富銀融資租賃(深圳)股份有限公司
FY Financial (Shenzhen) Co., Ltd.

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

Stock Code: 8452

2026

INTERIM REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the "**Directors**", each a "**Director**") of FY Financial (Shenzhen) Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**"), collectively and individually, accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this report misleading.*

CONTENTS

CORPORATE INFORMATION

NAME OF COMPANY

FY Financial (Shenzhen) Co., Ltd.

STOCK CODE

08452

BOARD OF DIRECTORS

Executive Directors

Mr. Li Peng (Chairman)
Mr. Weng Jianxing
Ms. Gong Xiaoting

Non-executive Directors

Mr. Peng Qilei
Ms. Liu Jing

Independent Non-executive Directors

Mr. Liu Shengwen
Mr. Hon Leung
Mr. Tong Qiang

SUPERVISORY COMMITTEE

Mr. Zhu Xiaodong (Chairman)
Ms. Li Juan
Mr. Sun Luran

AUDIT COMMITTEE

Mr. Liu Shengwen (Chairman)
Mr. Hon Leung
Mr. Tong Qiang

NOMINATION COMMITTEE

Mr. Tong Qiang
Mr. Hon Leung
Ms. Gong Xiaoting

REMUNERATION COMMITTEE

Mr. Liu Shengwen (Chairman)
Mr. Hon Leung
Mr. Peng Qilei

COMPANY SECRETARY

Ms. Gong Xiaoting
Mr. Wong Wai Chiu (Resigned on 30 June 2026)

AUTHORIZED REPRESENTATIVES

Mr. Weng Jianxing
Ms. Gong Xiaoting (Appointed on 30 June 2026)
Mr. Wong Wai Chiu (Resigned on 30 June 2026)

CORPORATE INFORMATION

REGISTERED OFFICE

Room 201, Block A
No. 1 Qianwan First Road
Qianhai Shenzhen-Hong Kong Cooperation Zone
Shenzhen, Guangdong
The People's Republic of China (the "**PRC**")

HEAD OFFICE IN THE PRC

Room 1603, Cheung Kei Building
No. 128 Xinzhou 11th Street
Futian District
Shenzhen, Guangdong
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

COMPANY WEBSITE

www.fyleasing.com

AUDITOR

SHINEWING (HK) CPA Limited

LEGAL ADVISERS

As to Hong Kong law

AllBright Law (Hong Kong) Offices LLP

As to PRC law

Beijing Tian Yuan Law Firm

As to litigation advisor

Guangdong Huatu Law Firm

PRINCIPAL BANKERS

China Everbright Bank
Agricultural Bank of China Limited
Bank of China Limited

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

* *If there is any inconsistency between the Chinese names of the entities, companies or legal entities incorporated in the PRC and their English translations, the Chinese names shall prevail. The English translations of the Chinese names of such entities, companies or legal entities are provided for illustration purposes only.*

MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS

1.1 Business Review

During the first half of 2026, the global economy continued to demonstrate a complex and volatile façade. Although major economies were gradually recovering amidst structural adjustments, geopolitical uncertainties and changes in the external trade environment continued to pose challenges toward a balanced recovery of the global economy. The Chinese economy is currently undergoing a critical transition period characterised by the shift from old to new growth drivers and the pursuit of high-quality development, and presents an overall dynamic equilibrium status marked by "an initial upturn followed by a downturn with structural divergence".

During the six months ended 30 June 2026 (the "**Reporting Period**"), the revenue of the Group amounted to approximately RMB5.42 million, and recorded a net loss of approximately RMB11.28 million, compared with a net loss of approximately RMB1.39 million for the same period of last year.

The Group is principally engaged in the provision of financial leasing, factoring and advisory services, customer referral services, the supply of medical equipment, energy storage business and cross-border e-commence business in the PRC.

The Group's finance leasing and factoring business, which serves small-and medium-sized enterprises, continued to be cautious by adopting prudent financial management strategies. During the Reporting Period, the Group has not launched any new finance leasing projects, and therefore, there exists no finance leasing assets with a balance under leasing. The Group still holds factoring assets with a balance of RMB197.03 million. These factoring assets primarily provide accounts receivable factoring services to customers. During the Reporting Period, cross-border e-commerce business is only accounted for a limited proportion of the overall business and had not yet achieved significant scale.

During the Reporting Period, the energy storage business of the Group has witnessed a significant downturn in its sales volume compared with that of the same period in the last year, which primarily attributable to multiple factors including the price hike of battery raw materials, tightening supplies and intensifying price competition at the retail end. As for the supply channels, due to the development of a unified national market and fluctuations in the prices of battery materials, battery supply remains generally tight and procurement prices continue to rise, placing some pressure on order delivery times. The energy storage business team is actively coping with the difficulties through numerous measures, including establishing strategic cooperation relationships with core battery manufacturers and promoting joint procurement for projects. In terms of sales, the Group focuses our efforts on three core regions, namely Jiangsu, Zhejiang and Anhui. We provide services dedicated toward the high-quality manufacturing enterprises, energy-intensive enterprises and developers and investors in energy storage projects. Building on our provision of high-quality commercial energy storage products, we aim to effectively address our target customers' practical challenges regarding energy consumption and electricity usage through energy storage applications, thereby enhancing customer loyalty and deepening our partnerships. Meanwhile, we adhere to the strategy of "prioritising direct sales whilst supplementing with channel partnerships". While continuing to build our own marketing system and professional team, we are also engaging an extensive, in-depth cooperation with regional distributors to establish a multi-tiered market network with broad coverage.

1. BUSINESS *(CONTINUED)*

1.2 BUSINESS PROSPECTS

Looking ahead, the Group remains cautiously optimistic about its long-term business prospects, prioritising sustainable development and disciplined growth. Rather than pursuing short-term scale expansion, the Group will continue to focus on building a solid foundation to support long-term value creation.

2. FINANCIAL REVIEW

2.1 Overall performance

During the Reporting Period, the Group recorded a revenue of approximately RMB5.42 million, representing a decrease of approximately 88.38% from approximately RMB46.61 million for the same period last year, which was mainly due to a significant decrease in revenue from energy storage business and cross-border e-commerce business. In the first half of 2026, the Group recorded a net loss of approximately RMB11.28 million, whereas a net loss of approximately RMB1.39 million was recorded for the same period last year.

2.2 Cost of sales

During the Reporting Period, the Group's cost of sales amounted to approximately RMB3.00 million, representing a decrease of approximately 91.11% from approximately RMB33.71 million for the same period last year, which was mainly due to a significant decrease in cost of sales of energy storage business and cross-border e-commerce business during the Reporting Period.

2.3 Other income, gains and losses

During the Reporting Period, other losses amounted to approximately RMB3.00 million, representing a decrease of approximately 321.31% from other income and gains amounted to approximately RMB1.36 million for the same period last year, which was mainly due to the fair value losses arising from the disposal of a financial asset.

2.4 Operating expenses

During the Reporting Period, the Group's operating expenses amounted to approximately RMB1.88 million, representing a decrease of approximately 47.70% from approximately RMB3.59 million for the same period last year, which was mainly due to a decrease in the salesperson expenditures and logistics and transportation expenses incurred by cross-border e-commerce business.

2.5 Administrative expenses

During the Reporting Period, administrative expenses amounted to approximately RMB8.85 million, representing a decrease of approximately 5.67% from approximately RMB9.38 million for the same period last year, which was mainly due to a decrease in agency service fees.

2. FINANCIAL REVIEW *(CONTINUED)*

2.6 Impairment loss on accounts receivable

Impairment loss of the Group mainly included the impairment losses on the financial lease receivables, receivables from sale and leaseback transactions, factoring receivables and other receivables (comprising trade receivables and receivables from operating lease), details of which are as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Impairment loss on financial lease receivables	–	1,788
Impairment loss on receivables from sale leaseback transactions	–	6,567
(Reversal of impairment loss) impairment loss on factoring receivables	(201)	2,226
(Reversal of impairment loss) Impairment loss on other receivables	(5)	2,591
Total impairment loss (reversal of impairment loss)	**(206)**	13,172

During the Reporting Period, reversal of impairment loss of accounts receivable was approximately RMB0.21 million, while there was an impairment loss of accounts receivable of approximately RMB13.17 million as at 31 December 2025.

2.7 Income tax expense

During the Reporting Period, the Group's income tax expense was approximately RMB0.01 million, representing a decrease of approximately 96.96% from approximately RMB0.33 million for the same period last year, which was mainly due to losses recorded on the Company's business during the Reporting Period.

3. FINANCIAL CONDITIONS ANALYSIS

As at 30 June 2026, the Group's total assets amounted to approximately RMB490.40 million, representing a decrease of approximately 2.98% from that as at 31 December 2025. As at 30 June 2026, the accounts receivable amounted to approximately RMB306.95 million, accounting for approximately 62.59% of the Group's total assets.

As at 30 June 2026, the Group's total liabilities amounted to approximately RMB106.02 million, representing a decrease of approximately 3.46% from that as at 31 December 2025. The gearing ratio, representing the total debt divided by total assets, was approximately 21.62% as at 30 June 2026 (31 December 2025: approximately 21.73%).

As at 30 June 2026, the carrying amount of the Group's bank borrowings repayable within one year amounted to RMB9.70 million and the fixed interest rate of such bank borrowings was 2.95% per annum (31 December 2025: RMB9.90 million).

4. CASH FLOW ANALYSIS

The primary uses of the capital of the Group are to fund its financial and advisory business and trading operation business and to manage the working capital of its daily operations. During the Reporting Period, the Group had net cash used in operating activities of approximately RMB8.89 million, as compared to a net cash generated from operating activities of approximately RMB0.53 million over the same period last year. The net cash used in financing activities was approximately RMB0.45 million, as compared to a net cash used in financing activities was approximately RMB0.48 million over the same period last year. The net cash generated from investing activities was approximately RMB2.91 million, as compared to a net cash generated from investing activities of approximately RMB1.56 million over the same period last year.

5. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to equity holders. The Group actively and regularly reviews and manages its capital structure to maintain a balance between high returns and sound capital position and makes adjustments to the capital structure in light of changes in economic conditions. No changes were made by the Group in the objectives, policies or procedures of capital management during the Reporting Period.

6. CAPITAL EXPENDITURE

Due to its business nature, the Group has minimal capital expenditures. The Group's capital expenditures principally consist of expenditures on office equipment. During the Reporting Period, the Group had no material capital expenditures.

7. RISK MANAGEMENT AND INTERNAL CONTROL

During the Reporting Period, the Group is committed to maintaining comprehensive risk management and internal control systems that enhance the Company's overall strategy and promote the Company's risk control capabilities while addressing various risks, including credit risks, liquidity risks, interest risks, operational risks and legal compliance risks. During the Reporting Period, the Group has implemented a comprehensive and effective risk management system with stringent procedures and measures in place, including multi-level assessments and approval processes.

7. RISK MANAGEMENT AND INTERNAL CONTROL *(CONTINUED)*

The Company has set up an internal audit department to analyze and evaluate the Company's risk management and internal control systems. The results of internal audits and reviews will be reported to the audit committee of the Company (the "**Audit Committee**") and the Board. Within the scope of review on internal control, no significant control defects have been found. The review results have been reported to the Audit Committee and the Board.

The Board oversees and manages the overall risks associated with our operations. During the Reporting Period, the Board reviewed the effectiveness of risk management and internal control systems of the Group. The Board considered the risk management and internal control systems are effective and adequate in all material aspects in both design and operations. The Board oversees the risk management and internal control systems of the Group on an ongoing basis. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and provide only reasonable but not absolute assurance against material misstatement or loss.

The Company has developed and adopted different risk management procedures and guidelines with a clear division of power and responsibility. The Company would conduct self-assessment each year to confirm that all departments and the Company have properly complied with the risk management and internal control policy. During the Reporting Period, all departments conducted regular internal control evaluation to identify risks with potential impact on the Group's business and other aspects including major operational and financial procedures, regulatory compliance and information security. The risk assessment results and the proposed internal control measures have been submitted to the senior management and the general manager of the Company for review and approval. The senior management and the general manager of the Company are also responsible for supervising the effectiveness of implementation and future execution of the risk control measurement.

8. HUMAN RESOURCES

As at 30 June 2026, the Group had a total of 52 full-time employees, as compared to a total of 64 full-time employees as at 30 June 2025. The remuneration of the employees of the Group is determined based on the market conditions, work experience and employee performances. During the Reporting Period, the Group incurred employment benefit expenses (social insurance, housing fund and enterprise annuity) of approximately RMB0.38 million, representing a decrease of approximately 27.61% from approximately RMB0.52 million for the same period last year, which was mainly due to a decrease in the number of full-time employee. In compliance with applicable PRC laws and regulations, the Group has made contributions to social insurance funds (including pension, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for its employees. During the Reporting Period, the Group complied with all statutory social insurance and housing fund obligations applicable to it under PRC laws in all material aspects.

9. CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no significant contingent liabilities (30 June 2025: nil).

10. CAPITAL COMMITMENTS

As at 30 June 2026, the Group's capital commitment stood at RMB12.93 million (As at 31 December 2025: RMB12.02 million); this capital commitment relates to a commitment to invest in a fund, details of which are set out in Notes 13(b) and 20 to the condensed consolidated interim financial statements.

11. LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2025 and 30 June 2026 the net current assets of the Group were approximately RMB258.20 million and RMB267.72 million respectively. As at 30 June 2025 and 30 June 2026, the cash and cash equivalents of the Group were approximately RMB27.69 million and RMB25.93 million respectively. As at 31 December 2025 and 30 June 2026, the carrying amount of the Group's bank borrowings repayable within one year amounted to RMB9.90 million and RMB9.70 million respectively.

12. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there were no other significant events that might affect the Group after the Reporting Period.

13. MATERIAL ACQUISITIONS OR DISPOSALS AND SIGNIFICANT INVESTMENTS

Material acquisitions or disposals

The Group had no other material acquisition or disposals of subsidiaries, associates or joint ventures during the Reporting Period.

Significant investments

The Group's investment strategy for significant investments include: 1) investments that would enable the Group to indirectly engage in the industries with rapid development momentum and broad market prospects, which will bring investment returns and revenue to the Group; and 2) investments that would enable the Group to explore potential business cooperation opportunities.

For the six months ended 30 June 2026, details of the following significant investments held by the Group, which represent 5% or more of the Group's total assets, are set out below:

Financial assets at FVTPL

			As at 30 June 2026		For the six months ended 30 June 2026		
Name of investment	Investment cost (RMB '000)	Number of shares held (shares)	Approximate percentage of shares held in investees (%)	Approximate percentage of the carrying amount of the Group's total assets (%)	Fair value (RMB '000)	gain (loss) of fair value (RMB '000)	Dividend income (RMB '000)
Beijing Shuncheng Health Investment Fund, L.P.[Note 1]	30,000[Note 2]	N/A[Note 3]	9.9%	6.12%	20,341	–	–

13. MATERIAL ACQUISITIONS OR DISPOSALS AND SIGNIFICANT INVESTMENTS *(CONTINUED)*

Financial assets at FVTPL (continued)

Note 1: Beijing Shuncheng Health Investment Enterprise (Limited Partnership)* (北京順澄健康投資企業(有限合夥)) achieves investment returns through investing in the fields of medical equipment, medical services and other health related fields focusing on unlisted companies, the fund's future investment direction is mainly in the medical device industry and medical service industry, and it has already invested in several biotechnology and medical device related companies, all of which are industry leaders and have strong growth capabilities.

Note 2: The Group contributed RMB4.00 million and RMB26.00 million on 29 December 2021 and 22 September 2022, respectively.

Note 3: The total share capital of the fund is RMB303,000,000 of which the Group contributed RMB30,000,000.

14. CHARGES ON ASSETS

As at 30 June 2026, the Group did not have any charges on its assets.

15. FOREIGN EXCHANGE EXPOSURE

The Group's income and expenditure during the Reporting Period were principally denominated in RMB and most of the assets and liabilities as at 30 June 2026 were also denominated in RMB. During the Reporting Period, the Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate and no hedging transaction or forward contract arrangement was made by the Group during the Reporting Period.

16. FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2026, the Group has no specific plans to acquire any material investments or capital assets.

OTHER INFORMATION

AUDIT COMMITTEE

The Company established the Audit Committee on 25 April 2017 with written terms of reference in compliance with the requirements as set out in the GEM Listing Rules. The Audit Committee consists of three independent non-executive Directors, being Mr. Liu Shengwen, Mr. Hon Leung and Mr. Tong Qiang, with Mr. Liu Shengwen as the chairman.

The unaudited condensed consolidated interim financial statements and the interim report of the Group for the six months ended 30 June 2026 have been reviewed by the Audit Committee.

DISCLOSURE OF INTERESTS

Interests and short positions held by substantial Shareholders and other persons in the shares and underlying shares of the Company

As at 30 June 2026, to the best knowledge of the Directors, the following persons or corporations (other than the Directors, supervisors of the Company (the "**Supervisors**") or chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (the "**SFO**"):

Name of Shareholder	Type of shares	Nature of interest	Number of shares interested in the relevant type of shares of the Company [(1)]	Percentage (approximate)	Number of shares interested in the total share capital of the Company [(1)]	Percentage (approximate)
Beijing Municipality Dayuan Tiandi Property Development Co., Ltd. * (北京市大苑天地房地產開發有限公司) ("**Dayuan Tiandi**") [(2)]	Domestic shares	Beneficial owner	80,000,000 (L)	66.67%	80,000,000 (L)	22.26%
Mr. Zhao Dehua ("**Mr. Zhao**") [(2)]	Domestic shares	Interest of a controlled corporation	80,000,000 (L)	66.67%	80,000,000 (L)	22.26%
Mr. Gong Liang ("**Mr. Gong**") [(2)]	Domestic shares	Interest of a controlled corporation	80,000,000 (L)	66.67%	80,000,000 (L)	22.26%
Shenzhen Zhonglian Financial Holding Investment Development Co., Ltd.* (深圳眾聯金控投資發展有限公司) ("**Shenzhen Zhonglian**") [(3)]	Unlisted foreign shares	Beneficial owner	70,445,200 (L)	47.12%	70,445,200 (L)	19.60%
	Domestic shares	Beneficial owner	5,000,000 (L)	4.17%	5,000,000 (L)	1.39%
Hainan Mujing Chengyuan Technology Partnership (Limited Partnership)* (海南木景誠苑科技合夥企業(有限合夥))("**Mujing Chengyuan**") [(3)]	Unlisted foreign shares	Interest of a controlled corporation	70,445,200 (L)	47.12%	70,445,200 (L)	19.60%
	Domestic shares	Interest of a controlled corporation	5,000,000 (L)	4.17%	5,000,000 (L)	1.39%
Mr. Gong Changjiu [(3)]	Unlisted foreign shares	Interest of a controlled corporation	70,445,200 (L)	47.12%	70,445,200 (L)	19.60%
	Domestic shares	Interest of a controlled corporation	5,000,000 (L)	4.17%	5,000,000 (L)	1.39%

DISCLOSURE OF INTERESTS *(CONTINUED)*

Name of Shareholder	Type of shares	Nature of interest	Number of shares interested in the relevant type of shares of the Company (1)	Percentage (approximate)	Number of shares interested in the total share capital of the Company (1)	Percentage (approximate)
Mr. Xu Dongsheng ("**Mr. Xu**") (3)	Unlisted foreign shares	Interest of a controlled corporation	70,445,200 (L)	47.12%	70,445,200 (L)	19.60%
	Domestic shares	Interest of a controlled corporation	5,000,000 (L)	4.17%	5,000,000 (L)	1.39%
Beijing Youke Yu Technology Development Co., Ltd.* (北京優科玉科技發展有限公司) ("**Youke Yu**") (4)	Unlisted foreign shares	Beneficial owner	46,714,200 (L)	31.25%	46,714,200 (L)	13.00%
Beijing Xinmao Licheng Trading Co., Ltd.* (北京鑫茂立成商貿有限公司) ("**Xinmao Licheng**") (4)	Unlisted foreign shares	Interest of a controlled corporation	46,714,200 (L)	31.25%	46,714,200 (L)	13.00%
Mr. Guo Lidong ("**Mr. Guo**") (4)	Unlisted foreign shares	Interest of a controlled corporation	46,714,200 (L)	31.25%	46,714,200 (L)	13.00%
Mr. Yan Wenge ("**Mr. Yan**") (4)	Unlisted foreign shares	Interest of a controlled corporation	46,714,200 (L)	31.25%	46,714,200 (L)	13.00%
Beijing Hengsheng Rongcheng Trading Co., Ltd.* (北京恒盛融誠商貿有限公司) (5)	Unlisted foreign shares	Beneficial owner	32,340,600 (L)	21.63%	32,340,600 (L)	9.00%
Ms. Wu Yue (5)	Unlisted foreign shares	Interest of a controlled corporation	32,340,600 (L)	21.63%	32,340,600 (L)	9.00%
KKC Capital Limited	H shares	Investment manager	9,408,000 (L)	10.47%	9,408,000 (L)	2.62%
KKC Capital SPC – KKC Capital High Growth Fund Segregated Portfolio	H shares	Beneficial owner	9,408,000 (L)	10.47%	9,408,000 (L)	2.62%
A Plus Capital Management Limited	H shares	Investment manager	9,318,000 (L)	10.37%	9,318,000 (L)	2.59%
Tiger Capital Fund SPC – Tiger Global SP	H shares	Beneficial owner	9,318,000 (L)	10.37%	9,318,000 (L)	2.59%

Notes:

(1) The letter "L" denotes the person's long position in the shares. As at 30 June 2026, the Company issued a total of 359,340,000 shares, including 120,000,000 domestic shares, 89,840,000 H shares and 149,500,000 unlisted foreign shares.

(2) Dayuan Tiandi is owned as to 55% by Mr. Zhao and 45% by Mr. Gong. By virtue of the SFO, Mr. Zhao and Mr. Gong are deemed to be interested in the shares held by Dayuan Tiandi.

(3) Shenzhen Zhonglian is owned as to 90% by Mujing Chengyuan and 10% by Mr. Gong Changjiu. Mujing Chengyuan is in turn owned as to 51% by Mr. Gong Changjiu and 49% by Mr. Xu. By virtue of the SFO, Mr. Gong Changjiu and Mr. Xu are deemed to be interested in the shares held by Shenzhen Zhonglian. As informed by Shenzhen Zhonglian, its name has been changed to Shenzhen Zhonglian Jinxin Commercial Service Co., Ltd.* (深圳眾聯金信商務服務有限公司).

DISCLOSURE OF INTERESTS *(CONTINUED)*

Notes: *(continued)*

(4) Youke Yu is owned as to 20% by Mr. Guo and 80% by Xinmao Licheng. Xinmao Licheng is in turn owned as to 50% by Mr. Guo and 50% by Mr. Yan. By virtue of the SFO, Xinmao Licheng, Mr. Guo and Mr. Yan are deemed to be interested in the shares held by Youke Yu.

(5) Beijing Hengsheng Rongcheng Trading Co., Ltd. is wholly owned by Ms. Wu Yue. By virtue of the SFO, Ms. Wu Yue is deemed to be interested in the shares held by Beijing Hengsheng Rongcheng Trading Co., Ltd.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any other person or corporation which had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Interests and short positions held by Directors, Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

As at 30 June 2026, none of the Directors, Supervisors or chief executive of the Company had an interest or short position in the shares, underlying shares or debentures of the Company or its associated corporation as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules (which shall be deemed to apply to the Supervisors to the same extent as it applies to the Directors).

DIVIDEND

The Board did not recommend any interim dividend for the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares).

There are no treasury Shares held by the Company (whether held directly or deposited in the Central Clearing and Settlement System or otherwise) as at 30 June 2026 and up to the date of this report.

COMPETING INTERESTS

None of the Directors, controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) had any interests in any business which competes or may compete with the business of the Group or any other conflicts of interest which such person has or may have with the Group which must be disclosed in this report as at 30 June 2026.

DIRECTORS' AND SUPERVISORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by the Directors and Supervisors (the "**Code of Conduct**") on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all Directors and Supervisors, all Directors and Supervisors confirmed that they had complied with the required standard of dealings and the Code of Conduct during the six months ended 30 June 2026.

CHANGES IN DIRECTORS' AND SUPERVISORS' INFORMATION

There is no change in the Directors' and Supervisors' information required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

CORPORATE GOVERNANCE

The Group recognises the vital importance of good corporate governance to its success and sustainability. The Company is committed to achieving a high standard of corporate governance practices as an essential component of high quality and has introduced corporate governance practices appropriate to the operation and growth of its business. The Company has applied the principles set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the GEM Listing Rules.

CULTURE AND VALUES

A healthy corporate culture is critical to the realization of the Group's vision and strategy. The Board is responsible for fostering a corporate culture with the following core principles and ensuring that the Company's vision, values and business strategies are aligned with the corporate culture.

1. Integrity and Code of Conduct

The Group stays committed to maintaining high standards of business ethics and corporate governance in all our activities and operations. Directors, management and employees are required to act in a lawful, ethical and responsible manner and the required standards and codes are clearly set out in the training materials for all new employees and have been incorporated into various policies, such as the Group's Employee Handbook that includes the Group's Code of Conduct therein and the Group's Anti-Corruption Policy and Whistleblowing Policy. The Company conducts training from time to time for the purpose of reinforcing the necessary standards of ethics and integrity.

2. Integrity, Responsibility, Innovation and Dedication

The Group believes that a culture characterized with commitment to employee development, workplace safety and health, diversity and sustainability can create a sense of commitment and dedication to the Group, which lays a solid foundation for a strong and productive workforce that can attract, develop and retain the best talent, and strengthens the innovative thinking and dedication of its employees, thereby enhancing the Company's efficiency. In addition, the Company's strategies in business development and management aim at achieving long-term, stable and sustainable growth, as well as focus on environmental, social and governance to some extent.

During the Reporting Period, in the opinion of the Board, the Company has complied with all code provisions set out in Part 2 of the CG Code, save and except for the deviation from code provision C.2.1.

Under code provision C.2.1, the roles of chairman and chief executive officer should be separate and performed by different individuals. Presently, the Company does not have a position with the title "chief executive officer". The role of general manager of the Company is to carry out the duties of a chief executive officer. Mr. Li Peng is the chairman of the Board and the general manager of the Company. Since Mr. Li Peng has demonstrated suitable management and leadership capabilities along with his thorough understanding of the Group's business since his appointment as a Director and the general manager of the Company in 2012 and 2015, respectively, the Board believes that vesting both the roles of chairman of the Board and general manager of the Company in Mr. Li can facilitate the execution of the Group's business strategies and maximizes the effectiveness of its operations. In addition, as all major decisions are made in consultation with the members of the Board and relevant Board committees, and there are three independent non-executive Directors offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board shall nevertheless review its structure from time to time to ensure that appropriate action is being taken as and when appropriate.

SHARE INCENTIVE SCHEME

During the Reporting Period, the Group had no share incentive scheme.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	NOTES	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Continuing operation			
Revenue	5	**5,418**	46,613
Cost of sales		**(2,997)**	(33,712)
Gross profit		**2,421**	12,901
Other income, gains and losses	6	**(3,001)**	1,356
Operating expenses		**(1,878)**	(3,591)
Administrative expenses		**(8,850)**	(9,382)
Reversal of impairment loss (impairment loss) on finance lease receivables and accounts receivables, net		**206**	(1,351)
Finance cost		**(164)**	(194)
Share of loss of an associate		**–**	(806)
Loss before income tax	7	**(11,266)**	(1,067)
Income tax expenses	9	**(10)**	(329)
Loss for the period from continuing operation		**(11,276)**	(1,396)
Discontinued operations			
Profit after tax for the period from discontinued operations	8	**–**	2
Loss and total comprehensive expense for the period:		**(11,276)**	(1,394)
Loss and total comprehensive expense for the period attributable to:			
– Owners of the Company		**(8,665)**	(1,137)
– Non-controlling interests		**(2,611)**	(257)
		(11,276)	(1,394)
(Loss) profit and total comprehensive (expense) income for the period attributable to owners of the Company arising from:			
– Continuing operations		**(11,276)**	(1,138)
– Discontinued operations		**–**	1
Total comprehensive expense for the period		**(11,276)**	(1,137)
Loss per share		**RMB cents**	RMB cents
Basic and Diluted (RMB cents)	10		
– Continuing operations		**(2.41)**	(0.32)
– Discontinued operations		**–**	–

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2026

	NOTES	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Non-current assets			
Plant and equipment	12	4,462	5,856
Intangible asset		1,059	1,172
Accounts receivables	15	–	210
Right-of-use assets	12	365	606
Amounts due from related companies		23,182	30,548
Financial assets at fair value through profit or loss ("**FVTPL**")	13	81,008	92,486
Interest in an associate		–	–
Goodwill		1,638	1,638
Deferred tax assets		4,946	5,098
		116,660	137,614
Current assets			
Inventories		3,380	3,828
Finance lease receivables	14	–	–
Accounts receivables	15	306,953	317,029
Prepayments, deposits and other receivables		27,472	12,740
Amounts due from related companies		8,099	–
Amount due from a non-controlling interest		1,900	1,900
Cash and cash equivalents		25,934	32,362
		373,738	367,859
Assets classified as held for sale	8	–	–
		373,738	367,859
Total assets		490,398	505,473
Current liabilities			
Trade and other payables	16	89,473	92,293
Contract liabilities		–	378
Bank borrowings	17	9,700	9,900
Lease liabilities		208	434
Tax payables		6,635	6,650
		106,016	109,655
Liabilities associated with assets classified as held for sale		–	–
Net current assets		267,722	258,204
Total assets less current liabilities		384,382	395,818

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2026

	NOTES	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Non-current liabilities			
Deferred tax liabilities		–	152
Lease liabilities		–	8
		–	160
Net assets		384,382	395,658
Capital and reserves			
Share capital	18	359,340	359,340
Reserves		25,432	34,097
		384,772	393,437
Equity attributable to owners of the Company			
Non-controlling interests		(390)	2,221
Total equity		384,382	395,658

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company							
	Share capital RMB'000	Merger reserve RMB'000 (note (a))	Capital reserve RMB'000 (note (b))	Statutory reserve RMB'000 (note c)	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (audited)	**359,340**	**1,582**	**31,240**	**18,476**	**(17,201)**	**393,437**	**2,221**	**395,658**
Loss and total comprehensive expense for the period	**–**	**–**	**–**	**–**	**(8,665)**	**(8,665)**	**(2,611)**	**(11,276)**
At 30 June 2026(unaudited)	**359,340**	**1,582**	**31,240**	**18,476**	**(25,866)**	**384,772**	**(390)**	**384,382**
At 1 January 2025 (audited)	359,340	1,582	31,240	18,476	26,334	436,972	5,279	442,251
Loss and total comprehensive expense for the period	–	–	–	–	(1,137)	(1,137)	(257)	(1,394)
At 30 June 2025 (unaudited)	359,340	1,582	31,240	18,476	25,197	435,835	5,022	440,857

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cash flows (used in) from operating activities	(8,913)	1,558
Interest received	52	85
Income tax paid	(25)	(1,112)
Net cash (used in) from operating activities	(8,886)	531
Cash flows from investing activities		
Purchase of property, plant and equipment	–	(24)
Purchase of intangible assets	–	(25)
Deposit received from disposal of financial assets at FVTPL	2,004	–
Proceeds from partial refund of financial assets at FVTPL	907	1,610
Net cash from investing activities	2,911	1,561
Cash flows from financing activities		
Capital elements of lease rentals paid	(234)	(458)
Interest elements of lease rentals paid	(19)	(21)
Proceeds from bank borrowing	–	5,000
Repayment of bank borrowing	(200)	(5,000)
Net cash used in financing activities	(453)	(479)
Net (decrease) increase in cash and cash equivalents	(6,428)	1,613
Cash and cash equivalents at beginning of period	32,362	26,077
Cash and cash equivalents end of period, represented by bank balance and cash	25,934	27,690

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

FY Financial (Shenzhen) Co., Ltd. ("**the Company**") was established in the People Republic of China (the "**PRC**") on 7 December 2012 as a sino-foreign equity joint venture enterprise and was converted to a joint stock company with limited liability under the Company Law of the People's Republic of China (the "**PRC**") on 10 September 2015. The address of its registered office is Room 201, Block A, No.1, Qianwan First Road, Qianhai Shenzhen- Hong Kong Cooperation Zone, Shenzhen, Guangdong, the PRC and the principal place of business is Room 1603, Cheung Kei Building, No.128 Xinzhou 11th Street, Futian District, Shenzhen, Guangdong, the PRC. The Company listed shares ("**H Shares**") have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 23 May 2017.

The Company is principally engaged in financial leasing, advisory services, customer referral while the principal subsidiaries are principally engaged in financial leasing, provision of factoring and advisory services, customer referral, the supply of medical equipment, investment holding and energy storage business in the PRC.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group and its subsidiaries (hereinafter collectively referred to as the "**Group**") for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "**Interim Financial Reporting**" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

The condensed consolidated financial statements of the Group for the six months ended 30 June 2026 are presented in Renminbi ("**RMB**"), which is also the functional currency of the principal subsidiaries of the Group where the primary economic environment is in the PRC.

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of amendments to HKFRSs

The Interim Financial Information has been prepared in accordance with the accounting policies adopted in the last financial statements for the year ended 31 December 2025, except for the adoption of the following amendments to HKFRS Accounting Standards which are applicable for the Group's financial year beginning on 1 January 2026:

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

The above standards did not have any impact on the Group's accounting policies and are not expected to significantly affect the current and future periods.

4. SEGMENT INFORMATION

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has three (six months ended 30 June 2025: Three) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- The financial and advisory business comprises (a) direct finance leasing; (b) sale-leaseback; (c) factoring; (d) advisory services; (e) customer referral; and (f) investment holding.

- The trading operation business comprises trading of electronic products.

- The energy storage business comprises (a) trading of energy storage systems; (b) energy storage solution and general contracting and (c) provision of energy storage business.

During the six months ended 30 June 2025, the Group disposed of the interest in 5G base station business segment which was presented as "discontinued operations". The disposal transaction was completed during the year ended 31 December 2025. Accordingly, the following segment information of the Group's business segment does not include the discontinued operations in both periods.

	Financial and advisory business Six months ended 30 June		Trading operation business Six months ended 30 June		Energy storage business Six months ended 30 June		Total Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Continuing operations								
Revenue from external customers	2,336	6,816	1,715	14,066	1,367	25,731	5,418	46,613
Inter-segment revenue	–	–	–	–	–	–	–	–
Reportable segment revenue	2,336	6,816	1,715	14,066	1,367	25,731	5,418	46,613
Reportable segment (loss)/profit before income tax	(4,886)	663	(1,916)	(770)	(4,464)	(960)	(11,266)	(1,067)
Bank interest income	51	55	–	–	1	30	52	85
Depreciation of plant and equipment	16	44	12	12	759	799	787	855
Depreciation of right-of-use assets	52	276	–	–	189	229	241	505
Amortisation of intangible asset	111	170	2	2	–	–	113	172
(Reversal of) provision for impairment loss on finance lease receivables and account receivables, net	(201)	1,351	(5)	–	–	–	(206)	1,351
Income tax expense	9	329	1	–	–	–	10	329

4. SEGMENT INFORMATION *(Continued)*

(b) Geographic information

The Company was incorporated in the PRC and the principal place of the Group's operations is the PRC. All the Group's revenue and non-current assets are principally attributable to the PRC.

(c) Information about major customers

No customers contributed 10% or more of the Group's revenue for the six months ended 30 June 2026 and 2025.

5. REVENUE

An analysis of the Group's revenue for the periods from continuing operations is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Continuing operations		
Revenue from contracts with customers:		
Energy storage service income	1,367	25,731
Sales of goods – electronic products	1,715	14,066
	3,082	39,797
Revenue from other sources		
Income from sale-leaseback transactions	–	540
Factoring income	2,336	6,276
	2,336	6,816
	5,418	46,613

Disaggregation of revenue from contracts with customers by timing of recognition.

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Timing of revenue recognition		
– At a point in time	1,715	14,066
– Overtime	1,367	25,731
Total revenue from contracts with customers	3,082	39,797

6. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Continuing operations		
Other income, gains and losses		
Bank interest income	**52**	85
Gain on disposal of plant and equipment	**26**	–
Exchange gain or loss, net	**12**	153
Maintenance service income	**144**	1,027
Government grant	**216**	–
Change in fair value of financial assets at FVTPL	**(3,492)**	–
Others	**41**	91
	(3,001)	1,356

7. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

	Six months ended 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Costs of sales:		
– Depreciation of plant and equipment	**671**	681
– Cost of inventories sold	**2,326**	33,031
	2,997	33,712
Staff cost (including directors' emoluments)		
– Comprise:		
– Salaries, allowances and benefits in kind	**4,081**	6,215
– Discretionary bonuses	**–**	56
– Contribution to defined contribution retirement plan	**375**	518
	4,456	6,789
Depreciation of plant and equipment	**116**	174
Depreciation of right- of – use assets	**241**	505
Amortisation of intangible asset	**113**	–
Expenses relating to short-term leases	**281**	114
(Reversal of impairment loss) impairment loss on finance lease receivables and account receivables, net	**(206)**	1,351
Gain on disposal of plant and equipment	**26**	–

8. DISCONTINUED OPERATIONS

On 16 May 2024, the Group entered into an asset transfer agreement with an independent third party whereby the Group agreed to dispose all base stations constructed by its subsidiaries, Shenzhen Huixin Zhida Technology Co., Ltd. (深圳匯信致達科技有限公司) ("**Huixin**") at cash consideration of RMB1,410,000 (adjusted to RMB999,670.5 during the six months ended 2025) and Guangdong Yideng Engineering Construction Co., Ltd. (廣東壹登工程建設有限公司) ("**Yideng**") at cash consideration of RMB8,750,000 for the use of the third party telecommunications operators, including the base station equipment and auxiliary facilities owned by Huixin and Yideng. In order to reduce the operating and maintenance costs of the base stations and to avoid potential loss resulting from the decrease in value of base stations, the directors of the Company considered that the disposal of assets offer an opportunity for the Group to optimize its resources allocation and enhance the quality and efficiency of its operations, which will be beneficial to the overall development of the Group. Details please refer to announcement dated 16 May 2024. After the disposal of assets, the Group is discontinued its operations of 5G base stations.

As at 30 June 2025, the disposal had not yet been completed. Accordingly, the assets and liabilities of Huixin and Yideng as at 30 June 2025 were classified as assets and liabilities of a disposal group held for sale, and their results were presented as a loss from a discontinued operation. The disposal transaction was completed during the year ended 31 December 2025. Thereafter, there were no remaining disposal assets or liabilities relating to the discontinued operation during the period ended 30 June 2026.

	Six months ended 30 June 2025 RMB'000 (Unaudited)
Revenue	–
Cost of sales	–
Gross profit	–
Other income and gains	297
Operating expenses	(45)
Administrative expenses	(250)
Reversal of impairment loss on accounts receivables	–
Profit before tax from discontinued operations	2
Income tax expenses	–
Profit for the period	2

The following assets and liabilities were classified as held for sale in relation to the discontinued operations as at 30 June 2025:

	Six months ended 30 June 2025 RMB'000 (Unaudited)
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	4,216
Goodwill	109
Right of use assets	3,652
Total assets classified as held for sale	7,977
Lease liabilities and total liabilities associated with assets classified as held for sale	(3,377)

9. INCOME TAX EXPENSE

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)
Income tax		
– Current period	10	329
Deferred tax		
– Charged for the period	–	–
Income tax expense	10	329

The Company and its subsidiaries are incorporated in the PRC subject to the enterprise income tax in the PRC.

Provision for the enterprise income tax in the PRC is calculated based on a statutory tax rate of 25% of the estimated assessable profits as determined in accordance with the relevant income tax law in the PRC in the current and prior period.

10. LOSS PER SHARE

For continuing and discontinued operations

The calculation of basic and diluted (loss) earnings per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
(Loss) profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings (loss) per share		
From continuing operations	(8,665)	(43,893)
From discontinued operations	–	358

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	359,340	359,340
Basic and diluted (loss) earnings per share (RMB cents per share)		
From continuing operations	(2.41)	(12.21)
From discontinued operations	–	0.10
Total basic loss per share	(2.41)	(12.11)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2026

11. DIVIDENDS

No dividend was paid or proposed for the six months ended 30 June 2026 (six months ended 30 June 2025: nil), and no dividend has been proposed since the end of the Reporting Period.

12. PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, additions to plant and equipment and right-of-use assets amounted to RMB24,000 (2026: nil) and RMB683,000 (2026: nil) respectively. During the six months ended 30 June 2026, the disposal of plant and equipment amounted to approximately RMB534,000 (2025: nil), resulting in a gain on disposal of approximately RMB26,000 (2025: nil).

13. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
– Preference shares of an unlisted investment, Pachira (Zhuhai Hengqin) Information Technology Co., Ltd ("**Pachira**") (note a)	–	10,572
– Ordinary shares in Zhuhai Huihe Guangjing Chuangye investment Fund, L.P. ("**Zhuhai Huihe**") (note b)	41,159	41,955
– Ordinary shares in Beijing Shuncheng Health investment Fund, L.P. ("**Beijing Shuncheng**") (note c)	20,341	20,341
– Ordinary shares in Shenzhen Divbio Pharmaceutical Co., Ltd ("**Shenzhen Divbio**") (note d)	7,599	7,599
– Ordinary shares in Yixing Xiangyi Venture Capital Partnership ("**Yixing**") (note e)	11,909	12,019
	81,008	92,486

Reconciliation for financial asset at FVTPL based on significant unobservable inputs (Level 2 and Level 3) are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At the beginning of year	92,486	71,075
Disposal (note a)	(10,572)	–
Partial refund of cost of investment (note b)	(796)	(1,610)
Partial refund of cost of investment (note e)	(110)	–
Net gain on change in fair value recognised in profit or loss	–	23,021
At the end of period/year	81,008	92,486

13. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Notes:

(a) During the year ended 30 June 2025 and up to the disposal date of 31 March 2026, the financial assets represented 0.5973% equity interest in preference shares of a private company incorporated in the PRC, with an investment cost of RMB5,000,000, and were measured at FVTPL. On 31 March 2026, the Group signed a sale and purchase agreement with an independent third party (the "**Buyer**"), under which the Group agreed to sell and the Buyer agreed to buy the financial assets at a consideration of RMB7,080,000. This consideration was determined based on the fair value as at 31 March 2026, with the payment due on or before 30 April 2027. During the period ended 30 June 2026, the Group received a deposit of approximately RMB2,004,000, and a fair value loss on disposal of FVTPL of approximately RMB3,492,000 (2025: nil) was recognised in profit or loss.

(b) The financial assets represent a 33.57% interest in a fund incorporated in the PRC (2025: 33.57%). Pursuant to the limited partnership agreement, the total investment amounted to RMB30,000,000. The Group partially received a refund of the capital investment of RMB796,000 during the period ended 30 June 2026 (30 June 2025: RMB1,610,000). There was no change in ownership after this withdrawal. There was no gain or loss on fair value of the financial assets for the period ended 30 June 2026 (2025: nil).

(c) The financial assets represent 9.9% (2025: 9.9%) interest in a fund incorporated in the PRC with investment cost of RMB30,000,000. There is no gain or loss on fair value of the financial assets for the period ended 30 June 2026 (2025: nil).

(d) The financial assets represent 4.504% (2025: 4.504%) interest in a private company incorporated in the PRC with investment cost of RMB8,000,000. There is no gain or loss in fair value of the financial assets for the period ended 30 June 2026 (2025: nil).

(e) The financial assets represent 12.9631% (2025: 12.9631%) interest in a fund incorporated in the PRC with investment cost of RMB10,000,000. The Group partially received a refund of the capital investment of RMB110,000 during the period ended 30 June 2026 (30 June 2025: nil). There was no change in ownership after this withdrawal. There is no gain or loss of the financial assets for the period ended 30 June 2026 (2025: nil).

14. FINANCE LEASE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Finance lease receivables comprises:		
Within one year	14,160	14,160
Less: unearned finance income	(3,921)	(3,921)
Present value of minimum lease payment	10,239	10,239
Less: allowance for credit losses	(10,239)	(10,239)
	–	–

Analysed as:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current assets	–	–

Certain of the plant and machinery of the Group are leased out under finance leases.

14. FINANCE LEASE RECEIVABLES *(Continued)*

The following is a credit quality analysis of finance lease receivables. In the event that an instalment repayment of a finance lease receivables is overdue for more than 30 days, the entire outstanding balance of the finance lease receivables is classified as overdue. If the instalment repayment is overdue within 30 days, only the balance of this instalment is classified as overdue.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Overdue and credit-impaired		
Overdue over 180 days	–	–

Movements of the impairment loss on finance lease receivables are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At beginning of year	10,239	8,967
Impairment loss recognised for the period/year	–	1,788
Written off	–	(516)
At end of period/year	10,239	10,239

The loss allowance was measured at an amount equal to lifetime expected credit losses under the simplified approach.

15. ACCOUNTS RECEIVABLES

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Receivables from sales-leaseback	(a)	–	–
Factoring receivables with recourse	(b)	197,029	199,360
Trade receivables	(c)	106,052	113,415
Receivables from operating leases	(d)	3,872	4,464
Total accounts receivables, less allowance for credit loss		306,953	317,239

Analysis for reporting purpose as:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current assets	306,953	317,029
Non-current assets	–	210
	306,953	317,239

15. ACCOUNTS RECEIVABLES *(Continued)*

Notes:

(a) Receivables from sales-leaseback

The following is an ageing analysis of receivables from sales-leaseback net of allowance for credit losses based on the schedule to repay of the receivables since the effective date of the relevant sale-leaseback contracts, as at the end of the reporting period.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current and within 1 year	–	–

The Group allows an average credit period of 30 to 60 days (2025: 30 to 60 days) to its customers.

The following is a credit quality analysis of receivables from sale-leaseback transaction. In the event that an instalment repayment of a receivable form sale-leaseback transaction is overdue more than 30 days, the entire outstanding balance of the receivables form sale-leaseback transaction is classified as overdue.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Overdue and credit-impaired		
Overdue 181 days	12,541	12,541
Less: Allowance for credit losses	(12,541)	(12,541)
	–	–

The Group, acts as a buyer-lessor, does not recognise the transferred asset, as the sale-leaseback transaction does not satisfy the requirements of HKFRS 15 as a sale but accounted for as financing arrangement under HKFRS 9.

Movements of impairment loss on receivables form sale-leaseback transaction are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At beginning of year	12,541	7,064
Impairment loss recognised for the period/year	–	6,567
Written off	–	(1,090)
At end of period/year	12,541	12,541

The loss allowance was measured at an amount equal to 12 month and lifetime expected credit losses under the general approach for receivables from sale-leaseback transaction.

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15. ACCOUNTS RECEIVABLES *(Continued)*

Notes: (Continued)

(b) Factoring receivables

The following is an ageing analysis of factoring receivables net of allowance for credit losses based on the schedule to repay of the receivables since the effective date of the relevant factoring contracts as at the end of the reporting period.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	197,029	199,360
Analysis for reporting purpose as:		
Current	197,029	199,360

The Group allows an average credit period of 0 to 30 days (2025: 0 to 30 days) to its customers.

The following is a credit quality analysis of factoring receivables. In the event that an instalment repayment of a factoring receivable is overdue, the entire outstanding balance of the factoring receivables is classified as overdue.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Neither overdue nor credit-impaired	44,100	133,690
Overdue and not credit-impaired		
– Overdue 0 days to 30 days	–	51,960
– Overdue 30 days to 90 days	46,000	–
Overdue and not credit-impaired		
– Overdue 90 days to 180 days	40,000	–
Overdue and credit-impaired		
– Overdue over 180 days	87,377	34,359
	217,477	220,009
Less: Allowance for credit losses	(20,448)	(20,649)
	197,029	199,360

The overdue interest rate is charged at fixed rate 0.1% per day (2025: 0.1% per day).

The effective interest rates of the above factoring receivables ranged mainly from 1.0% to 5.0% per annum as at 30 June 2026 (2025: 0.84% to 6.86% per annum).

15. ACCOUNTS RECEIVABLES *(Continued)*

Notes: (Continued)

(b) Factoring receivables (Continued)

As at 30 June 2026, the Group hold collateral of the factoring receivables with a carrying amount of RMB249,707,000 (2025: RMB333,777,000) over the factoring receivables.

Movements of impairment loss on factoring receivables are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At beginning of year	**20,649**	18,424
(Reversal of impairment loss) impairment loss recognised for the period/year	**(201)**	2,226
At end of period/year	**20,448**	20,649

The loss allowance was measured at an amount equal to 12 month and lifetime expected credit losses under the general approach for factoring receivables. The changes in the loss allowance was mainly due to the reversal of loss allowance on certain factoring receivables at the reporting date under the expected credit loss model.

(c) Trade receivables

The following is an ageing analysis of trade receivables net of allowance for credit losses based on the invoice date, at the end of the reporting period.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
0 – 30 days	**7,925**	48,472
30 – 90 days	**140**	3,520
90 – 180 days	**121**	20,291
180 – 365 days	**60,897**	38,432
Over 365 days	**36,969**	2,700
	106,052	113,415
Analysis for reporting purpose as:		
Current	**106,052**	113,205
Non-current	**–**	210
	106,052	113,415

The Group allows an average credit period of 0 to 30 days (2025: 0 to 30 days) to its customers.

15. ACCOUNTS RECEIVABLES *(Continued)*

Notes: (Continued)

(c) Trade receivables (Continued)

The following is a credit quality analysis of trade receivables. In the event that an instalment repayment of trade receivable is overdue, the entire outstanding balance of the trade receivables is classified as overdue.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Neither overdue nor credit-impaired	**7,925**	47,747
Overdue but not credit-impaired		
Overdue within 30 days	**–**	727
Overdue 30 days to 90 days	**140**	3,520
Overdue 91 days to 180 days	**121**	20,350
Overdue and credit impaired		
Overdue 181 days	**102,427**	45,637
	110,613	117,981
Less: Allowance for credit losses	**(4,561)**	(4,566)
	106,052	113,415

Movements of impairment loss on trade receivables area as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At beginning of year	**4,566**	3,481
(Reversal of impairment loss) impairment loss recognised for the period/year	**(5)**	1,224
Written off	**–**	(139)
At end of period/year	**4,561**	4,566

The loss allowance was measured at an amount equal to lifetime expected credit losses under the simplified approach for trade receivables. The changes in the loss allowance was mainly due to the reversal of loss allowance on certain trade receivables at the reporting date under the expected credit loss model.

15. ACCOUNTS RECEIVABLES *(Continued)*

Notes: (Continued)

(d) Receivables from operating leases

The following is an ageing analysis of receivables from operating leases net of allowance for credit losses based on the schedule to repay of the receivables as at the end of the reporting period.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
0-30 days	**3,872**	4,464

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current	**3,872**	4,464

The Group allows an average credit period of 0 to 30 days (2025: 0 to 30 days) to its customers.

The following is a credit quality analysis of receivables from operating lease. In the event that an instalment repayment of receivables from operating lease is overdue, the entire outstanding balance of the receivables from operating lease is classified as overdue.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Neither overdue nor credit-impaired	**583**	–
Overdue but not credit-impaired		
Overdue 0 days to 30 days	**–**	459
Overdue 30 days to 90 days	**472**	1,636
Overdue 90 days to 180 days	**659**	1,800
Overdue and credit impaired		
Overdue over 181 days	**3,042**	1,453
	4,756	5,348
Less: Allowance for credit losses	**(884)**	(884)
	3,872	4,464

Movements of the impairment loss on receivables from operating lease are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At beginning of year	**884**	8
Impairment loss recognised for the period/year	**–**	1,015
Written off	**–**	(139)
At end of period/year	**884**	884

The loss allowance was measured at an amount equal to 12 month expected credit loss under the general approach for receivables from operating lease. No changes in the loss allowance on receivables from operating leases at the reporting date under the expected credit loss model.

16. TRADE AND OTHER PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables (note a)	**88,413**	89,987
Accruals	**840**	1,771
Others	**220**	535
	89,473	92,293

Notes:

(a) The ageing analysis of trade payables of the Group, based on invoice dates, at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**88,413**	89,987

The average credit period on purchases of goods is 30 days (2025: 30 days) for the period ended 30 June 2026. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

17. BANK BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Unsecured bank borrowings classified as current liabilities	**9,700**	9,900
Carrying amount of bank borrowings repayable within one year	**9,700**	9,900

As at 30 June 2026, the bank borrowings were denominated in RMB, bore interest at fixed rate of 2.95% (2025: 2.95%) per annum and repay within one year for the purpose of operating use.

18. SHARE CAPITAL

	Number of shares	RMB'000
Registered domestic share capital and H Shares:		
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	359,340,000	359,340

19. RELATED PARTY TRANSACTIONS

(a) Saved as disclosed elsewhere in the condensed consolidated interim financial statements, the Group has the following significant related party transactions and balances with related party.

Name of related parties	Nature of transactions	Six months ended 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Dayuan Tiandi	Income from factoring transaction	–	212
Longding Huayuan	Income from factoring transaction	543	546
	Lease payment	41	82
	Interest on lease liabilities	1	4
北京快易天地企業管理有限公司 (“**Kuaiyi Tiandi**”)	Income from factoring transaction	189	–

19. RELATED PARTY TRANSACTIONS *(Continued)*

(a) (Continued)

Detail of amount due from related company is as follows:

Name of related parties	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Longding Huayuan		
Factoring receivables	**23,443**	22,900
Less: Impairment allowance	**(261)**	(261)
	23,182	22,639
Kuaiyi Tiandi		
Factoring receivables	**8,190**	8,000
Less: Impairment allowance	**(91)**	(91)
	8,099	7,909
Total	**31,281**	30,548

Notes:

(i) Longding Huayuan is a wholly-owned subsidiary of Dayuan Tiandi, which is also a shareholder, which 22.26% interest in of the Company. The loss allowance was measured at an amount equal to 12 months expected credit losses for factoring receivables.

Kuaiyi Tiandi is a wholly owned subsidiary of Shanghai KYMS Group. The loss allowance was measured at an amount equal to 12 months expected credit losses and lifetime expected credit losses for factoring receivables.

(ii) The amounts due from related companies are trade nature with credit period of 2 years (31 December 2025: 2 years), secured and with a fixed interest rate 5% per annum (2025: 5% per annum), which management of the Group determines is at arm's length.

(iii) During the year ended 31 December 2023, the Group entered into a three-year lease in respect of property leased for own use from a related company of the Group. The amount of rent payable by the Group under the lease is RMB14,000 per month. At the commencement date of the lease, the Group recognised a right-of-use asset and a lease liability of RMB461,000. As at 30 June 2026, the carrying amount of such lease liabilities is nil (31 December 2025: RMB41,000). During the six months ended 30 June 2026, the Group has made lease payment of RMB41,000 (31 December 2025: RMB165,000) to the related company.

(b) Members of key management including the Directors whose emoluments are as follows:

	Six months ended	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Salaries, allowances and benefit in kind	**1,220**	1,216
Contributions to defined contribution scheme	**60**	58
	1,280	1,274

20. CAPITAL COMMITMENT

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted for but not yet incurred:		
Commitments for investment in a fund	**12,929**	12,023

21. CONTINGENT LIABILITIES

As at 30 June 2026, the Group does not have any significant contingent liabilities (31 December 2025: nil).

22. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the Reporting Period. For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE *(Continued)*

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Six months ended 30 June 2026			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Unaudited)				
Financial asset at FVTPL				
– Interests in Zhuhai Huihe	–	–	41,159	41,159
– Interests in Beijing Shuncheng	–	–	20,341	20,341
– Interests in Shenzhen Divbio	–	7,599	–	7,599
– Interests in Yixing	–	–	11,909	11,909
Total	–	7,599	73,409	81,008

	31 December 2025			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Audited)				
Financial asset at FVTPL				
– Preference shares of an unlisted investment	–	–	10,572	10,572
– Interests in Zhuhai Huihe	–	–	41,955	41,955
– Interests in Beijing Shuncheng	–	–	20,341	20,341
– Interests in Shenzhen Divbio	–	7,599	–	7,599
– Interests in Yixing	–	–	12,019	12,019
Total	–	7,599	84,887	92,486

There were no transfers between levels during the period/year.