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Hebei Haiwei Electronic New Material Technology Co., Ltd.

河北海偉電子新材料科技股份有限公司

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

(Stock Code: 9609)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL SUMMARY OF THE GROUP

- During the Reporting Period, the total revenue of the Group was approximately RMB334,030 thousand, representing a decrease of approximately RMB87,665 thousand from the year 2024, with a decrease rate of 20.79%;
- During the Reporting Period, the gross profit was approximately RMB103,972 thousand, representing a decrease of approximately RMB21,100 thousand compared to the year 2024, or a decrease rate of 16.87%;
- During the Reporting Period, the profit attributable to owners of the Company was approximately RMB48,008 thousand, representing a decrease of approximately RMB41,876 thousand compared to the year 2024, with a decrease rate of 46.59%;
- The basic and diluted earnings per share for the year ended 31 December 2025 amounted to RMB0.38 and RMB0.38 respectively;
- No dividends were declared for the year ended 31 December 2025.

The Board of Directors of the Company hereby announces the consolidated results of the Company and its subsidiaries for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024. These consolidated annual results have been reviewed by our Board's audit committee together with our management.

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>NOTES</i>	Year ended 31 December	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	334,030	421,695
Cost of sales		(230,058)	(296,623)
Gross profit		103,972	125,072
Other income		11,047	8,625
Impairment losses reversed (recognised) under expected credit loss (“ECL”) model, net		(3,224)	116
Other gains and losses		(4,556)	1,472
Distribution and selling expenses		(3,237)	(3,299)
Administrative expenses		(24,242)	(13,420)
Research and development expenses		(15,457)	(16,800)
Listing expenses		(10,819)	(6,133)
Finance costs	5	(1,998)	(2,405)
Profit before tax		51,486	93,228
Income tax expense	6	(6,751)	(6,810)
Profit and total comprehensive income for the year	7	<u>44,735</u>	<u>86,418</u>
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		48,008	89,884
Non-controlling interests		(3,273)	(3,466)
		<u>44,735</u>	<u>86,418</u>
Earnings per share			
– Basic (<i>RMB</i>)		<u>0.38</u>	<u>0.73</u>
– Diluted (<i>RMB</i>)		<u>0.38</u>	<u>N/A</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		At 31 December	
	<i>NOTES</i>	2025	2024
		RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		127,048	144,529
Right-of-use assets		5,216	5,992
Deposits paid for acquisition of plant and equipment		260,915	56,560
Deferred tax assets		5,204	3,644
		<u>398,383</u>	<u>210,725</u>
Current assets			
Inventories	<i>9</i>	134,772	69,292
Trade, bills and other receivables	<i>10</i>	220,863	337,035
Amounts due from related parties		–	8,238
Cash and cash equivalents		442,441	137,288
		<u>798,076</u>	<u>551,853</u>
Current liabilities			
Trade, bills and other payables	<i>12</i>	28,294	52,415
Amounts due to related parties		3,211	3,218
Financial guarantee liabilities		–	655
Lease liabilities		715	534
Bank borrowings	<i>11</i>	3,872	15,000
Tax liabilities		616	3,555
		<u>36,708</u>	<u>75,377</u>
Net current assets		<u>761,368</u>	<u>476,476</u>
Total assets less current liabilities		<u>1,159,751</u>	<u>687,201</u>

		At 31 December	
	<i>NOTES</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Non-current liability			
Lease liabilities		<u>628</u>	<u>1,182</u>
Net assets		<u>1,159,123</u>	<u>686,019</u>
Capital and reserves			
Share capital	<i>13</i>	159,168	123,712
Reserves		<u>996,500</u>	<u>557,049</u>
Equity attributable to owners of the Company		1,155,668	680,761
Non-controlling interests		<u>3,455</u>	<u>5,258</u>
Total equity		<u>1,159,123</u>	<u>686,019</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Hebei Haiwei Electronic New Material Technology Co., Ltd. (河北海偉電子新材料科技股份有限公司) (the “**Company**”) was incorporated and registered in the PRC on 6 September 2006 as a limited liability company. In December 2022, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. The address of the registered office and principal place of business of the Company is Jing County Economic and Technological Development Zone, Hengshui, Hebei Province, the PRC. Its ultimate controlling shareholder is Mr. Song Wenlan (宋文蘭) (“**Mr. Song**”), who is the chairman of the Board of Directors and an executive director of the Company.

The Group is principally engaged in the research and development, manufacturing and sales of capacitor films products.

The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong limited on 28 November 2025.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company, rounded to the nearest thousands, except for what otherwise stated.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the consolidated financial statements for the year ended 31 December 2025, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, International Accounting Standards (“**IASs**”), amendments to IFRS Accounting Standards and the related interpretations issued by the International Accounting Standards Board (the “**IASB**”), which are effective for the accounting period beginning on 1 January 2025 throughout the year ended 31 December 2025.

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

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

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

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

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

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

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 Presentation of Financial Statements. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements (including aggregation and disaggregation of items within statement of financial position and statement of comprehensive income) of the Group, but in terms of recognition and measurement, IFRS 18 is not expected to have significant impact on the financial performance and positions of the Group.

Except as described above, the directors of the Company (the “**Directors**”) anticipate that the application of the other amendments to IFRS Accounting Standards will have no material impact on the financial position and performance of the Group in the foreseeable future.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The Directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Sales of capacitor films products		
Capacitor base films	263,148	307,194
Metallized films	45,135	85,218
Others	25,747	29,283
	<u>334,030</u>	<u>421,695</u>

All of the Group’s revenue are recognised at a point in time.

Performance obligations for contracts with customers

Revenue arising from sales of capacitor films products is recognised at a point in time when the goods are accepted by the customers after delivery to the customers' premises. The Group generally grants credit period from 30 to 180 days to its customers and the Group accepts trade receivables settled by bills.

Segment Information

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

Geographical information

The geographical location of customers is based on the location at which the goods are delivered. The revenue of the Group is all derived from customers in the PRC during the year ended 31 December 2025.

The Group's non-current assets are located within the PRC. The geographical location of the non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and right-of-use assets, and the location of the operation to which they are allocated, in case of other non-current assets.

Information about major customers

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

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A	42,096	N/A*
Customer B	37,975	N/A*

* The corresponding revenue contributed to the total revenue of the Group is less than 10%.

5. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses on bank borrowings	1,904	2,354
Discounting charges on bills receivables	38	1
Interest expenses on lease liabilities	56	50
	<u>1,998</u>	<u>2,405</u>

6. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	8,311	3,588
Deferred tax	(1,560)	3,222
	<u>6,751</u>	<u>6,810</u>

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the year ended 31 December 2025, except for disclosed below.

The Company has been recognised as the High New Technology Enterprise from December 2024 to December 2027. Its subsidiary, Anhui Ningguo Haiwei Electronics Co., Ltd (安徽省寧國市海偉電子有限公司) (“Ningguo Haiwei”) has been recognised as the High New Technology Enterprise from October 2024 to October 2027. According to the EIT Law for High New Technology Enterprises, these companies are subject to a reduced EIT rate of 25% during the year ended 31 December 2025.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engage in research and development activities are entitled to claim 200% of the research and development expenses incurred in a year as tax deductible expenses in determining the taxable income for that year (“Super Deduction”).

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Auditor's remuneration	58	449
Depreciation of property, plant and equipment	21,842	24,803
Depreciation of right-of-use assets	776	946
Cost of inventories recognised as an expense	228,593	296,202
Write-down of inventories (included in cost of sales)	1,465	421
Directors' and supervisors' emoluments	1,011	1,392
Other staff costs:		
Salaries, allowances and other benefits in kind	16,742	17,143
Retirement benefit scheme contributions	1,515	1,848
	<u>19,268</u>	<u>20,383</u>

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2025 is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended 31 December 2025, the exercise of the Company's over-allotment options granted pursuant to the listing of the Company's shares on the Hong Kong Stock Exchange was not included in the calculation of diluted earnings per share, as the exercise price of those over-allotment options was higher than the average market price for shares during the relevant period. Accordingly, diluted earnings per share for the year ended 31 December 2025 is the same as the basic 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings for the purpose of calculating basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	48,008	89,884
	<i>'000</i>	<i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	127,015	123,712
Weighted average number of ordinary shares for the purpose of diluted earnings per share	127,015	N/A

9. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials and consumables	74,166	36,569
Work in progress	1,017	1,917
Finished goods	62,806	32,558
	137,989	71,044
Less: write-down of inventories	(3,217)	(1,752)
	134,772	69,292

10. TRADE, BILLS AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	147,081	168,751
Bills receivables	86,929	166,137
Less: allowance for credit losses	<u>(16,367)</u>	<u>(15,230)</u>
	217,643	319,658
Other receivables, prepayments and deposits	1,887	1,969
Advance payment to suppliers	889	14,320
Value-added taxes recoverable	444	–
Deferred share issued costs	<u>–</u>	<u>1,088</u>
Total	<u><u>220,863</u></u>	<u><u>337,035</u></u>

In relation to the sales of capacitor films products, the Group generally allows a credit period from 60 to 90 days (2024: 60 to 90 days) to its trade customers and the Group accepts trade receivables settled by bills. No credit period was granted to the trade receivables with related parties.

Aging analysis

The following is an aged analysis of trade receivables presented based on the invoice dates at the end of each reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0–90 days	63,823	91,486
91–180 days	37,084	31,526
181–365 days	27,451	31,596
1–2 years	8,868	5,464
Over 2 years	<u>9,855</u>	<u>8,679</u>
	<u><u>147,081</u></u>	<u><u>168,751</u></u>

The following is an aged analysis of bill receivables presented based on the issue dates at the end of each reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0–90 days	47,417	80,583
91–180 days	38,963	85,554
181–365 days	549	–
	<u>86,929</u>	<u>166,137</u>

11. BANK BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount of bank borrowings repayable within one year and shown under current portion	<u>3,872</u>	<u>15,000</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Fixed rate bank borrowings	<u>3,872</u>	<u>15,000</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Represented by:		
– secured and unguaranteed	3,872	–
– unsecured and guaranteed	–	15,000
	<u>3,872</u>	<u>15,000</u>

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

	At 31 December	
	2025	2024
Effective interest rate	<u>0.9%</u>	<u>4.0%</u>

12. TRADE, BILLS AND OTHER PAYABLES

The Group

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	17,379	40,235
Accrued staff costs and retirement benefit scheme contributions	3,170	3,778
Value added tax payables	2,055	1,868
Other tax payables	210	124
Accrued operating expenses	192	293
Accrued listing expenses	888	1,713
Accrued share issue costs	606	313
Other payables	3,794	4,091
	<u>28,294</u>	<u>52,415</u>

The credit period on trade payables ranges from 0 to 90 days (2024: 0 to 90 days). The aging analysis of the Group's trade payables based on the invoice dates at the end of each reporting period are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	15,387	39,255
Over 1 year	1,992	980
	<u>17,379</u>	<u>40,235</u>

13. SHARE CAPITAL

	Number of shares '000	Share capital <i>RMB'000</i>
Ordinary shares of RMB1 each registered, issued and fully paid:		
At 1 January 2024 and 31 December 2024	123,712	123,712
Shares issue upon Global Offering (<i>note</i>)	35,456	35,456
	<u>159,168</u>	<u>159,168</u>
At 31 December 2025	<u>159,168</u>	<u>159,168</u>

Note:

On 28 November 2025, 35,456,000 ordinary shares were issued at an offer price of Hong Kong Dollar (“**HK\$**”) 14.28 per share upon Global Offering. Gross proceeds from the issuance of these shares amounted to approximately HK\$506,310,000 (equivalent to approximately RMB461,550,000).

14. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the reporting period.

15. EVENTS AFTER THE REPORTING PERIOD

The Company issued 1,758,600 H Shares on 25 December 2025 pursuant to the partial exercise of the over-allotment option. The shares were listed on 2 January 2026, at the price of HKD14.28 per share, leading the Company received additional gross proceeds of approximately HK\$25.1 million (equivalent to approximately RMB22.7 million), by the Company in connection with the partial exercise of the over-allotment option.

On 4 February 2026, the Group entered into a state-owned construction land use rights grant contract with the Natural Resources and Planning Bureau of Changxing County, Zhejiang Province, the PRC (中國浙江省長興縣自然資源和規劃局), to acquire a land parcel with a total area of 79,137 square meters in Changxing County, Zhejiang Province, for the construction of its Southern China Facility, at a total consideration of RMB47.96 million. The consideration has been fully settled and the Group obtained the relevant valid real estate ownership certificate on 11 March 2026.

In March 2026, the Procurement Agreement with Kunda Machinery was terminated by mutual agreement with no dispute, controversy, or outstanding liabilities between the parties in connection with the termination. As of the date of this announcement, Zhejiang Haiwei has received a refund of RMB176 million on March 27, 2026 as part of the prepayment made under the Procurement Agreement previously. See the Major Transaction Announcement for more details.

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily derived from sales of capacitor films, including capacitor base films and metallized films.

The following table sets forth a breakdown of our revenue by product type, in absolute amounts and as percentage of our total revenue, for the periods indicated:

	For the year ended 31 December 2025		For the year ended 31 December 2024		
	<i>As a Percentage of Total Revenue</i>		<i>As a Percentage of Total Revenue</i>		
	<i>RMB'000</i>		<i>RMB'000</i>		<i>Change</i>
Capacitor films					
Capacitor base films					
Ultra-thin base films ⁽¹⁾	25,189	7.5%	26,930	6.4%	-6.5%
Thin base films ⁽²⁾	201,969	60.5%	240,152	56.9%	-15.9%
Medium-thick base films ⁽³⁾	35,990	10.8%	40,112	9.5%	-10.3%
Subtotal	263,148	78.8%	307,194	72.8%	-14.3%
Metallized films	45,135	13.5%	85,218	20.2%	-47.0%
Other Products⁽⁴⁾	25,747	7.7%	29,283	6.9%	-12.1%
Including: Recycled granules	25,297	7.6%	28,228	6.8%	-10.4%
Total	334,030	100.0%	421,695	100.0%	-20.8%

Notes:

- (1) Referring to capacitor base films with a thickness ranging from 2.0 μm to 3.9 μm .
- (2) Referring to capacitor base films with a thickness ranging from 4.0 μm to 6.9 μm .
- (3) Referring to capacitor base films with a thickness ranging from 7.0 μm to 14.9 μm .
- (4) In addition to recycled granules, other products primarily include electronic anti-theft tag films and composite copper foil base films.

During the Reporting Period, the Group achieved a revenue of approximately RMB334,030 thousand, representing a year-over-year decrease of 20.79%, primarily due to the supply-demand imbalance in the thin base films, medium-thick base films and metallized films market, particularly in the second half of 2025, which led to declines in both sales volume and selling price of certain products.

Cost of Sales

The Group's cost of sales includes (i) raw material costs, which primarily include (a) electrical-grade polypropylene for the manufacturing of capacitor base films, (b) capacitor base films the Group procured from third parties for the metallized films we sold, (c) metallized films the Group purchased from Haowei Electronic and (d) other materials for the manufacturing of metallized films, such as aluminum and zinc; (ii) manufacturing costs, which include depreciation and amortization of the Group's manufacturing facilities, utility fees and other manufacturing costs; and (iii) direct labor costs, which primarily include the staff-related costs of the Group's manufacturing operations.

The table below sets forth the Group's cost of sales and percentages of revenue for the years ended 31 December 2025 and 2024:

	For the year ended 31 December 2025		For the year ended 31 December 2024		
	<i>RMB'000</i>	<i>As a Percentage of Total Revenue</i>	<i>RMB'000</i>	<i>As a Percentage of Total Revenue</i>	Change
Cost of sales	230,058	68.9%	296,623	70.3%	-22.4%
Raw material costs	185,381	55.5%	247,295	58.6%	-25.0%
– Capacitor base films	142,820	42.8%	156,892	37.2%	-9.0%
– Metallized films	23,650	7.0%	61,881	14.7%	-61.8%
– Other products	18,911	5.7%	28,522	6.8%	-33.7%
Manufacturing costs	38,328	11.5%	42,002	10.0%	-8.8%
Direct labor costs	6,350	1.9%	7,326	1.7%	-13.3%
Total	230,058	68.9%	296,623	70.3%	-22.4%

During the Reporting Period, our Group's cost of sales was approximately RMB230,058 thousand, representing a year-over-year decrease of 22.44%. Such decrease was in line with changes in our revenue during the Reporting Period.

Gross Profit and Gross Profit Margin

The table below sets forth the absolute gross profit amounts and gross profit margins of the Group for the years ended 31 December 2025 and 2024 by product:

	For the year ended 31 December 2025		For the year ended 31 December 2024		Change
	<i>Gross Profit</i> <i>RMB'000</i>	<i>Gross Profit</i> <i>Margin</i>	<i>Gross Profit</i> <i>RMB'000</i>	<i>Gross Profit</i> <i>Margin</i>	
Capacitor films					
Capacitor base films					
Ultra-thin base films ⁽¹⁾	10,165	40.4%	10,240	38.0%	2.4%
Thin base films ⁽²⁾	79,026	39.1%	88,073	36.7%	2.4%
Medium-thick base films ⁽³⁾	13,126	36.5%	14,972	37.3%	-0.8%
Subtotal	102,317	38.9%	113,285	36.9%	2.0%
Metallized films	1,418	3.1%	11,026	12.9%	-9.8%
Other Products⁽⁴⁾	237	0.9%	761	2.6%	-1.7%
Total	103,972	31.1%	125,072	29.7%	1.4%

Notes:

- (1) Referring to capacitor base films with a thickness ranging from 2.0 μm to 3.9 μm .
- (2) Referring to capacitor base films with a thickness ranging from 4.0 μm to 6.9 μm .
- (3) Referring to capacitor base films with a thickness ranging from 7.0 μm to 14.9 μm .
- (4) In addition to recycled granules, other products primarily include electronic anti-theft tag films and composite copper foil base films.

During the Reporting Period, our Group's gross margin was 31.1%, representing a year-on-year increase of 1.4 percentage points, primarily due to our improvements in cost management and timely adjustments to sales strategies in 2025 which ensured the stability of gross profit margin.

Other Income

Other income of the Group increased from approximately RMB8,625 thousand for the year ended 31 December 2024 to approximately RMB11,047 thousand for the year ended 31 December 2025, primarily attributable to the increase in government subsidies.

Distribution and Selling Expenses

The Group's distribution and selling expenses slightly decreased from approximately RMB3,299 thousand for the year ended 31 December 2024 to approximately RMB3,237 thousand for the year ended 31 December 2025, which is principally comprised of the remuneration of sales personnel, with basic salaries accounting for the predominant portion. In 2025, the basic remuneration level remained stable compared with the prior year. The Group maintained necessary operational expenditure to preserve its distribution channels and customer resources, as a result of which distribution and selling expenses were not adjusted synchronously with the fluctuations in the Group's revenue.

Administrative Expenses

Our administrative expenses increased from approximately RMB13,420 thousand for the year ended 31 December 2024 to approximately RMB24,242 thousand for the year ended 31 December 2025, primarily due to the increase in expenses related to listing and compliance matters.

Research and Development Expenses

The Group's research and development expenses decreased from approximately RMB16,800 thousand for the year ended 31 December 2024 to approximately RMB15,457 thousand for the year ended 31 December 2025, primarily due to normal fluctuation in the research and development project cycle, and the Group's overall research and development investment has remained stable.

Finance Costs

The Group's finance costs decreased from approximately RMB2,405 thousand for the year ended 31 December 2024 to approximately RMB1,998 thousand for the year ended 31 December 2025, mainly due to the decrease in interest expenses on bank borrowings as a result of the decrease in our bank borrowings.

Income Tax Credit

The Group's income tax credit mainly refers to the total current income tax and deferred income tax credit of the Group under the relevant income tax rules and regulations in the jurisdictions where the Group operated in the current year. During the Reporting Period, the Group recorded an income tax credit of nil amount, representing no change compared to 2024.

Impairment Losses under Expected Credit Loss

The Group's impairment loss under expected credit losses increased from a reversal of loss of approximately RMB116 thousand for the year ended 31 December 2024 to a loss of approximately RMB3,224 thousand for the year ended 31 December 2025, mainly due to the increase in expected credit losses on trade, bills and other receivables.

Profit for the Year

As the result of the foregoing, the Group's profit for the year ended 31 December 2025 was approximately RMB44,735 thousand.

Summary of Consolidated Statement of Financial Position

The table below sets out the absolute amounts of the consolidated statement of financial position of the Group as at 31 December 2025 and 31 December 2024:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Total non-current assets	398,383	210,725
Total current assets	798,076	551,853
Total assets	1,196,459	762,578
Total non-current liabilities	628	1,182
Total current liabilities	36,708	75,377
Total liabilities	37,336	76,559
Net current assets	761,368	476,476
Net assets	1,159,123	686,019
Share capital	159,168	123,712
Reserves	996,500	557,049
Total equity attributable to owners of the Company	1,155,668	680,761
Non-controlling interests	3,455	5,258
Total equity	1,159,123	686,019

The Group's total non-current assets increased from approximately RMB210,725 thousand as of 31 December 2024 to approximately RMB398,383 thousand as of 31 December 2025, primarily due to the increase in payments made for the acquisition of plant and equipment to expand the production capacity.

The Group's total current assets increased from approximately RMB551,853 thousand as of 31 December 2024 to approximately RMB798,076 thousand as of 31 December 2025, mainly due to the increase in cash and cash equivalents, benefiting from the proceeds from the listing of H shares on the Stock Exchange and cash generated from operating activities.

The Group's total non-current liabilities decreased from approximately RMB1,182 thousand as of 31 December 2024 to approximately RMB628 thousand as of 31 December 2025, primarily due to the decrease in lease liabilities.

The Group's total current liabilities decreased from approximately RMB75,377 thousand as of 31 December 2024 to approximately RMB36,708 thousand as of 31 December 2025, primarily due to the prepayment of payables and the decrease in bank borrowings.

The Group's net assets increased from approximately RMB686,019 thousand as of 31 December 2024, to approximately RMB1,159,123 thousand as of 31 December 2025, primarily due to the increase in assets resulting from cash generated from operating activities and the proceeds from the listing of H shares on the Stock Exchange coupled with the decrease in liabilities resulting from the payment of payables and the decrease in bank borrowings.

Summary of Consolidated Statement of Cash Flows

The table below sets forth selected information from the Group's consolidated statement of cash flows for the years ended 31 December 2025 and 2024:

	For the year ended 2025 RMB'000	For the year ended 2024 RMB'000
Net cash (used in)/generated from operating activities	85,978	17,225
Net cash (used in)/generated from investing activities	(196,831)	(16,104)
Net cash generated/(used in) from financing activities	420,044	(72,827)
Net increase/(decrease) in cash and cash equivalents	309,191	(71,706)
Cash and cash equivalents at the beginning of the year	137,288	208,994
Cash and cash equivalents at the end of the year	442,441	137,288

During the Reporting Period, the Group's net cash generated from operating activities amounted to approximately RMB85,978 thousand, which was RMB34,492 thousand higher than the profit before taxation of approximately RMB51,486 thousand for the same period. The difference was primarily due to the add-back of non-cash expenses including depreciation of property, plant and equipment, which was partially offset by the increase in trade and bills receivables and other receivables.

During the Reporting Period, the Group's net cash used in investing activities amounted to approximately RMB196,831 thousand, primarily due to the increase in cash expenditures for the continuous investment in fixed assets and construction in progress related to the capacitor film production lines.

During the Reporting Period, the Group's net cash generated from financing activities amounted to approximately RMB420,044 thousand, primarily consisting of the proceeds from the listing of our H shares on the Stock Exchange.

Borrowings and Charges

As of 31 December 2025, the Group's loans were approximately RMB3,872 thousand, all of which were current borrowings, ensuring stable cash flow of the Group in the future. The Directors believed that the Group's leverage level and financial structure had laid a solid foundation for the Group to enhance its financial resilience and mitigate potential financial risks.

	31 December 2025 RMB'000	31 December 2024 RMB'000
Bank loans – secured	–	15,000
Other borrowings	3,872	–
Current subtotal	3,872	15,000
Total	3,872	15,000

Liquidity and Financial Resources

The Group maintains sufficient cash and cash equivalents to maintain financial flexibility. Its primary sources of funds include cash generated from operating activities, bank loans, and proceeds from the listing of its H shares on the Stock Exchange. Our available cash and cash equivalents comprise bank balances and bank deposits. The Group's cash and cash equivalents increased from approximately RMB137,288 thousand as of 31 December 2024 to approximately RMB442,441 thousand as of 31 December 2025, primarily due to the proceeds from the listing of H shares on the Stock Exchange. The Group may require additional cash due to changing business conditions or other future developments. The Group expects that there will be no material changes in the financing available to support its operations in the future.

The Group maintains a robust capital ratio to support its business and manages its asset structure through the gearing ratio. The Group's gearing ratio, calculated based on financial guarantee liabilities, bank borrowings, lease liabilities and amounts due to related parties of non-trade nature divided by the ending balance of total equity and multiplied by 100%. The Group's gearing ratio decreased from 3.5% as of 31 December 2024 to 0.78% as of 31 December 2025, primarily attributable to the equity financing raised from the listing on the Stock Exchange and the operating profit generated during the year, which resulted in ample funds. Consequently, the Group repaid bank borrowings and settled amounts due to suppliers, further optimizing its financial structure.

The current ratio of the Group, which is calculated as current assets divided by current liabilities as at the end of each financial period, increased to approximately 21.74 times as of 31 December 2025 from approximately 7.32 times as of 31 December 2024, primarily due to (i) the increase in current assets resulting from cash generated from operating activities and the proceeds from the listing of H shares on the Stock Exchange; and (ii) the decrease in current liabilities resulting from decreases in payables and interest-bearing bank borrowings.

The Group maintains a sufficient cash flow level. In 2025, the Group's operating cash conversion ratio (defined as net cash generated from operating activities divided by annual profit) was 1.92 times. The cash generated from the Group's operating activities was used for payments to the Group's suppliers for raw material purchase. As of 31 December 2025, monetary assets accounted for more than 55.43% of the Group's total current assets. Considering the financial resources available to the Group, including cash and cash equivalents and cash flows generated from operating activities, the Group has sufficient working capital to operate for the next 12 months from 31 December 2025.

Capital Commitments

The table below sets forth the absolute amounts of the Group's capital commitments as of 31 December 2025 and 31 December 2024:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Capital commitments in respect of the acquisition of plant and equipment contracted for but not provided in the historical financial information	<u>815,840</u>	<u>14,258</u>

The Group's capital commitments were mainly related to the acquisition of property, plant and equipment. The Group's capital commitments increased from approximately RMB14,258 thousand as of 31 December 2024 to approximately RMB815,840 thousand as of 31 December 2025, primarily due to the entering into of Procurement Agreement in December 2025, which has been duly terminated as of the date of this announcement.

Capital Expenditures

The table below sets forth the absolute amounts of the Group's capital expenditures for the years ended 31 December 2025 and 2024:

	For the year ended 31 December 2025 RMB'000	For the year ended 31 December 2024 RMB'000
Payments for the purchase of property, plant and equipment	<u>202,807</u>	<u>18,080</u>

The Group's capital expenditures included payments for the purchase of property, plant and equipment. The Group's capital expenditures increased from approximately RMB18,080 thousand for the year ended 31 December 2024 to approximately RMB202,807 thousand for the year ended 31 December 2025, mainly due to an increase in prepayments for proposed equipment purchase to expand production capacity.

The Group expects to fund its future capital expenditures with its cash flows from operations, the proceeds from the Global Offering, and its own or self-raised funds.

Contingent Liabilities

As of 31 December 2025, the Group has no contingent liabilities.

Foreign Exchange Risk

All of the Group's sales transactions are conducted within the PRC and are denominated in RMB. The Group is involved in procurement of raw materials settled in USD, but it is able to promptly pass on fluctuations in foreign exchange rates to its customers. As of 31 December 2025, the Group has not entered into any hedging arrangements in respect of foreign exchange risks, as such risks did not have a material adverse impact on the Group's operations. The Directors expect that fluctuations in the RMB exchange rate will not have any material adverse effect on the Group's operations.

Restricted Assets

As of 31 December 2025, the Group had no material pledge of assets or contingent liabilities.

Off-Balance-Sheet Arrangements

As of 31 December 2025, the Group has not entered into, nor does it expect to enter into any off-balance-sheet arrangements.

Employees and Remuneration Policies

As of 31 December 2025, the Group had a total of 226 full-time employees. The Group primarily recruit personnel through its online channels by conducting structured recruitment programs in partnership with specialized recruiting firms and other third-party platforms. The Group has also implemented an internal referral policy to draw qualified talent to its team.

The Group provide internal training programs about safety, production and technology to its employees periodically to enhance their safety awareness, strengthen their technical know-how and consolidate their knowledge and expertise for the industry.

Employee benefit expenses include (i) wages and salaries and (ii) pension scheme contributions and social welfare.

Use of Net Proceeds from the Global Offering

The H Shares of the Company were listed on the Main Board of the Stock Exchange on 28 November 2025. Taking into account the partial exercise of the over-allotment option on 25 December 2025, after deducting of the underwriting fees, commissions and other related listing expenses, the total net proceeds of the Group’s listing on the Main Board of the Stock Exchange amounted to approximately HK\$476.16 million (the “**Net Proceeds**”). The Net Proceeds have been and will be allocated and utilized in accordance with the purposes and proportions set out in the Company’s Prospectus, and the intended use of the Net Proceeds disclosed in the Prospectus has not changed.

The following table sets out the intended use of the Net Proceeds and a summary of their utilization as of 31 December 2025:

Intended Use of Net Proceeds	Allocation of Net Proceeds	Percentage to Total Net Proceeds	Net Proceeds Utilised as of 31 December 2025	Balance of Net Proceeds Unutilised as at 31 December 2025	Intended Timetable for Use of the Unutilised Net Proceeds ⁽¹⁾
(i) To fund the production capacity expansion of our capacitor films	390.5	82%	–	390.5	2027
(ii) To enhance our R&D capabilities	23.8	5%	–	23.8	2027
(iii) For sales and marketing activities	14.3	3%	–	14.3	2027
(iv) For working capital and other general corporate purposes	47.6	10%	–	47.6	2027

Note: The intended utilisation timetable for the unutilised Net Proceeds is based on the Group’s current best estimate and may be subject to changes due to future developments and activities beyond the Group’s control.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Situation During the Reporting Period

Major global economies have set clear statutory or policy targets to achieve carbon neutrality or net-zero emissions by around 2050, fundamentally reshaping the global energy landscape and accelerating the transition from fossil fuels to renewable energy. Electricity is playing an increasingly central role in this transition, and the global electrification megatrend will continue to drive robust demand for new energy vehicles (NEVs), new energy power systems, and industrial and household electronic and electrical equipment. Capacitors are indispensable core electronic components for these applications, delivering critical functions including energy storage, voltage stabilization and system performance enhancement. Among the three mainstream capacitor categories (ceramic, aluminium electrolytic and film capacitors), film capacitors stand out for their outstanding voltage resistance, high-frequency stability and long service life, with their market share rising steadily increase, supported by widening adoption in high-growth, high-reliability sectors such as new energy. Driven by booming downstream NEV and renewable energy development, China's capacitor base film market has maintained steady growth with persistent demand outpacing supply, a dynamic that is expected to persist in the foreseeable future, with its size projected to reach RMB7.6 billion in 2029, representing a 15.5% compound annual growth rate from 2025 to 2029.

Our Group is primarily engaged in the R&D, manufacturing, and sales of capacitor base films and metallized films, which are core components of film capacitors. The industrial chain of capacitor films can be divided into three main segments: upstream raw materials, midstream manufacturing, and downstream applications. The upstream segment mainly involves the supply of raw materials, primarily electrical-grade polypropylene. This material features high technical barriers and limited global supply, and is primarily controlled by overseas enterprises. The midstream segment, capacitor film manufacturing, is the core business of our Group, with our main product portfolio including capacitor base films and metallized films. According to data from China Insights Consultancy as of 20 November 2025, our Group is the only enterprise among major domestic peers with the capability to independently design and develop capacitor base film production lines. The downstream segment involves the manufacturing and end-use applications of film capacitors. Our Group's products are widely used in fields such as new energy vehicles, new energy power systems, AI and data centers, industrial equipment, and household appliances.

The rapid development of downstream industries such as new energy vehicles, photovoltaic energy storage, and AI has provided our Group with vast market opportunities. Meanwhile, our Group will continue to advance the R&D of ultra-thin capacitor base films with thicknesses below 2.5 microns and promote the domestic substitution of raw materials, further enhancing technological barriers and supply chain security. With leading technological advantages, high-quality customer resources, a clear capacity expansion plan, and favorable industry development prospects, our Group is well-prepared to seize the historical opportunities presented by the rapid growth of the new energy and AI industries and continue to consolidate and enhance its market leadership position.

II. Principal Business Activities During the Reporting Period

Our Group's capacitor film products mainly include (i) capacitor base films and (ii) metallized films. These products are key components of film capacitors, which are renowned for their excellent voltage resistance, high-frequency stability, and long service life. Film capacitors have a wide range of end-use applications, including (i) new energy vehicles, (ii) new energy power systems, (iii) AI and data centers, (iv) industrial equipment, and (v) household appliances. Our Group operates in the midstream segment of the industrial chain, with customers primarily including film capacitor manufacturers and BYD Company Limited (比亞迪股份有限公司) (“BYD”), a leading Chinese new energy vehicle company. Details of our Group's two main products are provided below:

- I. Capacitor Base Films – Capacitor base films serve as the dielectric in film capacitors, determining their performance. Capacitor base films represent the largest portion of our Group's revenue, accounting for 91.9%, 71.8%, 72.8%, and 78.8% of our Group's total revenue in 2022, 2023, 2024, and 2025, respectively.
- II. Metallized Films – Before capacitor base films are used in film capacitors, one side of the film needs to be coated with a metal layer, transforming it into a metallized film. This metal layer acts as the electrode in film capacitors. Although our Group's customers typically use the capacitor base films provided by us to produce metallized films themselves, they may directly purchase metallized films from our Group due to limited production capacity.

III. Analysis on Core Competitiveness

Our Group possesses significant core competitive advantages in the capacitor film industry and has established multi-dimensional competitive barriers centered on technological R&D, customer resources, and capacity layout.

- I. Technological R&D advantages constitute our Group's most core competitive moat. During the Reporting Period, our Group is the only enterprise among major capacitor film manufacturers in China that boasts the capability to independently design and develop capacitor base film production lines. As of the end of December 31, 2025, all five of our Group's existing capacitor base film production lines have been independently designed, developed, and assembled. The delivery cycle for these production lines is approximately eight months, significantly shorter than the industry average of three to five years. Leveraging this core technological advantage, our Group can flexibly adjust production line parameters according to customer needs, offering multi-specification products with thicknesses ranging from 2.7 microns to 13.8 microns to meet the differentiated demands of various end-use applications such as new energy vehicles, new energy power systems, AI, and data centers.
- II. Deeply bound customer resources are an important guarantee of our Group's market competitiveness. Our Group has formed strategic synergies with leading downstream customers. BYD became a shareholder and the largest customer of our Company in 2023. As of the date of this announcement, BYD holds approximately 3.77% of the Shares of our Company, ranking as our second-largest shareholder. This dual "shareholder + customer" engagement model not only ensures stable sales channels but also helps our Group to gain deep insights into the development trends of the downstream new energy vehicle and new energy power system industries, achieving long-term collaborative growth with its key customers.
- III. Precisely seizing emerging market opportunities is an important driving force for our Group's sustained growth. With the explosive growth of the AI industry, AI server power systems have imposed higher requirements on high-frequency stability, high-voltage endurance, long service life and high reliability of supporting film capacitors, which has created significant new incremental market demand for our core products. Leveraging our deep accumulated technological expertise in the R&D and manufacturing of ultra-thin capacitor base films, we have successfully achieved market entry in this fast-growing emerging sector. According to data from China Insights Consultancy as of 20 November 2026, the market size of capacitor base films in China is expected to grow from 113,400 tons in 2024 to 224,100 tons in 2029, with a compound annual growth rate of 14.1%. The rapid development of downstream sectors such as new energy vehicles, photovoltaic energy storage, and AI, bring broad market opportunities for our Group.

- IV. Capacity layout and supply chain optimization are important supports for our Group's future growth. Our Company was successfully listed on the Main Board of the Hong Kong Stock Exchange on 28 November 2025. The funds raised will be primarily used to expand capacity by constructing Southern China Facility, research and develop cutting-edge technologies such as ultra-thin capacitor base films with thicknesses below 2.5 microns, and promote the domestic substitution of raw materials. It is expected that the annual production capacity of capacitor base films will increase by 16,000 tons by 2027.

IV. Outlook for the Future

(I) The Company's Development Strategy

Our Group is committed to becoming a globally leading supplier of capacitor films, seizing the historical opportunities presented by the rapid development of new energy vehicles, new energy power systems, and the AI industry, and continuously consolidating and enhancing its market leadership position. Our Group's development strategy mainly revolves around the following three aspects:

- I. **Technology Autonomy Deepening Strategy.** According to China Insights Consultancy, as of 20 November 2025, our Group is the only enterprise among major capacitor film manufacturers in China that boasts the capability to independently design and develop capacitor base film production lines. In the future, our Group will continue to bring into play this core advantage to further optimize production line design, shorten delivery cycles, reduce investment costs, and simultaneously make breakthroughs in manufacturing technologies for ultra-thin capacitor base films with thicknesses below 2.5 microns to maintain technological leadership in high-end products.
- II. **Industrial Chain Extension Strategy.** Our Group has completed a full industrial chain layout covering "capacitor base films + metallized films" and will continue to improve industrial chain synergy to enhance product added value. Meanwhile, our Group has extended its business to the field of composite copper foil base films. We are expanding application scenarios for new lithium battery materials and creating new growth curves through joint R&D with an A-share listed company.

- III. Supply Chain Security Strategy. In response to the high dependence on imported electrical-grade polypropylene, a core raw material, our Group will actively promote the domestic substitution of raw materials, collaborate with domestic chemical enterprises to test alternative materials, gradually reduce reliance on imported materials, optimize the supplier structure, and enhance its bargaining power over raw material pricing.

(II) 2026 Business Priorities

Our Group's operational prospects for 2026 include:

- I. Capacity Construction and Optimization. Accelerate the construction planning of Southern China Facility to ensure that the newly added capacitor base film production lines are put into operation as planned. Meanwhile, carry out technological upgrades and renovations on existing production lines to improve production efficiency and product yield, ensuring that capacity utilization remains at a healthy level.
- II. Technological R&D Breakthroughs. Concentrate resources on developing manufacturing technologies for ultra-thin capacitor base films with thicknesses below 2.5 microns to address the demands for product miniaturization and high capacity in high-end applications such as new energy vehicle electronic control systems and AI server power supplies. Simultaneously, continue to advance the R&D and verification of composite copper foil base films, striving for early breakthroughs in industrialization.
- III. Supply Chain Optimization and Upgrading. Initiate the testing and validation work for the domestic substitution of raw materials, establish strategic cooperation with leading domestic chemical enterprises, and strive to complete batch import testing of some substitute materials within 2026. Meanwhile, actively expand new overseas supplier channels to reduce the risk of reliance on a single supplier.
- IV. Market Expansion and Customer Cultivation. We will deepen strategic partnerships with core customers that are also our strategic shareholders, including BYD and Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司). We will closely align with the product iteration requirements of these partners, and develop high-specification base film products tailored to their needs. Meanwhile, we continue to proactively seek opportunities in the power system market of AI data centers to seize incremental opportunities brought by the development of the AI industry.

(III) Risks Faced and Countermeasures

- I. Risk of Raw Material Supply and Price Fluctuations. Our Group’s core raw material, electrical-grade polypropylene, is highly dependent on imports. Raw material costs accounted for over 80% of sales costs from 2022 to 2025, with purchases from the top five suppliers accounting for nearly 90%. Price fluctuations in the international market and geopolitical factors may adversely affect the supply chain stability. In response to these risks, our Group will accelerate the domestic substitution process of raw materials, collaborate with domestic chemical enterprises to test alternative materials, actively expand new overseas supplier channels, optimize the supplier structure, and establish a raw material price monitoring mechanism to smooth out the impact of price fluctuations through forward purchase contracts.

- II. Risks of Intensified Industry Competition and Product Price Declines. The top five manufacturers in China’s capacitor base film market collectively hold a 61.6% market share, with major participants having comparable strengths, leading to fierce industry competition. Due to factors such as the strong bargaining power of downstream customers, the average selling price of our Group’s capacitor base films has decreased, putting pressure on profitability. To address these challenges, our Group will rely on the cost advantage of independently designed production lines, continuously optimize production processes, reduce unit production costs, achieve economies of scale through capacity expansion, increase R&D investment in high-end products, optimize the product mix to increase the proportion of high-added-value products, and deepen synergistic cooperation with strategic customers to enhance customer loyalty.

- III. Risk of Technological Iteration. The capacitor film industry is trending towards “ultra-thinness and high-temperature resistance”. If our Group fails to keep pace with technological iteration, its market competitiveness may be affected. In response, our Group will continue to increase R&D investment, concentrate resources on making breakthroughs in cutting-edge technologies such as ultra-thin capacitor base films, leverage the flexible adjustment advantage of independently designed production lines to quickly respond to market demand changes, and establish joint R&D mechanisms with strategic customers to pre-layout next-generation product technologies.

- IV. Risks of Capacity Expansion Falling Short of Expectations. Considering the long-term demand in the ultra-thin film market and the cost advantages that economies of scale can bring to the Group, the Group plans to add five capacitor base film production lines at Southern China Facility. If the construction progress of the projects falls short of expectations or the downstream demand fails to match the newly added capacity after it is put into operation, there may be a risk of overcapacity. Our Group will strictly control the construction progress of the projects to ensure they are put into operation as planned, arrange the pace of capacity release based on existing order demand and market forecasts, and continuously expand downstream application areas to diversify market risks.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The H Shares of the Company were first listed on the Main Board of the Stock Exchange on 28 November 2025. Neither the Company, nor any of its subsidiaries, repurchased, redeemed or sold any of the Company's listed securities during the period from the Listing Date to 31 December 2025.

ISSUE OF SHARES

Pursuant to the partial exercise of the over-allotment option on 25 December 2025, the Company issued and allotted 1,758,600 H Shares on 2 January 2026. The shares were listed on 2 January 2026, at the price of HKD14.28 per share, leading the Company received additional net proceeds of approximately HK\$24.4 million, after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the partial exercise of the over-allotment option. The Company will utilise the additional net proceeds on a pro-rata basis for the purposes as set out in the Prospectus. Up to the date of this announcement, there has been no change in the intended use of Net Proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. For details of the use of proceeds, please refer to the 2025 Annual Report to be published in due course.

Save as disclosed above, the Company did not issue any other shares during the Reporting Period.

PROPOSED IMPLEMENTATION OF H SHARE FULL CIRCULATION

The Company submitted a filing to the China Securities Regulatory Commission (CSRC) on 31 December 2025 (the “**CSRC Filing**”), regarding the implementation of H Share full circulation. Under the CSRC Filing, the Company has made an application to the CSRC on behalf of five shareholders of the Company for conversion of a total of 92,218,111 unlisted Shares held by such shareholders into H Shares and the listing of such converted H Shares on the Stock Exchange (the “**Conversion and Listing**”). Upon obtaining all the filings and/or approvals from relevant regulatory authorities (including the CSRC and the Stock Exchange) and having complied with all the applicable laws, regulations and rules, such unlisted Shares will be converted into H Shares, and such H Shares will be listed and traded on the Main Board of the Stock Exchange.

The details of the implementation plan of the Conversion and Listing have not been finalized as of the date of this announcement, and the final number of unlisted Shares to be converted as well as the completion of the Conversion and Listing are subject to the completion of relevant procedures as required by the CSRC, the Stock Exchange, and other relevant regulatory authorities. The Company will make further announcement(s) in due course regarding the progress of the Conversion and Listing in accordance with the requirements under the Listing Rules and/or the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Further details are disclosed in the announcement of the Company dated 30 December 2025.

MATERIAL INVESTMENTS, MAJOR ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

Save as disclosed in the Major Transaction Announcement in relation to the Group’s proposed procurement of certain equipment, there were no material investments, or major acquisitions or disposals in respect of subsidiaries, associates and joint ventures during the Reporting Period.

DIVIDENDS

The Board did not recommend the payment of final dividends for the year ended 31 December 2025. There were no arrangements where shareholders waived or agreed to waive any dividends.

ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

The Company will notify its Shareholders of the date of the forthcoming annual general meeting of shareholders and the corresponding arrangements for the suspension of share transfer registration in due course.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there were no other material events subsequent to the Reporting Period and up to the date of this announcement that would likely have a significant impact on the Group.

AUDIT COMMITTEE

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

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU (THE GROUP'S AUDITOR)

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the annual results announcement have been agreed by the Group's auditor, Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Deloitte Touche Tohmatsu on this announcement.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and responsibility. The Board believes that high standards of corporate governance are crucial for providing the Group with a framework to protect shareholder interests, enhance corporate value, formulate business strategies and policies, and improve transparency. The Company has adopted the Corporate Governance Code as its own corporate governance code. From the Listing Date until 31 December 2025, the Company has complied with all applicable provisions of the Corporate Governance Code during the Reporting Period, except for the deviations described below and in the Major Transaction Announcement. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

In accordance with provision D.3.3 of the Corporate Governance Code, members of the Audit Committee shall liaise with the Board of Directors and senior management, and the Committee shall meet with the auditors at least twice a year. As the Company was listed on the Stock Exchange on 28 November 2025, no audit committee meeting was held from the Listing Date to 31 December 2025. The Company expects to continue to hold at least two regular meetings each fiscal year, approximately once every six months, in accordance with provision D.3.3 of the Corporate Governance Code.

COMPLIANCE OF THE MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

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

As the Company was listed on Hong Kong Stock Exchange on 28 November 2025, the Model Code is applicable to the Company since the Listing Date. After making specific inquiries to all Directors, the Directors have confirmed that they have complied with the Model Code throughout the period from the Listing Date to 31 December 2025. To the best knowledge of the Company, no incident of non-compliance of the regulations on information disclosure by the employees was noted by the Company from the Listing Date to 31 December 2025.

PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT

This announcement is published on the Company's website (<http://www.haiwei.net>) and the HKEX News (<http://www.hkexnews.hk>). The Company's Annual Report for the year ended 31 December 2025, will be made available on the Company's website and the Hong Kong Stock Exchange's website in due course and will be sent to shareholders who have indicated their wish to receive a printed copy in a timely manner.

DEFINITIONS

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

“Audit Committee”	The Audit Committee of the Board of Directors
“Board” or “Board of Directors”	The Board of Directors of the Company
“Corporate Governance Code”	The Corporate Governance Code as set out in Appendix C1 of the Hong Kong Listing Rules
“China”	The People’s Republic of China
“Company Law”	The Company Law of the People’s Republic of China
“Company”, “the Company” or “We”	Hebei Haiwei Electronic New Material Technology Co., Ltd. (formerly known as Hebei Haiwei Group Electronic Material Co., Ltd. and Hebei Haiwei Electronic Material Co., Ltd.), which was initially incorporated under the laws of the PRC as a limited liability company on 6 September 2006 and was subsequently converted into a joint stock company with limited liability on 11 January 2023, and listed on the Main Board of the Hong Kong Stock Exchange on 28 November 2025 (Stock Code: 09609)
“CSRC”	The China Securities Regulatory Commission
“Director(s)”	The director(s) of the Company
“Domestic”, “Mainland” or “Inland”	Mainland China (for the purpose of this announcement only, excluding Hong Kong, Macau, and Taiwan)
“H Share(s)”	The overseas listed foreign ordinary shares of the Company with a par value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK dollars
“Haowei Electronic”	Ningguo Haowei Electronic Technology Co, Ltd., a limited liability company established under the laws of the PRC on 6 January 2021
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“HK” or “Hong Kong”	The Hong Kong Special Administrative Region of China
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Date”	28 November 2025, the date on which the Company was listed and commenced trading on the Main Board of the Hong Kong Stock Exchange
“International Financial Reporting Standards”	International Financial Reporting Standards, including the standards, amendments, and interpretations issued by the International Accounting Standards Board, as well as international accounting standards and interpretations issued by the International Accounting Standards Committee
“Global Offering”	The Company offered H shares for subscription; details are set forth in the Prospectus
“Group” or “the Group”	The Company and its consolidated subsidiaries
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
“Kunda Machinery”	Hebei Kunda Machinery Manufacturing Co., Ltd. (河北坤達機械製造有限公司), a limited liability company established on 22 January 2024 under the laws of the PRC
“Procurement Agreement”	The procurement agreement in relation to the procurement of BOPP film production line supporting equipment entered into between Zhejiang Haiwei and Kunda Machinery on 15 December 2025, and terminated on 27 March 2026
“Prospectus”	The prospectus of the Company for the Global Offering dated 20 November 2025
“Reporting Period”, “Year” or “Period”	The year ended 31 December 2025

“RMB”	Renminbi, the lawful currency of Mainland China
“Securities Law”	The Securities Law of the People’s Republic of China
“Share(s)”	Ordinary share in the share capital of the Company with a par value of RMB1.00 each
“Shareholder(s)”	Shareholder(s) of the Company
“Southern China Facility”	The Company’s new manufacturing facility for capacitor base films in Southern China
“Major Transaction Announcement”	The announcement published by the Company on the website of the Stock Exchange on 31 March 2026, entitled “Past Major Transaction in relation to Procurement of Production Line Supporting Equipment and Remedial Actions”
“YoY”	Year-on-year comparison
“Zhejiang Haiwei”	Zhejiang Haiwei Electronic New Materials Co., Ltd. (浙江海偉電子新材料有限公司), a limited liability company established under the laws of the PRC on 23 September 2025 and a wholly-owned subsidiary of the Company
“%”	Percentage

By order of the Board of Directors
Hebei Haiwei Electronic New Material Technology Co., Ltd.
Mr. Song Wenlan
Chairman of the Board

Hebei, the PRC, 31 March 2026

As of the date of this announcement, the Board of Directors comprises (i) Mr. Song Wenlan, Mr. Cao Chaozhi, Mr. Sheng Zhixuan, and Mr. Liu Qingbin as executive Directors; (ii) Ms. Zhong Ying as non-executive Director; and (iii) Ms. Gu Qun, Mr. Zhang Hao, and Mr. Yu Qing as independent non-executive Directors.