NSING TECHNOLOGIES INC.
國民技術股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2701)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Nsing Technologies Inc. (the "**Company**") hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2026. This announcement, containing the full text of the 2026 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to information to accompany preliminary announcements of interim results.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.nsingtech.com). The 2026 interim report will be made available on the aforesaid websites of the Stock Exchange and the Company and will be despatched to the shareholders of the Company who have indicated their wish to receive a printed copy in due course.

By order of the Board
Nsing Technologies Inc.
Mr. Sun Yingtong
Chairman and executive Director

Shenzhen, the PRC, 21 August 2026

As at the date of this announcement, the Board comprises (i) Mr. Sun Yingtong, Mr. Kan Yulun and Ms. Ye Yantao as executive Directors; (ii) Mr. Zhou Bin as non-executive Director; and (iii) Mr. Chen Weiwu, Ms. Hao Dan and Ms. Ji Xingdan as independent non-executive Directors.

CONTENTS

DEFINITIONS

In this report, unless the context otherwise requires, the following terms or phrases shall have the following meanings:

"A Shares"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are listed for trading on the Shenzhen Stock Exchange ChiNext Market
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors
"China", "Chinese Mainland" or "the PRC"	the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this report only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"Company", "we", "us" or "our"	NSING TECHNOLOGIES INC. (國民技術股份有限公司), a company established as a limited liability company in the PRC on 20 March 2000, the A Shares of which are listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300077) and the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 2701). The Company changed its English name from Nations Technologies Inc. to NSING TECHNOLOGIES INC. on 9 September 2025
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
"H Share Registrar"	Tricor Investor Services Limited
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong dollar(s)" or "HKD" or "HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Inner Mongolia Sinuo"	Inner Mongolia Sinuo New Material Technology Co., Ltd. (內蒙古斯諾新材料科技有限公司), a company established as a limited liability company in the PRC on 30 March 2016 and a direct non-wholly owned subsidiary of our Company
"Listing"	the listing of our H Shares on the Main Board
"Listing Date"	23 March 2026, the date on which dealings in the H Shares first commence on the Main Board of the Hong Kong Stock Exchange
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM (formerly known as the Growth Enterprise Market) of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
"Net Proceeds"	the net proceeds raised from the Listing
"Previous Period"	1 January 2025 to 30 June 2025
"Prospectus"	the prospectus of the Company dated 13 March 2026
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reporting Period"	1 January 2026 to 30 June 2026
"R&D"	research and development

DEFINITIONS

"SFO"	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"substantial shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"treasury shares"	has the meaning ascribed to it under the Hong Kong Listing Rules
"USD"	United States Dollar(s), the lawful currency of the United States of America
"year-on-year"	compared with the same period last year
"%"	percent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain subsidiaries of the Company) have been included in this interim report in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Sun Yingtong (孫迎彤)
(Chairman and General Manager)
Mr. Kan Yulun (闞玉倫)
Ms. Ye Yantao (葉艷桃)

Non-executive Director

Mr. Zhou Bin (周斌)

Independent non-executive Directors

Mr. Chen Weiwu (陳衛武)
Ms. Hao Dan (郝丹)
Ms. Ji Xingdan (吉杏丹)

SPECIAL COMMITTEES UNDER THE BOARD

Audit Committee

Mr. Chen Weiwu (陳衛武) *(Chairman)*
Ms. Hao Dan (郝丹)
Ms. Ji Xingdan (吉杏丹)

Remuneration and Appraisal Committee

Ms. Hao Dan (郝丹) *(Chairlady)*
Ms. Ji Xingdan (吉杏丹)
Ms. Ye Yantao (葉艷桃)

Nomination Committee

Ms. Hao Dan (郝丹) *(Chairlady)*
Mr. Chen Weiwu (陳衛武)
Mr. Sun Yingtong (孫迎彤)

Strategic Committee

Mr. Sun Yingtong (孫迎彤) *(Chairman)*
Mr. Kan Yulun (闞玉倫)
Mr. Zhou Bin (周斌)

JOINT COMPANY SECRETARIES

Ms. Ye Yantao (葉艷桃)
Mr. Lui Wing Yat Christopher (呂穎一)

AUTHORISED REPRESENTATIVES

Ms. Ye Yantao (葉艷桃)
Mr. Lui Wing Yat Christopher (呂穎一)

LEGAL ADVISER AS TO HONG KONG LAW

DLA Piper Hong Kong
25/F, Three Exchange Square
8 Connaught Place
Central
Hong Kong

LEGAL ADVISER AS TO PRC LAW

Global Law Office, Shenzhen Office
27/F, Tower B
China Resources Land Building
No. 9668 Shennan Avenue
Nanshan District
Shenzhen 518052
China

OVERSEAS AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountant
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway, Hong Kong

CORPORATE INFORMATION

H SHARE REGISTRAR

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

COMPLIANCE ADVISER

South China Capital Limited
36/F., The Centrium
No. 60 Wyndham Street
Central
Hong Kong

STOCK CODE

SZSE: 300077.SZ
HKEX: 2701.HK

REGISTERED OFFICE AND HEADQUARTERS IN THE CHINESE MAINLAND

1/F, Nsing Tower
No. 109 Baoshen Road
Songpingshan Community
Xili Street
Nanshan District, Shenzhen
Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

COMPANY WEBSITE

www.nsingtech.com

INVESTOR RELATIONS

Email: investors@nsingtech.com
Address: 21/F, Nsing Tower
No. 109 Baoshen Road
Songpingshan Community
Xili Street, Nanshan District
Shenzhen, Guangdong Province
PRC

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Integrated Circuit (IC) Industry

The global semiconductor industry continued to benefit from strong demand driven by artificial intelligence (AI) applications during the first half of 2026. According to data published by the World Semiconductor Trade Statistics ("WSTS"), global semiconductor sales experienced significant growth, supported by increasing investment in AI infrastructure and intelligent terminal applications. However, it triggered significant restructuring across the semiconductor industry supply chain, with both advanced and mature process technologies facing increasing pressure.

The rapid expansion of AI-related applications has driven a reallocation of foundry capacity towards AI-focused products, leading to supply constraints in certain mature-node semiconductor categories and creating structural supply-demand imbalances across the industry despite the overall favourable market environment.

Within the microcontroller unit (MCU) market, demand remained robust, driven by the ongoing development of automotive electrification and intelligence, industrial Internet of Things (IoT), digital power management and AI edge computing applications. However, supply chain capacity constraints and rising manufacturing costs led to a tighter supply environment, product price increases and structural supply-demand imbalances, particularly in automotive-grade, industrial and high-performance MCU segments.

Benefiting from growing downstream demand and the increasing competitiveness of its localised product offerings, the Group continued to strengthen its market position by optimising its product portfolio and customer mix. During the Reporting Period, the Group focused on expanding its presence in high-growth application areas, including MCUs for AI server power supply systems, high-speed optical modules, digital power management and industrial control applications, while actively developing new customers and market opportunities. The Board believes that the continued growth of the semiconductor industry and the increasing adoption of AI-related technologies will provide favourable opportunities for the Group's long-term development.

The Company is an IC design enterprise principally engaged in the research, development, design and sale of IC chips based on proprietary technologies and self-owned brands, and the provision of corresponding system solutions and after-sales technical support services.

The Company is committed to providing highly secure, highly reliable and highly IC chips and system solutions for a wide range of intelligent terminal devices. Leveraging its industry-leading hardware and software security architecture, advanced heterogeneous integration solutions and flexible compatibility and adaptation capabilities, the Company's products have been widely adopted across multiple key sectors, including consumer electronics, industrial control and digital energy, smart home, automotive electronics and medical electronics. The Company has successfully established a diversified product portfolio covering a broad range of application scenarios.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company adopts a conventional and flexible fabless asset-light business model, engaging in the research, development, design and sale of IC products, while outsourcing wafer fabrication, packaging and testing processes to specialised wafer foundries and packaging and testing service providers.

This business model enables the Company to concentrate its resources and expertise on the research, development and design of IC products. Upon completion of the full design process for an IC product, the Company licenses its proprietary IC layout designs to wafer foundries for manufacturing. The wafer foundries produce wafers in accordance with the layout data, which are subsequently delivered to packaging and testing service providers for packaging and testing. After obtaining the finished IC products, the Company commences external sales. In response to market demand, certain chip products are further processed into system-in-package multi-chip modules by third-party subcontractors before being sold to customers. Based on industry characteristics, product requirements and market demand, the Company conducts its principal business operations through a sales and marketing model that combines direct sales and channel sales.

The Company has established four major product portfolios, namely general-purpose MCU chips, high-security chips, power management battery management system (BMS) chips and wireless radio frequency (RF) chips, centered on its four core technology areas of system-on-chip (SoC), information security, power management and RF, thereby building system-level solution capabilities spanning multiple sectors and application scenarios.

(1) General-Purpose MCU Chips

As the core controllers of intelligent terminal devices, general-purpose MCU chips are primarily responsible for receiving and processing various types of data and controlling the normal operation of devices. They are key components enabling the intelligent functions of electronic equipment.

The Group has strategically focused on key sectors including robotics, industrial automation, photovoltaic energy storage, low-altitude aviation and three-dimensional (3D) printing, while increasing its investment in the AI computing infrastructure sector. Products related to AI server power supplies have already achieved commercial sales, while high-speed optical module MCUs are currently undergoing customer qualification and testing and continue to advance market penetration.

The Group's MCU products have been widely applied in various fields, including digital energy management (energy storage equipment, inverters, charging stations/piles and power equipment), smart home appliances (refrigerators, air conditioners, smart door locks and light-emitting diode lighting), robotics (exoskeleton robots, humanoid robots and cleaning robots), industrial control (servo drives, programmable logic controllers (PLCs) and encoders), consumer electronics (aerial photography drones and true wireless stereo earbuds) and medical electronics (pulse oximeters, oxygen concentrators and ventilators).

(2) *High-Security Chips*

High-security chips focus on data security protection. Their core functions include enhancement of device identity authentication, the encryption and verification of sensitive data and transaction information stored in devices, thereby preventing risks associated with data leakage, tampering and unauthorised cracking.

These products mainly provide authentication, firmware code protection and trusted computing capabilities for application scenarios such as AI computing infrastructure equipment, financial payments (financial payment systems, electronic banking and mobile payment), IoT security (wearable payment devices, smart homes, smart cities and smart metering), automotive electronics (vehicle-to-everything communications, electronic control units and digital keys), industrial control (variable-frequency drives, servo systems, elevator control systems and PLCs); and robotics (humanoid robots and industrial robots).

(3) *BMS Chips*

BMS chips are primarily used to monitor, in real time, battery operating parameters such as voltage, current and temperature. Their core function is to prevent safety risks arising from battery overcharging, over-discharging and overheating, thereby ensuring the safe and stable operation of batteries and extending their service life. The Company's mass-produced BMS chip products are used in notebook computers, tablet computers, industrial personal computers, aerial photography drones and firefighting equipment. In addition, the Company's high-reliability BMS analog front-end chips have completed development, and products targeting the industrial energy storage BMS market are currently undergoing customer qualification and testing.

(4) *Bluetooth Wireless RF Chips*

Bluetooth wireless RF chips are an important category of RF chips. Their primary function is to enable low-power bluetooth wireless connectivity and data transmission among various electronic devices, facilitating wireless interconnection between smart devices. These products are widely used in industrial IoT applications (such as logistics traceability), wearable devices (such as smart watches), smart home applications (such as smart door locks) and financial payment applications (such as bluetooth security keys).

New Energy Anode Materials Industry

During the Reporting Period, the lithium battery industry maintained strong growth momentum, supported by steady growth in the power battery market and rapid expansion of the energy storage market. According to GGII Advanced Industrial Research Institute, China's lithium battery shipments increased significantly during the period, with energy storage applications emerging as the principal driver of industry growth.

Benefiting from robust demand from the energy storage sector, the anode materials market continued to expand during the Reporting Period. Industry shipment volumes increased substantially, while overall capacity utilisation improved. Artificial graphite remained the dominant anode material product, supported by its favourable performance characteristics and mature supply chain.

The Board believes that the continued growth of the new energy vehicle and energy storage markets is expected to support the long-term development of the lithium battery anode materials industry and provide favourable opportunities for the Group's anode materials business.

The Group is principally engaged in the research and development, production and sale of lithium-ion battery anode materials, as well as the provision of graphitisation processing services.

The Group's anode materials are primarily used in lithium batteries for new energy vehicle power batteries, computer, communication and consumer electronics and energy storage applications. Graphitisation is one of the core processing stages in the production of lithium-ion battery anode materials. During the Reporting Period, in addition to satisfying its internal production requirements, the Company also provided graphitisation processing services to other industry participants.

The operating model of this business segment prioritises meeting the production requirements of the Group's own artificial graphite products. When excess graphitisation capacity is available, the Company utilises its self-owned graphitisation facilities to provide entrusted graphitisation processing services to third-party customers, thereby maximising capacity utilisation and economic benefits.

(1) Procurement Model

The principal raw materials procured by the Group consist of coke-based products and graphite, while pitch is used as an auxiliary material. To ensure the stable supply of raw materials while reducing procurement costs, the Group adopts a demand-based procurement model.

(2) Production Model

The Group operates under a self-production model. Production plans are formulated based on product sales conditions, raw material inventory levels and finished goods inventory levels. Graphitisation processing capacity primarily supports the Group's own anode material production requirements. Subject to satisfying internal demand, any remaining capacity may be utilised to provide processing services to external customers.

(3) Sales Model

The Group primarily adopts a direct sales model. Through multiple sales channels, the Group actively responds to customer demand within the industry while accelerating the upgrading of its technologies and products.

OUTLOOK

IC Industry

Driven by the continued advancement of smart terminal devices and the widespread adoption of AI technologies, the global semiconductor industry is expected to remain on a growth trajectory, creating favourable market opportunities for MCU products. Demand across key downstream sectors, including consumer electronics, industrial control, digital energy, automotive electronics, medical electronics and smart home applications, is expected to remain resilient, supported by trends toward greater intelligence, automation, connectivity and product premiumisation.

In particular, the rapid development of AI computing infrastructure, robotics, 3D printing, photovoltaic energy storage and edge AI applications is expanding the addressable market for high-performance MCUs and related IC products. Meanwhile, increasing requirements for system reliability, security, energy efficiency and intelligent control are expected to drive growing demand for high-performance, highly integrated, highly secure and low-power IC products.

Overall, the ongoing technological upgrade of end products, coupled with the rapid growth of emerging AI-related application scenarios, is expected to continue optimising the industry's demand structure and provide sustainable long-term support for the development of the IC industry.

New Energy Anode Materials Industry

Looking ahead, supported by the continued growth of the new energy vehicle and energy storage markets, demand for lithium-ion battery anode materials is expected to remain resilient, while industry consolidation and ongoing technological advancement are expected to favour leading manufacturers with integrated production capabilities, technological expertise and scale advantages.

FUTURE PLANS

2026 marks a pivotal year for the Group to achieve a structural leap forward. Building on the semiconductor industry's development cycle and long-term transformation trends, and in response to the significant opportunities arising from the rapid growth of the AI computing power industry, the Group is proactively embracing AI and institutionalising the use of AI technologies across its operations. To capitalise on these opportunities, the Group has established a "3+1" core development framework comprising three strategic business pillars, namely consolidating its core business, deepening its presence in specialised markets and expanding into edge AI applications, complemented by the development of comprehensive AI capabilities across all business functions. Under this framework, the Group is focused on strengthening its core MCU business, expanding into high-value growth sectors such as AI infrastructure, robotics, industrial automation and smart energy applications, and capturing emerging opportunities in edge AI through continued investment in SoC, MCU and heterogeneous computing technologies. The Group is also leveraging AI to enhance sales, customer service and research and development efficiency, while attracting global talent and selectively pursuing industry consolidation opportunities to support sustainable long-term growth.

Through the deep integration of AI technologies with its principal businesses, together with a continued focus on operational excellence, technological innovation and advanced product development, the Group aims to accelerate market expansion, enhance profitability and reinforce its competitive position. The Group's long-term objective is to transform from an "application-oriented" enterprise to a "scenario-led" innovator, become a leading player in the AI supply chain MCU sector and establish itself as a key participant in the broader AI industry ecosystem.

Development Strategies and Business Plans

(i) Consolidating the Core Business: Strengthening the Business Foundation and Reinforcing the Basis for Growth

The Group continues to deepen its presence in existing markets and strengthen its core business foundation by solidifying its operating base through continuous product upgrades and cost optimisation. In response to the highly competitive market for entry-level MCUs, the Group continues to accelerate product iteration and intensify market expansion efforts. By optimising product performance and cost structures and enhancing cost-effectiveness, the Group aims to steadily increase its market share in mainstream application sectors such as consumer electronics, smart home devices, and white goods. At the same time, the Group continues to strengthen its portfolio of BMS, bluetooth and security chips plus MCU integrated products. Leveraging the advantages of its diversified product offerings, the Group is able to meet customers' diverse and integrated application requirements, enhance its overall solution capabilities, and further consolidate and expand its competitive advantages in existing markets.

(ii) Deepening Presence in Specialised Markets: Focusing on High-Value Growth Areas and Achieving Breakthroughs in Premium Application Scenarios

The Group remains committed to its application-driven market expansion strategy of "deepening its presence in core sectors while breaking into new frontiers." It focuses on high-growth, high-barrier, and high-value-added markets, including AI computing infrastructure support, humanoid robotics, motor control, industrial automation, digital power supplies, and the low-altitude economy. The Group continues to invest in its three core research and development directions, namely SoC, MCU and heterogeneous computing technologies, with the objective of further strengthening its products, expanding into premium markets, broadening application scenarios, and deepening technological innovation, while steadily advancing its presence and development in the AI supply chain MCU sector.

At the product level, the Group takes its high-end MCU products as the foundation and promotes the coordinated development of multiple complementary chip categories. It is building a product portfolio tailored to market demand in premium application fields, including AI computing infrastructure support, humanoid robotics, motor control, industrial automation, digital power supplies and the low-altitude economy. Leveraging its technological expertise in analog circuit design, ultra-low-power control and security architectures, the Group continues to enhance its product portfolio for applications such as photovoltaic energy storage systems, medical wearables and intelligent terminals through modular product iterations and technology reuse. This enables the Group to establish a research and development system capable of adapting to rapid industry evolution and to steadily achieve product upgrades and expansion into new application scenarios.

At the technology level, the Group remains committed to independent research and development and closely follows industry technology trends. It continues to invest substantial research and development resources in key technological areas, including highly integrated advanced packaging, ultra-low-power design, multi-core heterogeneous architectures and edge intelligence optimisation. The Group is accelerating the commercialisation and deployment of technological innovations while enhancing its diversified chip research and development technology platforms. Through sustained technological advancement and innovation, the Group strengthens its core technological barriers to entry, supports continued breakthroughs in high-end market segments and drives ongoing upgrades to its product technologies.

(iii) Expanding into Edge AI: Capturing Industry Transformation Opportunities and Cultivating New Growth Drivers

As the AI industry continues to evolve from cloud-based computing toward edge and terminal-level applications, edge intelligence has emerged as a long-term industry trend. Leveraging its understanding of industry dynamics and its existing technological foundation, the Group is proactively conducting forward-looking research and development and building demand reserves in the field of edge AI. Drawing on its well-established embedded chip development capabilities, the Group is strategically positioning itself in technology areas such as edge intelligence, intelligent terminals, industrial intelligence and smart energy equipment. It is actively exploring technological pathways that extend chip functionalities from traditional control applications to intelligent computing and intelligent decision-making capabilities. By making early-stage investments in technology research and market development, the Group aims to build a pipeline of medium- to long-term growth drivers, laying a solid foundation for capturing future opportunities in the edge AI industry and further strengthening its industry position.

(iv) Building Comprehensive AI Capabilities: Empowering Business-wide Growth and Strengthening the Core Foundation for Strategic Execution

The development of comprehensive AI capabilities serves as the core enabling foundation of the Group's "3+1" strategic framework. The Group primarily focuses on two key directions, namely enhancing sales and service efficiency and accelerating research and development productivity, thereby supporting the high-quality growth of all business segments.

On the sales and customer service front, the Group has launched the NS AI-FAE Agent, an intelligent service platform powered by large language models and the Group's extensive proprietary knowledge base, which comprises accumulated product parameters, technical solutions and application case studies. The platform empowers front-end sales and technical support functions by covering a wide range of routine technical service scenarios, including chip selection, parameter comparison, solution matching and technical consultation. This streamlines customer engagement processes, enhances the efficiency and professionalism of technical support services, and facilitates the orderly expansion of market operations.

In terms of research and innovation, the Group has integrated AI technologies throughout various stages of the chip development process, assisting in solution iteration, simulation and verification, and ecosystem application development. Such integration effectively shortens development cycles and improves the efficiency of new product iterations. It also continues to support technological advancements in the Group's core products, including high-end MCUs, SoCs and heterogeneous computing solutions, thereby further strengthening the Group's technological capabilities and competitive barriers in research and development.

(v) *Attracting Global Talent and Selectively Pursuing Industry Consolidation Opportunities to Support Sustainable Development*

The Group firmly believes that talent is the fundamental driving force behind technological advancement and sustainable corporate growth, and places significant emphasis on attracting top-tier technical professionals and systematically building a strong research and development talent pipeline. Going forward, the Group will further enhance its attractive incentive mechanisms, foster an organisational culture and innovation-driven environment geared towards medium- and long-term development, and continuously improve organisational effectiveness. Leveraging its overseas research and development centres in Singapore, Japan and the United States, the Group continues to strengthen its global talent recruitment and development framework, attracting high-calibre professionals with international perspectives and extensive industry experience. Through these efforts, the Group seeks to cultivate an open, efficient and diverse talent ecosystem and establish a solid team foundation to support the development of its global business operations.

(vi) *Enhancing Operational Excellence and Product Innovation*

Against the backdrop of intensifying competition in the new energy anode materials industry, the Group will further enhance product quality assurance, delivery capabilities and customer services to consolidate its existing market position and strive to capture a larger market share. The Group will also continue to increase resource investment in potential customers and accelerate customer onboarding and mass production projects. At the same time, the Group will take "cost reduction, efficiency enhancement, quality improvement and advancement" as its key operational objectives by continuously improving production processes to enhance manufacturing efficiency, pursuing strategic cooperation with upstream suppliers to reduce product costs, and exploring more effective cost-control measures. Its self-owned production capacity will be further focused on high-specification, high-quality mid-to-high-end products. The Group will continue to strengthen its research and development capabilities in new energy anode materials and graphitisation technologies, actively adopt new processes, develop new products and enrich its product portfolio. While maintaining the technological advantages of its core artificial graphite products, the Group is actively advancing the research, pilot-scale validation and commercialisation of diversified material systems, including silicon-carbon anodes and hard carbon materials. The Group seeks to achieve breakthroughs in key performance indicators such as high energy density, long cycle life, fast-charging capability and low-temperature performance, while gradually establishing a comprehensive anode material product portfolio covering all major application scenarios, including passenger vehicles, light vehicles, energy storage systems and consumer batteries. Looking ahead, the Group will accelerate the commercialisation and customer adoption of next-generation materials and promote the transformation of cutting-edge technologies from laboratory research into large-scale industrial applications.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the Reporting Period, the Group recorded a significant improvement in its financial performance, turning from a loss of RMB37.6 million in the Previous Period to a profit of RMB3.7 million. The turnaround was primarily driven by strong revenue growth in both chip products and lithium-ion battery anode material products and graphitisation processing services, together with improved operational efficiency and economies of scale, demonstrating enhanced profitability during the Reporting Period.

Revenue increased by 43.4% to RMB906.1 million, supported by a 38.1% increase in revenue from chip products and a 50.5% increase in revenue from lithium-ion battery anode materials and graphitisation processing services. These factors collectively contributed to the Group's return to profitability during the Reporting Period.

Revenue

By Business Line

The Group generated its revenue from (i) sales of chip products, (ii) sales of lithium-ion battery anode material products and graphitisation processing services, and (iii) other products and services primarily including provision of technical services, property leasing, sales of smart door lock SoC, smart door lock motherboards, and solutions for smart door lock installation, and sales of auxiliary materials used in the Group's production process and graphite product residues (by-products from production with a high calorific value, which could be used for different industries including, among others, steel-making and power generation). The following table sets forth a breakdown of the Group's revenue by business line, in absolute amounts and as a percentage of its revenue, for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**% of total**	RMB'000	% of total
Sales of chip products	**430,354**	**47.5**	311,696	49.3
Sales of lithium-ion battery anode material products and graphitisation processing services	**437,685**	**48.3**	290,781	46.0
Others	**38,041**	**4.2**	29,412	4.7
Total	**906,080**	**100.0**	631,889	100.0

The Group's revenue increased by 43.4% from RMB631.9 million in the Previous Period to RMB906.1 million in the Reporting Period due to the increase in sales of chip products and lithium-ion battery anode material products and graphitisation processing services. While maintaining stable cooperation with existing customers and expanding into new customers and markets, the Company benefited from continued growth in global AI and computing power demand, as well as industry-wide semiconductor price increases, resulting in year-on-year growth in the sales volume, revenue and gross profit of its IC and key electronic component business. In addition, benefiting from favourable industry conditions, growing downstream demand and increased production capacity following the ramp-up of Inner Mongolia Sinuo's Suizhou plant, together with the expansion of its customer base, the Company achieved year-on-year growth in the sales volume, revenue and gross profit of its anode material products and graphitisation processing services.

Chip products. Revenue generated from the Group's chip products business increased by 38.1% from RMB311.7 million in the Previous Period to RMB430.4 million in the Reporting Period, primarily driven by the continued surge in global demand for artificial intelligence and computing power, which led to increase in both chip demand and chip prices.

Lithium-ion battery anode materials. Revenue generated from the Group's lithium-ion battery anode materials business increased by 50.5% from RMB290.8 million in the Previous Period to RMB437.7 million in the Reporting Period, primarily attributable to the higher sales volume.

Others. Revenue from other products and services increased by 29.3% from RMB29.4 million in the Previous Period to RMB38.0 million in the Reporting Period, primarily attributable to consulting service income from a project involving the construction of an artificial graphite anode material production plant in Vietnam.

Cost of Sales

The Group's cost of sales consisted of (i) procurement cost of raw materials, (ii) manufacturing costs, (iii) labor costs, (iv) taxes and surcharges, and (v) others. The fluctuation of the Group's cost of sales was primarily impacted by sales volume and price of raw materials during the Reporting Period.

The following table sets forth a breakdown of cost of sales by nature for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	% of total	RMB'000	% of total
Raw materials	435,276	60.1	307,968	62.0
Manufacturing costs	244,120	33.7	157,206	31.6
Labor costs	36,767	5.1	22,932	4.6
Taxes and surcharges	3,504	0.5	2,669	0.5
Others (note)	4,169	0.6	6,239	1.3
Total	723,836	100.0	497,014	100.0

Note: Others mainly include direct costs relating to the Group's provision of technical services and other products and write-down of inventories.

The Group's cost of sales increased by 45.6% from RMB497.0 million in the Previous Period to RMB723.8 million in the Reporting Period, generally in line with the growth in revenue.

Gross Profit and Gross Profit Margin

The Group's gross profit represents its revenue less its cost of sales. The Group's gross profit margin represents its gross profit divided by its revenue, expressed as a percentage.

The following table sets forth a breakdown of gross profit and gross profit margin by business line for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	Gross profit RMB'000	**Gross profit margin %**	Gross profit RMB'000	Gross profit margin %
Sales of chip products	**135,539**	**31.5**	93,144	29.9
Sales of lithium-ion battery anode material products	**25,633**	**5.9**	24,890	8.6
Others	**21,072**	**55.4**	16,841	57.3
Total	**182,244**	**20.1**	134,875	21.3

As a result of the foregoing, the Group's gross profit increased from RMB134.9 million in the Previous Period to RMB182.2 million in the Reporting Period. The Group's gross profit margin remained relatively stable, decreasing slightly from 21.3% in the Previous Period to 20.1% in the Reporting Period.

Other Income

Other income primarily consisted of (i) government grants, (ii) interest income, and (iii) others. The Group's other income decreased by 13.2% from RMB18.6 million in the Previous Period to RMB16.2 million in the Reporting Period, primarily due to the decrease in government grants recognised.

Other Gains and Losses

The Group recorded other gains of RMB13.4 million in the Reporting Period, compared with other losses of RMB3.4 million in the Previous Period. The turnaround was primarily attributable to fair value gain on financial assets at fair value through profit or loss ("FVTLP").

Selling Expenses

The Group's selling expenses primarily consisted of (i) employee benefit expenses including salaries and wages and staff welfare of its sales and marketing personnel, (ii) market consulting and intellectual property fees, (iii) business development expenses, (iv) travel and other expenses, (v) depreciation and amortisation of property, plant and equipment and right-of-use assets relating to its sales and marketing activities, and (vi) marketing expenses.

The Group's selling expenses increased by 30.3% from RMB21.3 million in the Previous Period to RMB27.7 million in the Reporting Period, which was generally in line with the growth in revenue.

Administrative Expenses

The Group's administrative expenses primarily consist of (i) employee benefit expenses including salaries and wages and staff welfare of its administrative personnel, (ii) professional service expenses, (iii) depreciation and amortisation of property, plant and equipment and right-of-use assets relating to its administrative activities, (iv) business development expenses, (v) business expenses and others, (vi) office expenses, and (vii) bank surcharges and others.

The Group's administrative expenses decreased by 4.1% from RMB48.7 million in the Previous Period to RMB46.7 million in the Reporting Period. The decrease was primarily due to enhanced cost control measures and lower bonus accruals.

R&D Expenses

The Group's R&D expenses primarily consist of (i) employee benefit expenses including primarily salaries and wages and staff welfare of its R&D personnel, (ii) depreciation and amortisation of property, plant and equipment and right-of-use assets relating to its R&D activities, (iii) outsourced R&D expenses, (iv) raw materials and verification expenses, and (v) other expenses such as office expenses and testing expenses.

The Group's R&D expenses increased by 14.3% from RMB81.3 million in the Previous Period to RMB93.0 million in the Reporting Period, reflecting the Group's continued investment in R&D activities.

Finance Costs, Net

The Group's finance costs primarily consisted of (i) interest expense on borrowings, and (ii) interest expense on lease liabilities.

The Group's finance costs, net decreased by 8.1% from RMB40.3 million in the Previous Period to RMB37.0 million in the Reporting Period, primarily due to the optimisation of the debt structure, which led to a lower average borrowing cost.

Income Tax Credit

Income tax credit decreased from RMB5.5 million in the Previous Period to RMB0.7 million in the Reporting Period, primarily due to the deferred tax expenses recognised in relation to the fair value gain on financial assets at FVTPL.

Profit (Loss) for the Period

As a result of the foregoing, the Group recorded a profit of RMB3.7 million in the Reporting Period, compared with a loss of RMB37.6 million in the Previous Period.

Property, Plant and Equipment

Property, plant and equipment of the Group primarily consisted of (i) buildings; (ii) plant and machinery; (iii) vehicles; (iv) leasehold improvement and others; and (v) construction in progress. The Group's property, plant and equipment decreased to RMB1,203.0 million as at 30 June 2026 from RMB1,237.9 million as at 31 December 2025, primarily due to depreciation charged for the Reporting Period.

Investment Properties

Investment properties of the Group represented office building and industrial properties. The Group's investment properties maintained at RMB204.4 million as at 31 December 2025 and 30 June 2026, as no material fluctuations in market conditions during the Reporting Period.

Intangible Assets

Intangible assets of the Group represented the net book value of (i) patents; (ii) trademarks; (iii) software and others; and (iv) development expenditures. The Group's intangible assets increased to RMB266.1 million as at 30 June 2026 from RMB249.7 million as at 31 December 2025, primarily due to the increase in development expenditures related to the development of the Group's chip products.

Inventories

The Group's inventories consisted of (i) raw materials and consumables, primarily including wafers, petroleum coke and needle coke; (ii) work-in-progress; (iii) finished goods; and (iv) others. The Group's inventories slightly decreased from RMB624.2 million as at 31 December 2025 to RMB607.6 million as at 30 June 2026.

Trade and Bill Receivables at Amortised Cost and FVTOCI

Trade and bills receivables of the Group primarily represented receivables from customers for the lithium-ion battery anode materials business. Trade and bills receivables at amortised cost of the Group increased to RMB494.4 million as at 30 June 2026 from RMB344.5 million as at 31 December 2025, primarily due to the increase in revenue.

Trade and bills receivables of the Group at fair value through other comprehensive income ("FVTOCI") decreased to RMB110.4 million as at 30 June 2026 from RMB123.4 million as at 31 December 2025, primarily due to settlement made by the customers.

Other Receivables

Other receivables of the Group primarily consisted of (i) prepayments to suppliers; (ii) prepayments for property, plant and equipment; (iii) tax recoverables, being deductible value-added tax to be recognised; and (iv) refundable deposits. Other receivables of the Group increased to RMB445.2 million as at 30 June 2026 from RMB152.8 million as at 31 December 2025, primarily due to the increase in prepayment to suppliers for forward-looking procurement of chip products to cater for rising market demand and business expansion plans.

Financial Assets at FVTPL

Financial assets at FVTPL of the Group consisted of investments in certain entities. The investments represented the Group's equity interests in certain entities. The financial assets at FVTPL of the Group increased to RMB105.4 million as at 30 June 2026 from RMB70.7 million as at 31 December 2025, primarily due to the increase in fair value of investees.

Trade and Other Payables

Trade payables of the Group mainly included (i) trade and bills payables arising from the purchases of raw materials from suppliers; and (ii) other payables, which primarily included payables for production plant of Inner Mongolia Sinuo, payables arising from repurchase obligation for non-controlling interests and salary and welfare payables. Trade and other payables of the Group decreased to RMB722.3 million as at 30 June 2026 from RMB847.6 million as at 31 December 2025, primarily due to the settlement of repurchase obligation from non-controlling interests.

Cash and cash equivalents and restricted bank balances

The Group's cash and cash equivalents and restricted bank balances are primarily denominated in RMB and USD. As at 30 June 2026, cash and cash equivalents and restricted bank balances of the Group amounted to RMB980.7 million, of which RMB463.5 million was denominated in USD.

Cash Flows

During the Reporting Period, the Group's net cash used in operating activities was RMB273.4 million, primarily due to the Group's profit before taxation of RMB3.0 million, as adjusted by (i) non-cash or non-operating items of RMB87.1 million; and (ii) changes in working capital of RMB363.5 million, which primarily attributable to an increase in trade and other receivables of RMB404.3 million.

Current Ratio and Quick Ratio

Current ratio is calculated based on total current assets divided by total current liabilities. Quick ratio is calculated by current assets less inventories divided by current liabilities as at the period end. The Group's current ratio increased to 1.4 times as at 30 June 2026 from 0.9 times as at 31 December 2025, and quick ratio increased to 1.1 times as at 30 June 2026 from 0.6 times as at 31 December 2025, mainly due to the increase in cash and cash equivalents from the Net Proceeds.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

The Group's indebtedness primarily consisted of (i) repurchase obligation for non-controlling interests owed to a non-controlling shareholder of Inner Mongolia Sinuo; (ii) borrowings; and (iii) lease liabilities. The table below sets forth a breakdown of our total indebtedness as at the dates indicated:

	As at	
	30 June 2026	31 December 2025
	RMB'000	RMB'000
Repurchase obligation for non-controlling interests	**–**	115,599
Borrowings	**2,107,192**	1,699,489
Lease liabilities	**31,726**	32,636
	2,138,918	1,847,724

Net Debt to Equity Ratio

The net debt to equity ratio of the Group decreased to 71.5% as at 30 June 2026 from 160.7% as at 31 December 2025, primarily due to increase in cash and cash equivalents from the Net Proceeds.

Contingent Liabilities

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

Pledge of Assets

As at 30 June 2026, the Group's issuance of bank acceptance bills, and banking and other facilities granted to the Group were secured by the Group's assets in the amount of RMB1,118.1 million (31 December 2025: RMB1,231.9 million). These pledged assets primarily comprise certain property, plant and equipment, right-of-use assets, investment properties, financial assets at FVTPL, trade and bills receivables at FVTOCI and restricted bank balances.

Commitments

As at 30 June 2026, the Group had capital commitments contracted for, but not yet provided, of RMB170.5 million, primarily representing contracted but unprovided commitments for acquisition of plant and equipment and equity investments.

Capital Expenditures

The Group's capital expenditures primarily represented expenditures incurred for purchase of property, plant and equipment, right-of-use assets and intangible assets. During the Reporting Period, the Group incurred capital expenditures of approximately RMB58.8 million (Previous Period: RMB54.8 million).

R&D intensity

The R&D intensity of the Group is calculated by dividing R&D expenditures of the Group (including R&D expenditures capitalised and expensed, excluding share-based payments) by revenue of the Group.

The Group's R&D intensity decreased to 13.7% for the Reporting Period from 17.2% for the Previous Period, primarily due to significant increase in revenue in the Reporting Period as compared to the Previous Period.

FINANCIAL RISK MANAGEMENT

The Group's financial instruments include trade and other receivables at amortised cost, trade and bills receivables at FVTOCI, equity instruments at FVTOCI, financial assets at FVTPL, restricted bank balances, cash and cash equivalents, derivative financial instrument, trade and other payables, long-term payables, lease liabilities and borrowings.

The Group monitors and manages the financial risks relating to its operations through internal risk assessment which analyses exposures by degree and magnitude of risks. The risks included market risk (represents currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market Risk

The Group's activities expose it primarily to market risks arising from changes in interest rates. There are no significant changes to the Group's exposure to market risks or in the manner in which it manages and measures the risk.

(i) Currency risk

The Group mainly has cash and cash equivalents which are denominated in foreign currencies of the relevant group entities, hence is exposed to exchange rate fluctuations. The Group entered into foreign currency forward contracts to hedge certain liabilities denominated in foreign currency. Given this, the Group considers that the net exposure to currency risk is kept to an appropriate level. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged items to maximise hedge effectiveness.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings and lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable-rate restricted bank balances, variable-rate cash and cash equivalents and variable-rate borrowings.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the benchmark rates. The Group currently does not use any derivative contracts to hedge its borrowings to interest rate risk. However, the Group will consider hedging significant interest rate exposure should the need arise.

(iii) Other price risk

The Group is exposed to price risk. It is exposed to equity price risk through its investments at FVTOCI and financial assets at FVTPL. It will monitor the price movements and take appropriate actions when required.

Credit Risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the condensed consolidated statements of financial position at the end of each reporting period. The Group monitors its settlement from the counterparties on an ongoing basis with a view to minimise any financial loss to the Group.

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans and other available sources of financing. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operation and mitigate the effects of fluctuations in cash flows.

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that members of the Group will be able to continue as a going concern while maximising the return to the Shareholders through the optimisation of the debt and equity balance. The capital structure of the Group and the Company consists of net debts, which includes, where appropriate, long-term payables and borrowings, net of cash and cash equivalents and equity attributable to the owners of the Company, comprising share capital, accumulated losses, various reserves and non-controlling interests.

The Group reviews the capital structure on a regular basis. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital, and takes appropriate actions to balance its overall capital structure.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Our Company recognises the importance of incorporating elements of good corporate governance in our management structure and internal control procedures so as to achieve effective accountability. We have adopted the code provisions stated in the Corporate Governance Code. We are committed to the view that our Board should include a balanced composition of executive Directors, non-executive Director and independent non-executive Directors so that there is a strong independent element on our Board that can effectively exercise independent judgment.

Since the Listing Date and up to 30 June 2026, we have applied the principles of good corporate governance and complied with all code provisions of the Corporate Governance Code, except for the deviation from code provision C.2.1 set out in the Corporate Governance Code.

Paragraph C.2.1 of Part 2 of the Corporate Governance Code stipulates that the roles of chairman of the board and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Sun Yingtong ("Mr. Sun") currently is serving as the chairman of the Board as well as the general manager of our Company. In view that Mr. Sun has been assuming day-to-day responsibilities in operating and managing our Group since 2005, our Board believes that with the support of Mr. Sun's extensive experience and knowledge in the business of our Group, vesting the roles of both chairman and chief executive of our Company in Mr. Sun strengthens the consistent and solid leadership of our Group, and thereby allows for efficient business planning and decision which is in the best interest to our Group and our Shareholders taken as a whole. Our Board will continue to review and consider splitting the roles of executive chairman of our Board and the chief executive of our Company at a time when it is appropriate by taking into account the circumstances of our Group and our Shareholders taken as a whole.

Our Directors consider that the deviation from paragraph C.2.1 of Part 2 of the Corporate Governance Code is appropriate in such circumstances. Notwithstanding the above, our Board is also of the view that the current management structure is effective for our Group's operations, and sufficient checks and balances are in place. Our Board will continue to review the effectiveness of the corporate governance structure of our Company in order to assess whether separation of the roles of chairman of our Board and chief executive is and continues to be necessary and in the interest of our Group and our Shareholders taken as a whole.

As Mr. Sun, the chairman of the Board, is not an independent non-executive Director, pursuant to paragraph C.1.8 of Part 2 of the Corporate Governance Code, our Company has designated Mr. Chen Weiwu as the lead independent non-executive Director. The role is not an executive position in the Company and does not have any management role in the Group. As a lead independent non-executive Director, Mr. Chen Weiwu will (a) serve as an intermediary for the other Directors and Shareholders; and (b) be available to other Directors and Shareholders where normal communication channels with the chairman or management are inadequate.

Our Company will endeavor to continue adopting the best corporate governance practices which are in compliance with the Corporate Governance Code except where there are good and compelling reasons for any such deviation (which our Company would disclose as required under the Hong Kong Listing Rules).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

We have adopted the Model Code as the guidelines for the Directors' dealings in the securities of our Company since the Listing Date. Specific enquiry has been made to all the Directors and they have confirmed that they have complied with the Model Code since the Listing Date and up to 30 June 2026.

UPDATES OF INFORMATION ON DIRECTORS

There have been no changes in the information of the Directors required to be disclosed pursuant to paragraphs (a) to (e) and paragraph (g) of Rule 13.51(2) of the Hong Kong Listing Rules since the date of the Company's 2025 annual report and up to the date of this report.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares) since the Listing Date and up to 30 June 2026.

As of 30 June 2026, the Group did not hold any treasury shares.

CORPORATE GOVERNANCE AND OTHER INFORMATION

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Future Plans and Use of Proceeds" as disclosed in the Prospectus, the Group has no other future plans for material investments and capital assets as of 30 June 2026.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group had no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

EMPLOYEE AND REMUNERATION POLICIES

We recognise the importance of talents for sustainable business growth and competitive advantages. We believe that our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees relatively competitive salaries, performance-based bonuses, and other incentives. We typically sign non competition agreement with our senior management or other key employees. We periodically review the performance of our employees on the basis of, among other criteria, their abilities to achieve stipulated performance targets. As a result, we have generally been able to attract and retain qualified employees and maintain a stable core management team.

As of 30 June 2026, we had 1,158 full-time employees, 1,133 of whom were based in the Chinese Mainland. During the Reporting Period, the staff cost incurred by the Group amounted to approximately RMB130.1 million (30 June 2025: approximately RMB126.5 million).

USE OF PROCEEDS FROM THE LISTING

The Net Proceeds, after deducting related underwriting fees and other expenses in connection with the Listing, were approximately HK$945.3 million (equivalent to RMB832.8 million). The Net Proceeds have been utilised and are expected to continue to be utilised for the purposes as set out in the Prospectus.

The following table sets forth the status of the use of proceeds from the Listing up to 30 June 2026:

Proposed use of Net Proceeds as set out in the Prospectus	Net Proceeds from Listing		Actual use of the Net Proceeds up to 30 June 2026	Unutilised Net Proceeds as of 30 June 2026	Expected timeframe of full utilisation of the Net Proceeds
	(HK$ million)	*(equivalent to RMB'million)*	*(RMB'million)*	*(RMB'million)*	
To enhance our research and development capabilities to build a new technology platform, develop new product lines which are expected to be a new generation in performance and specifications, including high-performance MCUs, multi-protocol communication chips, specialised market chips and automotive-grade chips, among others					
(1) to develop high-performance MCU chips	275.1	242.4	13.3	229.1	2028
(2) to develop our multi-protocol communication chips	80.3	70.8	16.5	54.3	2029
(3) to develop our specialised market chips	55.8	49.1	0.6	48.5	2029
(4) to develop our automotive-grade chips	69.0	60.8	1.9	58.9	2031
To recruit R&D personnel and cover other relevant expenses including software procurement fees, testing fees, and tape-out fees for the R&D activities	87.0	76.6	19.5	57.1	2031
To conduct strategic investments and acquisitions	141.8	124.9	–	124.9	2029
To repay part of our outstanding bank loans	141.8	124.9	124.9	–	N/A
For working capital and other general corporate purposes	94.5	83.3	83.3	–	N/A
Total	**945.3**	**832.8**	**260.0**	**572.8**	

The Company has deposited the Net Proceeds not immediately used for the aforementioned purposes into short-term interest-bearing accounts with licensed commercial banks and/or other authorised financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests or short positions of our Directors or chief executive of our Company in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to our Company and the Hong Kong Stock Exchange, were as follows:

Director/Chief Executive	Nature of interest	Number and class of Shares (1)	Percentage in total issued share capital
Mr. Sun Yingtong	Beneficial owner	15,453,300 A Shares (L)	2.28%
Mr. Kan Yulun	Beneficial owner	420,400 A Shares (L)	0.06%
Ms. Ye Yantao	Beneficial owner	368,000 A Shares (L)	0.05%

Note: (1) The letter "L" denotes the person's long position in our Shares.

Save as disclosed above, as at 30 June 2026, none of our Directors or chief executive of our Company had any interest or short position in our shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which were required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

Interests in our Company

As at 30 June 2026, so far as our Directors were aware, the following persons had or was deemed or taken to have an interest or a short position in the Shares or underlying Shares which were required to be disclosed to our Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or were, directly or indirectly, interested in 10% or more of the nominal values of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company.

Shareholder	Nature of interest	Number and class of Shares [(1)]	Percentage in total issued share capital
CITIC Securities International Capital Management Limited	Beneficial owner	7,150,800 H Shares (L) 7,150,800 H Shares (S)	1.05% 1.05%
CITIC Securities International Company Limited	Interest in controlled corporation	7,150,800 H Shares (L) 7,150,800 H Shares (S)	1.05% 1.05%
CSI Global Markets Holdings Limited	Interest in controlled corporation	7,150,800 H Shares (L) 7,150,800 H Shares (S)	1.05% 1.05%
J.P. MORGAN SECURITIES PLC	Person having a security interest	6,018,000 H Shares (L)	0.89%

Notes:

(1) The letter "L" denotes the person's long position in our Shares. The letter "S" denotes the person's short position in our Shares.

(2) Based on the relevant publicly available disclosure of interests filings, the short position in 7,150,800 H Shares represented cash-settled unlisted derivatives. CITIC Securities International Capital Management Limited was 100% controlled by CSI Global Markets Holdings Limited, which was in turn 100% controlled by CITIC Securities International Company Limited.

Save as disclosed above, as at 30 June 2026, our Directors were not aware of any person (not being a Director or chief executive of our Company) who had or was deemed or taken to have an interest or a short position in our Shares or underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or were, directly or indirectly, interested in 10% or more of the nominal values of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Hong Kong Listing Rules and the Corporate Governance Code, and the Audit Committee comprises three independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company the accounting standards and practices adopted by the Group and discussed the auditing, risk management, internal control, and financial reporting matters, including review of the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026.

IMPORTANT EVENTS AFTER THE PERIOD

There are no important events affecting the Group which have occurred since 30 June 2026 and up to the date of this report.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	NOTES	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue			
– Sales of goods and services	3	903,626	628,332
– Leases		2,454	3,557
		906,080	631,889
Cost of sales			
– Cost of sales of goods and services		(722,455)	(495,932)
– Write-down of inventories		(1,381)	(1,082)
		(723,836)	(497,014)
Gross profit		182,244	134,875
Other income	4	16,171	18,637
Other gains and losses	5	13,449	(3,429)
Impairment losses under expected credit loss model ("**ECL**"), net of reversal	6	(4,448)	(1,488)
Selling expenses		(27,733)	(21,285)
Administrative expenses		(46,722)	(48,721)
Research and development expenses		(92,950)	(81,343)
Finance costs	7	(37,047)	(40,318)
Profit (loss) before tax		2,964	(43,072)
Income tax credit	8	692	5,519
Profit (loss) for the period	9	3,656	(37,553)
Profit (loss) for the period attribute to:			
Owners of the Company		4,414	(36,784)
Non-controlling interests		(758)	(769)
		3,656	(37,553)

CONDENSED CONSOLIDATED STATEMENTS 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)
Other comprehensive (expense) income			
Items that will not be reclassified to profit or loss:			
Fair value loss on equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**(150)**	(1,010)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(3,008)**	1,266
Other comprehensive (expense) income for the period, net of income tax		**(3,158)**	256
Total comprehensive income (expense) for the period		**498**	(37,297)
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**1,256**	(36,528)
Non-controlling interests		**(758)**	(769)
		498	(37,297)
Earning (loss) per share			
– Basic in RMB	11	**0.01**	(0.06)
– Diluted in RMB	11	**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2026

	NOTES	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment	12	1,202,960	1,237,949
Right-of-use assets		83,293	84,700
Investment properties	13	204,400	204,400
Goodwill		30,351	30,351
Intangible assets		266,127	249,675
Long-term prepayments	15	78,317	22,761
Equity instruments at FVTOCI		68,277	68,427
Deferred tax assets		90,415	88,029
		2,024,140	1,986,292
Current Assets			
Inventories	14	607,596	624,207
Trade and other receivables at amortised cost	15	861,303	474,546
Trade and bills receivables at FVTOCI	16	110,352	123,355
Financial assets at fair value through profit or loss ("**FVTPL**")		105,400	70,743
Restricted bank balances		140,925	93,857
Cash and cash equivalents		839,813	197,527
		2,665,389	1,584,235
Current Liabilities			
Trade and other payables	17	608,551	734,191
Contract liabilities		9,358	10,679
Tax liabilities		–	11
Derivative financial instrument		417	538
Borrowings	18	1,252,050	954,336
Lease liabilities		9,795	9,583
		1,880,171	1,709,338

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2026

	NOTES	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Net Current Assets (Liabilities)		**785,218**	(125,103)
Total Assets Less Current Liabilities		**2,809,358**	1,861,189
Non-current Liabilities			
Deferred income		**23,939**	23,821
Long-term payables	17	**113,759**	113,430
Borrowings	18	**855,142**	745,153
Lease liabilities		**21,931**	23,053
Deferred tax liabilities		**22,900**	21,144
		1,037,671	926,601
Net Assets		**1,771,687**	934,588
Capital and Reserves			
Share capital	19	**678,127**	583,127
Reserves		**1,079,710**	336,855
Equity attributable to owners of the Company		**1,757,837**	919,982
Non-controlling interests		**13,850**	14,606
Total Equity		**1,771,687**	934,588

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company							
	Share capital RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Statutory reserve RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
(Unaudited)								
At 1 January 2026	583,127	2,492,959	143,465	68,561	(2,368,130)	919,982	14,606	934,588
Profit and total comprehensive income (expense) for the period	–	–	–	–	4,414	4,414	(758)	3,656
Other comprehensive expense for the period	–	–	(3,158)	–	–	(3,158)	–	(3,158)
Total comprehensive (expense) income for the period	–	–	(3,158)	–	4,414	1,256	(758)	498
Issuance of ordinary shares	95,000	741,601	–	–	–	836,601	–	836,601
At 30 June 2026	678,127	3,234,560	140,307	68,561	(2,363,716)	1,757,839	13,848	1,771,687
(Unaudited)								
As at 1 January 2025	583,127	2,446,292	144,068	68,561	(2,252,712)	989,336	63,426	1,052,762
Loss for the period	–	–	–	–	(36,784)	(36,784)	(769)	(37,553)
Other comprehensive income for the period	–	–	256	–	–	256	–	256
Total comprehensive income (expense) for the period	–	–	256	–	(36,784)	(36,528)	(769)	(37,297)
Repurchase of non-controlling interests	–	(94,509)	–	–	–	(94,509)	(46,667)	(141,176)
Derecognition of repurchase obligation	–	141,176	–	–	–	141,176	–	141,176
Others	–	–	(38)	–	–	(38)	(9)	(47)
As at 30 June 2025	583,127	2,492,959	144,286	68,561	(2,289,496)	999,437	15,981	1,015,418

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	90,110	75,133
Decrease (increase) in inventories	15,230	(55,896)
(Increase) decrease in trade and other receivables	(404,330)	17,803
Increase in trade and bills receivables at FVTOCI	22,287	(24,709)
(Increase) decrease in guarantee deposits for issuance of bank bills	(45,078)	21,949
Increase (decrease) in trade and other payables	49,678	(87,414)
(Decrease) increase in contract liabilities	(1,321)	1,992
Decrease in deferred income	–	(1,017)
Cash used in operations	(273,424)	(52,159)
Income tax return (paid)	51	(139)
NET CASH USED IN OPERATING ACTIVITIES	(273,373)	(52,298)
INVESTING ACTIVITIES		
Interests received	3,119	1,806
Payments for purchase and deposits paid for acquisition of property, plant and equipment	(147,573)	(86,754)
Payments for purchase of intangible assets	(15,065)	(11,899)
Proceeds from disposal of property, plant and equipment	39	19
Payments for purchase of financial assets at FVTPL	(36,921)	(1,250)
Proceeds from disposal of financial assets at FVTPL	24,369	–
Net investment gain (loss) on financial assets	5,373	(459)
Release of pledged bank deposits	510	–
Receipts of government grants relating to construction of non-current assets	1,350	3,000
NET CASH USED IN INVESTING ACTIVITIES	(164,769)	(95,537)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Interest paid	**(32,716)**	(49,604)
Proceeds from borrowings raised	**1,181,152**	558,288
Repayments of borrowings	**(781,550)**	(430,846)
Repayment of principal elements of lease liabilities	**(5,678)**	(5,015)
Repayment of interest elements of lease liabilities	**(4,340)**	(1,239)
Repurchase of non-controlling interests	**(115,599)**	(30,000)
Issue of ordinary shares	**867,403**	–
Issue costs paid	**(15,088)**	(3,687)
Net changes in guarantee deposits to secure banking facilities	**(2,500)**	(5,223)
NET CASH FROM FINANCING ACTIVITIES	**1,091,084**	32,674
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**652,942**	(115,161)
Effect of foreign exchange rate changes	**(10,656)**	(8)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**197,527**	361,665
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**839,813**	246,496

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was established in the PRC on 20 March 2000 as a limited liability company. On 3 June 2009, the Company was converted into a joint stock company with limited liabilities with the name changed from Shenzhen ZTE Integrated Circuit Design Co., Ltd.* (深圳市中興集成電路設計有限責任公司) to Nations Technologies Inc.* (國民技術股份有限公司) and the name further changed to NSING TECHNOLOGIES INC. on 9 September 2025. The A shares of the Company was listed on the Shenzhen Stock Exchange on 30 April 2010, with the stock code 300077. The H shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 23 March 2026, with the stock code 2701. The address of the registered office and principal place of business of the Company 1/F, Nsing Tower, No. 109 Baoshen Road Songpingshan Community, Xili Street, Nanshan District, Shenzhen, Guangdong Province, PRC.

The Company is mainly engaged in investment holding and integrated design and sales of chip products. Its subsidiaries are engaged in providing customers with the integrated design and sales of chip products and production and sales of lithium-ion battery anode material products.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard 34, *Interim Financial Reporting*. The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with IFRS Accounting Standards.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025, as described in those annual financial statements, except for the adoption of new amendment to standards effective for the financial year ending 31 December 2026.

The Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board to the Group's condensed consolidated financial statements for the current accounting period:

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

2. BASIS OF PREPARATION (Continued)

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

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods and services		
Chip products	**430,354**	311,696
Lithium-ion battery anode material products	**437,685**	290,781
Others	**35,587**	25,855
Revenue from contracts with customers	**903,626**	628,332
Leases	**2,454**	3,557
Total revenue	**906,080**	631,889

Segment information

The Group's chief operating decision maker, who has been identified as the Chief Executive Officer (the "**CEO**"), reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and no other discrete financial information is provided to the CEO. Hence, the Group has only one reportable segment.

3. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

Information about the Group's revenue is presented based on the location of the customers.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from customers		
– Chinese Mainland	**865,303**	621,336
– Vietnam	**17,068**	–
– Hong Kong	**16,204**	2,273
– United States of America	**2,530**	2,422
– Others	**2,521**	2,301
	903,626	628,332

Information about major customers

Revenue from a customer of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A*	**291,348**	196,773

* Revenue arising from sales of lithium-ion battery anode material products.

4. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants	**10,266**	16,124
Interest income	**5,905**	1,806
Others	**–**	707
	16,171	18,637

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Investment gain on financial assets	**5,373**	(459)
Gain (loss) from changes in fair value of financial assets at FVTPL	**22,105**	(912)
Changes in fair value of derivative financial instruments	**121**	(358)
Changes in fair value of investment properties	**–**	(3,335)
Impairment losses recognised in respect of goodwill	**–**	(296)
Net gain (loss) on disposal/written-off of property, plant and equipment	**896**	(6)
Net foreign exchange losses	**(10,681)**	53
Others	**(4,365)**	1,884
	13,449	(3,429)

6. IMPAIRMENT LOSSES UNDER ECL, NET OF REVERSAL

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Impairment losses recognised, net of reversal, on:		
– Trade and other receivables at amortised cost	**(5,620)**	(917)
– Trade and bills receivables at FVTOCI	**1,172**	(571)
	(4,448)	(1,488)

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense on borrowings	**(32,707)**	(39,079)
Interest expense on lease liabilities	**(4,340)**	(1,239)
Total	**(37,047)**	(40,318)

8. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
PRC EIT	**(4)**	(16)
Over provision in prior years	**66**	45
	62	29
Deferred tax	**630**	5,490
	692	5,519

9. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit (loss) for the period has been arrived at after charging (crediting):		
Auditors' remuneration	**–**	500
Directors' and supervisors' remuneration	**2,201**	2,960
Other staff's salaries, allowance and other benefits	**118,570**	114,747
Other staff's retirement benefit contributions	**9,319**	8,804
Other staff's share-based payments	**–**	–
Total staff costs	**130,090**	126,511
Less: capitalised in development expenditure included in intangible assets	**(18,310)**	(9,870)
Capitalised in inventories	**(38,845)**	(33,286)
	72,935	83,355
Depreciation of property, plant and equipment	**49,156**	49,685
Depreciation of right-of-use assets	**6,175**	5,786
Amortisation of intangible assets	**20,677**	22,083
Total depreciation and amortisation	**76,008**	77,554
Less: capitalised in development expenditure included in intangible assets	**(3,754)**	(6,542)
	72,254	71,012
Impairment losses, included in other gains and losses, in respect of goodwill	**–**	296
Lease income from investment properties	**2,456**	3,557
Write-down of inventories included in costs of sales	**1,381**	1,082
Cost of inventories (excluding write-down of inventories) recognised as an expense	**715,757**	488,709

10. DIVIDENDS

During the six months ended 30 June 2025 and 2026, no dividend was paid or proposed for ordinary shareholders of the Company, nor has any dividend been proposed subsequent to 30 June 2026.

11. EARNING (LOSS) PER SHARE

The calculation of basic and diluted earning (loss) per share attributable to owners of the Company are based on the following data.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit (loss) (RMB'000)		
Profit (loss) attributable to the owners of the Company for the purpose of calculation of		
– basic loss per share	**4,414**	(36,784)
– diluted loss per share	**N/A**	N/A
Number of shares ('000)		
Weighted average number of ordinary shares for the purposes of		
– basic loss per share	**635,088**	583,127
– diluted loss per share	**N/A**	N/A

For the six months ended 30 June 2025 and 2026, no diluted earning (loss) per share is presented as there is no potential ordinary shares in issue during the six months ended 30 June 2025 and 2026.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, additions to property, plant and equipment amounting to RMB16,788,000 (six months ended 30 June 2025: RMB22,370,000).

13. INTANGIBLE ASSETS

During the six months ended 30 June 2026, additions to intangible assets amounted to RMB37,129,000 (six months ended 30 June 2025: RMB28,401,000), mainly consist of development expenditures.

14. INVENTORIES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Raw material and consumables	89,977	81,921
Work-in-progress	380,682	344,461
Finished goods	116,098	179,331
Others	20,839	18,494
	607,596	624,207

15. TRADE AND OTHER RECEIVABLES AT AMORTISED COST

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables	562,814	407,558
Less: allowance for credit losses	(69,214)	(63,861)
	493,600	343,697
Bill receivables	791	858
Less: allowance for credit losses	(8)	(8)
	783	850
Other receivables		
Prepaid expenses	10,851	14,029
Refundable deposits	24,665	9,991
Prepayments to suppliers	275,688	18,981
Prepayments for acquisition of property, plant and equipment	77,559	21,247
Other tax recoverables	46,871	58,812
Deferred issue costs	–	26,343
Others	11,889	5,376
	447,523	154,779
Less: allowance for credit losses	(2,286)	(2,019)
	445,237	152,760
Total trade and other receivables	939,620	497,307
Less: Prepayments shown under non-current assets	(78,317)	(22,761)
	861,303	474,546

15. TRADE AND OTHER RECEIVABLES AT AMORTISED COST (Continued)

The following is an aging analysis of trade and bills receivables (including trade and bills receivables at FVTOCI (note 16)), net of allowance for credit losses, presented based on dates of delivery of goods or dates of rendering of services.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
0 – 90 days	442,021	347,997
91 – 180 days	118,296	99,563
181 days – 1 year	34,024	13,580
Over 1 year	10,394	6,762
	604,735	467,902

16. TRADE AND BILLS RECEIVABLES AT FVTOCI

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Bank acceptance bills receivables	88,166	74,695
Electronic commercial bills receivables	22,764	50,410
	110,930	125,105
Less: allowance for credit losses	(578)	(1,750)
	110,352	123,355

17. TRADE AND OTHER PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade and bills payables		
– Trade payables	267,953	305,485
– Bills payables	158,287	89,956
	426,240	395,441
Other payables		
Salary and welfare payables	25,392	38,680
Accrued expenses	14,328	21,214
Deposits	3,624	3,410
Payables for production plant	243,982	256,218
Repurchase obligation for non-controlling interests	–	115,599
Other tax payables	6,457	5,921
Accrued issue costs	–	8,573
Others	2,287	2,565
	296,070	452,180
Total trade and other payables	722,310	847,621
Less: Amounts due for settlement after one year shown under long-term payables	(113,759)	(113,430)
	608,551	734,191

17. TRADE AND OTHER PAYABLES (Continued)

The following is an aging analysis of the Group's trade and bills payables presented based on the invoice dates at the end of each reporting period.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 90 days	204,637	280,062
91 to 180 days	77,326	46,769
181 to 365 days	85,168	17,632
Over 1 year	59,109	50,978
	426,240	395,441

18. BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Bank borrowings	1,777,445	1,426,381
Other borrowings	226,747	157,467
Discount bills with recourse	103,000	115,641
	2,107,192	1,699,489
Secured	1,102,312	1,038,812
Unsecured	1,004,880	660,677
	2,107,192	1,699,489

18. BORROWINGS (Continued)

During the six months ended 30 June 2026, the Group obtained new borrowings amounting to RMB1,181,152,000 (six months ended 30 June 2025: RMB558,288,000) and repaid borrowings amounting to RMB781,550,000 (six months ended 30 June 2025: RMB430,846,000).

19. SHARE CAPITAL

Details of authorised and issued share capital of the Company are as follows:

	Number of shares	**Share capital**
	’000	RMB’000
Issued and fully paid:		
At 1 January 2026 (Audited)	583,127	583,127
Issuance of ordinary shares (note)	95,000	95,000
At 30 June 2026 (Unaudited)	678,127	678,127

Note:

The H shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 23 March 2026. In connection with the completion of the initial public offering, the Company allotted and issued a total of 95,000,000 shares with a par value of RMB1 each at a price of HK$10.8 (equivalent to approximately RMB9.52) per share for a gross proceed of approximately HK$1,026 million (equivalent to approximately RMB904 million). The transaction costs directly attributable to the issue of shares upon the initial public offering amounting to approximately RMB67 million were treated as deduction from capital reserve in the condensed consolidated statement of financial position. After deducting the transaction costs, the net proceeds amounted to RMB837 million, of which RMB95 million was credited to share capital and the remaining amount was credited to capital reserve in the condensed consolidated statement of financial position.

All new shares issued rank pari passu with the then existing shares in all respects.

20. RELATED PARTY DISCLOSURES

Other than as disclosed elsewhere in the condensed consolidated financial information, the Group has following transactions and balances with related parties:

Key management personnel compensation

The remuneration of directors and other key management personnel is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and allowance and other benefits (including retirement benefit contribution)	6,324	5,997

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group establishes appropriate valuation techniques and inputs to the models utilised to estimate the fair value of the financial instruments.

The table below analyses the Group's financial instruments carried at fair value on a recurring basis by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Information about the valuation techniques and inputs used in determining the fair value of various assets is disclosed below.

Fair value of financial instruments that are measured at fair value on a recurring basis

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

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of financial instruments that are measured at fair value on a recurring basis (Continued)

	Fair value			
	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets at FVTPL	105,400	44,531	Level 3	The fair value of the financial assets at FVTPL is determined by the net asset value of the investment fund with underlying investments measured at fair value or by recent transaction of the entity's own securities. An increase/decrease in transaction prices, while other variables remain constant, would result in an increase/decrease in the fair value of the Group.
	–	26,212	Level 3	The fair value of the financial assets at FVTPL is determined by the net asset value of the private entity measure by market approach. The key input for the fair value of the private entity is the adjustment of discount for lack of marketability. An increase/decrease in the discount for lack of marketability, while other variables remain constant, would result in a decrease/increase in the fair value.
Equity instruments at FVTOCI	68,277	68,427	Level 3	The unlisted equity instruments are calculated based on market related data with an adjustment of discount for lack of marketability of underlying investment portfolio and adjustments of related expenses. An increase/decrease in adjustment of discount for lack of marketability, while other variables remain constant, would result in a decrease/increase in the fair value.

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of financial instruments that are measured at fair value on a recurring basis (Continued)

	Fair value			
	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)	Fair value hierarchy	Valuation technique(s) and key input(s)
Trade and bill receivables at FVTOCI	110,352	123,355	Level 2	Discounted cash flow based on the interest rate
Derivative financial instrument			Level 2	Discounted cash flow based on the contracted exchange rate and the forward rate
– Liabilities	417	538		

22. MAJOR NON-CASH TRANSACTIONS

During the six months ended 30 June 2026, the Group entered into certain new lease agreements for the use of offices and dormitories. On the date of commencement of leases, the Group recognised right-of-use assets of RMB4,903,000 (six months ended 30 June 2025: RMB4,028,000) and lease liabilities of RMB4,903,000 (six months ended 30 June 2025: RMB4,028,000).

During the six months ended 30 June 2026, short-term borrowings on bills discounted with recourse of RMB47,000,000 (six months ended 30 June 2025: RMB54,735,000) have been settled through bills receivables discounted to the relevant financial institutions.

23. PLEDGE OF ASSETS

At 30 June 2026 and 31 December 2025, certain assets of the Group were pledged to issuance of bank acceptance bills and secure banking and other facilities granted to the Group at the end of the reporting period:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Property, plant and equipment	745,899	779,164
Right-of-use assets	53,592	54,455
Investment properties	165,100	165,100
Financial assets at FVTPL	–	23,633
Trade and bills receivables at FVTOCI	12,545	115,641
Restricted bank balances	140,925	93,857
	1,118,061	1,231,850

24. CAPITAL AND OTHER COMMITMENTS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Consideration committed in respect of acquisition of plant and equipment contracted for but not provided	164,282	115,639
Consideration committed in respect of equity investments contracted for but not provided	6,250	7,500