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無錫盛力達科技股份有限公司

**Wuxi Sunlit Science and Technology Company Limited\***

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

(Stock Code: 1289)

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**FINANCIAL HIGHLIGHTS**

	For the year ended 31 December		
	2025	2024	Change
Revenue ( <i>RMB million</i> )	<b>184.4</b>	516.0	-64.3%
Gross profit ( <i>RMB million</i> )	<b>54.0</b>	143.2	-62.3%
Profit before income tax ( <i>RMB million</i> )	<b>40.3</b>	56.7	-28.9%
Profit for the year ( <i>RMB million</i> )	<b>33.8</b>	49.5	-31.8%
Profit attributable to shareholders of the Company ( <i>RMB million</i> )	<b>33.8</b>	49.5	-31.8%
Basic and diluted earnings per share ( <i>RMB cents</i> )	<b>26.41</b>	38.70	-31.8%

**ANNUAL RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of 無錫盛力達科技股份有限公司 (Wuxi Sunlit Science and Technology Company Limited\*) (the “**Company**” or “**Sunlit**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”).

## CONSOLIDATED INCOME STATEMENT

(All amounts in RMB thousands unless otherwise stated)

		Year ended 31 December	
	Notes	2025	2024
<b>Revenue</b>	3	<b>184,418</b>	516,019
Cost of sales		<u>(130,409)</u>	<u>(372,806)</u>
<b>Gross profit</b>		<b>54,009</b>	143,213
Selling expenses		<b>(3,890)</b>	(4,751)
Administrative expenses		<b>(33,664)</b>	(55,584)
Net reversal of allowance for impairment/ (impairment losses)on financial and contract assets		<b>14,286</b>	(40,673)
Other income		<b>9,398</b>	10,232
Other (losses)/gains — net	4	<u><b>(1,287)</b></u>	<u>2,871</u>
<b>Operating profit</b>		<b>38,852</b>	55,308
Finance income		<u><b>1,489</b></u>	<u>1,422</u>
<b>Profit before income tax</b>		<b>40,341</b>	56,730
Income tax expense	5	<u><b>(6,532)</b></u>	<u>(7,191)</u>
<b>Profit for the year attributable to equity shareholders of the Company</b>		<u><b>33,809</b></u>	<u>49,539</u>
<b>Earnings per share attributable to equity shareholders of the Company for the year (expressed in RMB cents)</b>			
— Basic and diluted	6	<u><b>26.41</b></u>	<u>38.70</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*(All amounts in RMB thousands unless otherwise stated)*

	Year ended 31 December	
	2025	2024
<b>Profit for the year</b>	<b>33,809</b>	49,539
<b>Other comprehensive income</b>	<u>—</u>	<u>—</u>
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>	<b><u>33,809</u></b>	<b><u>49,539</u></b>

## CONSOLIDATED BALANCE SHEET

(All amounts in RMB thousands unless otherwise stated)

		As at 31 December	
	Notes	2025	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets		19,348	19,965
Property, plant and equipment		70,327	76,564
Investment properties		12,551	14,151
Properties held for sale	9	4,034	7,863
Intangible assets		51	77
Trade and other receivables	8	19,579	27,516
Deferred income tax assets — net		24,904	29,789
Other assets		13,637	—
		<u>164,431</u>	<u>175,925</u>
<b>Current assets</b>			
Inventories	9	195,871	208,243
Properties held for sale	10	2,123	577
Prepayments		8,474	1,900
Trade and other receivables	8	129,181	203,426
Contract assets	7	22,191	49,465
Restricted cash		60,012	76,869
Time deposits		280,940	246,846
Cash and cash equivalents		68,552	100,313
		<u>767,344</u>	<u>887,639</u>
<b>Total assets</b>		<u><u>931,775</u></u>	<u><u>1,063,564</u></u>
<b>EQUITY</b>			
Share capital		128,000	128,000
Share premium		311,464	311,464
Reserves		84,735	79,238
Retained earnings		212,390	194,318
		<u>736,589</u>	<u>713,020</u>
<b>Total equity</b>		<u><u>736,589</u></u>	<u><u>713,020</u></u>

	<i>Notes</i>	<b>As at 31 December</b>	
		<b>2025</b>	2024
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		<b>97,442</b>	175,046
Contract liabilities		<b>97,731</b>	168,941
Current income tax liabilities		<b>13</b>	6,557
		<u><b>195,186</b></u>	<u>350,544</u>
<b>Total liabilities</b>		<u><b>195,186</b></u>	<u>350,544</u>
<b>Total equity and liabilities</b>		<u><b>931,775</b></u>	<u>1,063,564</u>

## NOTES TO FINANCIAL STATEMENTS

*(All amounts in RMB thousands unless otherwise stated)*

### 1 GENERAL INFORMATION OF THE GROUP

Wuxi Sunlit Science and Technology Company Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) are principally engaged in the manufacturing and sale of a range of equipment for steel wire production lines and standalone machineries.

The Company was incorporated in the People’s Republic of China (the “**PRC**”) as a limited liability company on 21 March 2006. The Company was converted into a joint stock company with limited liabilities under relevant PRC laws and regulations on 24 July 2012. The address of the Company’s registered office is 1 Yanxin Road East, Huishan Economic Development Zone, Wuxi, Jiangsu Province, PRC.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 November 2014.

These consolidated financial statements are presented in Renminbi thousands (RMB’000), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 27 March 2026.

### 2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

(a) **New standards and amendments to standards adopted by the Group**

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2025:

**Standards/Amendments/**

<b>Interpretation</b>	<b>Subject</b>
Amendment to HKAS 21 and HKFRS 1	Lack of Exchangeability

The new standard and amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) **New and amended standards and interpretation to standards that have been issued but are not effective**

The following new standards, amendments and interpretation to standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group:

<b>Standards/Amendments/</b>	<b>Subject</b>	<b>Effective for</b>
<b>Interpretation</b>		<b>annual years</b>
		<b>beginning on or</b>
		<b>after</b>
Amendment to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	01-January-26
Volume 11	Annual Improvements to HKFRS Accounting Standards	01-January-26
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature dependent Electricity	1 January 2026
HKFRS 18 and Hong Kong Interpretation 5	Presentation and Disclosure in Financial Statements	01-January-27
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	01-January-27
Amendment to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027 (has incorporated the references to HKFRS 18)
Amendment to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact on the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group presents and discloses financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the

statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

Except for the above-mentioned changes in presentation and disclosure, according to the preliminary assessment made by the directors of the Group, it is expected that the above new standards and amendments and interpretations to standards will not have a significant impact on the Group's operating results or financial position when they become effective.

### 3 REVENUE

The chief operating decision-maker ("CODM") has been identified as the board of directors of the Company. The CODM regards the Group's business as a single operating segment and reviews the financial statements accordingly.

The Group is principally engaged in manufacturing and sale of a range of equipment for manufacturing steel wire products and leasing. Revenue from sales of goods and rental income for the years ended 31 December 2025 and 2024 are as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Sales of production lines		
— Brass electroplating wire production lines	<b>63,138</b>	98,962
— Other production lines	<b>16,141</b>	21,055
Sales of standalone machines	<b>90,483</b>	376,147
Sales of other mould repairing equipment, components parts and accessories	<b>10,204</b>	15,107
Rental income	<b>4,452</b>	4,748
	<b>184,418</b>	516,019
Timing of revenue recognition		
— Over time	<b>4,452</b>	4,748
— At a point in time	<b>179,966</b>	511,271
	<b>184,418</b>	516,019

For the years ended 31 December 2025 and 2024, the geographical information on the total revenue is as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Revenue		
— PRC	<b>168,402</b>	468,626
— Others	<b>16,016</b>	47,393
	<b>184,418</b>	516,019

The Group's revenues were derived from the following external customers that individually contributed more than 10% of the Group's revenues.

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Company A	<b>146,319</b>	394,481
Company B	N/A <sup>1</sup>	77,195

<sup>1</sup> The corresponding revenue during the year ended 31 December 2025 did not contribute 10% or more of the Group's total revenue.

#### **4 OTHER (LOSS)/GAINS — NET**

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Foreign exchange (loss)/gains	<b>(2,258)</b>	1,440
Gains on disposal of property, plant and equipment	<b>974</b>	1,311
Fair value gains on financial assets at FVPL	<b>50</b>	61
Others	<b>(53)</b>	59
	<u><b>(1,287)</b></u>	<u>2,871</u>

#### **5 INCOME TAX EXPENSE**

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Current income tax — PRC corporate income tax	<b>1,647</b>	17,845
Deferred income tax	<b>4,885</b>	(10,654)
	<u><b>6,532</b></u>	<u>7,191</u>

PRC corporate income tax (“CIT”)

CIT is provided on the assessable income of entities within the Group established in the PRC.

Pursuant to the PRC Corporate Income Tax Law (the “New CIT Law”), the Company’s applicable CIT rate is 25%. Under the relevant regulations of the New CIT Law, the Company was qualified as High New Tech Enterprise, and applied a reduced CIT rate of 15% for the year ended 31 December 2025 (2024: 15%).

Under the relevant regulations of the New CIT Law, for eligible enterprises which meet the criteria of Small and Micro Enterprise, the taxable income that is not more than RMB3 million shall be recognised at 25% of income and be subject to a CIT rate of 20%. For the year ended 31 December 2025, Wuxi Haisheng Software Technology Co., Ltd. (“Haisheng Software”) and Jiangsu Sunlit Equipment Technology Co., Ltd (“Jiangsu Sunlit”) were eligible for Small and Micro Enterprise and subject to stated preferential income tax rates (2024: the same).

The applicable corporate income tax rate for Sunlit (Hong Kong) International Trade Limited in 2025 is 8.25%.

## 6 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares during the year.

	Year ended 31 December	
	2025	2024
Profit attributable to equity shareholders of the Company (RMB'000)	33,809	49,539
Weighted average number of ordinary shares in issue (thousand)	<u>128,000</u>	<u>128,000</u>
Basic and diluted earnings per share (RMB cents)	<u>26.41</u>	<u>38.70</u>

As the Company did not have any dilutive potential ordinary shares outstanding as at 31 December 2025 and 2024, diluted earnings per share is equal to basic earnings per share.

## 7 CONTRACT ASSETS

	Year ended 31 December	
	2025	2024
<b>Contract assets</b>		
Contract assets	25,360	55,654
Less: allowance for impairment of contract assets	<u>(3,169)</u>	<u>(6,189)</u>
 Contract assets — net	 <u><b>22,191</b></u>	 <u><b>49,465</b></u>

Contract assets are due for collection upon the expiry of product quality warranty period, which is usually 12 or 18 months from the acceptance by the customer of the equipment.

Aging analysis based on recognition date of the gross contract assets at the respective balance sheet dates are as follows:

	As at 31 December	
	2025	2024
Within 1 year	17,246	52,443
1–2 years	<u>8,114</u>	<u>3,211</u>
	<u><b>25,360</b></u>	<u><b>55,654</b></u>

Movements of allowance for impairment of contract assets are as follows:

	Year ended 31 December	
	2025	2024
<b>Opening balance as at 1 January</b>	<b>6,189</b>	2,487
Net (reversal of allowance for impairment)/impairment losses	<u>(3,020)</u>	<u>3,702</u>
 <b>Closing balance at 31 December</b>	 <u><b>3,169</b></u>	 <u><b>6,189</b></u>

The creation and release of allowance for impaired contract assets have been included in “Net reversal of allowance for impairment/(impairment losses) on financial and contract assets” in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

## 8 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
<b>Trade receivables</b>		
Accounts receivable <i>(note (a))</i>	218,157	294,087
Less: allowance for impairment of accounts receivable	<u>(100,250)</u>	<u>(109,252)</u>
Accounts receivable — net	<u>117,907</u>	<u>184,835</u>
Commercial acceptance notes <i>(note (b))</i>	15,860	44,261
Less: allowance for impairment of commercial notes	<u>(1,659)</u>	<u>(3,967)</u>
Commercial acceptance notes — net <i>(note (b))</i>	14,201	40,294
Bank acceptance notes <i>(note (b))</i>	<u>11,871</u>	<u>3,981</u>
Trade receivables — net	<u>143,979</u>	<u>229,110</u>
<b>Other receivables</b>		
Other receivables	5,837	2,894
Less: unearned financial income	(61)	(111)
Less: allowance for impairment of other receivables	<u>(995)</u>	<u>(951)</u>
Other receivables — net	<u>4,781</u>	<u>1,832</u>
	<u>148,760</u>	<u>230,942</u>
Non-current portion	19,579	27,516
Current portion	<u>129,181</u>	<u>203,426</u>
	<u>148,760</u>	<u>230,942</u>

- (a) For sale of production lines, standalone machines and equipment, the Group grants less than 180 days credit terms to customers. For sale of components parts and accessories, the Group grants 30 to 90 days credit terms to certain customers.
- (b) Notes receivable of the Group include bank acceptance notes and commercial acceptance notes, and are usually settled within six months from the date of issue.

As at 31 December 2025, no notes receivables was pledged as security for the Group's notes payable (As at 31 December 2024 : Nil).

Aging analysis based on recognition date of the gross accounts receivable at the respective balance sheet dates are as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
Within 1 year	70,236	130,275
1–2 years	28,904	49,031
2–3 years	41,024	26,868
Over 3 years	77,993	87,913
	<u>218,157</u>	<u>294,087</u>

Movements of allowance for impairment of accounts receivable, commercial acceptance notes and other receivables are as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>Opening balance as at 1 January</b>	<u>114,170</u>	<u>77,199</u>
Net (reverse of allowance for impairment)/impairment losses	<u>(11,266)</u>	<u>36,971</u>
<b>Closing balance at 31 December</b>	<u>102,904</u>	<u>114,170</u>

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
RMB	147,263	227,430
USD	<u>1,497</u>	<u>3,512</u>
	<u>148,760</u>	<u>230,942</u>

## 9 INVENTORIES

	As at 31 December	
	2025	2024
Raw materials	35,263	20,335
Work in progress	49,342	1,067
Finished goods	<u>118,648</u>	<u>194,004</u>
Cost	203,253	215,406
Allowance for impairment	<u>(7,382)</u>	<u>(7,163)</u>
Net book amount	<u><u>195,871</u></u>	<u><u>208,243</u></u>

For the year ended 31 December 2025, the cost of inventories recognised as expense and included in “Cost of sales” amounted to approximately RMB116,178,000 (2024: RMB357,269,000), which included the allowance for impairment of inventories of RMB467,000 (2024: RMB2,819,000) and reversal of impairment of RMB204,000 (2024: RMB3,000) as the Group sold the relevant goods.

## 10 PROPERTIES HELD FOR SALE

	Year ended 31 December	
	2025	2024
<b>Opening balance at 1 January</b>	<b>8,440</b>	22,977
Disposals	(2,283)	(390)
Allowance for impairment	<u>—</u>	<u>(14,147)</u>
<b>Closing balance at 31 December</b>	<b><u><u>6,157</u></u></b>	<b><u><u>8,440</u></u></b>
<b>At 31 December</b>		
Cost	37,482	51,801
Allowance for impairment	<u>(31,325)</u>	<u>(43,361)</u>
<b>Net book amount</b>	<b><u><u>6,157</u></u></b>	<b><u><u>8,440</u></u></b>

As at 31 December 2025, considering that there has been no significant change in the market price of such properties, the Company did not provide any additional allowance for impairment, based on the latest estimated selling price less costs to sell.

	As at 31 December 2025
— to be sold within 12 months	2,123
— to be sold after more than 12 months	<u>4,034</u>
	<u><u>6,157</u></u>

## 11 DIVIDENDS

A final dividend in respect of the year ended 31 December 2024 of RMB0.08 per share, amounting to RMB10,240,000 was approved by the shareholders at the Annual General Meeting held on 27 June 2025. The final dividend of 2024 has been paid on 18 July 2025.

A final dividend in respect of the year ended 31 December 2025 of RMB0.16 per share, amounting to RMB20,480,000 has been proposed by the Board of Directors of the Company but not recognised as a liability at year end. The proposed dividend is subject to the approval by the shareholders at the Annual General Meeting to be held on 26 June 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In 2025, as global trade protectionism continued to escalate and trade frictions between China and the United States intensified, the “anti-dumping and countervailing” duties imposed by the U.S. on Chinese steel cord products were further raised to historic highs, resulting in a significant impact on the industry’s export sector. Amidst such a complex and challenging external environment, the Company remained steadfast in its long-term development strategy, doubling down on its core business of steel wire production equipment. It embedded refined management and internal control throughout its operations, continuously optimised upstream and downstream industrial chain synergies, relied on its strong independent research and development capabilities to drive product upgrades, iterations and market expansion. Through a combination of strategic measures, the Company enhanced its overall resilience against risks, ensured steady progress across all operational fronts, and further solidified its core competitive edge.

During the Year, China’s macroeconomic performance remained generally stable with steady progress, as policies aimed at “expanding domestic demand and boosting consumption” continued to take effect, providing strong support for the high-quality development of the automotive industry. According to data from the China Association of Automobile Manufacturers (“CAAM”), the production and sales volume of automobile in China for 2025 amounted to 34.531 million of vehicles and 34.40 million of vehicles, respectively, representing increases of 10.4% and 9.4%, respectively, as compared with that of last year.

During the Year, the Group recorded revenue of RMB184 million for the year ended 31 December 2025, representing a decrease of 64% as compared with that of 2024. Net profit of the Group for the year ended 31 December 2025 was RMB33.81 million.

## FINANCIAL REVIEW

### Revenue

	Year ended 31 December					
	2025			2024		
	<i>Unit(s)</i> <i>sold</i>	<i>RMB'000</i>	<i>%</i>	<i>Unit(s)</i> <i>sold</i>	<i>RMB'000</i>	<i>%</i>
Brass electroplating wire production lines	6	63,138	34.2%	9	98,962	53.7%
Other production lines	8	16,141	8.8%	23	21,055	11.4%
Standalone machines	845	90,483	49.1%	2,975	376,147	204.0%
Other mould repairing equipment, components parts and accessories	N/A	10,204	5.5%	N/A	15,107	8.2%
Rental income	N/A	4,452	2.4%	N/A	4,748	2.6%
		<u>184,418</u>	<u>100%</u>		<u>516,019</u>	<u>280%</u>

During the year, our revenue decreased by approximately RMB331.6 million or approximately 64.3% to approximately RMB184.4 million when compared with the revenue of approximately RMB516.0 million in 2024.

The decrease in revenue for the year was mainly due to the decrease of sales order with a major customer.

Brass electroplating wire production lines. During the year, revenue from sales of brass electroplating wire production lines decreased by approximately 36.2% to approximately RMB63.1 million when compared with the revenue of approximately RMB99.0 million in 2024. The decrease was mainly due to a reduction in sales volume. 6 sets of brass electroplating wire production lines were accepted by the customers in 2025 while 9 sets were accepted by the customers in 2024.

Other production lines. Revenue from sales of other production lines decreased RMB4.9 million when compared with the revenue of approximately RMB21.1 million in 2024. The decrease was mainly due to a decrease in sales volume.

Standalone machines. Revenue from sales of standalone machines decreased by approximately 75.9% to approximately RMB90.5 million during the year, when compared with the revenue of approximately RMB376.1 million in 2024. The decrease was due to the drop in sales volume of standalone machines.

Other mould repairing equipment, components parts and accessories. Revenue from sales of other mould repairing equipment, components parts and accessories decreased by approximately 32.5% to approximately RMB10.2 million during the year, when compared with the revenue of approximately RMB15.1 million in 2024.

Rental income. Revenue from rental income arose from the Group's investment properties, which were rented to third parties in 2025 and 2024. As the rent decrease in 2025, the rental income decreased by 6.2% comparing to that of 2024.

### **Gross profit and gross profit margin**

Our gross profit decreased by approximately 62.3% from approximately RMB143.2 million for 2024 to approximately RMB54.0 million for 2025.

Our overall gross profit margin increased from approximately 27.8% for 2024 to approximately 29.3% for 2025, mainly due to the higher proportion of sales of products with higher profit margins.

### **Other income**

Our other income decreased by approximately 8.2% from approximately RMB10.2 million for 2024 to approximately RMB9.4 million for 2025, primarily due to the reduction in Value added tax (“VAT”) related tax benefits.

### **Selling expenses**

Our selling expenses decreased by approximately 18% from approximately RMB4.8 million for 2024 to approximately RMB3.9 million for 2025, primarily due to the penalty for delayed delivery has been reduced.

### **Administrative expenses**

Our administrative expenses decreased by approximately 39% from approximately RMB55.6 million for 2024 to approximately RMB33.7 million for 2025.

This is primarily due to the decrease in research and development expenses.

### **Net reversal of impairment losses on financial assets**

The Group net impairment losses on financial assets of approximately RMB40.7 million in 2024, compared with the net reversal of impairment losses on financial assets approximately RMB14.3 million for 2025, mainly due to the recovery of receivables and the accordingly reverse of the allowance of impairment.

### **Other (losses)/gains — net**

The Group recorded net other losses of approximately RMB1.3 million in 2025, compared with the net other gain of approximately RMB2.9 million in 2024.

Net other losses mainly included foreign exchange losses.

### **Finance income**

The Group recorded finance income of approximately RMB1.5 million in 2025, almost the same as last year (2024: RMB1.4 million).

### **Income tax expense**

The Group recorded income tax expense of approximately RMB6.5 million for 2025, compared with the income tax expense of approximately RMB7.2 million for 2024.

The Group recognised the deferred income tax assets only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### **Trade receivables**

Our gross trade receivables decreased by approximately 28.2% from approximately RMB342.3 million as at 31 December 2024 to approximately RMB245.9 million as at 31 December 2025.

The decrease was primarily due to the increase in the collection of trade receivables this year. Meanwhile, the allowance for trade receivables decreased from approximately RMB113.2 million at the end of 2024 to approximately RMB101.9 million at the end of 2025.

### **Inventories**

Our inventories decreased by approximately 5.9% from approximately RMB208.2 million at the end of 2024 to approximately RMB195.9 million at the end of 2025.

It is mainly because of the decrease in the unfinished sales contracts as at 31 December 2025 as compared with those as at 31 December 2024.

### **Trade and notes payables**

Our trade and notes payables decreased by approximately 47.6% from approximately RMB159.6 million as at 31 December 2024 to approximately RMB83.6 million as at 31 December 2025.

It is primarily due to the decrease in purchase volumes this year as compared with last year.

## **Net profit for the Year and net profit margin**

The profit for the Year attributable to equity shareholders of the Company is RMB33.8 million as compared to RMB49.5 million for the year ended 31 December 2024. The net profit margin for the Year was approximately 18.3%, as compared to approximately 9.6% for the year ended 31 December 2024.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Cash position and fund available**

As at 31 December 2025, the total cash and bank balances of the Group were approximately RMB409,504,000 (31 December 2024: approximately RMB424,028,000), comprising cash and cash equivalents of approximately RMB68,552,000 (31 December 2024: approximately RMB100,313,000), restricted cash of approximately RMB60,012,000 (31 December 2024: approximately RMB76,869,000) and time deposits of approximately RMB280,940,000 (31 December 2024: approximately RMB246,846,000).

As at 31 December 2025, the current ratio of the Group was 3.93 (31 December 2024: 2.53).

The gearing ratio of the Group (calculated as total borrowings divided by total equity) was zero (31 December 2024: zero).

The Group was in a strong net cash position as at 31 December 2025 and 2024. The Group has sufficient and readily available finance resources for general working capital requirement and foreseeable capital expenditure.

### **Borrowings**

As at 31 December 2025, the Group had no borrowings (31 December 2024: Nil).

## **CAPITAL EXPENDITURES**

During the year, the Group's capital expenditures amounted to approximately RMB17,035,000 (2024: approximately RMB984,000) which was related to the purchase of machineries and equipments and other long-term assets.

## **CAPITAL STRUCTURE**

There has been no change in the capital structure of the Group during the Year. The capital of the Group only comprises ordinary shares. During the year, the Company did not hold and did not sell any treasury shares.

## **FOREIGN CURRENCY RISK**

Foreign exchange risk arises when transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group operates in mainland China with most of the Group's transactions denominated and settled in RMB, except that certain trade receivables, bank deposits are denominated in US dollar (“**USD**”) or Hong Kong dollar (“**HKD**”) which are exposed to foreign currency translation risk.

If the USD had strengthened/weakened by 5% against the RMB while all other variables had been held constant, the Group's post tax profits for the year ended 31 December 2025 would have been approximately RMB4,256,000 higher/lower (2024: RMB4,350,000).

## **USE OF NET PROCEEDS FROM THE LISTING**

The Company's H shares have been listed (the “**Listing**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 11 November 2014 (the “**Listing Date**”). The net proceeds from the Listing after the deduction of underwriting commissions, fees and listing-related expenses amounted to approximately HK\$209.5 million (equivalent to approximately RMB165.3 million) (the “**Net Proceeds**”).

With a view to improving efficiency in the use of the Company's temporary idle Net Proceeds, on the condition that the construction of the projects committed and planned usage of the proceeds for such construction will not be affected, the Board has proposed to utilise part of the temporary idle Net Proceeds to purchase wealth management products in order to increase the capital revenue, improve the efficiency and effectiveness in the use of the Company's temporary idle Net Proceeds, which in turn shall further enhance the overall revenue of the Company and pursue better investment return to the Company and the shareholders of the Company (the “**Shareholders**”) as a whole. For more details regarding the change of use of Net Proceeds from the Listing, please refer to the announcement of the Company dated 29 March 2016 (the “**Announcement**”).

Together with the income to be generated from the wealth management products, the Company will continue to apply the Net Proceeds from the Listing for the construction of the new manufacturing facility located in Wuxi, Jiangsu Province of the PRC (the “**New Wuxi Facility**”) and the new research & development centre to be established in the New Wuxi Facility (the “**New Research & Development Centre**”) and for other purposes in accordance with the prospectus of the Company dated 30 October 2014 (the “**Prospectus**”) and in the Announcement. The balance of net proceeds brought forward from 31 December 2025 was approximately HK\$37.442 million. The unutilised balance of the Net Proceeds brought forward from 31 December 2024 was approximately HK\$39.127 million.

The status of the use of the Net Proceeds is as follows:

	Planned use of net proceeds from the Listing	Utilised up to 31 December 2025	Interest income up to 31 December 2025	Utilised amount during the year ended 31 December 2025	Unutilised balance up to 31 December 2025	Expected timeline for unutilised net proceeds from the Listing
Funding the construction of the New Wuxi Facility and the New Research & Development Centre	HKD163,000,000.00	HKD140,725,000.00	HKD15,167,000.00	HKD2,385,000.00	HKD37,442,000.00	By 31 December 2027
Developing certain targeted research and development projects	HKD25,500,000.00	HKD26,634,000.00	HKD1,134,000.00	—	HKD0.00	
General working capital and other general corporate purposes	HKD21,000,000.00	HKD21,000,000.00	—	—	HKD0.00	
Total:	<u>HKD209,500,000.00</u>	<u>HKD188,359,000.00</u>	<u>HKD16,301,000.00</u>	<u>HKD2,385,000.00</u>	<u>HKD37,442,000.00</u>	

*Notes:*

- (1) The net proceeds allocated have been adjusted and recalculated with reference to (1) the actual net proceeds from the Listing of approximately HK\$209.50 million after the deduction of underwriting commissions, fees and listing related expenses; and (2) the percentage of the use of proceeds allocated to each of the purposes as disclosed in the Prospectus.
- (2) As at 31 December 2025, the unutilised proceeds for funding the construction of the New Wuxi Facility and the New Research & Development Centre amounted to approximately HK\$37.442 million. Among the unutilised proceeds of approximately HK\$37.442 million, the unutilised proceeds, including the net proceeds of HK\$22.275 million and interest from net proceeds of HK\$15.167 million, were deposited in licensed banks in the PRC.
- (3) Net proceeds of HK\$25.50 million and interest therefrom of HK\$1.13 million have been utilised to develop certain targeted research and development projects.

There was a delay in the utilisation of the Net Proceeds from the Listing to the construction of the New Wuxi Facility and the New Research and Development Centre as there was a change in business development strategies with the reasons set out in the Announcement. There was further delay in the use of the Net Proceeds since there were changes in the economy, business environment and customers' demand. However, the Company will utilise the unutilised portion of the Net Proceeds from the Listing according to the disclosure in the Prospectus and the Announcement.

## **PROSPECTS**

Looking ahead, as the global economic landscape continues to evolve, the automotive industry is accelerating its transformation and upgrading towards high-quality, globalisation and intelligence. Opportunities and challenges for industry development coexist.

In the coming year, the Company will closely monitor macroeconomic landscape and industry trends, adhering to a market-oriented, innovation-driven and management-supported approach. We will proactively respond to industry transformation while continuing to unlock intrinsic growth drivers. In the areas of technology research and development and product upgrades, the Group will keep pace with the evolving technological demands of radial tyres and steel cord products, focusing on high-end, intelligent and green development. We will continue to increase research and development investment, optimise product structure and design solutions, and continuously enhance the level of automation, intelligence and green technology of our equipment, thereby better meeting the needs of downstream customers for efficient production and customised solutions. Through these efforts, the Group is fully committed to achieving higher-quality and more sustainable development, strengthening its market competitiveness with product excellence, and ensuring the steady progress of the Group's operations. Meanwhile, the Group will actively fulfil its social responsibilities, promoting the coordinated development of economic and social benefits.

## **EMPLOYEE AND REMUNERATION INFORMATION**

As at 31 December 2025, the Group employed a total of 153 full-time employees (31 December 2024: 181), including administration, finance, internal audit, research and development, technical application, quality control, manufacturing, procurement, sales and marketing staff. For the year ended 31 December 2025, the Group's total employee remuneration was approximately RMB24.1 million (2024: approximately RMB28.8 million).

The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability and the staff performance, the Group may also provide a discretionary bonus to employees as an incentive for their contribution to the Group. The primary goal of the remuneration policy with regards to the remuneration packages of the Group's executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved.

A remuneration committee is set up for reviewing the Group's remuneration policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Group places great emphasis on recruiting and training quality personnel by providing orientation programmes to the new employees and on-going internal training to the existing employees to enhance their industry, technical and product knowledge, their work ethics as well as their knowledge of industry quality standards and work safety standards. Furthermore, the Group encourages its employees to take advanced courses and to obtain professional certifications.

The Group is confident that its employees will continue to provide a solid foundation for the success of the Group and will maintain a high standard of service to our customers.

The Group has not experienced any disruption of its normal business operations due to labour disputes or significant turnover of staff. The Directors consider that the Group has maintained a very good relationship with its staff.

## **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group did not have any significant contingent liabilities (31 December 2024: Nil).

## **SIGNIFICANT INVESTMENTS**

The Group had no significant investments held during the Year.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND ASSETS**

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures of the Group during the Year.

## **PROPERTIES HELD FOR SALE**

In 2018, the Group purchased 166 residential units of Tong Xing Garden, No. 269 Guangxing Road, Kenli District, Dongying City, Shandong Province, the PRC (the “**Properties**”), which carry a total gross floor area of 18,920.9 square metres for the residential units and 3,331.2 square metres for the ancillary facilities. The Group has an intention to sell the Properties and, accordingly, such rights are recognised as properties held for sale upon the completion of the transfer of the title of the Properties from the vendor to the Company on 29 May 2018.

During the Year, the Group sold 30 units of residential units at the total consideration of approximately RMB3.7 million, the carrying amount of the unsold units as at 31 December 2025 is approximately RMB6.2 million, representing approximately 0.66% of the total assets of the Group.

## **CHARGE ON GROUP ASSETS**

As at 31 December 2025, the cash deposits in the amount of approximately RMB60.0 million were pledged to banks as security for notes payable and letter of guarantee. (31 December 2024: approximately RMB76.9 million). Save for that, the Group did not have any charges on its assets as at 31 December 2025 or 31 December 2024.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS**

In the future, the Group will continue to implement its diversified development strategy and proactively search for potential investment opportunities.

Save as disclosed in the Prospectus or in this announcement, the Group had no future plans for material investments as at 31 December 2025.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE “CG CODE”)**

The Company complied with all code provisions of the CG Code contained in Appendix C1 to the Listing Rules throughout the Year. For further information in respect of the corporate governance of the Group during the Year, please refer to the corporate governance report in the annual report of the Company for the Year.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding securities transactions by the Directors and supervisors of the Company. Upon making specific enquiries of all the Directors and supervisors of the Company, each of the Directors and supervisors of the Company confirmed that he/she has fully complied with the required standards set out in the Model Code throughout the Year. The Board is of the opinion that the Model Code has been fully complied with during the year ended 31 December 2025.

Any employee of the Company or director or employee of any subsidiary of the Company who, because of their office in the Company, are likely to be in possession of inside information in relation to the securities of the Company, have also been requested not to deal in securities of the Company when he would be prohibited from dealing by the Model Code as if he were a Director.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Year. During the Year, the Company did not hold or sell any treasury shares.

## **EVENTS AFTER THE REPORTING PERIOD**

There was no significant event after the Year and up to the date of this report.

## **DIVIDEND**

For the Year, the Board has resolved to recommend a final dividend of RMB0.16 per share (before tax) totalling RMB20.48 million (before tax), subject to approval by the Shareholders at the annual general meeting of the Company to be held on Friday, 26 June 2026 (the “**AGM**”). The final dividend, if approved by the Shareholders at the AGM, will be paid to the Shareholders whose names appeared on the register of members of the Company on Wednesday, 8 July 2026. Dividends payable to the holders of the Company’s domestic shares shall be paid in RMB, whereas dividends payable to the holders of the Company’s H shares shall be paid in Hong Kong dollars. Dividends on H share are also subject to PRC Withholding Income Tax. It is expected that the final dividend will be payable on or around Friday, 17 July 2026 and a detailed plan of distribution will be set out in the circular of the Company to be issued and despatched to the Shareholders on or around 17 April 2026.

## **ANNUAL GENERAL MEETING**

The AGM will be held on Friday, 26 June 2026. Notice of the AGM will be sent to the Shareholders according to the articles of association of the Company and the Listing Rules.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to ascertain the identity of the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 27 May 2026 to Friday, 26 June 2026, both dates inclusive, the period during which no transfer of shares will be effected. The holders of shares whose names appear on the register of members of the Company on Friday, 26 June 2026 will be entitled to attend and vote at the AGM. The record will be Friday, 26 June 2026 and in order to be qualified to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (in respect of H shares), or to the Company's registered office in the PRC at 1 Yanxin Road East, Huishan Economic Development Zone, Wuxi, Jiangsu Province, the PRC (in respect of Domestic shares) no later than 4:00 p.m. on Tuesday, 26 May 2026.

The register of members of the Company will be closed from Friday, 3 July 2026 to Wednesday, 8 July 2026, both days inclusive, during which period no transfer of shares will be registered. The record date will be Wednesday, 8 July 2026 and in order to be qualified for receiving the final dividend for the year ended 31 December 2025, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (in respect of H shares), or to the Company's registered office in the PRC at 1 Yanxin Road East, Huishan Economic Development Zone, Wuxi, Jiangsu Province, the PRC (in respect of Domestic shares) no later than 4:00 p.m. on Thursday, 2 July 2026.

## **REVIEW BY AUDIT COMMITTEE**

The audit committee of the Board (the "Audit Committee") was established with terms of reference in compliance with the CG Code. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, financial reporting system, risk management and internal control systems, and has reviewed the Group's annual results as disclosed in this announcement for the Year.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of this announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Company's external auditor, PricewaterhouseCoopers ("PwC"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by PwC on this announcement.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed minimum public float under the Listing Rules for the Year and up to the date of this announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.wxsunlit.com](http://www.wxsunlit.com)) respectively. The annual report for the Year will be issued and made available on the above websites according to the Listing Rules by April 2026.

By order of the Board  
無錫盛力達科技股份有限公司  
**Wuxi Sunlit Science and Technology Company Limited\***  
**Zhang Degang**  
*Chairman*

Hong Kong, 27 March 2026

*As at the date of this announcement, the executive Directors are Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Feng Lili, the non-executive Director is Ms. Zhang Jinghua, and the independent non-executive Directors are Mr. Leung Yiu Cho, Mr. Yu Jianfeng and Mr. Zhong Ruifeng.*

\* *For identification purposes only*