's revenue from its telecoms cable products business amounted to RMB1,551.9 million, representing a year-on-year increase of 24.55%. Among this, revenue from high-speed copper cable products reached RMB631.2 million, representing a year-on-year increase of 35.29%, with high-speed copper cables remaining a key growth support for the communication cable products business.

(2) **Electronic material products**

In the first half of 2026, revenue of electronic material products was RMB1,475.9 million, representing an increase of 10.72%. This was mainly attributed to the fact that the Group promotes product upgrades through innovation-driven research and development, nurtures growth momentum through market expansion, and consolidates the foundation for development through operational efficiency improvement, thus ensuring the overall business of electronic materials maintains a steady development trend.

(3) **NEV power transmission products**

In the first half of 2026, the revenue of the power transmission products for new energy vehicles was RMB977.9 million, representing an increase of 37.27% year-on-year. Driven by favorable external factors such as the continuous development of the new energy vehicle industry, steady progress in charging infrastructure construction, and accelerated adoption of high-power charging technologies, combined with a well-established internal manufacturing system and certain sub-segments achieving full in-house production, the Company's new energy vehicle business continues to maintain a strong growth trend.

(4) **Electrical cable accessories products**

In the first half of 2026, the revenue of electrical cable accessories products was RMB480.2 million, representing a decrease of 1.35% year-on-year. This was primarily attributable to factors such as the phased adjustment of newly installed PV and wind power capacity, the consequent decline in market demand for supporting power products, and rising raw material prices, which collectively exerted certain operational pressure on the electrical cable accessories products business, resulting in a slight year-on-year decline in overall operating performance. Nevertheless, with the advancement of power grid investment and the steady release of demand for grid upgrading and infrastructure, coupled with the Company's proactive efforts in expanding into overseas markets, providing the support of electrical cable accessories products business and maintaining resilience of its overall operations.

(5) **Wind power**

The revenue of the wind power business was RMB59.3 million in the first half of 2026, representing a decrease of 25.75% year-on-year, primarily due to lower output and power curtailment. The wind power business operated stably during the Reporting Period. In the first half of 2026, the on-grid electricity volume amounted to 124 million kWh, representing a decrease of 40 million kWh compared to the same period last year.

COST OF SALES

The Group's cost of sales amounted to RMB3,334.2 million for the six months ended June 30, 2026, representing an increase of 23.10% from RMB2,708.6 million for the same period in 2025, mainly due to the increase in product sales volume, resulting in a corresponding rise in cost of sales alongside revenue growth, coupled with rising material costs, which also had an impact on cost of sales.

Cost of sales by product category	January to June 2026		January to June 2025		Year-on-year increase or decrease
	RMB'000	**Proportion**	RMB'000	Proportion	
Telecoms cable products	**1,264,729**	**37.93%**	982,638	36.28%	28.71%
Electronic material products	**886,693**	**26.59%**	802,696	29.63%	10.46%
NEV power transmission products	**794,543**	**23.83%**	558,109	20.60%	42.36%
Electrical cable accessories products	**319,558**	**9.58%**	297,525	10.98%	7.41%
Wind power	**25,794**	**0.77%**	25,295	0.93%	1.97%
Others	**42,898**	**1.30%**	42,364	1.58%	1.26%
Total	**3,334,215**	**100.00%**	2,708,627	100.00%	23.10%

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit amounted to RMB1,315.3 million for the six months ended June 30, 2026, representing an increase of 6.70% from RMB1,232.7 million for the same period in 2025.

Gross profit by product category	January to June 2026		January to June 2025		Increase or decrease in gross profit	Change in gross profit margin
	RMB'000	**Gross profit margin**	RMB'000	Gross profit margin		
Telecoms cable products	**287,211**	**18.51%**	263,415	21.14%	9.03%	(2.63%)
Electronic material products	**589,188**	**39.92%**	530,236	39.78%	11.12%	0.14%
NEV power transmission products	**183,313**	**18.75%**	154,232	21.65%	18.86%	(2.90%)
Electrical cable accessories products	**160,615**	**33.45%**	189,198	38.87%	(15.11%)	(5.42%)
Wind power	**33,471**	**56.48%**	54,522	68.31%	(38.61%)	(11.83%)
Others	**61,468**	**58.90%**	41,120	49.25%	49.48%	9.65%
Total	**1,315,266**	**28.29%**	1,232,723	31.28%	6.70%	(2.99%)

The gross profit margin of the Group decreased from 31.28% for the six months ended June 30, 2025 to 28.29% for the six months ended June 30, 2026. Specifically, the gross profit margin of electronic materials products was 39.92%, representing an increase of 0.14% compared with the same period last year; the gross profit margin of electrical cable accessories products was 33.45%, representing a decrease of 5.42% compared with the same period last year; the gross profit margin of telecoms cable products was 18.51%, representing a decrease of 2.63% compared with the same period last year; the gross profit margin of NEV power transmission products was 18.75%, representing a decrease of 2.90% compared with the same period last year; the gross profit margin of wind power was 56.48%, representing a decrease of 11.83% compared with the same period last year.

Among these, the gross profit margin of electronic materials products remained broadly stable as compared with the same period of last year. The decrease in gross profit margin of telecoms cable products and NEV power transmission products was primarily attributable to the sustained rise in raw material prices, resulting in an increase in costs. The decrease in gross profit margin of cable accessories products was primarily attributable to the combined effect of rising raw material prices and a decline in sales volume of high-voltage cable accessories products with higher margins. The decrease in gross profit margin of wind power was primarily due to a decline in production volume.

OTHER INCOME, GAINS AND LOSSES

The Group's other income, gains and losses decreased from the net gains of RMB42.7 million for the six months ended June 30, 2025 to net gains of RMB7.2 million for the six months ended June 30, 2026, mainly due to the continued depreciation of the US dollar and Hong Kong dollar exchange rates, resulting in increased foreign exchange losses, a decrease in investment income resulting from the basis of newly added hedging futures contracts, and the additional public-welfare donation expenses.

SELLING EXPENSES

The Group's selling expenses increased by 4.46% from RMB182.6 million for the six months ended June 30, 2025 to RMB190.8 million for the six months ended June 30, 2026, mainly due to the growth in revenue, which led to a corresponding increase in selling expenses, principally employee remuneration and business entertainment expenses, partially offset by a decrease in other expenses.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased by 0.11% from RMB156.9 million for the six months ended June 30, 2025 to RMB156.7 million for the six months ended June 30, 2026, remaining broadly flat as compared with the same period of last year.

Management Discussion and Analysis

LISTING EXPENSES

For the six months ended June 30, 2026, the Group's listing expenses amounted to RMB4.1 million (for the corresponding period in 2025: RMB0.1 million), which was primarily attributable to the completion of the Company's listing on the Hong Kong Stock Exchange during the Reporting Period, pursuant to which the remaining listing-related expenses were recognised in the current period in line with the progress of the listing exercise.

RESEARCH AND DEVELOPMENT EXPENSES

The Group's research and development expenses increased by 28.39% from RMB207.7 million for the six months ended June 30, 2025 to RMB266.7 million for the six months ended June 30, 2026, mainly due to the increased investment in materials for R&D testing and employee remuneration.

FINANCE COSTS

The Group's finance costs increased by 7.56% from RMB25.2 million for the six months ended June 30, 2025 to RMB27.1 million for the six months ended June 30, 2026, primarily due to increased interest expenses arising from increased borrowings.

IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

Impairment losses on financial assets, net of the Group increased by 50.49% from RMB8.1 million for the six months ended June 30, 2025 to RMB12.2 million for the six months ended June 30, 2026, primarily due to higher expected credit impairment losses arising from an increase in receivables.

SHARE OF RESULTS OF ASSOCIATES

The Group's share of results of associates represents its proportionate share of the net profit or loss of associates over which the Group has significant influence but not control. The Group's share of results of associates amounted to RMB2.4 million for the six months ended June 30, 2025 and RMB1.7 million for the six months ended June 30, 2026.

Management Discussion and Analysis

INCOME TAX EXPENSE

For the six months ended June 30, 2026, the Group's income tax expense was RMB74.5 million, representing a decrease of 19.67% as compared with RMB92.7 million for the six months ended June 30, 2025.

PROFIT FOR THE PERIOD

As a result of the foregoing, the Group's profit for the period amounted to RMB592.1 million for the six months ended June 30, 2026, representing a decrease of 2.05% as compared with RMB604.5 million for the same period in 2025.

OTHER COMPREHENSIVE EXPENSES

The Group's other comprehensive expenses amounted to RMB94.3 million for the six months ended June 30, 2026 (for the corresponding period in 2025: RMB28.6 million), which was primarily attributable to the floating loss from forward positions on hedging futures contracts arising from fluctuations in the market prices of silver and copper during the Reporting Period, as well as the effects of foreign currency translation arising from the conversion of financial statements.

CASH FLOW

	January to June 2026	January to June 2025	Year-on-year change
	RMB'000	RMB'000	
Net cash generated from operating activities	**349,099**	498,507	(29.97%)
Net cash used in investing activities	**(629,888)**	(398,356)	58.12%
Net cash generated from/(used in) financing activities	**2,501,777**	(213,985)	N/A
Net increase/(decrease) in cash and cash equivalents	**2,220,988**	(113,834)	N/A
Cash and cash equivalents at the beginning of the period	**1,288,024**	877,485	46.79%
Effect of foreign exchange rate changes, net	**(5,752)**	(769)	647.98%
Cash and cash equivalents at the end of the period	**3,503,260**	762,882	359.21%

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash generated from operating activities of the Group amounted to RMB349.1 million for the six months ended June 30, 2026, representing a decrease of 29.97% compared with the same period last year, primarily due to the increase in trade and other receivables and inventories, which expanded working capital occupation.

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash used in investing activities of the Group amounted to RMB629.9 million for the six months ended June 30, 2026, representing an increase of 58.12% compared with the same period last year, primarily due to the increase in cash paid for purchases of structured deposit investments.

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash generated from financing activities of the Group for the six months ended June 30, 2026 stood at RMB2,501.8 million (same period in 2025: net outflow of RMB214.0 million), switching from a net outflow to a net inflow, primarily due to the receipt of proceeds following the completion of the Company's Hong Kong listing during the Reporting Period.

FINANCIAL POSITION

	June 30, 2026		December 31, 2025			
	RMB'000	Proportion	RMB'000	Proportion	Change in amount	Increase/ (decrease) in percentage
NON-CURRENT ASSETS						
Property, plant and equipment	4,262,633	70.85%	3,946,339	69.22%	8.01%	1.63%
Right-of-use assets	620,623	10.32%	676,425	11.87%	(8.25%)	(1.55%)
Goodwill	694,828	11.55%	694,828	12.19%	—	(0.64%)
Trade and other receivables	239,952	3.99%	161,415	2.83%	48.66%	1.16%
CURRENT ASSETS						
Inventories	1,520,697	15.98%	1,232,758	18.79%	23.36%	(2.81%)
Trade and other receivables	4,172,016	43.84%	3,909,482	59.60%	6.72%	(15.76%)
Financial assets at fair value through profit or loss	180,000	1.89%	53,787	0.82%	234.65%	1.07%
Bank balance and cash	3,506,260	36.85%	1,288,024	19.64%	172.22%	17.21%
CURRENT LIABILITIES						
Trade and other payables	2,893,227	70.21%	2,458,520	58.13%	17.68%	12.08%
Bank and other borrowings	951,648	23.09%	1,538,917	36.38%	(38.16%)	(13.29%)
Lease liabilities	38,247	0.93%	38,192	0.90%	0.14%	0.03%
Derivative financial instruments	87,842	2.13%	—	—	100%	2.13%
Contract liabilities	87,024	2.11%	94,702	2.24%	(8.11%)	(0.13%)
NON-CURRENT LIABILITIES						
Bank and other borrowings	1,507,564	79.78%	806,381	65.75%	86.95%	14.03%
Lease liabilities	184,710	9.77%	221,399	18.05%	(16.57%)	(8.28%)
Total non-current assets of the Group	6,016,072		5,700,942		5.53%	
Total current assets of the Group	9,515,630		6,559,625		45.06%	
Total current liabilities of the Group	4,121,060		4,229,666		(2.57%)	
Total non-current liabilities of the Group	1,889,672		1,226,409		54.08%	
Net assets of the Group	9,520,970		6,804,492		39.92%	
Debt gearing ratio	(8.66%)		19.35%			

The Group's total non-current assets increased from RMB5,700.9 million as of December 31, 2025 to RMB6,016.1 million as of June 30, 2026, primarily due to additions to property, plant and equipment.

The Group's total current assets increased from RMB6,559.6 million as of December 31, 2025 to RMB9,515.6 million as of June 30, 2026, primarily attributable to increases in bank balances and cash, inventories, trade and other receivables.

The Group's total current liabilities decreased from RMB4,229.7 million as of December 31, 2025 to RMB4,121.1 million as of June 30, 2026, remaining essentially unchanged year-on-year, primarily due to the offsetting effect of an increase in trade and other payables and a reduction in bank and other borrowings (short term).

The Group's total non-current liabilities increased from RMB1,226.4 million as of December 31, 2025 to RMB1,889.7 million as of June 30, 2026, primarily attributable to an increase in long-term borrowings.

The Group's net assets increased from RMB6,804.5 million as of December 31, 2025 to RMB9,521.0 million as of June 30, 2026, primarily due to the receipt of proceeds following the completion of the Listing on the Hong Kong Stock Exchange during the Reporting Period, together with the increase in net profit.

DEBT GEARING RATIO

During the Reporting Period, the debt gearing ratio was used to monitor the Group's debt position. The ratio is calculated as net interest-bearing debt divided by total equity. Net interest-bearing debt comprises all bank loans and other borrowings, less bank balance and cash. As of June 30, 2026, the Group's debt gearing ratio was -8.66%, reflecting the Group's net cash position (December 31, 2025: 19.35%).

INVENTORIES

The Group's inventories primarily comprise finished goods, raw materials and consumables, and work in progress. The Group's inventories increased from RMB1,232.8 million as of December 31, 2025 to RMB1,520.7 million as of June 30, 2026, primarily due to the growth in revenue and the rapid increase in orders during the Reporting Period, which led to higher inventories of raw materials, work in progress and finished goods to ensure timely delivery.

Items	June 30, 2026			December 31, 2025		
	Book balance	Inventory write downs or provision for impairment of contract performance cost	Book value	Book balance	Inventory write downs or provision for impairment of contract performance cost	Book value
	RMB'000			RMB'000		
Raw materials and consumables	**674,360**	**(33,204)**	**641,156**	505,146	(25,217)	479,929
Work in progress	**48,290**	**–**	**48,290**	47,945	–	47,945
Finished goods	**873,787**	**(42,536)**	**831,251**	743,404	(38,520)	704,884
Total	**1,596,437**	**(75,740)**	**1,520,697**	1,296,495	(63,737)	1,232,758

TRADE AND OTHER RECEIVABLES

The Group's trade and other receivables primarily represent trade receivables and bills receivable (namely receivables arising from the sales of products and provision of services to our customers) and other receivables (primarily comprising deposits and prepayments for materials and equipment). The Group's trade and other receivables increased from RMB4,070.9 million as of December 31, 2025 to RMB4,412.0 million as of June 30, 2026, primarily due to an increase in trade receivables resulting from the increase in revenue.

PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment primarily consist of buildings, plant and machinery, electricity generation and related equipment, leasehold improvements, motor vehicles and construction in progress. The Group's property, plant and equipment increased from RMB3,946.3 million as of December 31, 2025 to RMB4,262.6 million as of June 30, 2026, primarily due to the additions in machinery and equipment for the production capacity expansion of the communication cable business and the construction of the Huizhou Industrial Park project.

GOODWILL

The Group's goodwill arose from the acquisitions of CYG Electronics. The carrying amount of goodwill remained unchanged at RMB694.8 million from December 31, 2025 to June 30, 2026.

RIGHT-OF-USE ASSETS

The Group's right-of-use assets primarily consist of land use rights and leased properties. The Group's right-of-use assets decreased from RMB676.4 million as of December 31, 2025 to RMB620.6 million as of June 30, 2026, primarily due to the telecoms cables segment adjusting the leased area of its Vietnam factory and the termination of replaced lease contracts during the Reporting Period.

TRADE AND OTHER PAYABLES

The Group's trade and other payables primarily consist of trade and bills payables in relation to purchase of raw materials from suppliers, and other payables comprising amounts due for purchase of property, plant and equipment, and employee compensation payables. The Group's trade and other payables increased from RMB2,458.5 million as of December 31, 2025 to RMB2,893.2 million as of June 30, 2026, primarily due to an increase in the Company's inventories and rising raw material prices, as well as higher balances of trade and bills payables during the Reporting Period; meanwhile, on May 26, 2026, the Company's shareholders approved the payment of the final dividend of RMB229.3 million in aggregate (RMB1.65 per 10 ordinary A Shares and HK$1.89 per 10 ordinary H Shares) in respect of the year ended December 31, 2025. Such dividends had not yet been physically settled as at the end of June, resulting in a higher balance of dividends payable.

EQUITY INSTRUMENTS AT FVTOCI/FINANCIAL ASSETS AT FVTPL

The Group's equity instruments at FVTOCI decreased from RMB44.8 million as of December 31, 2025 to RMB22.4 million as of June 30, 2026, primarily due to the disposal of shares in CYG Technology Group Co., Ltd. (長園科技集團股份有限公司) during the Reporting Period. The Group's Financial assets at FVTPL consisted of wealth management products held in banks during the Reporting Period, which increased from RMB53.8 million as of December 31, 2025 to RMB180.0 million as of June 30, 2026, primarily due to the structured deposits purchased during the Reporting Period.

CONTRACT LIABILITIES

The Group's contract liabilities decreased from RMB94.7 million as of December 31, 2025 to RMB87.0 million as of June 30, 2026, primarily due to the reduction in advance receipts during the Reporting Period.

LEASE LIABILITIES

The Group's lease liabilities decreased from RMB259.6 million as of December 31, 2025 to RMB223.0 million as of June 30, 2026, primarily attributable to the telecoms cable segment's adjustment to the leased area of its Vietnam factory and the termination of replaced lease contracts during the Reporting Period.

CAPITAL STRUCTURE, LIQUIDITY AND CAPITAL RESOURCES

The Group's total assets increased from RMB12,260.6 million as of December 31, 2025 to RMB15,531.7 million as of June 30, 2026. The Group's total liabilities increased from RMB5,456.1 million as of December 31, 2025 to RMB6,010.7 million as of June 30, 2026. The interest-bearing debt gearing ratio decreased from 38.28% as of December 31, 2025 to 28.17% as of June 30, 2026. The Group's current ratio, being current assets divided by current liabilities as of the respective date, increased from 1.55 times as of December 31, 2025 to 2.31 times as of June 30, 2026.

Historically, the Group has primarily relied on cash generated from operations and bank loan financing to meet its working capital needs and capital expenditures. The Group maintains sufficient bank balance and cash to ensure capital flexibility, bank balance and cash mainly comprise bank deposits and cash. The Group's bank balance and cash increased from RMB1,288.0 million as of December 31, 2025 to RMB3,506.3 million as of June 30, 2026, primarily due to net cash inflows from financing activities arising from the completion of the Company's listing in Hong Kong and receipt of the proceeds during the Reporting Period, and cash inflows from operating activities of the Company was partially offset by the expansion of net cash outflows from investing activities. The Group's bank balance and cash are mainly denominated in RMB.

The Group's bank and other borrowings increased from RMB2,345.3 million as of December 31, 2025 to RMB2,459.2 million as of June 30, 2026, primarily due to additions to long-term borrowings. The maturities of borrowings range from 2026 to 2036. As at June 30, 2026, all borrowings of the Group were denominated in RMB (December 31, 2025: denominated in RMB). The interest on bank borrowings is charged at both fixed and floating rates. Among them, the bank borrowings with a fixed rate amounted to approximately RMB310.7 million, and the bank borrowings with a floating rate amounted to approximately RMB1,734.6 million.

TREASURY POLICY

The Group adopts a prudent financial management approach towards its treasury policy. The Board will closely monitor the liquidity position of the Group to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CAPITAL EXPENDITURE

The Group's capital expenditure mainly comprises purchases of property, plant and equipment and other asset items that related to capacity expansion. The Group's capital expenditure amounted to RMB486.2 million for the six months ended June 30, 2026 (same period in 2025: RMB465.4 million), mainly attributable to increased investment in machinery and equipment for capacity expansion of the communication cables business, together with the expansion project of the Shuikou Industrial Park in Huicheng District, Huizhou, as well as the ongoing construction of the Huizhou Sanhe New Materials Industrial Park Project.

FOREIGN EXCHANGE RATE AND HEDGING

The Group undertakes certain transactions denominated in foreign currencies, which expose us to foreign currency risk. The Group currently does not use foreign currency borrowings or derivative financial instruments to hedge against foreign exchange risks or net investments in foreign operations. The Group manages the foreign currency risk by closely monitoring the movement of the foreign exchange rate. The Group's foreign currency monetary assets are mainly from trade and other receivables and bank balances and cash, and our foreign currency monetary liabilities are mainly from trade and other payables.

In order to effectively mitigate the operational risks arising from fluctuations in raw material prices, and to stabilise production costs and operating performance, the Company convened the fifth meeting of the eighth session of the Board of Directors on March 25, 2026 and the eighth meeting of the eighth session of the Board of Directors on May 12, 2026, at which it considered and approved the proposal to authorise the Company and its subsidiaries to utilise the hedging functions of futures and other instruments, and to selectively carry out futures hedging operations in respect of raw materials related to the Company's production and operations, including copper, silver and plastics, in accordance with the actual production and operational plans. The aggregate amount of margin and premium for the proposed futures hedging operations is expected to be no more than RMB200 million (exclusive of the physical delivery amount under the futures contracts), and the maximum contract value held on any single trading day shall not exceed 30% of the latest audited net assets of the Company.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As of June 30, 2026, the Group's outstanding capital commitments in respect of fixed assets amounted to approximately RMB2,128.4 million (December 31, 2025: approximately RMB943.9 million). As of June 30, 2026, the Group had no material contingent liabilities.

PLEDGE OF ASSETS

Pledged Items	**June 30, 2026 RMB'000**	December 31, 2025 RMB'000	Reason for Restriction
Property, plant, and equipment	**502,971**	484,371	Pledge of borrowings
Right-of-use assets	**94,858**	95,984	Pledge of borrowings
Pledged bank deposits	**97,791**	34,028	Bills payable, bank guarantees and futures margin
Trade and other receivables	**405,065**	378,653	Security for the borrowing
Total	**1,100,685**	993,036	

As of June 30, 2026, the property, plant and equipment and right-of-use assets of the Group with carrying amounts of RMB503.0 million and RMB94.9 million (as of December 31, 2025: RMB484.4 million and RMB96.0 million), respectively, were pledged as guarantees for borrowings obtained by the Group. As of June 30, 2026, the bank deposits of the Group in the amount of RMB36.3 million (as of December 31, 2025: RMB34.0 million) were pledged as margin deposit for bills payable and bank guarantees. As at June 30, 2026, the Group's futures margin amounted to RMB61.5 million (December 31, 2025: nil), which was deposited for the settlement of futures trading transactions. As of June 30, 2026, the trade and other receivables of the Group in the amount of RMB405.1 million (as of December 31, 2025: RMB378.7 million) were pledged as security for bank and other borrowings.

Save as disclosed above, the Group did not have any pledged assets as of June 30, 2026.

EMPLOYEE INFORMATION AND COMPENSATION POLICY

As of June 30, 2026, the Group had 9,133 employees. The staff costs of the Group were approximately RMB713.6 million during the Reporting Period.

The Group conscientiously implements laws and regulations such as the Labor Law of the PRC and the Labor Contract Law of the PRC and formulates compensation systems and incentive policies tailored to the actual situation of the enterprise, taking into account its enterprise development strategy, industry characteristics and ability to pay staff costs.

The Group adopts differentiated and standardized compensation systems based on different job sequences such as management, research and development and production workers, which are further divided into performance-based pay system, piece-rate (hourly) pay system, day-rate system based on shift output and other compensation systems. By evaluating the job value of various types of personnel and benchmarking market compensation levels, the Group develops compensation standards with competitive advantages, sets a reasonable hierarchy of personnel compensation levels, determines compensation distribution plans based on job positions and performance, and implements compensation increases and decreases based on performance evaluations, highlighting incentives for key positions in terms of key management personnel, technical and business backbone personnel. Moreover, the Group has implemented incentive mechanisms for innovation projects, patent projects, and management innovation as well as subsidy measures for overseas positions and employee housing, etc. and established and improved compensation incentive policies to promote high-quality and rapid development of the enterprise.

The remuneration of Directors of the Company is determined by the Remuneration and Appraisal Committee of the Board after considering the Group's operating performance, personal performance and comparable market statistics; it is submitted to the Board for consideration and requires approval by the shareholders' meeting.

In response to the operational and development needs of the Company, the Group established a comprehensive training system for both new and existing employees. Annual corporate-level and department-level training plans were formulated each year. In light of the practical needs of the Group's various business segments, the Group conducted overall planning and dynamic optimisation of training contents. Meanwhile, it actively explored new training modes, continuously monitored and improved training effectiveness, progressively enhanced the training evaluation and feedback mechanism, and strengthened the training and development planning for key-position staff and management personnel, so as to ensure the orderly and efficient implementation of the Group's training work in support of the achievement of the Group's strategic objectives.

PENSION SCHEMES

The Group only operates defined contribution pension schemes. The employees of the Group's subsidiaries which operate in China are required to participate in central pension schemes operated by the local municipal government and the central government, respectively. These subsidiaries are required to contribute a certain percentage of payroll costs to the central pension schemes. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes.

The Group has no forfeited contributions available (i.e., contributions made by the Group on behalf of employees who left the plan before such contributions were fully vested) to reduce contributions payable in future years or to reduce the Group's current level of contributions to the pension scheme.

SIGNIFICANT INVESTMENTS HELD/FUTURE PLAN FOR SIGNIFICANT INVESTMENTS OR PURCHASE OF CAPITAL ASSETS

On March 31, 2026, the Company convened the sixth meeting of the eighth session of the Board, at which the "Proposal on the Adjustments to the External Investment and Construction Project of a Controlling Subsidiary and the Execution of a Project Investment Agreement" (《關於控股子公司調整對外投資建設項目暨簽訂〈項目投資協議書〉的議案》) was considered and approved. Having prudently evaluated regional synergies, capacity requirements, and long-term operational efficiency, the Board agreed that Shanghai Keter New Materials Co., Ltd. (上海科特新材料股份有限公司) ("**Shanghai Keter**"), an indirect non-wholly-owned controlled subsidiary of the Company, to adjust its investment plan based on the actual progress of the project: terminating the Keter (Suzhou) New Materials Project located in Wujiang Economic and Technological Development Zone, Jiangsu Province, and instead construct a new production base in Dushan Port Economic Development Zone, Zhejiang Province.

On the same day, Shanghai Keter formally entered into an investment agreement (the "**Investment Agreement**") with the Zhejiang Dushan Port Economic Development Zone Management Committee. Pursuant to the Investment Agreement, Shanghai Keter will construct a new production base in the development zone, comprising 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. The total investment amount of the project is approximately RMB1.2 billion, comprising, among others, land acquisition, plants construction and procurement of equipment. The investment amount will be funded by the Group's internal resources and will not involve the proceeds from the Global Offering. For details of the Investment Agreement, please refer to the Company's announcement dated March 31, 2026.

This investment plan is expected to alleviate the production capacity constraints of Shanghai Keter's existing leased plant and facilitate the rational allocation of the Group's overall production bases. Meanwhile, the investment will also enable Shanghai Keter to increase the production capacity of its key products, further enhance its overall profitability and market competitiveness, and is in line with the Company's long-term development strategy.

As of June 30, 2026, Shanghai Keter had not yet legally acquired the land use rights of the project through relevant public bidding procedures such as the Listing-for-Sale process.

Save as disclosed above and in the section headed "USE OF PROCEEDS FROM THE GLOBAL OFFERING", as of June 30, 2026, the Group had no significant investments or any future plan for significant investments or purchase of capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Company disposed of an aggregate of 3,880,771 shares of CYG Technology Group Co., Ltd. (長園科技集團股份有限公司). As at June 30, 2026, the Company held only 1,566,193 shares of CGN Nuclear Technology Development Co., Ltd. (中廣核核技術發展股份有限公司).

Pursuant to the Company's overall strategic layout and in order to further focus on the principal business of Shanghai Keter, a non-wholly owned subsidiary of the Company, and having regard to the current state of business development of Shanghai Keter, the Company proposes to conduct a public offering and transfer of listing of Shanghai Keter from the National Equities Exchange and Quotations (the "**NEEQ**") to the Beijing Stock Exchange (the "**BSE**") (the "**Public Offering and Transfer of Listing**"). As of the latest practicable date, the BSE has formally accepted the application of Shanghai Keter for the public issuance of shares to qualified investors and its listing on the BSE. The Public Offering and Transfer of Listing may constitute a deemed disposal of the Company's interest in Shanghai Keter.

For details regarding the Public Offering and Transfer of Listing, please refer to the Company's announcements dated April 23, 2026, May 26, 2026, June 24, 2026 and June 30, 2026, and the circular for the 2025 Annual General Meeting of the Company dated April 23, 2026.

Save as disclosed in this report, the Group had no other material acquisitions and disposals related to its subsidiaries, associates and joint ventures during the Reporting Period.

GEARING RATIO

As of June 30, 2026, the Group's gearing ratio (calculated as total interest-bearing debt at the end of the period divided by total assets, multiplied by 100%) was 17.27%, compared with 21.25% as of December 31, 2025.

Other Information

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company issued 139,988,800 H Shares under the Global Offering at an offering price of HK$20.09 per H Share, and was listed on the Stock Exchange on February 13, 2026. The par value of the H Shares is RMB1.00 per H Share.

The net proceeds from the Global Offering received by the Company (after deduction of underwriting fees and commissions and related costs and expenses) were approximately RMB2,422.4 million (the "**Net Proceeds**").

As of June 30, 2026, there has been no change to the intended use of the Net Proceeds as previously disclosed under the "Future Plans and Use of Proceeds" section in the Prospectus. Details of the use of the Net Proceeds are set out as follows:

		% of total Net Proceeds	Planned allocation of the Net Proceeds (RMB million)	Expected timeline for full utilization of Net Proceeds	Net Proceeds utilized up to June 30, 2026 (RMB million)	Net Proceeds unutilized up to June 30, 2026 (RMB million)
Diversifying our product portfolio and upgrading products	Product development and production capacity expansion of electronic communications business	28%	678.3	December 31, 2029	20.8	657.5
	Product development and production capacity expansion of electrical power transmission product business	17%	411.8	December 31, 2029	0	411.8
Expanding global business footprint		27%	654.1	December 31, 2029	0	654.1
Potential strategic investments and/or acquisitions		18%	436.0	*	0	436.0
Working capital and general corporate purposes		10%	242.2	December 31, 2029	241.7	0.5
Total		100%	2,422.4		262.5	2,159.9

Notes:

* As of the Latest Practicable Date, we had not identified any specific investment and/or acquisition targets. As such, we had not established a timetable for implementation.

(1) The expected timeline for full utilization of the remaining Net Proceeds as set out in the above table is based on the Group's best estimate of future market conditions and may be subject to change depending on current and future market developments.

(2) The total figures may not be equal to the sum of the individual amounts due to rounding.

As disclosed in the Prospectus, to the extent permitted by the relevant law and regulations, if the Net Proceeds are not immediately used for the intended use, the Company will only place the Net Proceeds as short-term deposits at licensed banks or financial institutions. As of the Latest Practicable Date, the remaining unutilized Net Proceeds were placed at licensed banks.

SUFFICIENCY OF PUBLIC FLOAT

From the Listing Date and up to the Latest Practicable Date, based on publicly available information and so far as the Directors are aware, the Company has maintained the sufficient public float that meets the requirement of the Listing Rules and complied with the provisions of Rule 19A.28B of the Listing Rules. As of the Latest Practicable Date, the number of H Shares held by the public represented approximately 10.07% of the Company's total issued share capital (excluding treasury shares).

INTERIM DIVIDENDS

The Board did not declare any interim dividend for the six months ended June 30, 2026.

EMPLOYEE INCENTIVE SCHEMES

The Company approved and adopted the 2025 Share Option Scheme and the 2025 Restricted Share Scheme on April 9, 2025. As the Company has not granted and will not grant any further options or awards pursuant to the Employee Incentive Schemes after the Listing, the provisions of Chapter 17 of the Listing Rules shall not apply to the terms of Employee Incentive Schemes. The number of shares that may be issued in connection with stock options and awards granted under the Company's Employee Incentive Schemes during the Reporting Period is nil.

Other Information

2025 SHARE OPTION SCHEME

The following is a summary of the key terms of the 2025 Share Option Scheme. For further details of the 2025 Share Option Scheme, please refer to the section headed "Appendix IV — Statutory and General Information — Further Information on Directors and Major Shareholders — 5. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in the Prospectus.

Purpose

The purpose of the 2025 Share Option Scheme is to further enhance the Company's long-term incentive mechanism, attract and retain outstanding talent, and fully mobilize the enthusiasm of the Company's key staff. The scheme aims to effectively align the interests of shareholders, the Company, and the key staff members, ensuring that all parties focus on the Company's long-term development.

Participants

The participants of the 2025 Share Option Scheme (the "**2025 Eligible Participants**") are core management personnel, key technical staff and business development personnel who play a significant role in the overall performance and long-term development of the Company.

The scope of 2025 Eligible Participants excludes Directors, members of senior management, shareholders who individually or collectively hold 5% or more of the shares of the Company and their respective spouse, parents and children.

2025 Share Option Scheme Mandate Limit

The total number of A Shares that may be issued under all options granted under the 2025 Share Option Scheme shall not exceed 10% of the Company's shares as of the date of the announcement of the 2025 Share Option Scheme, i.e., 125,989,856 A Shares, representing approximately 9.07% of the issued shares (excluding treasury shares) as at the Latest Practicable Date.

As of the Latest Practicable Date, the total number of related shares that may be issued due to the exercise of all outstanding options granted under the 2025 Share Option Scheme should be 8,137,400 A Shares, representing approximately 0.59% of the issued shares (excluding treasury shares) as at the Latest Practicable Date.

Maximum entitlement of a Grantee

The total number of share options granted to any grantee under all of the Company's valid and validly subsisting share option schemes shall not exceed 1% of the Company's issued share capital as at the date of the announcement of the 2025 Share Option Scheme.

Duration of the 2025 Share Option Scheme

The 2025 Share Option Scheme shall be valid and effective for the period of time commencing from the date of grant of options, i.e. April 24, 2025 (the "**2025 Scheme Effective Date**") and expiring on the day when all options granted to the 2025 Eligible Participants under the 2025 Share Option Scheme are exercised or cancelled, which shall in any event be no later than the date which is 36 months after the 2025 Scheme Effective Date. As at the Latest Practicable Date, approximately 20 months remained on the 2025 Share Option Scheme.

Exercise price

Information regarding the exercise price is set out in Note (4) to the table under the heading "Outstanding options granted under the 2025 Share Option Scheme".

Performance targets

During the exercise period, the 2025 Eligible Participants may exercise share options only if the grant conditions continue to be satisfied and the Company meets the applicable corporate-level performance assessment for the current period, and the 2025 Eligible Participants meet the personal-level performance assessment of incentive recipients for the current period.

Outstanding options granted under the 2025 Share Option Scheme

The 2025 Share Option Scheme was approved by the Company's shareholders' meeting on April 9, 2025. All the options under the 2025 Share Option Scheme were granted on April 24, 2025 and the Company will not grant any further options under the 2025 Share Option Scheme after the Listing. Therefore, there were no share options available for grant as of January 1, 2026 and June 30, 2026.

As of June 30, 2026, the details of changes in options granted under the 2025 Share Option Scheme are as follows:

					Number of share options (shares)					
Grantee category	Grant date	Vesting period	Exercise period	Exercise price	Outstanding as at January 1, 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	**Outstanding as at June 30, 2026**
Employees[1] (total: 479)	April 24, 2025	Note [2]	Note [3]	Note [4]	8,137,400	–	–	–	–	**8,137,400**

Notes:

(1) The Employee category herein includes: Directors (including individuals who have served as Directors within the past 12 months), supervisors and/or the general managers of the Company's subsidiaries.

(2) The vesting periods shall commence 12 months and 24 months from the grant date under the 2025 Share Option Scheme (i.e. April 24, 2025).

(3) The exercise periods for the relevant share options are as follows: 50% of the share options are exercisable from August 25, 2026 to April 23, 2027; and 50% of the share options are exercisable from April 26, 2027 to April 21, 2028.

Pursuant to the 2025 Share Option Scheme, the vesting period of 50% of the share options granted thereunder expired on April 23, 2026; however, subject to the restrictions under Rule 10.08 of the Listing Rules, the Company was not permitted to proceed with the exercise of the share options under the Scheme prior to the expiry of the relevant restricted period, which expired on August 13, 2026. On August 24, 2026, the Company convened the 11th meeting of the eighth session of the Board, at which the "Resolution Regarding the Fulfilment of the Conditions For Exercise Under the First Exercise Period of the 2025 Share Option Scheme" was considered and approved, and accordingly, such 50% of the share options became exercisable with effect from August 25, 2026.

(4) On April 24, 2025, the Company convened the 26th meeting of the seventh session of the Board, at which the "Proposal on Adjusting the List of Incentive Recipients and Grant Quantities under the 2025 Share Option Scheme" and the "Proposal on Granting Share Options to Incentive Recipients under the 2025 Share Option Scheme" were considered and approved. The company agreed to grant 8,137,400 share options to 479 incentive recipients at an exercise price of RMB21.73 per option. On August 22, 2025, the Company convened the 31st meeting of the seventh session of the Board, at which the "Proposal on Adjusting the Exercise Price of the 2025 Share Option Scheme" was considered and approved. As the Company had completed the implementation of the 2024 equity distribution, the exercise price under its 2025 Share Option Scheme was adjusted from RMB21.73 per option to RMB21.59 per option.

On August 24, 2026, the Company convened the 11th meeting of the eighth session of the Board, at which the "Proposal on Adjusting the Exercise Price and Cancelling Certain Options under the 2025 Share Option Scheme" was considered and approved. As the Company had completed the implementation of its 2025 annual profit distribution, the exercise price of the 2025 Share Option Scheme was adjusted from RMB21.59 per option to RMB21.43 per option. Concurrently, due to the resignation of 16 grantees, the Company will cancel an aggregate of 69,600 share options previously granted to such resigned individuals. Upon the completion of such cancellation, the total number of grantees under the 2025 Share Option Scheme will be adjusted from 479 to 463, and the total number of share options granted but not yet exercised by the Company will be adjusted from 8,137,400 to 8,067,800. The Company will carry out the adjustment of the exercise price and the cancellation of share options with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited in accordance with the relevant regulations.

2025 RESTRICTED SHARE SCHEME

The following is a summary of the key terms of the 2025 Restricted Share Scheme. For further details of the 2025 Restricted Share Scheme, please refer to the section headed "Appendix IV — Statutory and General Information — Further Information on Directors and Major Shareholders — 5. Employee Incentive Schemes — (b) 2025 Restricted Share Scheme" in the Prospectus.

Purpose

The purpose of the 2025 Restricted Share Scheme is to incentivize our Group's management and key employees to achieve a sustained and long-term development of our Group. The 2025 Restricted Share Scheme is implemented to attract, retain and motivate management and key employees of our Group, and to promote the success of our Group's business by providing them with appropriate incentives based on fulfilling certain performance goals.

Administration

The 2025 Restricted Share Scheme is executed by the Board subject to the authorization by the shareholders. The meeting of all participants of the 2025 Restricted Share Scheme ("**Participants**") shall have the full power to administer the 2025 Restricted Share Scheme. A management committee, the members of which are elected by the meetings of the Participants, is responsible for overseeing the day-to-day management of the 2025 Restricted Share Scheme.

Eligibility and Participation

Participants will consist of Directors (excludes independent non-executive Directors), senior management, and key management personnel, core technical staff and key operational personnel who play a significant role in the Group's performance and medium-to long-term development.

The scope of eligible participants excludes shareholders who individually or collectively hold 5% or more of the shares of the Company and their respective spouse, parents and children.

Source and Maximum Number of Shares

The shares underlying the 2025 Restricted Share Scheme represent Class A Shares repurchased by the Company from the secondary market and transferred to the securities account of the Company's 2025 Restricted Share Scheme.

Each award ("**Awards**") granted represents the entitlement to the corresponding portion of A Shares underlying the 2025 Restricted Share Scheme. These Awards are subject to a lock-up period and will only be unlocked upon fulfilling the unlocking conditions stipulated. The maximum number of shares in respect of the Awards that can be granted under the 2025 Restricted Share Scheme is 3,324,600.

The actual subscribed amount under the 2025 Restricted Share Scheme was 35,668,818 options, corresponding to an aggregate of 3,281,400 shares actually granted. On May 14, 2025, the Company received the "Securities Transfer Registration Confirmation" issued by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. On May 12, 2025, the 3,281,400 A Shares held in the Company's "Repurchase Special Securities Account of Shenzhen Woer Heat-Shrinkable Material Co., Ltd." were transferred in non-trading means to the "Shenzhen Woer Heat-Shrinkable Material Co., Ltd. — 2025 Restricted Share Scheme" securities account.

Maximum entitlement of Participant

The aggregate number of Restricted A Shares granted by the Company to any Participant under all validly subsisting Restricted Share Scheme of the Company shall not exceed 1% of the shares in issue (excluding any shares obtained through duly exercised options or vested restricted A Shares).

Term of the Scheme

The term of the 2025 Restricted Share Scheme shall be no more than 36 months from the date of approval by the shareholders' meeting and the date on which the final batch of subject shares referred to in the Company's announcement was transferred into the 2025 Restricted Share Scheme. Should the 2025 Restricted Share Scheme not be extended upon its expiration, it will automatically terminate. As at the Latest Practicable Date, the 2025 Restricted Share Scheme had approximately 20 months remaining.

Performance Targets and Lock-up

Subject to the fulfillment of the company-level performance evaluation requirements for the current period and the fulfillment of the individual-level performance evaluation requirements for the current period by the participants, the Awards held by the Participants shall be unlocked in two installments in the proportion of 50% and 50%, commencing from 12 months and 24 months, respectively, after the date on which the final batch of subject shares referred to in the Company's announcement was transferred into the 2025 Restricted Share Scheme. The A Shares corresponding to the locked awards shall be transferred by the Management Committee into the stock accounts of the participants by way of lawful methods such as non-trade transfer or sale on the secondary market, in accordance with the provisions of the 2025 Restricted Share Scheme and prevailing market conditions at the relevant time, or the proceeds from the sale of the Company's shares held under the 2025 Restricted Share Scheme, after deducting relevant taxes and payables, shall be distributed to the relevant participants.

Purchase price

The purchase price for the award is RMB10.87 per share. The purchase price shall not be lower than the nominal value of the shares and shall not be lower than the higher of the following: (1) 50% of the Company's average trading price of its A Shares on the trading day immediately preceding the announcement of the draft 2025 Restricted Share Scheme, being RMB10.84 per share; and (2) 50% of the Company's average trading price of its A Shares for the 120 trading days preceding the announcement of the draft 2025 Restricted Share Scheme, being RMB10.87 per share.

Details of awards granted

				Number of Awarded Shares (shares)					
Participant name or category	Grant date	Lock-up period	Purchase price (RMB/share)	Not yet unlocked as at January 1, 2026	Unlocked during the Reporting Period	Cancelled during the Reporting Period	Recovered during the Reporting Period	Re-granted during the Reporting Period	**Not yet unlocked as at June 30, 2026**
Directors									
Mr. Xia Chunliang (夏春亮)	April 9, 2025	Note [1]	10.87	120,000	60,000	–	–	–	**60,000**
Mr. Liu Zhanli (劉占理)	April 9, 2025	Note [1]	10.87	100,000	50,000	–	–	–	**50,000**
Ms. Deng Yan (鄧艷)	April 9, 2025	Note [1]	10.87	20,000	10,000	–	–	–	**10,000**
Top five individuals by total remuneration during the Reporting Period (aggregate: 3 individuals)	April 9, 2025	Note [1]	10.87	230,000	115,000	–	–	–	**115,000**
Other employees	April 9, 2025 October 15, 2025 October 16, 2025 January 26, 2026	Note [1]	10.87	2,806,900	1,405,700	–	300	4,800[2]	**1,405,700**

Notes:

(1) For details regarding the lock-up period for the award, please refer to the section above under "Performance Targets and Lock-up".

(2) For details of the performance targets applicable to the awards granted during the Reporting Period, please refer to the section above under "Performance Targets and Lock-up". For awards granted during the Reporting Period, the closing price of the A Shares immediately preceding the grant date of the awards was RMB31.44. Details of the fair value of the awards on the grant date and the accounting standards and policies adopted are set out in Note 19 to the financial statements.

Other Information

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at June 30, 2026, the interests or short positions of the Directors or chief executive in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (ii) required to be recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Name of Director	Nature of interest [(1)]	Class of Shares	Number of Shares	Percentage of total share capital of the same class [(2)]
Mr. Zhou[(3)]	Beneficial owner Interest in controlled corporation	A Shares	189,563,801	15.05%
Ms. Yi Huarong[(3)]	Spousal interest Interest in controlled corporation	A Shares	189,563,801	15.05%
Mr. Xia Chunliang	Beneficial owner	A Shares	60,000[(4)]	0.00%[(5)]
Mr. Liu Zhanli	Spousal interest Beneficial owner	A Shares	63,000[(4)]	0.01%
Ms. Deng Yan	Beneficial owner	A Shares	18,320[(4)]	0.00%[(6)]

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 1,259,898,562 A Shares in issue (including treasury A Shares) as at June 30, 2026.

(3) Our executive Director, Mr. Zhou, directly holds 139,563,801 A Shares. In addition, Mr. Zhou and Ms. Yi Huarong, our executive Director and Mr. Zhou's spouse, who are the only beneficial owners of the Tongyi Funds, are interested in 50,000,000 A Shares through the Tongyi Funds. For details, please see "Substantial Shareholders" in the Prospectus.

(4) Including the portion held under the 2025 Restricted Share Scheme.

(5) Mr. Xia Chunliang held 0.0048% of the total share capital of the same class of the Company, which was rounded to 0.00% to two decimal places.

(6) Ms. Deng Yan held 0.0015% of the total share capital of the same class of the Company, which was rounded to 0.00% to two decimal places.

Save as disclosed above, as at June 30,2026, so far as the Directors or chief executive of the Company are aware, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; (ii) required to be recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at June 30, 2026, the interests of relevant persons (excluding the Directors and chief executive of the Company) who had interests or short positions in the Shares or underlying Shares that were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Name of Shareholder	Nature of interest (1)	Class of Shares	Number of Shares held	Percentage of total share capital of the same class of the Company (2)
Mr. Zhou (3)	Beneficial owner Interest in controlled corporation	A Shares	189,563,801	15.05%
Ms. Yi Huarong (3)	Spousal interest Interest in controlled corporation	A Shares	189,563,801	15.05%
Ms. Qiu Limin (4)	Beneficial owner Interest in controlled corporation	A Shares	116,035,827	9.21%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 1,259,898,562 A Shares in issue (including the treasury A Shares) as of June 30, 2026.

(3) Our executive Director, Mr. Zhou, directly holds 139,563,801 A Shares. In addition, Mr. Zhou and Ms. Yi Huarong, our executive Director and Mr. Zhou's spouse, who are the only beneficial owners of the Tongyi Funds, are interested in 50,000,000 A Shares through the Tongyi Funds.

(4) To the best knowledge of the Company, Ms. Qiu Limin directly holds 8,772,371 A Shares. In addition, through Xuanyuan Private Fund Investment Management (Guangdong) Co., Ltd. — Xuanyuan Kexin No. 109 Private Securities Investment Fund (玄元私募基金投資管理(廣東)有限公司 - 玄元科新109號私募證券投資基金), Xuanyuan Private Fund Investment Management (Guangdong) Co., Ltd. — Xuanyuan Kexin No. 178 Private Securities Investment Fund (玄元私募基金投資管理(廣東)有限公司 - 玄元科新178號私募證券投資基金), Xuanyuan Private Fund Investment Management (Guangdong) Co., Ltd. — Xuanyuan Kexin No. 201 Private Securities Investment Fund (玄元私募基金投資管理(廣東)有限公司 - 玄元科新201號私募證券投資基金), Xuanyuan Private Fund Investment Management (Guangdong) Co., Ltd. — Xuanyuan Kexin No. 203 Private Securities Investment Fund (玄元私募基金投資管理(廣東)有限公司 - 玄元科新203號私募證券投資基金), Shenzhen Yingfu Huizhi Private Securities Fund Co., Ltd. — Yingfu Zengxin Tianli No. 12 Private Securities Investment Fund (深圳盈富匯智私募證券基金有限公司 - 盈富增信添利12號私募證券投資基金), Shenzhen Yingfu Huizhi Private Securities Fund Co., Ltd. — Yingfu Zengxin Tianli No. 13 Private Securities Investment Fund (深圳盈富匯智私募證券基金有限公司 - 盈富增信添利13號私募證券投資基金), Zhuhai Abama Private Fund Investment Management Co., Ltd. — Abama Yuanshare Dividend No. 88 Private Securities Investment Fund (珠海阿巴馬私募基金投資管理有限公司 - 阿巴馬元享紅利88號私募證券投資基金), and Zhuhai Abama Private Fund Investment Management Co., Ltd. — Abama Yuanshare Dividend No. 89 Private Securities Investment Fund (珠海阿巴馬私募基金投資管理有限公司 - 阿巴馬元享紅利89號私募證券投資基金), she is interested in 107,263,456 A Shares. To the best knowledge of the Company, the aforementioned investment funds are controlled by Ms. Qiu Limin. To the best knowledge of the Company, Ms. Qiu Limin is an Independent Third Party.

Save as disclosed above, as at June 30, 2026, so far as the Directors or chief executive of the Company are aware, none of the persons (excluding the Directors and chief executive of the Company) had any interest or short position in the Shares or underlying Shares of the Company that was required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

For the six-month period ended June 30, 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As of June 30, 2026, 10,283,600 A Shares were held by our Company as treasury A Shares, which shall only be used by our Company in connection with employee incentive schemes of our Company. Save for the aforementioned treasury A Shares, as of June 30, 2026, the Company did not hold any other treasury shares.

SUBSEQUENT EVENTS

In order to further enhance the Company's environmental, social and governance ("**ESG**") management standards, the Board resolved on July 10, 2026 to approve the change of name of a special committee under the Board, from the "Strategy and Investment Decision Committee of the Board" to the "Strategy and ESG Committee of the Board". For details, please refer to the Company's announcement dated July 10, 2026.

Save as disclosed in this report, there were no other material subsequent events of the Group after June 30, 2026 and up to the Latest Practicable Date.

THE AUDIT COMMITTEE AND INTERIM RESULTS REVIEW

The Company has established an Audit Committee in accordance with the provisions of the CG Code and Rule 3.21 of the Listing Rules and has stipulated the written terms of reference. As of the Latest Practicable Date, the Audit Committee consists of Mr. Zeng Fanyue and Mr. Wang Dong, both of whom are independent non-executive Directors, and Dr. Li Wenyou, a non-executive Director, and Mr. Zeng Fanyue serves as the chairperson of the committee. Mr. Zeng Fanyue possesses the appropriate accounting or related financial management expertise as set out in Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee are to assist the Board in forming an independent view on the effectiveness of the Group's financial reporting processes, internal control and risk management systems, oversee the audit process, and fulfil other duties and responsibilities assigned by the Board, including but not limited to: (i) putting forward proposals to the Board in respect of the appointment and replacement of external auditors; (ii) supervising the implementation of the Group's internal audit system; (iii) coordinating work between the internal audit department and external auditors; and (iv) reviewing the Group's financial information and relevant disclosures.

The unaudited interim results of the Group for the six months ended June 30, 2026 have been reviewed and discussed by the Audit Committee. The Audit Committee is of the view that the unaudited consolidated interim results of the Group for the six months ended June 30, 2026 comply with the applicable accounting standards, laws and regulations, and adequate disclosures have been made by the Company in this respect. The unaudited consolidated interim results of the Group for the six months ended June 30,2026 have not been reviewed by the external auditors of the Company.

Other Information

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and ensuring a high standard of corporate governance practices, and has adopted corporate governance principles aimed at safeguarding the interests of the Company and its shareholders.

The Company has adopted the applicable code provisions of the CG Code as the basis of its corporate governance practices.

The Board is of the view that the Company has complied with the applicable code provisions set out in the CG Code from the Listing Date to June 30, 2026. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct for securities transactions by the Directors, members of senior management and employees who, because of their office or employment, are likely to possess inside information relating to the Group or the Company's securities.

Having made specific enquiry of all Directors, each Director has confirmed that he/she has complied with the required standards set out in the Model Code since the Listing Date to June 30, 2026. In addition, the Company is not aware of any non-compliance with the Model Code by the members of the senior management or the relevant employees of the Group since the Listing Date to June 30, 2026.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

There have been no changes in the information of Directors and chief executive of the Company as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3	**4,649,481**	3,941,350
Cost of sales		**(3,334,215)**	(2,708,627)
Gross profit		**1,315,266**	1,232,723
Other income, gains and losses	4A	**7,225**	42,736
Selling expenses		**(190,758)**	(182,614)
Administrative expenses		**(156,715)**	(156,890)
Research and development expenses		**(266,693)**	(207,720)
Share of results of associates		**1,656**	2,411
Finance costs	5	**(27,129)**	(25,222)
Impairment losses on financial assets, net	6	**(12,173)**	(8,089)
Listing expenses		**(4,109)**	(122)
Profit before taxation	6	**666,570**	697,213
Income tax expense	7	**(74,485)**	(92,723)
PROFIT FOR THE PERIOD		**592,085**	604,490
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(16,070)**	(790)
Change in fair value on hedging instruments designated in cash flow hedges		**(77,726)**	—
Item that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income, net of tax		**(521)**	(27,791)
Other comprehensive expenses for the period		**(94,317)**	(28,581)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**497,768**	575,909

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**566,684**	558,074
Non-controlling interests		**25,401**	46,416
		592,085	604,490
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**477,456**	529,378
Non-controlling interests		**20,312**	46,531
		497,768	575,909
EARNINGS PER SHARE	9		
Basic (RMB)		**0.42**	0.45
Diluted (RMB)		**0.42**	0.45

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**4,262,633**	3,946,339
Right-of-use assets	10	**620,623**	676,425
Goodwill	10	**694,828**	694,828
Intangible assets	10	**18,556**	20,506
Investment properties	10	**13,872**	14,617
Interests in associates	11	**45,678**	52,895
Equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**22,384**	44,768
Deferred tax assets		**76,120**	68,135
Contract assets	12	**6,514**	8,972
Trade and other receivables	13	**239,952**	161,415
Pledged bank deposits		**14,912**	12,042
Total non-current assets		**6,016,072**	5,700,942
CURRENT ASSETS			
Inventories		**1,520,697**	1,232,758
Contract assets	12	**38,575**	33,397
Trade and other receivables	13	**4,172,016**	3,909,482
Tax recoverable		**5,218**	9,386
Financial assets at fair value through profit or loss ("**FVTPL**")		**180,000**	53,787
Restricted bank deposits		**9,985**	10,805
Pledged bank deposits		**82,879**	21,986
Bank balance and cash		**3,506,260**	1,288,024
Total current assets		**9,515,630**	6,559,625
CURRENT LIABILITIES			
Trade and other payables	14	**2,893,227**	2,458,520
Tax payable		**49,369**	85,988
Bank and other borrowings	15	**951,648**	1,538,917
Lease liabilities		**38,247**	38,192
Derivative financial instruments	16	**87,842**	—
Contract liabilities		**87,024**	94,702
Deferred income		**13,703**	13,347
Total current liabilities		**4,121,060**	4,229,666
NET CURRENT ASSETS		**5,394,570**	2,329,959
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,410,642**	8,030,901

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**91,837**	97,592
Bank and other borrowings	15	**1,507,564**	806,381
Lease liabilities		**184,710**	221,399
Deferred income		**105,561**	101,037
Total non-current liabilities		**1,889,672**	1,226,409
Net assets		**9,520,970**	6,804,492
EQUITY			
Share capital	17	**1,399,888**	1,259,899
Reserves		**7,793,090**	5,237,215
Total equity attributable to owners of the Company		**9,192,978**	6,497,114
Non-controlling interests		**327,992**	307,378
Total equity		**9,520,970**	6,804,492

Condensed Consolidated Statement of Change in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company											
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payment reserve	Hedge reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 17)				(Note 19)							
At 1 January 2026 (audited)	1,259,899	278,423	(100,050)	(10,150)	15,098	–	(24,774)	721,584	4,357,084	6,497,114	307,378	6,804,492
Profit for the period	–	–	–	–	–	–	–	–	566,684	566,684	25,401	592,085
Exchange differences arising on translation of foreign operations	–	–	–	(15,403)	–	–	–	–	–	(15,403)	(667)	(16,070)
Fair value loss on investments in equity instruments at FVTOCI	–	–	–	–	–	–	(521)	–	–	(521)	–	(521)
Change in fair value on hedging instruments designated in cash flow hedges	–	–	–	–	–	((73,304))	–	–	–	(73,304)	(4,422)	(77,726)
Total comprehensive (expense)/income for the period	–	–	–	(15,403)	–	(73,304)	(521)	–	566,684	477,456	20,312	497,768
Dividend declared (note 8)	–	–	–	–	–	–	–	–	(229,285)	(229,285)	–	(229,285)
Appropriation of statutory reserve	–	–	–	–	–	–	–	53,489	(53,489)	–	–	–
Share-based payment	–	–	–	–	7,387	–	–	–	–	7,387	302	7,689
Transferred upon vested of share award	–	15,308	12,101	–	(9,537)	–	–	–	–	17,872	–	17,872
Reclassification of fair value reserve upon disposal of equity instruments at FVTOCI	–	–	–	–	–	–	13,326	–	(13,326)	–	–	–
Issue of new shares upon global offering of H Shares (note 17)	139,989	2,357,035	–	–	–	–	–	–	–	2,497,024	–	2,497,024
Transaction costs attributable for issue of new shares	–	(74,590)	–	–	–	–	–	–	–	(74,590)	–	(74,590)
At 30 June 2026 (unaudited)	1,399,888	2,576,176	(87,949)	(25,553)	12,948	(73,304)	(11,969)	775,073	4,627,668	9,192,978	327,992	9,520,970

Condensed Consolidated Statement of Change in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company											
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payment reserve	Hedge reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 17)				(Note 19)							
At 1 January 2025 (audited)	1,259,899	267,445	(100,050)	(5,914)	3,317	–	(117,151)	590,621	3,636,638	5,534,805	593,524	6,128,329
Profit for the period	–	–	–	–	–	–	–	–	558,074	558,074	46,416	604,490
Exchange differences arising on translation of foreign operations	–	–	–	(745)	–	–	–	–	–	(745)	(45)	(790)
Fair value loss on investments in equity instruments at FVTOCI	–	–	–	–	–	–	(27,951)	–	–	(27,951)	160	(27,791)
Total comprehensive (expense)/income for the period	–	–	–	(745)	–	–	(27,951)	–	558,074	529,378	46,531	575,909
Dividend paid (note 8)	–	–	–	–	–	–	–	–	(170,748)	(170,748)	–	(170,748)
Appropriation of statutory reserve	–	–	–	–	–	–	–	51,359	(51,359)	–	–	–
Share-based payment	–	–	–	–	4,112	–	–	–	–	4,112	516	4,628
Acquisition of additional interests in subsidiaries without change in control (note 23)	–	8,873	–	–	–	–	–	–	–	8,873	(348,873)	(340,000)
Increase in non-controlling interests as a result of acquisition of subsidiaries (note 22)	–	–	–	–	–	–	–	–	–	–	4,100	4,100
At 30 June 2025 (unaudited)	1,259,899	276,318	(100,050)	(6,659)	7,429	–	(145,102)	641,980	3,972,605	5,906,420	295,798	6,202,218

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		**469,187**	593,951
Income tax paid		**(106,983)**	(95,444)
Payments arising from net settlement of hedging instruments designated as cash flow hedges		**(13,105)**	—
Net cash from operating activities		**349,099**	498,507
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**14,486**	4,629
Proceeds from disposal of property, plant and equipment		**2,414**	7,918
Purchase of property, plant and equipment		**(483,976)**	(462,079)
Purchase of other intangible assets		**(2,176)**	(1,218)
Acquisition of assets through acquisition of subsidiaries	22	**—**	(2,125)
Purchase of financial assets at FVTPL		**(1,196,000)**	(995,000)
Proceeds from disposal of financial assets at FVTPL		**1,071,483**	1,002,149
Proceeds from disposal of equity instruments at FVTOCI		**21,771**	—
Placement of pledged bank deposits		**(70,079)**	(10,718)
Withdrawal of pledged bank deposits		**6,316**	46,127
Placement of bank deposit with maturity over three months		**(3,000)**	(81,520)
Withdrawal of bank deposit with maturity over three months		**—**	80,000
Withdrawal of fixed time deposit		**—**	10,025
Dividends received from an associate		**8,873**	4,456
Capital contribution in an associate		**—**	(1,000)
Net cash used in investing activities		**(629,888)**	(398,356)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(28,000)**	(23,131)
Additions of borrowings		**1,340,771**	935,305
Repayment of borrowings		**(1,226,673)**	(737,249)
Repayment of lease liabilities		**(14,528)**	(145,801)
Dividend paid	8	**—**	(170,748)
Proceeds on issuance of new shares upon global offering of H Shares		**2,497,024**	—
Transaction costs attributable to issue of shares		**(66,817)**	(4,361)
Payment for acquisition of additional interests in subsidiaries	23	**—**	(68,000)
Net cash from/(used in) financing activities		**2,501,777**	(213,985)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2,220,988**	(113,834)
Cash and cash equivalents at beginning of the period		**1,288,024**	877,485
Effect of foreign exchange rate changes, net		**(5,752)**	(769)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**3,503,260**	762,882
ANALYSIS OF THE BALANCE OF BANK BALANCES AND CASH			
Bank deposits with original maturity within three months and cash		**3,503,260**	762,882
Bank deposits with original maturity over three months		**3,000**	81,520
		3,506,260	844,402

Notes to the Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the "**Company**") is established in the People's Republic of China (hereafter, the "**PRC**") on 19 June 1998. The Company converted into a joint stock company with limited liability on 28 September 2004. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and the Company's A Shares were listed on the Shenzhen Stock Exchange (stock code: 002130.SZ) on 20 April 2007. On 13 February 2026, the Company's H Shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited. The registered address and principal place of business of the Company is Woer Industrial Park, Lanjing North Road, Longtain Subdistrict, Pingshan District, Shenzhen, Guangdong Province, PRC.

The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in manufacturing and selling of telecoms cables, electronic materials products, new energy vehicles ("**NEV(s)**") power transmission products and electrical cable accessories products and sale of wind power.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate. The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the application of accounting policies for hedge accounting which became relevant to the Group during the current interim period.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

Hedge accounting

The Group has applied cash flow hedge accounting for the first time to mitigate its exposures to commodity price risk. During the current interim period, the Group entered into commodity futures contracts to hedge the price volatility of highly probable forecast purchases of raw materials. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

Hedge accounting (continued)

Assessment of hedging relationship and effectiveness (continued)

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other income, gains and losses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the profit or loss is impacted by the forecast transactions. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

Notes to the Condensed Consolidated Financial Statements

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

Application of amendments to IFRS Accounting Standards (continued)

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue for the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers disaggregated by products		
Electronic Communication Business		
Sales of telecoms cable products	**1,551,940**	1,246,053
Sales of electronic material products	**1,475,881**	1,332,932
Electrical Power Transmission Product Business		
Sales of NEV power transmission products	**977,856**	712,341
Sales of electrical cable accessories products	**480,173**	486,723
Sales of wind power	**59,265**	79,817
Others	**104,366**	83,484
Total revenue	**4,649,481**	3,941,350
Timing of revenue recognition		
Over time	**35,397**	34,246
At a point in time	**4,614,084**	3,907,104
Total revenue	**4,649,481**	3,941,350

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information

The chief operating decision-maker ("**CODM**") reviews the Group's internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

The CODM assesses the performance based on the nature of the Group's businesses which are principally located in the PRC, and comprises four reportable segments as follows:

Electronics & electricity	Sales of electronic material products and electrical cable accessories products
Wires and cables	Sales of telecoms cable products
New energy products	Sales of NEV power transmission products
Wind power	Sales of wind power

For the six months ended 30 June 2026 and 2025, segment results represent the gain generated by each segment without allocation of the income tax expense. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance. Inter-segment sales are charged at prevailing market rates.

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued)

Segment information for the six months ended 30 June 2026 and 2025 is as follows:

Six months ended 30 June 2026 (unaudited)

	Electronics & electricity RMB'000	Wires and cables RMB'000	New energy products RMB'000	Wind power RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue from external customers	2,029,681	1,580,065	980,470	59,265	–	4,649,481
Inter-segment sales	42,425	1,069	498	–	(43,992)	–
Total segment revenue	2,072,106	1,581,134	980,968	59,265	(43,992)	4,649,481
Segment profit and profit before taxation	441,295	98,865	92,119	34,926	(635)	666,570
Income tax expense						(74,485)
Profit for the period						592,085

Six months ended 30 June 2025 (unaudited)

	Electronics & electricity RMB'000	Wires and cables RMB'000	New energy products RMB'000	Wind power RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue from external customers	1,888,468	1,259,502	713,563	79,817	–	3,941,350
Inter-segment sales	38,794	2,069	1,266	–	(42,129)	–
Total segment revenue	1,927,262	1,261,571	714,829	79,817	(42,129)	3,941,350
Segment profit and profit before taxation	474,917	144,504	82,003	52,127	(56,338)	697,213
Income tax expense						(92,723)
Profit for the period						604,490

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reporting segments:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Segment assets		
Electronics and electricity	9,468,857	7,011,510
Wires and cables	3,853,562	2,969,595
New energy products	1,913,088	1,851,512
Wind power	1,082,755	1,098,163
Eliminations	(786,560)	(670,213)
Consolidated assets	15,531,702	12,260,567
Segment liabilities		
Electronics and electricity	2,968,063	3,111,167
Wires and cables	2,789,611	1,911,566
New energy products	965,444	989,962
Wind power	110,475	152,052
Eliminations	(822,861)	(708,672)
Consolidated liabilities	6,010,732	5,456,075

Notes to the Condensed Consolidated Financial Statements

4A. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Government grants (note a)	**16,987**	12,696
Interest income	**14,486**	4,629
Gross rental income	**3,611**	3,919
Value added tax refund	**869**	1,337
Additional value added tax deductible (note b)	**9,302**	12,691
	45,255	35,272
Other gains and losses		
Loss on disposal of property, plant and equipment, net	**(464)**	(98)
Loss on disposal of intangible assets, net	**(7)**	—
Gain on early termination of lease	**491**	—
Gain from changes in fair value of financial assets at FVTPL	**1,696**	1,980
Loss from hedge ineffectiveness on cash flow hedges	**(5,294)**	—
Impairment loss on property, plant and equipment	**(302)**	(110)
Foreign exchange (loss)/gains, net	**(32,475)**	5,689
Donation	**(2,767)**	—
Others	**1,092**	3
	(38,030)	7,464
	7,225	42,736

Notes:

(a) Included in the amount are government grants received by the Group amounting to RMB9,698,000 and RMB8,557,000 for the six months ended 30 June 2026 and 2025, representing tax refunds, operating subsidies and various industry-specific subsidies granted by the government authorities to reward the Group's effort for technological innovation with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognised.

(b) Additional value added tax deductible represents the tax authority allows advanced manufacturing enterprises to deduct an additional 5% of their deductible input tax from payable value added tax.

4B. FAIR VALUE LOSS ON INVESTMENTS IN EQUITY INSTRUMENTS AT FVTOCI

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	
Fair value gain during the period arising from:		
— Investments in equity instruments derecognised during the period	**8,072**	N/A
— Investments in equity instruments held at the end of the period	**(8,685)**	N/A
Deferred tax assets recognised relating to fair value loss	**92**	N/A
Total losses on equity instruments at FVTOCI recognised in other comprehensive income	**(521)**	N/A

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
— bank borrowings	**23,048**	18,598
— lease liabilities	**4,768**	4,437
— discounted bills	**689**	2,187
Total borrowing costs	**28,505**	25,222
Less: amounts capitalised in cost of qualifying assets	**(1,376)**	—
	27,129	25,222

Borrowing costs capitalised during the current period arose on the general borrowing pool and are calculated by applying a capitalisation rate of 2.9% per annum to expenditure on qualifying assets.

6. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	**2,445,788**	2,175,626
Depreciation of property, plant and equipment	**162,224**	121,671
Depreciation of right-of-use assets	**35,027**	23,600
Amortisation of intangible assets included in administrative expenses	**4,119**	3,984
Depreciation of investment properties	**745**	713
Total depreciation and amortisation	**202,115**	149,968
Capitalised in inventories	**(144,299)**	(118,424)
	57,816	31,544
Written-down of inventories	**23,992**	18,713
Impairment losses/(reversal of impairment losses), net:		
— trade receivables	**11,805**	8,192
— bills receivable	**(95)**	(866)
— other receivables	**541**	(729)
— contract assets	**(78)**	1,492
	12,173	8,089
Short-term lease payments	**6,340**	11,484
Gross rental income from investment properties	**3,611**	3,919
Less: direct operating expenses incurred for investment properties included in administrative expenses	**(745)**	(713)
	2,866	3,206

6. PROFIT BEFORE TAXATION (CONTINUED)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Staff cost (including directors', chief executive's, and supervisors' remuneration):		
Basic salaries, allowances and other benefits in kind	**651,347**	620,169
Retirement benefit expense	**54,524**	48,416
Equity-settled share-based payments	**7,689**	4,628
	713,560	673,213
Listing expenses	**4,109**	122

7. INCOME TAX EXPENSE

Taxation in the condensed consolidated statement of profit or loss

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
Current tax	**77,843**	88,290
(Over)/under provision in prior years	**(3,311)**	1,302
	74,532	89,592
Deferred tax		
Current period	**(47)**	3,262
Attributable to a change in tax rate	**—**	(131)
	(47)	3,131
	74,485	92,723

7. INCOME TAX EXPENSE (CONTINUED)

Taxation in the condensed consolidated statement of profit or loss (continued)

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

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% except for certain subsidiaries of the Company, which are exempt or taxed at preferential rates of 15% entitled by subsidiaries in accordance with relevant tax rules and regulations in PRC or approvals by the tax bureaus in the PRC.

For PRC subsidiaries that qualified as "Small and Micro-Sized Enterprises ("**SME**")", annual taxable income shall be recognised at a reduced rate of 25% as taxable income and be subject to the applicable income tax rate of 20%.

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends declared to foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Company is therefore liable for withholding taxes on any dividends distributable by its subsidiary established in Mainland China in respect of earnings generated from 1 January 2008. Pursuant to the PRC EIT Law, interests income received by the entity without establishments or places of business in China shall be subject to a withholding tax at 10% on gross income from interest.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

The Board does not declare any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

On 26 May 2026, the Company's shareholders approved the payment of the final dividend of RMB229.3 million in aggregate (RMB1.65 per 10 ordinary A Shares and HK$1.89 per 10 ordinary H Shares) in respect of the year ended 31 December 2025. The final dividend in respect of A Shares and H Shares were paid on 10 July 2026 and 16 July 2026, respectively.

On 23 June 2025, the payment of a final dividend of approximately RMB170.7 million in aggregate (RMB1.37 per 10 ordinary A Shares) was paid by the Company in respect of the year ended 31 December 2024.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**566,684**	558,074

	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,353,444**	1,246,334
Effect of dilutive potential ordinary shares		
— Share awards	**770**	378
— Share options	**948**	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,355,162**	1,246,712

The weighted average number of ordinary shares outstanding during the six months ended 30 June 2026 has been adjusted for the effect of the Company's share awards scheme and Company's share option scheme granted in April 2025 and Company's share awards re-granted in October 2025. Company's share awards re-granted in January 2026 are not included in the calculation of diluted earnings per share because they are anti-dilutive for the six months ended 30 June 2026.

The weighted average number of ordinary shares outstanding during the six months ended 30 June 2025 has been adjusted for the effect of the Company's share awards scheme granted in April 2025.

10. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, INVESTMENT PROPERTIES, GOODWILL AND INTANGIBLE ASSETS

During the six months ended 30 June 2026, the Group disposed of certain property, plant and equipment with carrying amount amounted to RMB2,878,000 (six months ended 30 June 2025: RMB8,016,000) for proceeds of RMB2,414,000 (six months ended 30 June 2025: RMB7,918,000), resulting in a loss on disposal of RMB464,000 (six months ended 30 June 2025: RMB98,000).

During the six months ended 30 June 2026, the additions of property, plant and equipment and intangible assets of the Group amounted to RMB492,954,000 (six months ended 30 June 2025: RMB519,764,000) and RMB2,176,000 (six months ended 30 June 2025: RMB1,218,000), respectively.

During the six months ended 30 June 2026, the Group entered into several new lease agreements with lease terms ranged from 1 to 10 years (six months ended 30 June 2025: 2 to 10 years). The Group is required to make fixed monthly payments. On lease commencement, the Group recognised right-of-use assets of RMB3,433,000 (six months ended 30 June 2025: RMB141,179,000) and lease liabilities of RMB3,433,000 (six months ended 30 June 2025: RMB141,179,000).

No addition, disposal and impairment on investment properties and goodwill was noted during the six months ended 30 June 2026 and 2025.

11. INTERESTS IN ASSOCIATES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cost of unlisted investment	**103,057**	103,057
Share of post-acquisition loss and other comprehensive expense, net of dividends received	**(57,379)**	(50,162)
	45,678	52,895

Note: In June 2025, Shenzhen WOER HEAT-SHRINKABLE Co., Ltd. ("**WOER HEAT-SHRINKABLE**") entered into a sale and purchase agreement with a shareholder of the associate to acquire 21.51% of equity interest in Guizhou Huier New Materials Co., Ltd. ("**Guizhou Huier**") at a consideration of RMB3,000,000. Upon the completion of the transaction, Guizhou Huier became a non-wholly owned subsidiary of the Group. Details are set in note 22.

12. CONTRACT ASSETS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Contract assets arising from:		
— Sales of electronics & electricity products	22,219	22,338
— Sales of new energy products	543	1,119
— MOM and MES software development, sales and implementation services	26,775	23,438
	49,537	46,895
Less: allowance for credit losses	(4,448)	(4,526)
	45,089	42,369
Analysis for reporting purposes:		
Non-current portion	6,514	8,972
Current portion	38,575	33,397
	45,089	42,369

Contract assets included retention receivables of the Group and the Company that are consideration withheld by customers which are unsecured, interest-free and recoverable after the completion of defect liability period of the relevant contracts, usually being 1 to 2 years from the date of acceptance of the control of goods transferred to the customers.

Contract assets arising from the MOM and MES software development, sales and implementation services as the receipt of consideration is conditional on successful progress of completion of provision of the services. Upon the progress of completion of provision of the services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Notes to the Condensed Consolidated Financial Statements

13. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables (note a)	3,346,022	3,025,855
Less: allowance for expected credit losses	(193,937)	(182,399)
	3,152,085	2,843,456
Bills receivable (note b)	711,903	756,881
Less: allowance for expected credit losses	(5,338)	(5,433)
	706,565	751,448
Other receivables (note c)	559,917	482,140
Less: allowance for expected credit losses	(6,599)	(6,147)
	553,318	475,993
	4,411,968	4,070,897
Analysis for reporting purposes:		
Non-current portion	239,952	161,415
Current portion	4,172,016	3,909,482
	4,411,968	4,070,897

Notes:

(a) The Group's trading terms with its customers are mainly on credit. The credit period is mainly within three months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(a) (continued)

The following is an aged analysis of trade receivables net of allowance for expected credit losses presented based on revenue recognition date.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 90 days	**2,293,416**	2,069,082
90 to 180 days	**458,196**	435,669
180 to 270 days	**155,927**	135,568
270 days to 1 year	**69,982**	48,270
1 year to 2 years	**119,746**	119,345
Over 2 years	**54,818**	35,522
	3,152,085	2,843,456

(b) As at 30 June 2026, the Group continued to recognise the full carrying amounts of bills receivable endorsed to certain of its suppliers in order to settle the trade payables due to such suppliers amounting to RMB342,160,000 (31 December 2025: RMB312,643,000), and carrying amounts of bills receivable discounted to certain banks amounting to RMB41,152,000 and (31 December 2025: RMB52,203,000) since the Group has not transferred the significant risks and rewards relating to these receivables. The relevant payables are accounted for as "endorsed bills payable" under "bank and other borrowings". All bills received by the Group are with a maturity period of less than one year.

Carrying amount of trade and other receivables amounted to RMB405,065,000 (31 December 2025: RMB378,653,000) have been pledged as security for the Group's bank borrowings as at 30 June 2026.

(c) As at 30 June 2026, other receivables mainly included VAT recoverable amounted to RMB168,158,000 (31 December 2025: RMB162,243,000), and prepayment for purchase of property, plant and equipment amounted to RMB227,011,000 (31 December 2025: RMB151,219,000). As at 30 June 2026, the deferred issue costs and prepaid listing expenses amounted to RMBnil (31 December 2025: RMB19,243,000).

Notes to the Condensed Consolidated Financial Statements

14. TRADE AND OTHER PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables (note a)	**1,328,278**	1,206,627
Bills payable (note b)	**672,658**	591,403
Other payables (note c)	**892,291**	660,490
	2,893,227	2,458,520

Notes:

(a) The trade payables are non-interest-bearing and are normally settled on terms range from 30 days to 90 days.

The following is an aged analysis of trade payables as at 30 June 2026 and 31 December 2025, presented based on the invoice date.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 180 days	**1,241,375**	1,164,806
180 days to 1 year	**59,595**	16,268
1 year to 2 years	**13,661**	12,513
2 years to 3 years	**4,131**	5,002
Over 3 years	**9,516**	8,038
	1,328,278	1,206,627

(b) The bills payable are guaranteed by banks in the PRC and have maturities of 6 months to 1 year (31 December 2025: 6 months to 1 year).

(c) As at 30 June 2026, other payables included staff costs payables amounted to RMB262,612,000 (31 December 2025: RMB259,346,000), payable for purchase of property, plant and equipment amounted to RMB229,030,000 (31 December 2025: RMB221,428,000) and dividend payables amounted to RMB229,285,000 (31 December 2025: RMBnil). As at 30 June 2026, the accrued listing expenses amounted to RMBnil (31 December 2025: RMB10,780,000).

15. BANK AND OTHER BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Bank borrowings		
Secured	**576,094**	799,640
Unsecured	**1,469,237**	1,141,388
	2,045,331	1,941,028
Bank borrowings under supplier finance arrangements	**30,569**	39,424
Endorsed bills payable	**383,312**	364,846
	2,459,212	2,345,298

15. BANK AND OTHER BORROWINGS (CONTINUED)

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
The carrying amounts of the above bank borrowings are repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	537,767	1,134,647
Within a period of more than one year but not exceeding two years	682,264	268,460
Within a period of more than two years but not exceeding five years	755,262	477,857
Within a period of more than five years	70,038	60,064
	2,045,331	1,941,028
The carrying amounts of the above bank borrowings under supplier finance arrangements are repayable within one year	30,569	39,424
The carrying amounts of the above endorsed bills payable are repayable within one year	383,312	364,846
	2,459,212	2,345,298
Less: amounts due within one year shown under current liabilities	(951,648)	(1,538,917)
Amounts shown under non-current liabilities	1,507,564	806,381

15. BANK AND OTHER BORROWINGS (CONTINUED)

The exposure of the Group's bank borrowings are as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Fixed-rate borrowings	310,741	405,190
Variable-rate borrowings	1,734,590	1,535,838
	2,045,331	1,941,028

The Group's variable-rate bank borrowings carry interest at Loan Prime Rate. Interest is reset every three, six or twelve months.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Effective interest rate:		
Fixed-rate borrowings	2.21%–2.40%	2.35%–2.60%
Variable-rate borrowings	2.15%–2.90%	2.25%–2.90%

The Group has entered into certain supplier finance arrangements with banks, under which the Group obtained extended credit in respect of the invoice amounts owed to certain suppliers of raw materials. Under these arrangements, the banks advanced funds to the Group for the settlement to suppliers on the original due dates of the invoices. The Group then settles with the banks between 11 to 360 days (year ended 31 December 2025: 11 to 364 days) after loans granted by the banks with interest rates ranging from 1.8% to 3.05% (year ended 31 December 2025: 2.60% to 3.50%) per annum for the six months ended 30 June 2026. These arrangements provide the Group with extended payment terms, compared to the original due dates of the respective invoices. Therefore, the Group classifies the amounts payable to banks as bank borrowings. The interest rates are consistent with the Group's short-term borrowing rates.

Notes to the Condensed Consolidated Financial Statements

16. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Carrying amounts		
— Silver	87,804	—
— Copper	38	—
	87,842	—
Notional amounts		
— Silver	386,351	—
— Copper	2,596	—
	388,947	—
Strike price range per unit		
— Silver (Per kilogram/RMB'000)	14–20	—
— Copper (Per ton/RMB'000)	104	—

The price risk of silver products and copper products purchases includes a silver or copper price risk component, even though silver or copper is not specified in any contractual arrangement. The Group considers the silver or copper component to be a separately identifiable and reliably measurable component of silver products or copper products price. As such silver or copper future contracts are designated as a hedge of the silver or copper risk component of highly probable forecast silver products or copper products purchase transactions.

The Group seeks to hedge the silver or copper component only and applies a hedge ratio of 1:1. The main source of ineffectiveness in these hedging relationships is the effect of the counterparty's and the Group's own credit risk on the fair value of the silver or copper future contracts which is not reflected in the fair value of the hedged cash flows attributable to the change in silver or copper price.

17. SHARE CAPITAL

	A Shares		H Shares		
	Number of shares	Amount	Number of shares	Amount	Total capital
	'000	RMB'000	'000	RMB'000	RMB'000
Registered, issued and fully paid ordinary shares with par value of RMB1.00 each share					
At 1 January 2025, 31 December 2025 and 1 January 2026	1,259,899	1,259,899	–	–	1,259,899
Issue of new shares upon global offering of H Shares	–	–	139,989	139,989	139,989
At 30 June 2026	1,259,899	1,259,899	139,989	139,989	1,399,888

Notes:

(i) At 30 June 2026, the total number of issued ordinary shares of the Company included 10,283,600 A Shares held as treasury shares (31 December 2025: 10,283,600 A Shares) and 1,640,700 A Shares (31 December 2025: 3,281,400 A Shares) held under the share award scheme.

(ii) At 13 February 2026, the Company issued a total of 139,988,800 new H Shares with a nominal value of RMB1 each at an issue price of HK$20.09 per ordinary share including share premium for a total cash consideration of approximately HK$2,812.4 million (equivalent to RMB2,497.0 million) before deducting underwriting fees, commissions and related expenses.

Notes to the Condensed Consolidated Financial Statements

18. CAPITAL COMMITMENTS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Capital expenditure in respect of acquisition of plant, property and equipment, intangible assets and right-of-use assets contracted for but not provided in the consolidated financial statements	**2,128,402**	943,940

19. SHARE-BASED PAYMENT TRANSACTION

Share award scheme

Shenzhen Orbit Systems Inc ("Shenzhen Orbit")

A non-wholly owned subsidiary, Shenzhen Orbit's share award scheme (the "**Shenzhen Orbit Share Award Scheme**") was adopted pursuant to a resolution in writing passed on 16 December 2019 for the primary purpose of providing incentives to eligible directors and employees of Shenzhen Orbit (the "**Shenzhen Orbit Awardees**"). Under the Shenzhen Orbit Share Award Scheme, it will be implemented in three tranches. The first phase was implemented on 16 December 2019, the second phase to be implemented within 12 months after the first phase is completed, and the third phase to be implemented within 12 months after the second phase is completed.

On 24 July 2020, a resolution was passed by the Shenzhen Orbit, pursuant to resolution, the implementation of the second and third phases of the Shenzhen Orbit Share Award Scheme will be postponed. The second phase will be postponed to 2021, and the implementation time of third phase will be within 12 months after the completion of second phase. On 11 May 2021, a resolution was passed by the Shenzhen Orbit, pursuant to resolution, the implementation of the second and third phases of the Shenzhen Orbit Share Award Scheme will be postponed. The second phase will be postponed to 2022, and the implementation time of third phase will be within 12 months after the completion of second phase.

19. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

Share award scheme (continued)

Shenzhen Orbit Systems Inc ("Shenzhen Orbit") (continued)

On 13 July 2022, 387,000 shares of Shenzhen Orbit were granted to the Shenzhen Orbit Awardees ("**2022 Shenzhen Orbit Share Award**"). The Awardees are required to pay RMB5.63 per 2022 Shenzhen Orbit Share Award at the date of grant. Subject to the acceptance of the Awardees, that the Awardees remain as employees of Shenzhen Orbit on the vesting date of the 2022 Shenzhen Orbit Share Award and fulfill certain conditions under the Shenzhen Orbit Share Award Scheme. Upon the fulfillment of the vesting conditions, the awarded shares were restricted from transfer by the Awardees.

On 23 November 2022, a resolution was passed by the Shenzhen Orbit, pursuant to resolution, no further awarded shares were granted to directors or employees of Shenzhen Orbit, the third phase were lapsed. All the 2022 Shenzhen Orbit Share Awards are vested in July 2025.

The 2022 Shenzhen Orbit Share Award are granted and forfeited as below:

Date of grant	Vesting period
13 July 2022	13 July 2022 to 13 July 2025

The following table discloses movements of the 2022 Shenzhen Orbit Share Award under the Shenzhen Orbit Share Award Scheme during the six months ended 30 June 2026 and 2025:

	2026	2025
	'000	'000
2022 Shenzhen Orbit Share Award under restriction at 1 January	—	271
Forfeited during the year/period	—	(8)
2022 Shenzhen Orbit Share Award under restriction at 30 June	—	263

Shenzhen Orbit recognised share award expenses of RMB617,000 during the six months ended 30 June 2025, in respect of the 2022 Shenzhen Orbit Share Award granted.

19. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

Share award scheme (continued)

LTK Electric Wire (Huizhou) Ltd. ("LTK Electric")

An indirectly non-wholly owned subsidiary of the Company, LTK Electric's share award scheme (the "**LTK Electric Share Award Scheme**") was adopted on 1 March 2023 for the primary purpose of providing incentives to eligible director and employees of LTK Electric (the "**LTK Electric Awardees**").

On 1 March 2023, 2,622,000 shares of LTK Electric were granted to the LTK Electric Awardees ("**2023 LTK Electric Share Award**"). The LTK Electric Awardees are required to pay RMB7.30 per 2023 LTK Electric Share Award at the date of grant. Subject to the acceptance of the LTK Electric Awardees, that the LTK Electric Awardees remain as employees of LTK Electric on the vesting date of the 2023 LTK Electric Share Award and fulfill certain conditions under the LTK Electric Share Award Scheme. Upon the fulfillment of the vesting conditions, the awarded shares were restricted from transfer by the LTK Electric Awardees.

The 2023 LTK Electric Share Award is granted and forfeited as below:

Date of grant	Vesting period
1 March 2023	1 March 2023 to 1 March 2028

The following table discloses movements of the 2023 LTK Electric Share Award under the 2023 LTK Electric Share Award Scheme during the six months ended 30 June 2026 and 2025:

	2026	2025
	'000	'000
2023 LTK Electric Share Award under restriction at 1 January and 30 June	**781**	781

The share award outstanding at 30 June 2026 had a weighted average remaining contractual life of 2 years.

LTK Electric recognised share award expenses of RMB63,000 during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB63,000), in respect of the 2023 LTK Electric Share Award granted.

19. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

Share award scheme (continued)

2025 Share Award Scheme

The Company's share award scheme (the "**2025 Share Award Scheme**") was adopted pursuant to a resolution passed by all shareholders of the Company on 9 April 2025 for the primary purpose of providing incentives to eligible directors and employees of the Company (the "**Company's Awardees**"). Under the 2025 Share Award Scheme, 3,281,400 shares of the Company were granted to the Company's Awardees (collectively referred to as the "**Awarded Shares**"). The Company's Awardees are required to pay RMB10.87 per Awarded Share at the date of grant. Subject to the acceptance of the Company's Awardees, that the Company's Awardees remain as employees of the Company on the vesting date of the Awarded Shares and fulfill certain conditions under the Share Award Scheme, the Awarded Shares shall be vested as below:

Date of grant	Vesting period
9 April 2025	9 April 2025 to 8 April 2027

During the year ended 31 December 2025, certain Company's awardees forfeited their Awarded Shares and the Company regranted 9,600 shares and 1,500 shares of the Company to certain eligible employees of the Company on 15 October 2025 and 16 October 2025, respectively (collectively referred to as the "**New Awarded Shares**"). All the terms and conditions remain the same as the 2025 Share Award Schemes, the New Awarded Shares shall be vested as below:

Date of grant	Vesting period
15 October 2025	15 October 2025 to 8 April 2027
16 October 2025	16 October 2025 to 8 April 2027

During the period ended 30 June 2026, certain Company' s awardees forfeited their Awarded Shares and the Company regranted 4,800 shares of the Company to certain eligible employees of the Company on 26 January 2026 (collectively referred to as the "**2026 New Awarded Shares**"). All the terms and conditions remain the same as the 2025 Share Award Schemes, the 2026 New Awarded Shares shall be vested as below:

Date of grant	Vesting period
26 January 2026	26 January 2026 to 8 April 2027

19. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

Share award scheme (continued)

2025 Share Award Scheme (continued)

The following table discloses movements of the Awarded Shares and New Awarded Shares (collectively referred as to the "**2025 Awarded Shares**") under the 2025 Share Award Scheme during the period ended 30 June 2026 and 30 June 2025:

Six months ended 30 June 2026 (Unaudited)

	Directors	Employees	Total
	'000	'000	'000
Awarded Shares under restriction at 1 January 2026	**240**	**3,036**	**3,276**
Vested during the period	**(120)**	**(1,517)**	**(1,637)**
Forfeited during the period	**—**	**(7)**	**(7)**
Regranted during the period	**—**	**5**	**5**
Awarded Shares under restriction at 30 June 2026	**120**	**1,517**	**1,637**

Six months ended 30 June 2025 (Unaudited)

	Directors	Employees	Total
	'000	'000	'000
Awarded Shares under restriction at 1 January 2025	—	—	—
Issue of Awarded Shares	240	3,041	3,281
Awarded Shares under restriction at 30 June 2025	240	3,041	3,281

The share award outstanding at 30 June 2026 had a weight average remaining contractual life of 0.79 year.

19. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

Share award scheme (continued)

2025 Share Award Scheme (continued)

The fair value of the 2025 Awarded Shares was based on the closing price per share of the Company immediately before date of grant. No other feature of the 2025 Awarded Shares was incorporated into the measurement of fair values. The fair value of share award granted on the grant date are summarised as follows,

	9 April 2025 RMB'000	15 October 2025 RMB'000	16 October 2025 RMB'000	26 January 2026 RMB'000
Fair value of share award granted	16,816	170	27	108

The Company recognised share award expenses of RMB5,301,000 during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB2,761,000), in respect of the 2025 Awarded Shares.

Share option scheme

2025 Share Option Scheme

The Company's share option scheme (the "**2025 Share Option Scheme**") was adopted pursuant to a resolution in writing passed by all the shareholders of the Company on 9 April 2025 for the primary purpose of recognising and acknowledging the contribution of the eligible participants had or may have made to the Group. Under the 2025 Share Option Scheme, the board of directors of the Company may grant options to eligible participants, to subscribe for shares of the Company.

On 24 April 2025, the Company granted 8,137,400 share options to the employees, to subscribe for the ordinary shares of the Company at RMB21.73 per share. The closing price of the shares immediately before the date of grant was at RMB18.38 per share.

Vesting of the shares options is conditional upon the fulfilment of certain performance targets as set out in the respective offer letters to the grantees including financial targets of the Group and individuals performance targets for certain periods.

19. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

Share option scheme (continued)

2025 Share Option Scheme (continued)

As at 30 June 2026, the number of shares in respect of which options had been granted and remained outstanding under the 2025 Share Option Scheme was 8,068,700 (31 December 2025: 8,090,600), representing approximately 0.58% (31 December 2025: 0.65%) of the shares of the Company in issue (excluding the treasury shares) at that date.

Details of the share options are as follows:

Date of grant	Number of share options granted (note) '000	Exercisable period	Vesting period	Exercise price
24 April 2025	4,069	24 April 2026 to 23 April 2027	24 April 2025 to 23 April 2026	RMB21.59 per share
	4,069	26 April 2027 to 21 April 2028	24 April 2025 to 23 April 2027	
	8,138			

Note: The options are vested upon the fulfillment of certain performance targets to the grantees including financial targets of the Group and individual performance targets for certain periods.

As at 30 June 2026, the weighted average exercise price is RMB21.59 (31 December 2025: RMB21.59) and had a weight average remaining contractual life of 0.83 years (31 December 2025: 1.3 years).

19. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

Share option scheme (continued)

2025 Share Option Scheme (continued)

The fair value of the share options in 2025 was calculated using the Black-Scholes Model and the inputs into the model were as follows:

Grant date	**24 April 2025**
Share price on the date of grant	RMB17.98
Exercise price	RMB21.73
Expected volatility	25.49%–29.92%
Contractual life	2–3 years
Risk-free rate	1.45%–1.48%
Expected dividend yield	0.94%

The following table discloses movement of the Company's share options held by eligible directors and employees for the six months ended 30 June 2026 and 2025:

	2026	2025
	'000	'000
At 1 January	**8,091**	—
Granted during the period	**—**	8,138
Forfeited during the period	**(22)**	—
At 30 June	**8,069**	8,138
Exercisable at the end of the period	**4,034**	—

The Group recognised share option expenses of RMB2,325,000 during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB1,187,000), in respect of the 2025 Share Option Scheme.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the interim financial information approximate their fair values at the end of each reporting period based on discounted cash flow analysis.

Some of the Group's financial assets are measured at fair value on a recurring basis at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2026:

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Equity instruments at FVTOCI	10,149	—	12,235	22,384
Financial assets at FVTPL	—	—	180,000	180,000
Total assets (Unaudited)	10,149	—	192,235	202,384
Liabilities				
Derivative financial instruments	87,842	—	—	87,842
Total liabilities (Unaudited)	87,842	—	—	87,842

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2025:

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Equity instruments at FVTOCI	27,873	—	16,895	44,768
Financial assets at FVTPL	—	—	53,787	53,787
Total assets (Audited)	27,873	—	70,682	98,555

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the changes in level 3 instruments of financial assets at FVTOCI and FVTPL as at 30 June 2026 and 2025.

	FVTOCI (Note (i)) RMB'000	FVTPL (Note (ii)) RMB'000
At 1 January 2025 (audited)	29,879	145,169
Additions	—	995,000
Disposals	—	(1,002,149)
Changes in fair value	7,228	1,980
At 30 June 2025 (unaudited)	37,107	140,000
At 1 January 2026 (audited)	**16,895**	**53,787**
Additions	**—**	**1,196,000**
Disposals	**—**	**(1,071,483)**
Changes in fair value	**(4,660)**	**1,696**
At 30 June 2026 (unaudited)	**12,235**	**180,000**

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Notes:

(i) Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)	Valuation Techniques	Key unobservable input(s)		Relationship of unobservable inputs to fair values
				Discount for lack of marketability ("DLOM")	Price-to-book value ("P/B")	
Financial assets						
Unlisted equity instruments at FVOCI	12,235	16,895	Market approach	15.60% (31 December 2025: 15.60%)	0.36 (31 December 2025: 0.50)	An increase in DLOM used would result in a decrease in the fair value measurement of the unlisted equity instruments, and vice versa. An increase in P/B used would result in an increase in the fair value measurement of the unlisted equity instruments, and vice versa.

(ii) As at 30 June 2026, the fair value of financial assets at FVTPL amounting to RMB180,000,000 (31 December 2025: RMB53,787,000), is determined by the spot rate quoted by the issuer of the financial products. These wealth management products are structured fixed deposits with financial institutions with maturities within one year.

If the fair values of the financial assets at FVTPL held by the Group had been 5% higher/lower, the profit before taxation for the six months ended 30 June 2026 would have been approximately RMB9,000,000 (year ended 31 December 2025: RMB2,689,000), higher/lower.

As at 30 June 2026, the fair value of derivative financial instruments amounting to RMB87,842,000 (31 December 2025: RMB nil), is determined by the quoted prices in an active market. These derivative financial instruments are commodity futures contracts with maturities within one year.

If the fair values of the derivative financial instruments held by the Group had been 5% higher/lower, the total comprehensive income for the six months ended 30 June 2026 and would have been approximately RMB19,447,000 (year ended 31 December 2025: RMB nil), higher/lower.

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the six months ended 30 June 2026 and the year ended 31 December 2025.

21. RELATED PARTY TRANSACTIONS

The following significant transactions were carried out between the Group and its related parties during the six months ended 30 June 2026 and 2025. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Name and relationship with related parties

The following companies are related parties of the Group that had balances and/or transactions with the Group during the six months ended 30 June 2026 and 2025 and the year ended 31 December 2025.

Name of related parties	Relationship with the Group
Shenzhen Heqiwor Investment Enterprise (Limited Partnership) ("**Heqiwor**")	Associate of the Company
Shenzhen Fujiawor Technology Enterprise (Limited Partnership) ("**Fujiawor**")	Associate of the Company

(b) Significant related party transactions

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rental income from:		
Heqiwor	**12**	12
Fujiawor	**12**	12
	24	24

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Significant balances with related parties

As disclosed in the interim condensed consolidated statement of financial position, the Group had outstanding balances with related parties at 30 June 2026 and 31 December 2025 as follows:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade and other receivables from (Note (i))		
Heqiwor	—	6
Fujiawor	—	6
	—	12

Note:

(i) The balances with related parties are trade in nature, unsecured, interest-free and repayable on demand.

(d) Key management personnel compensations

The remuneration of directors and other members of key management during the six months ended 30 June 2026 and 2025 was as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	6,485	7,259
Retirement benefit expense	194	242
Equity-settled share-based payments	903	490
	7,582	7,991

22. ACQUISITION OF SUBSIDIARIES

Acquisition of Guizhou Huier

On 16 May 2025, a wholly owned subsidiary, WOER HEAT-SHRINKABLE. entered into an agreement with an independent third party to acquire 21.51% equity interest of Guizhou Huier at a consideration of RMB3,000,000, resulting in an increase in shareholding from 49.10% to 70.61%. The fair value of the consideration was amounted to RMB3,000,000 as at the date of acquisition.

Guizhou Huier is principally engaged in research and development, production and sales of flame retardants incorporated in the PRC of which the land use rights will legally expire in 2069. The acquisition was determined by the Directors to be the acquisition of assets and liabilities through acquisition of a subsidiary rather than a business combination as the assets acquired and liabilities assumed did not constitute a business as defined under IFRS 3 "Business Combinations".

Assets recognised at the date of acquisitions

	RMB'000
Property, plant and equipment	8,078
Right-of-use asset	4,291
Cash and cash equivalents	875
Prepayment and other receivables	2,767
Trade and other payables	(2,061)
Net assets	13,950
Non-controlling interest	(4,100)
Fair value of interests transferred from interests in associates	(6,850)
	3,000

Assets recognised at the date of acquisitions

	RMB'000
Consideration paid in cash	3,000
Less: cash and cash equivalents acquired	(875)
	2,125

Notes to the Condensed Consolidated Financial Statements

23. TRANSACTION WITH NON-CONTROLLING INTERESTS

Acquisition of additional interests in subsidiaries without change in control

CYG Electronics (Group) Co., Ltd. ("CYG Electronics (Group)")

During the six months ended 30 June 2025, the Group acquired additional equity interest of 25% CYG Electronics (Group) at a consideration of approximately RMB340,000,000 from an non-controlling shareholder of CYG Electronics (Group). After that, the Group's effective equity interests in CYG Electronics (Group) increased from 75% to 100%. The carrying amount of the non-controlling interests in this subsidiary on the date of acquisition was approximately RMB348,970,000. The Group recognised a decrease in non-controlling interests of approximately RMB348,970,000 and an increase in equity attributable to owners of the Company of approximately RMB8,970,000.

	RMB'000
Carrying amount of non-controlling interests acquired	348,970
Consideration paid to non-controlling interests	(340,000)
Deficit of consideration paid recognised within equity	8,970

Huizhou Dingding Special Cable Co., Ltd.

During the six months ended June 30, 2025, the Company entered into capital injection agreement with Huizhou Dingding Special Cable Co., Ltd., a wholly owned subsidiary of LTK Electric, pursuant to which the Company, agreed to contribute approximately RMB34,000,000 to Huizhou Dingding Special Cable Co., Ltd., for the equity interests of 97.14% of Huizhou Dingding Special Cable Co., Ltd.. After that, the Group's effective equity interests in Huizhou Dingding Special Cable Co., Ltd. increased from 94.32% to 99.84%. The Group recognised increase in non-controlling interest of approximately RMB49,000 and decrease in equity attributable to owners of the Company of approximately RMB49,000.

23. TRANSACTION WITH NON-CONTROLLING INTERESTS (CONTINUED)

Acquisition of additional interests in subsidiaries without change in control (continued)

Huizhou Dingding Technology Co., Ltd.

During the six months ended June 30, 2025, the Company entered into capital injection agreement with Huizhou Dingding Technology Co., Ltd., a wholly owned subsidiary of LTK Electric, pursuant to which the Company, agreed to contribute approximately RMB34,000,000 to Huizhou Dingding Technology Co., Ltd., for the equity interests of 97.14% of Huizhou Dingding Technology Co., Ltd.. After that, the Group's effective equity interests in Huizhou Dingding Technology Co., Ltd. increased from 94.32% to 99.84%. The Group recognised increase in non-controlling interest of approximately RMB48,000 and decrease in equity attributable to owners of the Company of approximately RMB48,000.

24. SUBSEQUENT EVENT

There were no significant events after 30 June 2026 and up to the date of this report.

Definitions

In this interim report, the following expressions have the meanings set out below unless the context otherwise requires.

"A Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SZSE and traded in RMB
"Auditor"	Moore CPA Limited, the external auditor of the Company
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of directors of the Company
"China" or "PRC"	the People's Republic of China, but for the purpose of the announcement and for geographical reference only, references in the announcement to "China" and the "PRC" do not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"CG Code"	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
"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 with limited liability, the A Shares and H Shares of which are listed on the SZSE (Stock Code: 002130) and the Stock Exchange (Stock Code: 9981), respectively
"Director(s)"	the director(s) of the Company
"Employee Incentive Schemes"	the 2025 Share Option Scheme and the 2025 Restricted Share Scheme
"Group", "our Group" or "we" or "us"	the Company and its subsidiaries
"HK$"	Hong Kong Dollars, the lawful currency of the HKSAR
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

Definitions

"H Share(s)"	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars
"Latest Practicable Date"	August 28, 2026, being the latest practicable date prior to the publication of this report for ascertaining certain information referred to therein
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on February 13, 2026
"Listing Date"	the date on which the Shares are listed on the Stock Exchange and dealings in the Shares are permitted to commence on the Stock Exchange, being February 13, 2026
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Mr. Zhou"	Mr. Zhou Heping (周和平), executive Director and chairman of the Board of the Company
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus published by the Company on February 5, 2026
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reporting Period"	from January 1, 2026 to June 30, 2026
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time

Definitions

"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy and ESG Committee"	strategy and ESG committee of the Board (formerly known as the "Strategy and Investment Decision Committee of the Board", renamed as the "**Strategy and ESG Committee of the Board**" on July 10, 2026)
"Tongyi Funds"	Shanghai Tongyi Investment Management Co., Ltd. — Tongyi Qingtong No. 1 Private Securities Investment Fund (上海通怡投資管理有限公司 — 通怡青桐1號私募證券投資基金), Shanghai Tongyi Investment Management Co., Ltd. — Tongyi Qingtong No. 3 Private Securities Investment Fund (上海通怡投資管理有限公司 - 通怡青桐3號私募證券投資基金), Shanghai Tongyi Investment Management Co., Ltd. — Tongyi Qingtong No. 6 PrivateSecurities Investment Fund (上海通怡投資管理有限公司 - 通怡青桐6號私募證券投資基金), and Shanghai Tongyi Investment Management Co., Ltd. — Tongyi Furong No. 17 Private Securities Investment Fund (上海通怡投資管理有限公司 - 通怡芙蓉17號私募證券投資基金)
"treasury share(s)"	has the meaning ascribed to it under the Listing Rules
"2025 Share Option Scheme"	the A Share option scheme adopted by the Company pursuant to resolutions passed by our Shareholders on April 9, 2025, the principal terms of which are set out in "Statutory and General Information — Further Information on Directors and Major Shareholders — 5. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix IV to the Prospectus
"2025 Restricted Share Scheme"	the restricted A Share option scheme adopted by the Company pursuant to resolutions passed by our Shareholders on April 9, 2025, the principal terms of which are set out in "Statutory and General Information — Further Information on Directors and Major Shareholders — 5. Employee Incentive Schemes — (b) 2025 Restricted Share Scheme" in Appendix IV to the Prospectus
"%"	per cent