Under our weighted voting rights structure, our share capital comprises Class A ordinary shares and Class B ordinary shares. Each Class A ordinary share entitles the holder to exercise one vote, and each Class B ordinary share entitles the holder to exercise 10 votes, respectively, on all matters that require a shareholder's vote, except as may otherwise be required by law or provided for in the Memorandum and Articles of Association of the Company. Shareholders and prospective investors should be aware of the potential risks of investing in a company with a weighted voting rights structure.

ZG Group
找 钢 网 集 团

ZG Group
找钢网集团

(A company controlled through weighted voting rights,
incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as ZGW)

(Stock Code: 6676)
(Warrant Code: 2572)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board (the "**Board**") of directors (the "**Directors**") of ZG Group (a company controlled through weighted voting rights, incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as ZGW) (the "**Company**") is pleased to announce the unaudited interim consolidated results of the Company, its subsidiaries and consolidated affiliated entities (the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025. These interim results have been prepared under International Financial Reporting Standards ("**IFRS**") and reviewed by the audit committee (the "**Audit Committee**") of the Board. The independent auditor of the Company, Deloitte Touche Tohmatsu, has reviewed our interim financial information for the six months ended June 30, 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

In this announcement, "we," "us," and "our" refer to the Company and where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

Condensed Profit Loss Statement

	For the Six Months Ended June 30,		
	2026	**2025**	**Year-on-year Change**
	RMB	**RMB**	**%**
	(in thousands, except percentages)		
Revenue	**1,037,018**	797,395	30.1
Gross Profit	**191,465**	181,532	5.5
Loss before tax	**(92,893)**	(498,534)	-81.4
Loss for the period	**(95,587)**	(498,807)	-80.8

Condensed Balance Sheet

	As of June 30, 2026	As of December 31, 2025	Change
	RMB	**RMB**	**%**
	(in thousands, except percentages)		
Total current assets	**10,130,812**	10,111,986	0.2
Total non-current assets	**699,623**	616,799	13.4
Total assets	**10,830,435**	10,728,785	0.9
Total liabilities	**10,379,882**	10,133,434	2.4
Total equity	**450,553**	595,351	-24.3
Total liabilities and equity	**10,830,435**	10,728,785	0.9

Non-IFRS Financial Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use non-IFRS measures, namely adjusted net loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by or presented in accordance with IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items, and provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (non-IFRS measure) as loss for the period from continuing operations adjusted by adding back fair value change of convertible preferred shares and warrants, net foreign exchange losses (gains), share-based payment expenses, De-SPAC Transaction expenses and professional fees and expenses related to De-SPAC Transaction. The convertible preferred shares and warrants automatically convert into ordinary shares upon the satisfaction of certain conditions, and no further loss or gain on fair value changes is expected to be recognized afterwards. Foreign exchange gains or losses mainly arise from the revaluation of assets and liabilities denominated in foreign currencies and changes in the fair value of derivative financial instruments, which management considers unrelated to the Group's operating performance. In addition, share-based payment expenses are non-cash in nature and do not result in cash outflow, and the adjustments have been consistently made during the Reporting Period. We also exclude professional fees and expenses related to De-SPAC Transaction and De-SPAC Transaction expenses. We define adjusted EBITDA (non-IFRS measure) as adjusted net loss (non-IFRS measure) for the period adjusted by adding back income tax expense, finance costs, interest on bank deposit and depreciation and amortization.

	For the Six Months Ended June 30,	
	2026	**2025**
	Unaudited	**Unaudited**
	RMB in thousands	
Loss for the period	**(95,587)**	(498,807)
Fair value change of convertible preferred shares and warrants	**(2,265)**	(109,989)
Net foreign exchange losses (gains)	**19,033**	(5,646)
Equity-settled share-based payments	**6,143**	83,670
De-SPAC Transaction expenses	**–**	373,590
Professional fees and expenses related to De-SPAC Transaction	**–**	44,671
Adjusted net loss (non-IFRS measure)	**(72,676)**	(112,511)
Income tax expense	**2,694**	273
Finance costs	**22,523**	10,357
Interest on bank deposit	**(6,749)**	(432)
Depreciation and amortization	**10,442**	9,312
Adjusted EBITDA (non-IFRS measure)	**(43,766)**	(93,001)

For the six months ended June 30, 2026, adjusted net loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) were RMB72.7 million and loss of RMB43.8 million, respectively (for the six months ended June 30, 2025: RMB112.5 million and loss of RMB93.0 million, respectively), representing a decrease in loss of 35.4% and 52.9%, respectively, compared with the same period of the six months ended June 30, 2025.

BUSINESS REVIEW AND OUTLOOK

During the Reporting Period, the Company updated its mission to: connecting every link of trade circulation with AI. The Company has comprehensively advanced the AI transformation of the trade circulation industry, establishing an industry-wide Agent full-chain operating system domestically, and promoting supply chain services for AI computing centers internationally, thereby becoming a leading player in industrial AI transformation.

At the core of the Company's transformation is the systematic distillation of fourteen years of industry expertise, authentic transaction data, customer communication data, fulfillment service data, and middle-office operational processes into reusable Skills, MCPs and Agentic workflows, driving the entire trade circulation industry towards full-process AI transformation.

During the Reporting Period, the Company made significant progress in industrial AI transformation: Domestically, the Company consolidated its AI digital employees under the unified brand "ZG Lobster". Domestic AI-related business GMV reached RMB1.11 billion, representing a year-on-year increase of 73.2%, with gross profit exceeding RMB13.30 million, up 63.4% year-on-year. Annualized gross profit in June (approximately equivalent to ARR) was RMB31.67 million. Internationally, the Company further shifted its focus towards providing supply chain services for AI computing centers. During the Reporting Period, the Company provided products and services for 27 overseas AI computing center projects, generating revenue of RMB117.76 million, representing a year-on-year increase of 260.2%. Meanwhile, the Company continued to advance its digital capability development. During the Reporting Period, core digital assets such as self-developed AI Agents were capitalized, resulting in the Group recognizing digital assets and other intangible assets amounting to RMB8.01 million.

The Company's industrial AI transformation has long maintained strategic cooperation with Tencent's ecosystem, continuously collaborating around WeCom, Tencent Cloud, as well as ADP and WorkBuddy product systems, thereby providing an ecosystem foundation for the development of intelligent agent applications in the trade circulation industry.

During the Reporting Period, the Company's business developed steadily, operating cash flow remained positive, and profitability improved significantly. Operating revenue reached RMB1.04 billion, representing a year-on-year increase of 30.1%; gross profit amounted to RMB191.47 million, representing a year-on-year increase of 5.5%; net loss narrowed by 80.8% year-on-year; adjusted EBITDA was a loss of RMB43.77 million, representing a year-on-year reduction in loss of 52.9%. At the management reporting level, the Company was close to breakeven in June. Net cash generated from operating activities amounted to RMB1.94 billion.

I. Domestic AI Transformation: Building a Full-Process Agent Operating System for the Trade Circulation Industry

1. Product Matrix Centered on "ZG Lobster"

During the Reporting Period, the Company consolidated both internal and customer-facing AI digital employee capabilities under the unified brand "ZG Lobster", positioning it as the key gateway for full-process automation in steel transactions. ZG Lobster is not a traditional Q&A chatbot, but a transaction-oriented Agent tailored to steel trading scenarios. Its objective is to upgrade from "answering questions" to "facilitating transactions and service closed loops", thereby realizing the vision of "Communication translates into transactions".

ZG Lobster has already formed seven core functional modules:

Core Function	Main Content	Core Value
Business Management Expert	Directly connects chat records, order data and customer follow-up processes; extracts and analyzes business information through AI	Makes business processes transparent, identifies completed, uncompleted and potentially lost orders
Business Knowledge Expert	Consolidates company policies, business processes, FAQs and industry knowledge into a knowledge base and digital employees	Provides 24-hour a day, 7-day a week business Q&A and enables experience reuse
Business Administrative Expert	Handles cross-department inquiries, reminders, follow-ups and information transfer	Reduces verbal communication and repeated confirmations among business, finance, logistics and warehousing
Sales Automation	Covers inquiry recognition, demand sorting, quotation assistance and customer follow-up	Assigns standard inquiries and routine quotations to AI for assisted processing
Administrative Automation	Automatically processes warehouse documents, logistics documents, order reviews, reconciliations and contract dispatch	Reduces repetitive operations and improves back-office process efficiency

The Company's AI business is built upon its strongest moat of "data + scenarios + ecosystem cooperation". On the data side, the Company generates millions of order records and hundreds of millions of conversational records annually, including a large volume of real-time, high-frequency data that general large-model vendors cannot access. On the scenario side, the Company covers the full process of transaction services, connecting instant messaging information flows through the TCRM system, and integrating in-process and after-sales fulfillment flows through FatCat Cloud. On the ecosystem cooperation side, the Company has a vast network of customers, suppliers and service partners, operates a joint venture with Tencent — Shanghai Tengcai Technology Co., Ltd. — and maintains strategic cooperation with multiple Tencent departments.

The Company believes that the value of AI products lies not only in improving operational efficiency, but more importantly in helping steel trading enterprises upgrade to modern organizational management practices. Through "employee + AI" collaborative operations, enterprises can transform management methods that previously relied on manual reporting and experiential judgment into intelligent management systems based on authentic business data and process transparency.

2. *Domestic AI Commercialization*

In the first half of 2026, the Company achieved AI GMV of RMB1.11 billion, representing a year-on-year increase of 73.2%, with gross profit exceeding RMB13.30 million, up 63.4% year-on-year. Based on single-month gross profit of June, annualized gross profit reached RMB31.67 million.

	For the Six Months Ended June 30,		
	2025	**2026**	**YoY Change**
	(RMB)	**(RMB)**	
	(in millions, except percentages)		
AI GMV			
ZG Industrial Products	186.0	345.7	
ZG AI Transaction Marketplace	452.1	759.6	
AI Product Sales	–	–	
Total	**638.0**	**1,105.4**	**73.2%**
AI Gross Profit			
ZG Industrial Products	3.6	3.0	
ZG AI Transaction Marketplace	4.6	10.0	
AI Product Sales	0.0	0.4	
Total	**8.2**	**13.3**	**63.4%**

The Company's AI commercialization path can be divided into three categories: First, result-based charging. This revolves around AI Agent capabilities such as intelligent business opportunity discovery, intelligent supply-demand matching, automated quotation and transaction, and automated order fulfillment. The Company explores charging based on transaction outcomes or service results. At present, this mainly applies to the ZG AI Transaction Marketplace (shaped steel, pipes, stainless steel, etc.) and ZG Industrial Products (industrial electrical, electronic components, etc.), with fees charged at 1-1.5% of GMV. Second, standardized product revenue based on annual subscriptions formed around ZG Lobster. A standard account is priced at RMB28,800 per year, with additional charges for value-added service packages across different modules on top of the basic services. Third, token or credit consumption revenue. A standard account includes a certain amount of credits, and once consumed, customers top up credits to generate additional revenue.

On the technological foundation, the Company maintains deep cooperation with Tencent, using Tencent ADP as a key base, and driving deep integration with AI office and Agent products such as WorkBuddy. The Company aims to leverage Tencent Cloud's capabilities in large models, Agent development platforms, enterprise collaboration gateways, security compliance and cloud infrastructure, combined with the Company's industrial data and business systems in steel and trade circulation scenarios, to build industry-specific Agent applications that are scalable, governable and auditable.

3. AI-Driven Cost Reduction and Efficiency Enhancement

Benefiting from the continuous empowerment of AI technology, the Company has achieved remarkable results in cost reduction and efficiency improvement, with upstream and downstream transaction linkages further optimized and the three major expense categories showing clear operating leverage effects. Excluding the impact of share-based payment expenses, administrative expenses, selling and distribution expenses and R&D expenses as a percentage of revenue during the Reporting Period were 4.7%, 15.6% and 1.9%, respectively, all lower than the percentages of 6.1%, 19.6% and 2.3% in the same period of 2025.

In terms of **workforce efficiency**, AI technology has continuously driven the release of organizational effectiveness. As of June 30, 2026, the Company's headcount was 1,188, representing a decrease of 10.1% compared with the end of 2025. Among them, employees achieved a significant improvement in per capita gross profit, with average gross profit per employee in the first half of 2026 increasing by more than 14.6% compared with the same period in 2025.

In terms of **transaction efficiency**, the Company continued to deepen the application of AI technology across the full transaction chain. The Company's self-developed SaleMatch transaction engine processed more than 19 million messages per day based on AI large models, with a parsing accuracy rate of over 95%, and cumulatively completed hundreds of millions of intelligent transaction matches. On the client side, the Company's AI Agents can provide instant quotations and complete transaction within three minutes, significantly shortening the time from quotation to transaction and greatly improving conversion rates. On the supplier side, the Company's self-developed AI Agents can intelligently monitor inventory and price dynamics, assisting procurement in smart pricing. At present, they have covered 16,000 suppliers and automatically maintained more than 53.60 million product information records, with substantial improvements in timeliness and accuracy of information.

In terms of **operational efficiency**, the Company has extensively applied AI Agents to core middle – and back-office functions such as document processing, fund settlement, risk control and warehousing management, driving overall work efficiency improvements of more than 60% and effectively reducing manual errors. Among these, relevant AI Agents have automatically generated and dispatched over 1.35 million business documents, cumulatively processed over 6.33 million collection and payment orders, achieving full-process automation of fund settlement and significantly accelerating cash turnover efficiency. In risk control, AI Agents can automatically review vehicle qualifications and monitor logistics trajectories in real time, having completed more than 190,000 vehicle qualification reviews and more than 710,000 logistics supervision tasks, effectively strengthening risk management across the entire transaction process. In warehousing, AI Agents can operate around the clock to complete cargo ownership confirmation and instruction dispatch, having already connected to 286 warehouses and automatically processed more than 107,000 receipt confirmations, thereby ensuring continuous and efficient warehousing operations.

Looking ahead, as the Group's AI strategy continues to be deeply implemented, the ratio of expenses to revenue is expected to further improve and decline, while both workforce efficiency and operational efficiency still have substantial room for enhancement.

II. Overseas AI Transformation: Transition to AI Computing Center Supply Chain Services and Asset-Light Operations

The Company's three-year plan to rebuild ZG Group overseas has begun to show results. During the Reporting Period, overseas revenue accounted for 55.5% of total revenue, surpassing domestic revenue for the first time.

The Company's overseas business operates under a sales-driven procurement model: after receiving customer orders, the Company inquires with upstream suppliers, and once suitable pricing is confirmed, signs orders with both supply and demand parties. Profit margins are relatively fixed. Under this model, the Company maintains minimal inventory and promptly delivers steel to customer-designated project sites. As the majority of customers are large enterprises, payment cycles are typically extended, resulting in working capital occupation. During the Reporting Period, the Company initiated cooperation with factoring institutions, launching accounts receivable factoring business in Malaysia. In the future, the Company plans to expand cooperation with more factoring institutions or banks in other countries to achieve asset-light operations in its overseas business.

During the Reporting Period, overseas transaction business revenue reached RMB575.85 million, representing a year-on-year increase of 70.1%. Of this, Southeast Asia (Thailand, Indonesia and Malaysia) contributed revenue of RMB421.54 million, representing a year-on-year increase of 115.4%; while Middle East business (UAE and Saudi Arabia), affected by war, contributed revenue of RMB151.82 million, representing a year-on-year increase of 12.5%. Overseas business gross profit amounted to RMB44.78 million, representing a year-on-year increase of 51.3%.

The Company's overseas business currently consists of four major project categories: AI computing centers, factories, infrastructure and real estate. During the Reporting Period, the Group's overseas business fully shifted towards providing supply chain services for AI computing centers. The continued advancement of global AI computing infrastructure construction has generated substantial incremental demand for steel, other materials and equipment. The Group's long-standing capabilities in one-stop supply chain services can effectively meet the needs of owners and general contractors, forming the core rationale for the transformation of its overseas business.

As of the end of the Reporting Period, the Company provided products and services to 27 overseas AI computing center projects, representing an increase of 14 projects compared with the end of 2025, covering three countries: Malaysia, Indonesia and Thailand. Project distribution is shown in the figure below. The product supply is diversified, extending beyond steel to include intelligent electrical and automation systems, water system equipment and specialized tools, precision valves and flow control, high-grade pipeline systems, fire safety and fireproof insulation materials, among other core categories, thereby covering the key electromechanical and industrial product requirements for AI computing center construction.

No.	Country	Project Name	Owner/Operator
1	Malaysia	GDS Data Center (Johor Bahru)	GDS Holdings
2	Malaysia	Dayone (Qingpu City)	GDS Holdings
3	Malaysia	FALCON DATA CENTER	Intel
4	Malaysia	Z DATA GP3	Zhonglian Data
5	Malaysia	DIGITAL HALO	Partners/ARCH Capital
6	Malaysia	JH1 PHASE5	Princeton Digital Group
7	Malaysia	MY07	Chindata Overseas Subsidiary/Bain
8	Malaysia	MY02	Chindata Overseas Subsidiary/Bain
9	Malaysia	MY03	Chindata Overseas Subsidiary/Bain
10	Malaysia	MY06	Chindata Overseas Subsidiary/Bain
11	Malaysia	MY08	Chindata Overseas Subsidiary/Bain
12	Malaysia	Empyrion Digital	Empyrion Digital
13	Indonesia	PDG DATA CENTER	Princeton Digital Group/PDG
14	Indonesia	DAMAC JKT 02	DAMAC Group (UAE)
15	Indonesia	GDS Data Center	GDS Holdings
16	Indonesia	Runze Data Center	China Runze
17	Indonesia	CGK Data Center	Digital Edge
18	Thailand	GALAXY PEAK	Galaxy Peak Data Center
19	Thailand	Rayong Phase I • CSCEC Installation	Zhonglian Data
20	Thailand	Rayong Phase II • CEEC	Zhonglian Data
21	Thailand	Chonburi Data Center	Zhonglian Data
22	Thailand	K2 DC BKK31	Kuok Group
23	Thailand	Chonburi Technology Park	GDS Holdings
24	Thailand	Chindata BDC	Chindata
25	Thailand	DAMAC03 DC2	DAMAC Digital
26	Thailand	HAOYANG DC 1	Beijing Haoyang Cloud Data
27	Thailand	Master Plan IT 100MW	DAMAC Group

The Dubai processing plant officially commenced operations in March 2026. At present, two production lines have already been put into operation. By the end of 2026, the plant's production capacity will be significantly enhanced, further strengthening the Group's localized processing and delivery capabilities in the Middle East region and laying the foundation for undertaking more regional projects in the future. It is expected that once the war in the Middle East ceases, the plant will achieve rapid capacity expansion and begin to contribute revenue and gross profit on a large scale.

III. Steady Development of Domestic Business and Rapid Growth of Logistics Business

During the Reporting Period, the Central Politburo meeting for the first time incorporated the "Six Networks" into national top-level planning, namely: water network, power grid, computing network, new communication network, urban underground pipeline network, and logistics network. The Company's domestic business is highly relevant to the power grid, urban underground pipeline network and logistics network. The Company regards long-tail special steel sales as an important strategic objective for future development. These products typically involve complex SKUs and exhibit spatial, temporal and informational mismatches, making them difficult to match under traditional trading methods. To address this, the Company launched the ZG AI Transaction Marketplace, focusing on products such as high-temperature alloy pipes, special stainless steel and shaped steel to meet demands in urban underground pipeline projects. AI enables the matching of transaction orders that are difficult to complete manually, with profit margins typically about ten times those of ordinary steel. Currently, SKU coverage has exceeded 230,000 SKUs.

The domestic core business base remained stable. As of June 30, 2026, the Group's steel trading platform had registered more than 218,000 enterprise users, covering over 710,000 SKUs, with the platform ecosystem continuing to expand. During the Reporting Period, transaction services generated revenue of RMB139.62 million, representing a year-on-year increase of 6.2%; transaction volume reached 20.44 million tonnes, representing a year-on-year increase of 7.3%, reflecting steady business expansion. The Company also deepened cooperation with JD Industrial, jointly developing procurement demand for steel and industrial products across JD Industrial's upstream and downstream supply chains.

The Company continued to drive the qualitative development of high-margin businesses, with KA industrial end-customer business delivering outstanding performance. KA industrial terminals focus on the power grid and new energy markets, primarily supplying tower-use low-alloy angle steel, round steel for anchor bolts, galvanized profiles, shaped pipes, and high-strength medium-thick plates, while also covering construction steel and bridge plates. During the Reporting Period, revenue increased by 46.6% year-on-year, and gross profit increased by 45.2% year-on-year. The charging capability of KA customers continued to improve, with per-ton gross profit rising from RMB40.3 in the same period last year to RMB77.6, representing a year-on-year increase of 92.3%. KA customer market expansion and profitability quality improved in tandem. For small and medium-sized customers, transaction volume increased by 7.9% year-on-year, with the average commission received reaching RMB5.9 per tonne, representing an improvement compared with the average commission of RMB5.1 per tonne in 2025, reflecting the continuous strengthening of customer stickiness.

During the Reporting Period, transaction support services generated revenue of RMB299.01 million, representing a significant year-on-year increase of 48.3%, primarily driven by logistics business. As of June 30, 2026, the platform had partnered with 1,942 carriers and 264,000 vehicles. Logistics revenue increased by 50.6% year-on-year, with transaction volume reaching 4.71 million, representing a year-on-year increase of 44.2%, reflecting rapid business expansion.

The FatCat Alliance, which was the Company's key initiative in 2025, continued to improve the nationwide logistics network layout, further enhancing franchisees' operational efficiency and service capabilities. As of June 30, 2026, the FatCat Alliance had achieved nationwide coverage across 200 cities, with a cumulative total of 259 signed franchisees. Cumulative transportation tonnage increased by approximately 46% sequentially. In terms of business innovation, during the first half of 2026, FatCat Logistics continued to advance innovation around new energy, digitalization and ecosystem cooperation. Through resource integration and joint construction and sharing of charging infrastructure, the Company assisted carriers in accelerating the transition of vehicles from fuel to electric, thereby optimizing transportation costs and enhancing charging operation income. Meanwhile, the Company actively expanded industrial ecosystem cooperation, exploring the commercialization application of logistics trajectory data and expanding platform capacity resources. In addition, the Company established a joint venture with a leading logistics service provider in South China to build a platform-based cooperation and revenue-sharing model, continuously enhancing the competitiveness of the logistics ecosystem.

In terms of technology subscription services, revenue during the Reporting Period reached RMB13.60 million, representing a year-on-year increase of 9.4%. Segment profit increased from RMB3.34 million in the same period of 2025 to RMB6.97 million, representing a year-on-year increase of 109.0%, with profitability significantly strengthened.

Recent Developments after the Reporting Period

Save as disclosed in this interim results announcement, there were no other significant events that may affect us since the end of the Reporting Period and up to the date of this interim results announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the key operating data of the Group for the periods indicated.

	For the Six Months Ended June 30,	
	2026	**2025**
Total GMV (RMB in millions)	**68,678.2**	63,989.6
GMV for steel products (RMB in millions)[1]	**68,332.5**	63,778.3
GMV for non-steel products (RMB in millions)	**345.7**	211.3
Total Transaction Volume (ton in thousands)	**20,565.5**	19,112.3
Transaction Services		
Online third-party transaction volume (ton in thousands)	**20,437.4**	19,040.9
GMV for online third-party transaction (RMB in millions)	**68,062.6**	63,629.1
Transaction Support Services		
Transaction volume supported by logistics services (ton in thousands)	**4,707.4**	3,264.3
Overseas Transaction Business		
Transaction volume (ton in thousands)	**128.2**	71.3

Note:

(1) The change in GMV for steel products is directly related to fluctuations in steel prices.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth selected items from the condensed consolidated statement of profit or loss of the Group for the periods indicated.

	For the Six Months Ended June 30,		
	2026	**2025**	**Year-on-year Change**
	RMB	**RMB**	**%**
	(in thousands, except percentages)		
Revenue	**1,037,018**	797,395	30.1
Cost of revenue	**(845,553)**	(615,863)	37.3
Gross profit	**191,465**	181,532	5.5
Other income	**8,480**	14,474	-41.4
Other gains and losses	**(16,980)**	5,920	N/A
Selling and distribution expenses	**(164,331)**	(167,470)	-1.9
Administrative expenses	**(52,203)**	(117,443)	-55.6
Research and development expenses	**(20,354)**	(22,091)	-7.9
Professional fees and expenses related to De-SPAC Transaction	**–**	(44,671)	N/A
De-SPAC Transaction expenses arising from capital reorganisation	**–**	(373,590)	N/A
Finance costs	**(22,523)**	(10,357)	117.5
Impairment losses on financial assets	**(19,739)**	(75,595)	-73.9
Fair value changes of financial assets at fair value through profit or loss (“**FVTPL**”)	**1,187**	1,762	-32.6
Fair value changes of financial liabilities at FVTPL	**2,265**	109,860	-97.9
Share of results of associates and a joint venture	**(160)**	(865)	-81.5
Loss before tax	**(92,893)**	(498,534)	-81.4
Income tax expense	**(2,694)**	(273)	886.8
Loss for the period	**(95,587)**	(498,807)	-80.8

	For the Six Months Ended June 30,		
	2026	**2025**	**Year-on-year Change**
	RMB	**RMB**	**%**
	(in thousands, except percentages)		
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	**(3,740)**	(2,096)	78.4
Other comprehensive expense for the period, net of income tax	**(3,740)**	(2,096)	78.4
Total comprehensive expense for the period	**(99,327)**	(500,903)	-80.2
(Loss) profit for the period attributable to:			
Owners of the Company	**(96,248)**	(498,831)	-80.7
Non-controlling interests	**661**	24	2,654.2
	(95,587)	(498,807)	-80.8
Total comprehensive (expense) income attributable to:			
Owners of the Company	**(99,988)**	(500,927)	-80.0
Non-controlling interests	**661**	24	2,654.2
	(99,327)	(500,903)	-80.2
Loss per share			
– Basic (RMB)	**(0.09)**	(0.66)	-86.4
– Diluted (RMB)	**(0.09)**	(0.66)	-86.4

REVENUE

Total revenue increased by 30.1% from approximately RMB797.4 million for the six months ended June 30, 2025 to approximately RMB1,037.0 million for the six months ended June 30, 2026, mainly due to increases in revenue from overseas transaction business and transaction support services.

The following table sets forth a breakdown of revenue by business segment for the periods indicated.

	For the Six Months Ended June 30,			
	2026		2025	
	RMB	(%)	RMB	(%)
	(in thousands, except percentages)			
Transaction Services	**139,622**	**13.5**	131,466	16.5
Transaction Support Services	**299,010**	**28.8**	201,589	25.3
Technology Subscription Services	**13,603**	**1.3**	12,436	1.6
Overseas Transaction Business	**575,850**	**55.5**	338,537	42.5
Non-steel Transaction Business	**8,933**	**0.9**	113,367	14.2
Total	**1,037,018**	**100.0**	797,395	100.0

Transaction services

Revenue generated from transaction services primarily consists of income from steel transactions on our digital platform, where we sell steel products to buyers through our digital platform and charge commissions from sellers on a per-ton basis. We do not obtain ownership of the steel products sold through our platform. In accordance with IFRS 15, we act as an agent because the specified goods remain under the control of the sellers before they are transferred to the buyers. Revenue related to commissions is reported on a net basis and recognized when the relevant transaction is completed (i.e., when the right to receive the commission becomes unconditional).

Revenue generated from transaction services increased by 6.2% from RMB131.5 million for the six months ended June 30, 2025 to RMB139.6 million for the six months ended June 30, 2026, mainly due to the increase in our overall steel transaction volume.

Transaction support services

The following table sets forth a breakdown of our transaction support services revenue by nature for the periods indicated.

	For the Six Months Ended June 30,			
	2026		2025	
	RMB	(%)	RMB	(%)
	(in thousands, except percentages)			
Logistics, warehousing and processing services				
Platform users	**214,302**	**71.7**	190,069	94.3
Non-platform users	**84,708**	**28.3**	11,520	5.7
Total	**299,010**	**100.0**	201,589	100.0

Logistics, Warehousing and Processing Services

We coordinate logistics, warehousing, and processing for buyers who choose to use our services by engaging and matching suitable carriers for the delivery of steel products, and relevant warehousing and processing service providers for warehousing and steel product processing. Through this, we earn the fee difference between the fees charged to buyers on a per-ton basis and payments to partnered third-party service providers. Service income is recognized over the service period when the services are performed.

Revenue generated from transaction support services increased by 48.3% from RMB201.6 million for the six months ended June 30, 2025 to RMB299.0 million for the six months ended June 30, 2026, mainly due to the rapid increase in logistics transportation volume as the Group continued to improve the nationwide logistics network layout and leveraged AI Agents to strengthen risk control across the entire transaction process. In addition, the Company actively expanded industrial ecosystem cooperation, such as establishing a joint venture with a leading trader in South China subsequent to Reporting Period to build a platform-based cooperation and revenue-sharing model, thereby continuously enhancing the competitiveness of the logistics ecosystem.

Technology Subscription Services

We provide a range of digital solutions through our digital platform to facilitate user transaction services, including our SaaS products, data analytics, and other value-added services such as advertising services. Revenue generated from technology subscription services is recognized over the service period during which the services are provided. We have assessed that the stage of completion is determined based on the proportion of the total service period that has elapsed as of the end of the Reporting Period, as this is an appropriate method to measure progress towards complete satisfaction of these performance obligations in accordance with IFRS 15, because buyers simultaneously receive and consume the services we provide during the service period.

Revenue generated from technology subscription services increased by 9.4% from RMB12.4 million for the six months ended June 30, 2025 to RMB13.6 million for the six months ended June 30, 2026, mainly due to the steady growth of technology subscription services.

Overseas Transaction Business

The following table sets forth a breakdown of revenue generated from our overseas transaction business by geographical location for the periods indicated.

	For the Six Months Ended June 30,			
	2026		2025	
	RMB	(%)	RMB	(%)
	(in thousands, except percentages)			
Southeast Asia	**421,537**	**73.2**	195,679	57.8
Middle East	**151,823**	**26.4**	134,998	39.9
East Asia	**2,490**	**0.4**	7,860	2.3
Total	**575,850**	**100.0**	338,537	100.0

During the Reporting Period, we operated in overseas markets through a project direct supply model. In accordance with IFRS 15, we primarily act as a principal under the project direct supply model because we obtain control over the specified goods before they are transferred to the buyers. Revenue generated from overseas transaction business is primarily reported on a gross basis and recognized when signed receipt documents are received from buyers and the goods are received by buyers at the premises specified in the contract (i.e., when buyers obtain control over the goods and we fulfill our performance obligations).

Revenue generated from overseas transaction business increased by 70.1% from RMB338.5 million for the six months ended June 30, 2025 to RMB575.9 million for the six months ended June 30, 2026, mainly due to our comprehensive deepening of international business layout, capturing the demand arising from overseas AI computing infrastructure construction and expanding supply chain services for overseas AI computing centers, coupled with strong infrastructure demand in Middle East and Southeast Asian countries. To this end, we invested more resources in developing overseas transaction business, resulting in increased transaction volumes in regions such as Dubai, Saudi Arabia, Thailand, Indonesia and Malaysia. In addition, the production capacity of the Dubai processing plant continued to improve, further enhancing the Group's localized processing and delivery capabilities in the Middle East region and laying the foundation for undertaking more regional projects in the future.

Non-steel Transaction Business

We actively develop diversified business lines across industry sectors, mainly including electrical and electronic products, non-ferrous metals, and wires and cables.

Revenue generated from other business decreased by 92.1% from RMB113.4 million for the six months ended June 30, 2025 to RMB8.9 million for the six months ended June 30, 2026, mainly due to the adjustment of our non-steel product transaction model, which shifted from a trading model to a platform-like business model, with the related revenue recognized on a net basis.

COST OF REVENUE

Our cost of revenue primarily consists of (i) logistics, warehousing, and processing costs; (ii) product procurement costs, representing steel product procurement costs for overseas transaction sales and other procurement costs of non-steel products; (iii) taxes and extra charges; and (iv) service fees.

The table below sets forth a breakdown of our cost of revenue by nature and as a percentage of total cost of revenue for the periods indicated.

	For the Six Months Ended June 30,			
	2026		2025	
	RMB	(%)	RMB	(%)
	(in thousands, except percentages)			
Cost of revenue				
Product procurement costs	**536,989**	**63.5**	418,678	68.0
Logistics, warehousing and processing costs	**284,004**	**33.6**	187,377	30.4
Taxes and extra charges	**22,440**	**2.7**	8,599	1.4
Service fees	**2,120**	**0.3**	1,209	0.2
Total	**845,553**	**100.0**	615,863	100.0

Our cost of revenue increased by 37.3% from RMB615.9 million for the six months ended June 30, 2025 to RMB845.6 million for the six months ended June 30, 2026, in line with our revenue growth. Our product procurement costs increased by 28.3% from RMB418.7 million for the six months ended June 30, 2025 to RMB537.0 million for the six months ended June 30, 2026, primarily due to the expansion of our overseas transaction business. Logistics, warehousing and processing costs increased by 51.6% from RMB187.4 million for the six months ended June 30, 2025 to RMB284.0 million for the six months ended June 30, 2026, in line with the growth trend of our logistics revenue.

GROSS PROFIT AND GROSS PROFIT MARGIN

The table below sets forth a breakdown of our gross profit and gross profit margin by business segments for the periods indicated:

	For the Six Months Ended June 30,			
	2026		2025	
	RMB	(%)	RMB	(%)
	(in thousands, except percentages)			
Gross profit and gross profit margin				
Transaction services	**117,692**	**84.3**	123,010	93.6
Transaction support services	**14,636**	**4.9**	14,137	7.0
Technology subscription services	**11,473**	**84.3**	11,202	90.1
Overseas transaction business	**44,782**	**7.8**	29,590	8.7
Non-steel transaction business	**2,882**	**32.3**	3,593	3.2
Total	**191,465**	**18.5**	181,532	22.8

Our gross profit increased by 5.5% from RMB181.5 million for the six months ended June 30, 2025 to RMB191.5 million for the six months ended June 30, 2026, primarily due to the growth of overseas transaction business. Our overall gross profit margin decreased from 22.8% for the six months ended June 30, 2025 to 18.5% for the six months ended June 30, 2026, primarily due to the higher proportion of revenue generated from overseas transaction business and transaction support services, which have relatively lower gross profit margins.

Transaction Services

Our gross profit from transaction services decreased by 4.3% from RMB123.0 million for the six months ended June 30, 2025 to RMB117.7 million for the six months ended June 30, 2026. The gross profit margin decreased from 93.6% for the six months ended June 30, 2025 to 84.3% for the six months ended June 30, 2026, primarily due to the increase in taxes and additional expenses.

Transaction Support Services

Our gross profit from transaction support services increased by 3.5% from RMB14.1 million for the six months ended June 30, 2025 to RMB14.6 million for the six months ended June 30, 2026, primarily due to the increase in logistics transportation volume. The gross profit margin decreased from 7.0% for the six months ended June 30, 2025 to 4.9% for the six months ended June 30, 2026, primarily due to the increase in transaction volume from non-platform users.

Technology Subscription Services

Our gross profit from technology subscription services increased by 2.4% from RMB11.2 million for the six months ended June 30, 2025 to RMB11.5 million for the six months ended June 30, 2026, primarily due to the steady growth of technology subscription services. The gross profit margin decreased from 90.1% for the six months ended June 30, 2025 to 84.3% for the six months ended June 30, 2026, primarily due to the increase in software implementation costs.

Overseas Transaction Business

Our gross profit from overseas transaction business recorded a substantial increase of 51.3% from RMB29.6 million for the six months ended June 30, 2025 to RMB44.8 million for the six months ended June 30, 2026, in line with the growth of our overseas transaction business revenue. The gross profit margin of overseas transaction business remained relatively stable, at 8.7% for the six months ended June 30, 2025 and 7.8% for the six months ended June 30, 2026.

Non-steel Transaction Business

Our gross profit from non-steel product transaction business decreased by 19.8% from RMB3.6 million for the six months ended June 30, 2025 to RMB2.9 million for the six months ended June 30, 2026. The gross profit margin of non-steel product transaction business increased from 3.2% for the six months ended June 30, 2025 to 32.3% for the six months ended June 30, 2026, primarily due to the adjustment of our non-steel product transaction model, which shifted from a trading model to a platform-like business model, with the related revenue recognized on a net basis.

OTHER INCOME

Other income primarily consists of (i) interest on bank deposits; and (ii) government grants, which represent incentives provided by local government authorities in the PRC, including various forms of government financial incentives and preferential tax treatments, to reward our support and contribution to local economic development.

The table below sets forth a breakdown of our other incomes for the periods indicated.

	For the Six Months Ended June 30,	
	2026	**2025**
	(RMB in thousands)	
Interest on bank deposits	**6,749**	9,745
Government grants	**1,731**	4,729
Total	**8,480**	14,474

Our other income decreased by 41.4% from RMB14.5 million for the six months ended June 30, 2025 to RMB8.5 million for the six months ended June 30, 2026, primarily due to the decrease in interest on bank deposits and government grants received.

OTHER GAINS AND LOSSES

Other gains and losses primarily consist of (i) fair value changes of derivative financial instruments, related to our holding of derivative futures contracts and foreign exchange forward contracts priced at market value, with resulting gains or losses recognized in profit or loss; (ii) gains on disposal of property and equipment; (iii) gains on early termination of leases; (iv) impairment loss on investments in associates; and (v) net foreign exchange gains or losses.

The table below sets forth a breakdown of our other gains and losses for the periods indicated:

	For the Six Months Ended June 30,	
	2026	**2025**
	(RMB in thousands)	
Gain (loss) on fair value changes of derivative financial instruments	**11,948**	(510)
Gain on disposal of property, plant and equipment	**575**	191
Gain on early termination of leases	**66**	–
Net foreign exchange (losses) gains	**(30,981)**	6,156
Others	**1,412**	83
Total	**(16,980)**	5,920

Our net other losses shifted from a profit of RMB5.9 million for the six months ended June 30, 2025 to a loss of RMB17.0 million for the six months ended June 30, 2026, primarily due to (i) an increase in foreign exchange losses of RMB37.1 million as a result of market exchange rate fluctuations, and (ii) an increase in gains of RMB12.5 million from fair value changes of derivative financial instruments arising from the Group's hedging management of foreign exchange risk exposure.

FAIR VALUE CHANGES OF FINANCIAL LIABILITIES AT FVTPL

Fair value changes of financial liabilities at FVTPL include (i) fair value changes of listed warrants liabilities; (ii) fair value changes of promoter warrant liabilities; (iii) fair value changes of promoter earn-out right liabilities; (iv) fair value changes of convertible preferred share liabilities; and (v) fair value changes of redeemable preferred share liabilities. Our fair value changes of financial liabilities at FVTPL decreased from RMB109.9 million for the six months ended June 30, 2025 to RMB2.3 million for the six months ended June 30, 2026, primarily due to share price fluctuations after listing.

SELLING AND DISTRIBUTION EXPENSES

Our selling and distribution expenses decreased by 1.9% from RMB167.5 million for the six months ended June 30, 2025 to RMB164.3 million for the six months ended June 30, 2026. Excluding equity-settled share-based payments, selling and distribution expenses were RMB162.0 million for the six months ended June 30, 2026 (RMB156.5 million for the six months ended June 30, 2025).

ADMINISTRATIVE EXPENSES

Our administrative expenses decreased by 55.6% from RMB117.4 million for the six months ended June 30, 2025 to RMB52.2 million for the six months ended June 30, 2026. Excluding equity-settled share-based payments, administrative expenses were RMB48.8 million for the six months ended June 30, 2026 (RMB48.5 million for the six months ended June 30, 2025).

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses decreased by 7.9% from RMB22.1 million for the six months ended June 30, 2025 to RMB20.4 million for the six months ended June 30, 2026. Excluding equity-settled share-based payments, research and development expenses were RMB20.1 million for the six months ended June 30, 2026 (RMB18.3 million for the six months ended June 30, 2025).

OTHER EXPENSES RELATING TO THE DE-SPAC TRANSACTION

Prior to the completion of the De-SPAC transaction, the then shareholders of Aquila were deemed to have been issued shares and warrants at a fair value exceeding the net asset value acquired by the Company. The difference of RMB373.6 million was recognized as De-SPAC transaction expenses at the time of listing on March 10, 2025.

FINANCE COSTS

Our finance costs increased by 117.5% from RMB10.4 million for the six months ended June 30, 2025 to RMB22.5 million for the six months ended June 30, 2026, primarily due to the increase in interest expenses on discounted notes payable to suppliers.

IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Our impairment losses on financial assets decreased by 73.9% from RMB75.6 million for the six months ended June 30, 2025 to RMB19.7 million for the six months ended June 30, 2026, primarily due to the alleviation of customer credit risk during the period, resulting in a lower provision for expected credit losses.

INCOME TAX EXPENSE

Our income tax expense increased by 886.8% from RMB0.3 million for the six months ended June 30, 2025 to RMB2.7 million for the six months ended June 30, 2026, primarily due to the development of our overseas transaction business, which resulted in higher provision for income tax expenses of international entities.

LOSS FOR THE PERIOD

Our loss for the period decreased by 80.8% from RMB498.8 million for the six months ended June 30, 2025 to RMB95.6 million for the six months ended June 30, 2026, due to the reasons described above.

CONDENSED CONSOLIDATED BALANCE SHEET

The following table sets forth the condensed consolidated balance sheet of the Group as of the dates indicated.

	As of June 30, 2026	As of December 31, 2025	Change
	RMB	RMB	%
	(in thousands, except percentages)		
Non-current Assets			
Property, plant and equipment	**291,321**	269,013	8.3
Right-of-use assets	**152,113**	99,307	53.2
Goodwill	**31,954**	31,954	0.0
Intangible assets	**120,079**	113,610	5.7
Interests in associates	**49,712**	49,872	-0.3
Financial assets at FVTPL	**48,937**	47,752	2.5
Prepayments	**5,507**	5,291	4.1
	699,623	616,799	13.4
Current Assets			
Inventories	**41,835**	12,543	233.5
Trade receivables, prepayments and other receivables	**7,485,249**	8,410,492	-11.0
Financial assets at fair value through other comprehensive income (“FVTOCI”)	**116,194**	191,270	-39.3
Derivative financial instruments	**9,677**	–	–
Restricted cash	**2,098,492**	1,147,712	82.8
Cash and cash equivalents	**379,365**	349,969	8.4
	10,130,812	10,111,986	0.2

	As of June 30, 2026	As of December 31, 2025	Change
	RMB	RMB	%
	(in thousands, except percentages)		
Current Liabilities			
Trade, bills and other payables	**9,450,710**	9,227,221	2.4
Bank and other borrowings	**678,290**	721,004	-5.9
Derivative financial instruments	**–**	2,271	-100.0
Lease liabilities	**7,088**	10,446	-32.1
Contract liabilities	**58,134**	40,532	43.4
Financial liabilities at FVTPL	**3,418**	4,485	-23.8
	10,197,640	10,005,959	1.9
Net Current (Liabilities) Assets	**(66,828)**	106,027	-163.0
Total Assets Less Current Liabilities	**632,795**	722,826	-12.5
Capital and Reserves			
Share capital	**377**	377	–
Reserves	**405,692**	551,151	-26.4
Equity attributable to owners of the Company	**406,069**	551,528	-26.4
Non-controlling interests	**44,484**	43,823	1.5
Total equity	**450,553**	595,351	-24.3
Non-Current Liabilities			
Financial liabilities at FVTPL	**24,994**	26,192	-4.6
Contract liabilities	**7,871**	8,580	-8.3
Lease liabilities	**126,219**	69,270	82.2
Deferred tax liabilities	**23,158**	23,433	-1.2
	182,242	127,475	43.0
Net Assets	**450,553**	595,351	-24.3

Goodwill

Our goodwill arose from the change in control from a joint venture to a subsidiary (referring to our acquisition of the voting rights and subsequent control over Shanghai Tengcai Technology in March 2021). As of June 30, 2026 and December 31, 2025, the carrying amount of goodwill was RMB32.0 million and RMB32.0 million, respectively.

Trade Receivables, Prepayments and Other Receivables

The following table sets forth the components of our trade receivables, prepayments and other receivables as of the dates indicated:

	As of June 30, 2026	**As of December 31, 2025**
	RMB	**RMB**
	(in thousands)	
Trade receivables	**611,713**	667,832
– Transaction services	**234,073**	185,635
– Transaction support services	**19,007**	34,202
– Technology subscription services	**1,501**	460
– Overseas transaction business	**356,484**	439,022
– Non-steel transaction business	**648**	8,513
Less: allowance for credit losses	**(46,969)**	(29,990)
Sub-total	**564,744**	637,842
Prepayment to sellers in relation to transaction services	**6,727,505**	7,624,641
Prepayment to sellers in relation to overseas transaction business	**45,410**	29,810
Interest receivable	**7,422**	8,524
Prepaid expenses	**28,643**	25,227
Refundable deposits to sellers	**7,615**	7,658
Margin deposit relation to open derivatives	**12,354**	5,163
Others	**113,791**	93,764
Sub-total	**6,942,740**	7,794,787
Less: allowance for credit losses	**(16,728)**	(16,846)
Sub-total	**6,926,012**	7,777,941
Total	**7,490,756**	8,415,783

In terms of transaction services, we charge sellers a commission and buyers a service fee. As we typically collect advances from buyers and disburse prepayments to sellers on a back-to-back basis, we recognize the advances from buyers and the prepayments to sellers.

Our trade receivables, prepayments and other receivables decreased by 11.0% from RMB8,415.8 million as of December 31, 2025 to RMB7,490.8 million as of June 30, 2026, mainly due to the decrease in prepayments to sellers relating to our transaction services as of June 30, 2026.

Restricted Cash

The following table sets forth the components of our restricted cash as of the dates indicated:

	As of June 30, 2026	**As of December 31, 2025**
	RMB	**RMB**
	(in thousands)	
Deposits to secure bank borrowing and bills payable	**2,098,492**	1,146,601
Others	**–**	1,111
Total	**2,098,492**	1,147,712

Our restricted cash primarily includes margin deposits of RMB95.4 million for bank borrowings and deposits of RMB2,003.1 million for bills payable.

Trade, Bills and Other Payables

The following table sets forth the components of our trade, bills and other payables of the Group as of the dates indicated:

	As of June 30, 2026	As of December 31, 2025
	RMB	RMB
	(in thousands)	
Trade payables	**174,208**	344,725
– Transaction services	**112,288**	295,854
– Transaction support services	**23,501**	29,254
– Technology subscription services	**5**	2,442
– Overseas transaction business	**36,164**	12,005
– Non-steel transaction business	**2,250**	5,170
Bills payable	**2,235,334**	1,287,115
Advances received from buyers in relation to transaction services	**6,934,473**	7,498,750
Interest payable	**295**	456
Salary and bonus payables	**32,846**	45,052
Advance on restricted share unit from employees	**468**	–
Stamp duty payable	**24,411**	7,519
Other taxes payable	**15,951**	22,884
Accrued expenses	**21,980**	9,064
Accrued professional fees and expenses related to De-SPAC Transaction	**220**	1,343
Accrued issue costs	**316**	679
Others	**10,208**	9,634
Total	**9,450,710**	9,227,221

Our trade, bills and other payables increased from RMB9,227.2 million as of December 31, 2025 to RMB9,450.7 million as of June 30, 2026, representing a 2.4% change, primarily due to the increase in the amount of bills used for payment of goods, which resulted in an increase of RMB948.2 million in the ending balance of bills payable.

Bank and Other Borrowings

The following table sets forth our bank and other borrowings as of the dates indicated:

	As of June 30, 2026	As of December 31, 2025
	RMB	RMB
	(in thousands)	
Bank borrowings	**670,123**	710,844
Other borrowings	**8,167**	10,160
Total	**678,290**	721,004

As of June 30, 2026 and December 31, 2025, our bank and other borrowings were RMB678.3 million and RMB721.0 million, respectively, all of which were fixed-rate borrowings. Bank borrowings included bank loans and other borrowings arose from factoring trade receivables to non-bank financial institutions with full recourse.

The Company further confirms that during the Reporting Period, we did not encounter any difficulties in obtaining bank loans and other borrowings, had no defaults on bank loans and other borrowings, no breaches of covenants, and no significant changes in our debts.

Financial Liabilities at FVTPL

The following table sets forth the breakdown of our financial liabilities at FVTPL as of the dates indicated:

	As of June 30, 2026	As of December 31, 2025
	RMB	RMB
	(in thousands)	
Current Liabilities		
Listed warrants	**807**	1,001
Promoter warrants	**1,047**	1,299
Promoter earn-out rights	**1,564**	2,185
Non-current Liabilities		
Redeemable preferred shares	**24,994**	26,192
Total	**28,412**	30,677

Our financial liabilities at FVTPL are warrants and redeemable preferred shares issued to investors. The fair value of warrants and redeemable preferred shares is affected by changes in our equity value and various parameters and input data.

LIQUIDITY AND CAPITAL RESOURCES

We primarily funded our cash requirements through proceeds from business operations, bank borrowings, other debt financing, and shareholder equity contributions. Our cash position increased from RMB1,497.7 million as of December 31, 2025 to RMB2,477.9 million as of June 30, 2026. The cash position includes cash and cash equivalents, wealth management investments and restricted cash.

Condensed Consolidated Statement of Cash Flows

The following table sets forth our cash flows for the periods indicated:

	For the Six Months Ended June 30,	
	2026	**2025**
	RMB	**RMB**
	(in thousands)	
Net cash generated from/(used in) operating activities	**1,942,133**	(134,230)
Net cash used in investing activities	**(1,984,442)**	(530,587)
Net cash generated from financing activities	**73,801**	835,131
Net increase in cash and cash equivalents	**31,492**	170,314
Cash and cash equivalents at beginning of the period	**349,969**	240,163
Effect of foreign exchange rate changes	**(2,096)**	350
Cash and cash equivalents at end of the period	**379,365**	410,827

Operating Activities

For the six months ended June 30, 2026, our net cash inflow from operating activities was RMB1,942.1 million. This was primarily due to the increase in working capital, mainly including: (a) a decrease in trade receivables of RMB932.6 million and an increase in trade payables of RMB1,229.8 million, resulting from the increase in customer notes received and the use of notes for payment of goods; and (b) an increase in contract liabilities of RMB16.9 million.

Investing Activities

For the six months ended June 30, 2026, our net cash outflow from investing activities was RMB1,984.4 million, primarily attributable to the placement of bank deposits of RMB2,058.0 million pledged for bills payable related to transaction services, partially offset by the withdrawal of bank deposits of RMB101.5 million pledged for bills payable relating to our transaction services.

Financing Activities

For the six months ended June 30, 2026, our net cash inflow from financing activities was RMB73.8 million, primarily attributable to (i) proceeds of RMB120.1 million from bills discounted to banks not fully derecognized, and (ii) proceeds of RMB330.9 million from bank and other borrowings, partially offset by repayment of bank and other borrowings of RMB300.8 million and (iii) cash outflow of RMB51.7 million arising from share repurchases.

CAPITAL EXPENDITURES

Our capital expenditures primarily consisted of purchases of property and equipment, purchases and capitalization of digital assets and other intangible assets, as well as payments for right-of-use assets. The following table sets forth our capital expenditures for the periods indicated:

	For the Six Months Ended June 30,	
	2026	**2025**
	RMB	**RMB**
	(in thousands)	
Purchases of property, plant and equipment	**25,941**	75,925
Payments for right-of-use assets	**2,514**	–
Purchases and capitalization of digital assets and other intangible assets	**8,010**	2,431
Total	**36,465**	78,356

The Company continued to advance its digital capability development. During the Reporting Period, core digital assets such as self-developed AI Agents were capitalized, resulting in the formation of digital assets and other intangible assets amounting to RMB8.0 million. Continuous investment in digital assets and other intangible assets is expected in the second half of the year.

CONTRACTUAL COMMITMENTS

Our contracted capital expenditure refers to capital expenditure related to the acquisition of prepaid lease payments and property and equipment that have been contracted for but not yet provided for in the historical financial information. As of June 30, 2026, the capital commitments amount to RMB36.7 million.

CONTINGENT LIABILITIES

As of June 30, 2026, we did not have any significant contingent liabilities.

SIGNIFICANT INVESTMENTS HELD, SIGNIFICANT ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES, AND FUTURE PLANS FOR SIGNIFICANT INVESTMENTS OR CAPITAL ASSETS

As of June 30, 2026, except for the "Future Plans and Use of Proceeds" as disclosed in the circular issued by Aquila on February 5, 2025, the Group did not hold any significant investments and did not make any significant acquisitions or disposals of subsidiaries, associates, or joint ventures.

PLEDGE OF ASSETS

As of June 30, 2026, we had pledged land use rights and property, plant and equipment with net book values of RMB15,936,000 and RMB191,588,000, respectively, as security for the Group's short-term borrowings of RMB280,000,000. The Group is not allowed to use such assets as security for other borrowings.

GEARING RATIO

As of June 30, 2026, the Group's gearing ratio (calculated as total liabilities divided by total assets, expressed as a percentage) was 95.8%, compared with 94.5% as of December 31, 2025, representing only a minor change.

FOREIGN EXCHANGE EXPOSURE

We primarily conduct our operations in China, with the majority of our transactions settled in RMB. Our exposure to foreign exchange risks arises predominantly from overseas transaction business, involving currencies such as the USD, Hong Kong dollar, Dirham, Ringgit, Indonesian Rupiah, Saudi Riyal and Thai Baht. Therefore, foreign exchange risks mainly stem from assets and liabilities recognized when we receive or anticipate receiving foreign currency from overseas business partners, or when we pay or expect to pay foreign currency to them. As of June 30, 2026, with the increase in the scale of overseas transaction business, we actively prevent exchange rate fluctuation risks to ensure overall control of exchange rate risks. Based on business development, we actively take the following measures to prevent foreign exchange risks: (i) reasonably arrange financing and foreign exchange receipts and payments, and timely adjust foreign exchange fund management plans; and (ii) in combination with changes in exchange rates and interest rates, timely use foreign exchange hedging tools to avoid foreign exchange risks.

EMPLOYEES

As of June 30, 2026, we employed 1,188 full-time staff (June 30, 2025: 1,291 full time staff). Our success hinges on our ability to attract, retain, and motivate qualified personnel. As part of our human resources strategy, we offer competitive salaries, performance-linked bonuses, and other incentives to our employees. Additionally, we have implemented robust training programs for new hires and provide tailored online and offline regular and professional training based on the needs of employees across different departments. These training courses are customized according to the roles and skill levels of new hires, current employees, and management.

As required by regulations in China, we participate in various government statutory employee benefit plans. These include social insurance plans – covering retirement, medical, unemployment, work-related injury, and maternity benefits – as well as housing provident funds. Under Chinese law, we must contribute to these employee benefit plans at specified percentages of our employees' salaries, bonuses, and certain allowances, up to a maximum amount determined periodically by local governments.

We believe that we maintain good working relationships with our employees and during the Reporting Period, we have not experienced any strikes nor labour disputes that had any material adverse effect on our operations.

USE OF PROCEEDS

The Company received net proceeds of HK$537.4 million from the De-SPAC Transaction, after deducting commissions and expenses payable in connection with the De-SPAC Transaction.

As at the date of this announcement, there has been no change to the intended use of the net proceeds as previously disclosed in the Prospectus. The Group will apply the net proceeds in accordance with the intended use set out in the Prospectus. For details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

The following table sets forth the breakdown of the net proceeds as of the date of this announcement:

Purpose	**Approximate percentage of Net Proceeds**	**Net Proceeds** *(HK$ million)*	**Unutilized Net Proceeds as at January 1, 2026** *(HK$ million)*	**Utilized Net Proceeds during the Reporting Period** *(HK$ million)*	**Unutilized Net Proceeds as at June 30, 2026** *(HK$ million)*	**Expected timeline for Net Proceeds to be utilized by**
Enhance service offerings through digitalization	25%	134.4	–	–	–	N/A
Broaden buyer base and increase their stickiness	20%	107.5	–	–	–	N/A
Strengthen technological capabilities	20%	107.5	65.8	25.0	40.8	February 2030
Explore cross-industry expansion	25%	134.4	75.2	3.4	71.8	February 2030
Working capital and general corporate purpose	10%	53.6	38.6	–	38.6	February 2030
Total	100%	537.4	179.6	28.4	151.2	

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

During the Reporting Period, neither the Company nor any of its subsidiaries and consolidated affiliated entities had purchased, sold, or redeemed any of the Company's listed securities.

MATERIAL LITIGATION

During the Reporting Period, unless otherwise disclosed in the latest annual report of the Company under the section headed "Material Litigation", the Company has not been involved in any material litigation or arbitration. Furthermore, the Directors are not aware of any material litigation or claims, whether pending or threatened, against the Company.

CORPORATE GOVERNANCE

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Corporate Governance Code has been applicable to the Company with effect from the Listing Date.

The Company and the Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of the minority Shareholders. In light of this, the Company has established a Corporate Governance Committee which has adopted terms of reference consistent with Code Provision D.3.1 of the Corporate Governance Code and Rule 8A.30 of the Listing Rules. The members of the Corporate Governance Committee are independent non-executive Directors. The primary duties of the Corporate Governance Committee are to ensure that the Company is operated and managed for the benefit of all Shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to the WVR structure of the Company.

Under the articles of association of the Company (the "**Articles**"), Shareholders, including holders of Class A Shares, holding not less than one-tenth of the paid-up capital of the Company that carries the right of voting at general meetings (on a one share one vote basis) are entitled to convene an extraordinary general meeting of the Company and add resolutions to the meeting agenda. In addition, pursuant to the Shareholder communication policy, Shareholders are encouraged to put governance-related matters to the Directors of the Company and to the Company directly in writing.

The Group has adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between the Group and the Controlling Shareholders (namely Mr. Wang Dong, Mr. Wang Changhui, Mr. Rao Huigang, Jeremy Global Development Limited, Kiwi Global Development Limited, Restriven Limited, Wangdong Holdings Limited, Pangmao1 Ltd, Wangchanghui Holdings Limited, Pangmao2 Ltd, and Raohuigang Holdings Limited):

(a) under the Articles, where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders have a material interest, the relevant Controlling Shareholders will not vote on the relevant resolutions;

(b) the Company has established internal control mechanisms to identify connected transactions, and will comply with applicable Listing Rules upon entering into connected transactions;

(c) the independent non-executive Directors of the Company will review, on an annual basis, whether there are any conflicts of interest between the Group and the Controlling Shareholders and provide impartial and professional advice to protect the interests of the minority Shareholders;

(d) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational, and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(e) the Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its interim and annual reports or by way of announcements as required by the Listing Rules;

(f) where the Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at the Company's expense;

(g) the Company has appointed a compliance advisor on a permanent basis, Altus Capital Limited, to provide advice and guidance to the Group in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(h) the Company has established its Audit Committee, Remuneration Committee, Nomination Committee, and Corporate Governance Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code and Chapter 8A to the Listing Rules. All members of the Corporate Governance Committee, including the chairman, are independent non-executive Directors.

Based on the above, during the Reporting Period, the Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between the Group and the Controlling Shareholders, and to protect the minority Shareholders' interests. During the Reporting Period, the Company has complied with all applicable code provisions set out in the "Corporate Governance Code" contained in Part 2 of Appendix C1 to the Listing Rules, save for the deviation set out below.

Code Provision C.2.1 of the Corporate Governance Code

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

In view of Mr. Wang Dong's experience, personal profile, and his roles in the Company, and given that Mr. Wang Dong has assumed the role of chief executive officer of the Company since its commencement of business, the Board considers it beneficial to the business prospect and operational efficiency to have Mr. Wang Dong act as the chairman of the Board and continue to act as the chief executive officer of the Company. While this constitutes a deviation from Code Provision C.2.1 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decisions to be made by the Board require approval by at least a majority of the Directors; (ii) Mr. Wang Dong and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of the Company and will make decisions for the Company accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board, which comprises experienced and high-calibre individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Company to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted its own code (the "**Company's Code**"), with terms no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, as its own securities dealing code to regulate all dealings by Directors and relevant employees in the securities of the Company.

Specific enquiry has been made of all the Directors, and they have confirmed that they have complied with the Company's Code during the Reporting Period.

AUDIT COMMITTEE

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and paragraph D.3.3 of the Corporate Governance Code. The Audit Committee comprises one non-executive Director and two independent non-executive Directors, namely Mr. Sun Qingdong, Mr. Wang Weisong and Mr. Chen Yin. Mr. Wang Weisong is the chairman of the Audit Committee and possesses the appropriate qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee include: (i) reviewing and supervising the effectiveness of the Company's financial reporting, risk management, and internal control systems; (ii) reviewing the Company's financial information; (iii) considering issues relating to external auditors and their appointment; (iv) reviewing and monitoring the Company's environmental, social responsibility, and corporate governance policies and practices; (v) reviewing and approving connected transactions; and (vi) other duties and responsibilities as assigned by the Board.

The Company has determined that Mr. Wang Weisong and Mr. Chen Yin each satisfies the "independence" requirements under the Listing Rules.

The Audit Committee has reviewed the unaudited interim results of the Company for the six months ended June 30, 2026, and has met with the independent auditor, Deloitte Touche Tohmatsu. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters with senior management members of the Company.

In addition, the independent auditor of the Company, Deloitte Touche Tohmatsu, has reviewed our interim financial information for the six months ended June 30, 2026, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

NOMINATION COMMITTEE

The Company has established a Nomination Committee in compliance with Rules 3.27A, 8A.27, and 8A.28 of the Listing Rules and paragraph B.3.1 of the Corporate Governance Code. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Ms. Gong Yingxin, Mr. Wang Xiang, and Mr. Wang Weisong. Mr. Wang Xiang, an independent non-executive Director, is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include: (i) reviewing the structure, diversity, size, and composition of the Board on a regular basis, assisting the Board in maintaining a board skills matrix, and making recommendations regarding any proposed changes to its composition; (ii) identifying, selecting, or making recommendations to the Board on the selection of nominees for directorship; (iii) ensuring the diversity of the Board; (iv) assessing the independence of the Company's independent non-executive Directors; (v) making recommendations to the Board regarding the appointment, re-appointment, removal, and succession of the Directors; and (vi) supporting the Company's regular evaluation of the Board's performance, and assessing each Director's time commitment and contribution to the Board annually.

The Nomination Committee recommended the Board to continue the implementation of the corporate governance measures described above and to periodically review their efficacy.

CORPORATE GOVERNANCE COMMITTEE

The Company has established a Corporate Governance Committee in compliance with the Corporate Governance Code and Chapter 8A of the Listing Rules. The Corporate Governance Committee comprises three independent non-executive Directors, namely Mr. Chen Yin, Mr. Wang Weisong, and Mr. Wang Xiang. Mr. Chen Yin, an independent non-executive Director, is the chairman of the Corporate Governance Committee.

The Corporate Governance Committee is required to confirm to the Board that it is of the view that the Company has adopted sufficient corporate governance measures to manage the potential conflict of interest between the Group and the beneficiaries of WVR to ensure that the operations and management of the Company are in the interests of the Shareholders as a whole indiscriminately.

The attendance record of the Corporate Governance Committee members will be disclosed in accordance with the Listing Rules in subsequent interim and annual reports of the Company.

The Corporate Governance Committee confirms that, except as otherwise disclosed in this interim results announcement, it is not aware of any significant subsequent events that have occurred between the end of the Reporting Period and the date of this interim results announcement.

OTHER BOARD COMMITTEES

In addition to the Audit Committee, Nomination Committee, and Corporate Governance Committee, the Board has also established the Remuneration Committee. Each of these committees is established with defined written terms of reference. The terms of reference of the Board committees are available on the website of the Stock Exchange and the investor relations website of the Company.

INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2026.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2026

	NOTES	**Six months ended June 30,** **2026** ***RMB'000*** **(unaudited)**	2025 RMB'000 (unaudited)
Revenue	*4*	**1,037,018**	797,395
Cost of revenue		**(845,553)**	(615,863)
Gross profit		**191,465**	181,532
Other income	*6*	**8,480**	14,474
Other gains and losses	*7*	**(16,980)**	5,920
Selling and distribution expenses		**(164,331)**	(167,470)
Administrative expenses		**(52,203)**	(117,443)
Research and development expenses		**(20,354)**	(22,091)
Professional fees and expenses related to De-SPAC Transaction		**–**	(44,671)
De-SPAC Transaction expenses arising from capital reorganisation		**–**	(373,590)
Finance costs	*8*	**(22,523)**	(10,357)
Impairment losses on financial assets	*10*	**(19,739)**	(75,595)
Fair value changes of financial assets at fair value through profit or loss ("FVTPL")		**1,187**	1,762
Fair value changes of financial liabilities at FVTPL	*18*	**2,265**	109,860
Share of results of associates and a joint venture		**(160)**	(865)
Loss before tax		**(92,893)**	(498,534)
Income tax expense	*9*	**(2,694)**	(273)
Loss for the period	*10*	**(95,587)**	(498,807)

	NOTES	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(3,740)**	(2,096)
Other comprehensive expense for the period, net of income tax		**(3,740)**	(2,096)
Total comprehensive expense for the period		**(99,327)**	(500,903)
(Loss) profit for the period attributable to:			
Owners of the Company		**(96,248)**	(498,831)
Non-controlling interests		**661**	24
		(95,587)	(498,807)
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(99,988)**	(500,927)
Non-controlling interests		**661**	24
		(99,327)	(500,903)
Loss per share	*12*		
– Basic (RMB)		**(0.09)**	(0.66)
– Diluted (RMB)		**(0.09)**	(0.66)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	NOTES	**June 30, 2026** **_RMB'000_** **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Non-current Assets			
Property, plant and equipment		**291,321**	269,013
Right-of-use assets		**152,113**	99,307
Goodwill		**31,954**	31,954
Intangible assets		**120,079**	113,610
Interests in associates		**49,712**	49,872
Financial assets at FVTPL		**48,937**	47,752
Prepayments	*13*	**5,507**	5,291
		699,623	616,799
Current Assets			
Inventories		**41,835**	12,543
Trade receivables, prepayments and other receivables	*13*	**7,485,249**	8,410,492
Financial assets at fair value through other comprehensive income ("FVTOCI")	*14*	**116,194**	191,270
Derivative financial instruments		**9,677**	–
Restricted cash	*15*	**2,098,492**	1,147,712
Cash and cash equivalents	*15*	**379,365**	349,969
		10,130,812	10,111,986

	NOTES	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Current Liabilities			
Trade, bills and other payables	16	**9,450,710**	9,227,221
Bank and other borrowings	17	**678,290**	721,004
Derivative financial instruments		**–**	2,271
Lease liabilities		**7,088**	10,446
Contract liabilities	4	**58,134**	40,532
Financial liabilities at FVTPL	18	**3,418**	4,485
		10,197,640	10,005,959
Net Current (Liabilities) Assets		**(66,828)**	106,027
Total Assets Less Current Liabilities		**632,795**	722,826
Non-current Liabilities			
Financial liabilities at FVTPL	18	**24,994**	26,192
Contract liabilities	4	**7,871**	8,580
Lease liabilities		**126,219**	69,270
Deferred tax liabilities		**23,158**	23,433
		182,242	127,475
Net Assets		**450,553**	595,351
Capital and Reserves			
Share capital	19	**377**	377
Reserves		**405,692**	551,151
Equity attributable to owners of the Company		**406,069**	551,528
Non-controlling interests		**44,484**	43,823
Total Equity		**450,553**	595,351

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2026

1. GENERAL INFORMATION

ZG Group (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the laws of the Cayman Islands on February 27, 2012, and its shares have been listed by way of De-SPAC Transaction on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on March 10, 2025. Mr. Wang Dong, Mr. Wang Changhui, and Mr. Rao Huigang are collectively the controlling shareholders of the Company.

The Company acts as an investment holding company and its subsidiaries, including the consolidated affiliated entities (together, the "Group"), are principally engaged in providing an integrated suite of services across the steel trading value chain, including online steel commerce, logistics, warehousing and processing services.

The condensed consolidated financial statements are presented in the currency of Renminbi ("RMB"), which is the Company's functional currency.

2. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Going concern

As at June 30, 2026, the Group had net current liabilities of RMB66,828,000 and cash and cash equivalents of RMB379,365,000. The Group incurred a net loss of RMB95,587,000 for the period then ended.

In assessing the appropriateness of preparing the condensed consolidated financial statements on a going concern basis, the directors of the Company have reviewed the Group's cash flow forecast for the twelve months from June 30, 2026. The forecast indicates that the Group will continue to generate net cash inflows during the forecast period. In addition, having considered the Group's historical experience in successfully renewing bank borrowings upon maturity, the directors are confident that the Group's bank borrowings due during the forecast period will be successfully renewed as and when they fall due.

Based on the cash flow forecast and after taking into account the expected successful renewal of bank borrowings, the other financial resources available to the Group, including cash and cash equivalents on hand, the anticipated cash flows from operations, the directors are of the opinion that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due for at least twelve months from June 30, 2026.

Accordingly, the directors of the Company consider that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards disclosed below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2025.

APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

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.

4. REVENUE

(i) Disaggregation of revenue

	For the six months ended June 30, 2026					
Segments	**Transaction services** *RMB'000* (Unaudited)	**Transaction support services** *RMB'000* (Unaudited)	**Technology subscription services** *RMB'000* (Unaudited)	**Overseas transaction business** *RMB'000* (Unaudited)	**Non-steel transaction business** *RMB'000* (Unaudited)	**Total** *RMB'000* (Unaudited)
Commission income	139,622	–	–	–	2,945	142,567
Service income	–	299,010	13,603	1,461	–	314,074
Sales of goods	–	–	–	574,389	5,988	580,377
Revenue from contracts with customers	139,622	299,010	13,603	575,850	8,933	1,037,018
Timing of revenue recognition from contracts with customers:						
A point in time	139,622	158	–	575,850	8,933	724,563
Over time	–	298,852	13,603	–	–	312,455
	139,622	299,010	13,603	575,850	8,933	1,037,018

Segments	For the six months ended June 30, 2025					
	Transaction services	Transaction support services	Technology subscription services	Overseas transaction business	Non-steel transaction business	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Commission income	131,466	–	–	–	814	132,280
Service income	–	201,589	12,436	–	–	214,025
Sales of goods	–	–	–	338,537	112,553	451,090
Revenue from contracts with customers	131,466	201,589	12,436	338,537	113,367	797,395
Timing of revenue recognition from contracts with customers:						
A point in time	131,466	860	–	338,537	113,367	584,230
Over time	–	200,729	12,436	–	–	213,165
	131,466	201,589	12,436	338,537	113,367	797,395

(ii) Contract liabilities

	As at	
	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Transaction services	**14,578**	15,505
Transaction support services	**1,266**	801
Technology subscription services	**18,250**	20,018
Overseas transaction business	**31,911**	12,788
	66,005	49,112

5. SEGMENT INFORMATION

Information reported to the executive directors of the company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

For the six months ended June 30, 2026

	Transaction services *RMB'000* (Unaudited)	Transaction support services *RMB'000* (Unaudited)	Technology subscription services *RMB'000* (Unaudited)	Overseas transaction business *RMB'000* (Unaudited)	Non-steel transaction business *RMB'000* (Unaudited)	Elimination *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
REVENUE							
Commission income	139,622	–	–	–	2,945	–	142,567
Service income	–	299,010	13,603	1,461	–	–	314,074
External sales of goods	–	–	–	574,389	5,988	–	580,377
Inter-segment revenue	149,741	–	–	–	–	(149,741)	–
	289,363	299,010	13,603	575,850	8,933	(149,741)	1,037,018
SEGMENT PROFIT (LOSS)	9,695	(1,793)	6,972	(1,742)	(1,202)	–	11,930
Unallocated							
Other income and other gains and losses							(8,500)
Selling and distribution expenses							(10,520)
Administrative expenses							(48,626)
Research and development expenses							(17,946)
Finance costs							(22,523)
Fair value changes of financial assets at FVTPL							1,187
Fair value changes of financial liabilities at FVTPL							2,265
Share of results of associates and a joint venture							(160)
Loss before tax							(92,893)
Income tax expense							(2,694)
Loss for the period							(95,587)

For the six months ended June 30, 2025

	Transaction services *RMB'000* (Unaudited)	Transaction support services *RMB'000* (Unaudited)	Technology subscription services *RMB'000* (Unaudited)	Overseas transaction business *RMB'000* (Unaudited)	Non-steel transaction business *RMB'000* (Unaudited)	Elimination *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
REVENUE							
Commission income	131,466	–	–	–	814	–	132,280
Service income	–	201,589	12,436	–	–	–	214,025
External sales of goods	–	–	–	338,537	112,553	–	451,090
Inter-segment revenue	185,946	–	–	–	–	(185,946)	–
	317,412	201,589	12,436	338,537	113,367	(185,946)	797,395
SEGMENT (LOSS) PROFIT	(65,404)	926	3,336	6,117	1,025	–	(54,000)
Unallocated							
Other income and other gains and losses							20,394
Selling and distribution expenses							(8,546)
Administrative expenses							(117,443)
Research and development expenses							(21,078)
Professional fees and expenses related to De-SPAC Transaction							(44,671)
De-SPAC transaction expenses arising from capital reorganisation							(373,590)
Finance costs							(10,357)
Fair value changes of financial assets at FVTPL							1,762
Fair value changes of financial liabilities at FVTPL							109,860
Share of results of associates and a joint venture							(865)
Loss before tax							(498,534)
Income tax expense							(273)
Loss for the period							(498,807)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) incurred by each segment without allocation of other income and other gains and losses, certain selling and distribution expenses, certain administrative expenses, certain research and development expenses, professional fees and expenses related to De-SPAC Transaction, De-SPAC transaction expenses arising from capital reorganisation, finance costs, fair value changes of financial assets and liabilities at FVTPL and share of results of associates and a joint venture.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Geographical information

An analysis of the Group's revenue from external customer, analysed by their location of operation, as detailed below:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese Mainland	**461,168**	458,858
Thailand	**171,890**	110,658
Indonesia	**164,285**	34,737
United Arab Emirates ("UAE")	**117,476**	134,998
Malaysia	**85,362**	50,284
Saudi Arabia	**34,347**	–
Hong Kong	**2,490**	3,010
Korea	**–**	4,850
	1,037,018	797,395

Information about the Group's non-current assets (excluding goodwill and financial assets at FVTPL) which is presented based on geographical location of the assets, is as follows:

	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Chinese Mainland	**395,436**	394,176
UAE	**222,125**	140,895
Others *(note)*	**1,171**	2,022
	618,732	537,093

Note: Including Thailand, Indonesia, Malaysia, Saudi Arabia and Hong Kong.

6. OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank deposits	**6,749**	9,745
Government grants	**1,731**	4,729
	8,480	14,474

7. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Gain (loss) on fair value changes of derivative financial instruments	**11,948**	(510)
Gain on disposal of property, plant and equipment	**575**	191
Gain on early termination of leases	**66**	–
Net foreign exchange (losses) gains	**(30,981)**	6,156
Others	**1,412**	83
	(16,980)	5,920

8. FINANCE COSTS

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on:		
– Bank borrowings	**7,383**	6,530
– Other borrowings	**14,330**	3,550
– Lease liabilities	**810**	277
	22,523	10,357

9. INCOME TAX EXPENSE

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
Thailand corporate income tax	**1,581**	–
Malaysia corporate income tax	**1,046**	546
Indonesia corporate income tax	**272**	–
UAE corporate income tax	**70**	–
Under provision in prior period	**–**	2
	2,969	548
Deferred tax:		
Current period	**(275)**	(275)
	2,694	273

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's consolidated annual revenue is not expected to be 750 million euros, the management of the Group considered the Group is not liable to income taxes under the Pillar Two Rules.

10. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting) the following items:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**4,342**	3,192
Depreciation of right-of-use assets	**5,020**	4,630
Amortisation of intangible assets	**1,541**	1,490
	10,903	9,312
Less: capitalised in property, plant and equipment	**461**	–
	10,442	9,312
Directors' remuneration (excluding equity-settled share-based expense)	**5,467**	6,299
Equity-settled share-based payments *(note)*	**6,143**	83,670
Salaries, allowances and benefits	**154,989**	141,027
Retirement benefits scheme contributions	**14,546**	13,443
	181,145	244,439
Auditors' remuneration:		
– Audit services	**2,350**	2,684
Cost of inventories recognised as an expense	**536,989**	418,720
Impairment loss on financial assets		
Trade receivables		
– Impairment losses recognised	**30,862**	27,673
– Impairment losses reversed	**(11,005)**	(9,205)
	19,857	18,468
Other receivables		
– Impairment losses recognised	**25**	57,160
– Impairment losses reversed	**(143)**	(33)
	(118)	57,127
	19,739	75,595

Note: Included the share-based payments paid/payable to key management personnel and directors.

11. DIVIDENDS

No dividends were paid, declared or proposed during the current interim period. The directors of the Company have resolved not to declare any interim dividend in respect of the interim period.

12. LOSS PER SHARE

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

Loss figures are calculated as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	**(96,248)**	(498,831)

Number of shares

	Six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,046,015,800**	754,715,803

The weighted average number of ordinary shares for the purpose of basic loss per share for the six months ended June 30, 2025 has been adjusted retrospectively after taking into account the impact of capitalisation issue to the existing shareholders of 23,168,283 units of ordinary shares.

The weighted average number of ordinary shares for the purpose of basic loss per share for the six months ended June 30, 2026 has been arrived at after deducting the weighted average effect of 64,885,937 shares held by the trustee under the 2025 Share Award Scheme.

During the current and prior interim periods, the computation of diluted loss per share does not assume the effect of share options granted under the 2023 Pre-Listing Share Option Scheme, the conversion of the Tengcai's redeemable preferred shares, and the Company's Listed Warrants, Promoter Warrants and Promoter Earn-out Rights as these would be anti-dilutive.

13. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	As at	
	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables		
– *Transaction services*	**234,073**	185,635
– *Transaction support services*	**19,007**	34,202
– *Technology subscription services*	**1,501**	460
– *Overseas transaction business*	**356,484**	439,022
– *Non-steel transaction business*	**648**	8,513
	611,713	667,832
Less: allowance for credit losses	**(46,969)**	(29,990)
	564,744	637,842
Prepayment to sellers in relation to transaction services	**6,727,505**	7,624,641
Prepayment to sellers in relation to overseas transaction business	**45,410**	29,810
Interest receivable	**7,422**	8,524
Prepaid expenses	**28,643**	25,227
Refundable deposits to sellers	**7,615**	7,658
Margin deposit relation to open derivatives	**12,354**	5,163
Others	**113,791**	93,764
	6,942,740	7,794,787
Less: allowance for credit losses	**(16,728)**	(16,846)
	6,926,012	7,777,941
Total trade receivables, prepayments and other receivables	**7,490,756**	8,415,783
Analysed for reporting purposes as:		
Current assets	**7,485,249**	8,410,492
Non-current assets	**5,507**	5,291
	7,490,756	8,415,783

The Group generally allows credit periods ranging from 30 days to 90 days to its trade buyers. The following is an aged analysis of trade receivables (net of allowance for credit losses), presented based on the invoice date, which approximates the respective revenue recognition dates.

	As at	
	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0-90 days	**422,286**	523,284
91-180 days	**64,810**	82,258
181-365 days	**65,541**	25,989
1-2 years	**6,686**	365
Over 2 years	**5,421**	5,946
	564,744	637,842

14. FINANCIAL ASSETS AT FVTOCI

	As at	
	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Receivables at FVTOCI	**116,194**	191,270

15. CASH AND CASH EQUIVALENTS/RESTRICTED CASH

Cash and cash equivalents

Cash and cash equivalents comprised of cash and short-term bank deposits with an original maturity of three months or less. The short-term bank deposits are carried interest at market rates, ranging from 0.05% to 0.45% per annum as at June 30, 2026 (December 31, 2025: 0.05% to 0.45% per annum).

Restricted cash

	As at	
	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Deposits to secure bank borrowing and bills payable	**2,098,492**	1,146,601
Others	**–**	1,111
Total	**2,098,492**	1,147,712

The pledged bank deposits carry annual fixed interest rates ranging from 0.05% to 1.5% as at June 30, 2026 (December 31, 2025: 0.05% to 3.2%).

16. TRADE, BILLS AND OTHER PAYABLES

	As at June 30, 2026 *RMB'000* (Unaudited)	December 31, 2025 *RMB'000* (Audited)
Trade payables		
– *Transaction services*	**112,288**	295,854
– *Transaction support services*	**23,501**	29,254
– *Overseas transaction business*	**36,164**	12,005
– *Technology subscription services*	**5**	2,442
– *Non-steel transaction business*	**2,250**	5,170
	174,208	344,725
Bills payable	**2,235,334**	1,287,115
Advances received from buyers in relation to transaction services	**6,934,473**	7,498,750
Interest payable	**295**	456
Salary and bonus payables	**32,846**	45,052
Advance on restricted share unit from employees	**468**	–
Stamp duty payable	**24,411**	7,519
Other taxes payable	**15,951**	22,884
Accrued expenses	**21,980**	9,064
Accrued professional fees and expenses related to De-SPAC Transaction	**220**	1,343
Accrued issue costs	**316**	679
Others	**10,208**	9,634
	9,450,710	9,227,221

At the end of each reporting period, the Group had bills payable issued by banks with the following maturity.

	As at June 30, 2026 *RMB'000* (Unaudited)	December 31, 2025 *RMB'000* (Audited)
0-180 days	**2,235,334**	1,287,115

17. BANK AND OTHER BORROWINGS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Fixed-rate borrowings:		
Bank borrowings	**670,123**	710,844
Other borrowings *(note i)*	**8,167**	10,160
	678,290	721,004
Analysed as:		
Secured	**188,300**	248,764
Guaranteed	**50,000**	63,000
Secured and guaranteed	**279,990**	279,990
Unsecured and unguaranteed	**160,000**	129,250
	678,290	721,004

Notes:

(i) The balances arose from the factoring of trade receivables to banks and non-bank financial institutions with full recourse.

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

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Fixed-rate borrowings	**2.8%-3.5%**	2.8%-3.5%

(iii) Types of borrowings are as follows:

Types of borrowings	Guaranteed/secured by	As at **June 30, 2026** ***RMB'000*** **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
Guaranteed bank borrowings	Guarantee from fellow subsidiaries	**50,000**	63,000
Guaranteed and secured bank borrowings	Guarantee from the Company, secured by building and leasehold lands of the Group	**279,990**	279,990
Secured bank borrowings	Secured by certain bank deposits	**69,000**	54,700
	Secured by certain bills receivable	**111,133**	183,904
Secured other borrowings	Secured by certain trade receivables	**8,167**	10,160
		518,290	591,754
Unsecured and unguaranteed bank borrowings		**160,000**	129,250
		678,290	721,004

18. FINANCIAL LIABILITIES AT FVTPL

	As at **June 30, 2026** ***RMB'000*** **(Unaudited)**	As at December 31, 2025 *RMB'000* (Audited)
Current:		
Listed Warrants	**807**	1,001
Promoter Warrants	**1,047**	1,299
Promoter Earn-out Rights	**1,564**	2,185
	3,418	4,485
Non-current:		
Redeemable preferred shares	**24,994**	26,192
	28,412	30,677

19. SHARE CAPITAL

The movement of share capital of the Company is set out as below:

	Par value per share	Number of ordinary shares		Share capital	Share capital presented in RMB
	US$	*Class A*	*Class B*	*US$000*	*RMB'000*
Authorised:					
As at January 1, 2025 (audited) and June 30, 2025 (unaudited) and January 1, 2026 (audited), and June 30, 2026 (unaudited)	0.00005	1,700,000,000	300,000,000	100	622

	Par value per share	Number of ordinary shares		Share capital	Share capital presented in RMB
	US$	*Class A*	*Class B*	*US$*	*RMB'000*
Issued:					
As at January 1, 2025 (audited)	0.00005	45,324,446	172,684,310	10,900	71
Conversion of preference shares	0.00005	743,121,519	–	37,156	267
Shares issued to PIPE and PEF investors	0.00005	54,814,642	–	2,741	20
Shares issued to promoters	0.00005	24,109,411	–	1,205	9
Shares and bonus shares issued to non-redeeming Aquila's Class A shareholders	0.00005	7,869,750	–	393	2
Capitalisation issue to existing shareholders *(note)*	0.00005	4,816,731	18,351,552	1,159	8
As at June 30, 2025 (unaudited)		880,056,499	191,035,862	53,554	377

	Par value per share	Number of ordinary shares		Share capital	Share capital presented in RMB
	US$	*Class A*	*Class B*	*US$*	*RMB'000*
Issued:					
As at January 1, 2026 (audited)	0.00005	880,146,499	190,945,862	53,553	377
Exercise of pre-listing share options	0.00005	774,391	–	39	*
As at June 30, 2026 (unaudited)		880,920,890	190,945,862	53,592	377

* *Amount below RMB1,000*

Note: The capitalisation issue of 94,555,054 (Class A: 76,203,502 (including the conversion of preference shares), Class B: 18,351,552) shares is calculated at the ratio of approximately 1:1.106, which is derived from the ratio of converting 904,298,188 ordinary shares (including the conversion of preference shares) immediately before completion of the De-SPAC Transaction into 1,000,400,000 ordinary shares immediately after completion of the De-SPAC Transaction.

The Company has adopted a weighted voting rights structure. The share capital of the Company comprises Class A Shares and Class B Shares. The Class B shares are beneficially owned by Mr. Wang Dong and Mr. Wang Changhui. Each Class A Share entitles the holder to exercise one vote, and each Class B Share entitles the holder to exercise ten votes, respectively, on any resolution tabled at the Company's general meetings, except for resolutions with respect to the reserved matters, in relation to which each share is entitled to one vote.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (**www.hkexnews.hk**) and the investor relations website of the Company (**ir.zhaogang.com**). The interim report of the Company for the Reporting Period will be published on the same websites in due course.

By order of the board of directors
ZG GROUP
WANG Dong
Chairman of the board of directors

Hong Kong, August 28, 2026

As at the date of this announcement, the Board comprises: (i) Mr. Wang Dong, Mr. Wang Changhui, Ms. Gong Yingxin and Ms. Zhou Min as executive directors, (ii) Mr. Ye Qian and Mr. Sun Qingdong as non-executive directors and (iii) Mr. Wang Xiang, Mr. Chen Yin and Mr. Wang Weisong as independent non-executive directors.