FUTURE MACHINE LIMITED
未來機器有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1401)

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Revenue *(RMB'000)*	**2,572,898**	1,600,917
Gross profit *(RMB'000)*	**199,504**	135,767
Gross profit margin *(%)*	**7.8**	8.5
Net profit for the period *(RMB'000)*	**32,861**	11,508
Earnings per share		
– Basic and diluted *(RMB cents)*	**2.18**	1.12

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Future Machine Limited (the "**Company**") announces the unaudited interim consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2026. These results have been reviewed by the Company's audit committee (the "**Audit Committee**").

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

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	**2,572,898**	1,600,917
Cost of sales		**(2,373,394)**	(1,465,150)
Gross profit		**199,504**	135,767
Other gains and income	6	**35,777**	33,799
Selling and distribution expenses		**(37,609)**	(31,987)
Administrative and other expenses		**(52,802)**	(34,208)
Research and development expenses		**(83,102)**	(70,240)
Finance costs		**(12,564)**	(15,925)
Profit before tax		**49,204**	17,206
Income tax expenses	7	**(16,343)**	(5,698)
Profit for the period	8	**32,861**	11,508
Other comprehensive income for the period:			
Item that may be reclassified subsequently to profit or loss			
Exchange difference arising on translating foreign operations		**(90)**	140
Total comprehensive income for the period		**32,771**	11,648
Profit attributable to:			
Owners of the Company		**32,681**	11,209
Non-controlling interests		**180**	299
		32,861	11,508
Total comprehensive income attributable to:			
Owners of the Company		**32,562**	11,343
Non-controlling interests		**209**	305
		32,771	11,648
Earnings per share			
Basic and diluted *(RMB cents)*	10	**2.18**	1.12

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment		**93,012**	95,686
Right-of-use assets		**26,578**	30,201
Intangible assets		**6,915**	7,601
Deferred tax asset		**1,034**	1,816
		127,539	135,304
Current Assets			
Inventories		**627,263**	404,327
Trade and bills receivables	11	**1,188,764**	1,007,152
Prepayments and other receivables	12	**272,726**	207,533
Derivative financial instruments		**–**	507
Financial asset at FVTPL	13	**31,991**	33,265
Amounts due from shareholders		**6,475**	6,475
Pledged bank deposits		**1,801,879**	2,139,087
Bank balances and cash		**163,767**	153,309
		4,092,865	3,951,655
Current Liabilities			
Trade and bills payables	14	**3,143,781**	3,217,911
Accruals and other payables		**96,825**	104,576
Financial liabilities at FVTPL		**627**	1,761
Contract liabilities		**161,293**	76,688
Borrowings		**188,992**	91,683
Lease liabilities		**6,644**	6,681
Deferred income		**847**	847
Income tax payable		**8,740**	3,748
		3,607,749	3,503,895
Net current assets		**485,116**	447,760
Total assets less current liabilities		**612,655**	583,064

	30 June 2026 *RMB'000* (Unaudited)	31 December 2025 *RMB'000* (Audited)
Non-current liabilities		
Deferred income	**2,434**	2,858
Deferred tax liability	**17,539**	16,973
Lease liabilities	**24,642**	27,964
	44,615	47,795
Net assets	**568,040**	535,269
Capital and Reserves		
Share capital	**13,511**	13,511
Reserves	**555,605**	523,043
Equity attributable to owners of the Company	**569,116**	536,554
Non-controlling interests	**(1,076)**	(1,285)
Total Equity	**568,040**	535,269

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands as an exempted company with limited liability on 15 August 2018 and its shares have been listed on Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 13 November 2019 (the "**Listing Date**"). The ultimate controlling parties are Mr. Li Chengjun and Mr. Xiong Bin, who are also executive directors of the Company.

The address of the registered office is located in P.O. BOX 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and the principal place of business of the Company is located in 33/F, Building 1, Huaqiang Science and Technology Innovation Plaza, Meilin Street, No. 6018 North Ring Boulevard, Futian District, Shenzhen, China.

The Company is an investment holding company. The principal activities of its subsidiaries are R&D, designing, manufacturing and sale of smart terminals, on-device artificial intelligence products, hardware, software and ecosystem, with a focus on expanding emerging markets; and investment holding.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The condensed consolidated financial statements are presented in RMB which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

3. PRINCIPAL ACCOUNTING POLICIES

Other than changes in accounting policies resulting from the application of new amendments to Hong Kong Financial Reporting Standards and application of the accounting policies which become relevant to the Group, the accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of new and amendments to Hong Kong Financial Reporting Standards

In the current interim period, the Group has applied the amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

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

The amendments to HKFRSs in the current interim period did not have material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has not applied any new standards or interpretation that is not yet effective for the current period.

4. REVENUE

Revenue represents revenue arising on sales of goods in the normal course of business, net of discounts and sales related taxes. The Group's revenue for the period is recognised on a point in time basis.

An analysis of revenue from contracts with customer disaggregated by major product types is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Smart terminals	**1,784,071**	917,480
AIoT	**619,213**	584,650
Others *(Note)*	**169,614**	98,787
	2,572,898	1,600,917

Note: Mainly represent sales of materials and components of smart terminals and AIoT.

Transaction price allocated to the remaining performance obligations

The sales contracts are with an original expected duration of less than one year. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price for the performance obligation that is unsatisfied as of the end of respective reporting period.

5. SEGMENT INFORMATION

Information is reported on a regular basis to the executive directors of the Company, being the chief operating decision makers, for their review of the Group's internal reporting in order to assess performance and allocate resource. The Group is principally engaged in R&D, designing, manufacturing and sale of smart terminals, on-device artificial intelligence products, hardware, software and ecosystem, with a focus on expanding emerging markets. Information reported to the chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Company as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

The Group's operations are mainly located in the People's Republic of China (the "**PRC**") (the place of domicile of the Group's operations).

Information about the Group's revenue from external customers presented based on the location of customers is as follows:

	Revenue from external customers Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
India	**1,247,420**	371,844
The PRC	**1,144,914**	1,111,247
Pakistan	**–**	5,810
Kenya	**52,728**	–
People's Republic of Bangladesh	**42,002**	16,996
United States of America	**40,769**	52,453
Algeria	**115**	12,809
Other regions	**44,950**	29,758
	2,572,898	1,600,917

The Group's non-current assets, excluding deferred tax assets, amounted to RMB126,505,000 as at 30 June 2026 (31 December 2025: RMB133,488,000), and are all located in the PRC.

6. OTHER GAINS AND INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**9,535**	17,099
Gain on reversal of credit loss for trade and bills receivables	**–**	2,801
Gain on derecognition of financial liabilities at FVTPL	**2,885**	–
Government subsidies *(Note)*	**22,930**	13,465
Amortisation of government grants	**424**	426
Sundry income	**3**	8
	35,777	33,799

Note: The government subsidies represent the one-off government grants that were received from local government authorities of which the entitlements were unconditional and were therefore immediately recognised as other income.

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current Tax:		
Hong Kong profits tax	**6,472**	46
PRC enterprise income tax ("**EIT**")	**4,828**	3,212
Under provision in prior years:		
EIT	**3,695**	933
	14,995	4,191
Deferred tax:		
Charge to current period	**1,348**	1,507
Income tax expenses	**16,343**	5,698

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Directors' emoluments	**2,048**	2,100
Salaries, allowances and other benefits (excluding directors' emoluments)	**100,885**	89,253
Contributions to retirement benefits scheme (excluding directors' emoluments)	**16,661**	11,155
Total staff costs	**119,594**	102,508
Amortisation of intangible assets	**686**	611
Amount of inventories recognised as an expense	**2,373,394**	1,465,150
Net foreign exchange losses	**14,598**	1,442
Depreciation of property, plant and equipment	**12,857**	8,276
Depreciation of right-of-use assets	**3,576**	3,384
Impairment loss/(reversal of impairment loss) recognised in respect of trade and bills receivables	**1,210**	(2,801)

9. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Earnings		
Earnings for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	**32,681**	11,209
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,500,000**	1,000,000

(a) Basic earnings per share

The number of shares used for the purpose of calculating basic earnings per share for the six months ended 30 June 2026 and 2025 is calculated on the basis of the number of ordinary shares of the Company.

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2026 and 2025 was the same as the basic earnings per share as there were no potential ordinary shares in issue for the six months ended 30 June 2026 and 2025.

11. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**967,326**	771,972
Less: Loss allowance	**(8,473)**	(7,263)
	958,853	764,709
Bills receivables	**229,911**	242,443
Trade and bills receivables	**1,188,764**	1,007,152

The gross amount of trade and bills receivables arising from contracts with customers amounted to approximately RMB1,197,237,000 as at 30 June 2026 (31 December 2025: RMB1,014,415,000).

The Group allows credit period ranging from 30 to 120 days to its trade customers depending on creditability of the customers. The Group does not hold any collateral over its trade and bills receivables. An ageing analysis of trade and bills receivables (after loss allowance) based on invoice dates is as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 30 days	**756,763**	559,283
31 to 60 days	**212,588**	249,467
61 to 90 days	**191,831**	134,592
Over 90 days	**27,582**	63,810
Total	**1,188,764**	1,007,152

No interest is charged on the trade and bills receivables.

12. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Prepayments to suppliers	**162,841**	75,074
Lease deposits and other deposits	**15,740**	2,585
VAT recoverable *(Note i)*	**60,415**	79,629
Interest receivables	**1,737**	6,498
Margin deposits *(Note ii)*	**14,643**	16,834
Others	**17,350**	26,913
Total	**272,726**	207,533

Notes:

(i) VAT recoverable includes the input VAT and prepaid VAT that is expected to be deducted within one year.

(ii) As at 30 June 2026 and 31 December 2025, margin deposits of the Group amounting to RMB14,643,000 and RMB16,834,000 were held by the bank as security for outstanding foreign exchange forward contracts and currency options, respectively. These deposits are restricted and are typically released upon the settlement of the underlying derivative contracts.

As at 30 June 2026 and 31 December 2025, there was no significant impairment for the prepayments and other receivables.

13. FINANCIAL ASSET AT FVTPL

During the year ended 31 December 2025, the Group granted discretionary investment management rights under a discretionary account agreement (the "**Agreement**") with a regulated entity in Hong Kong, which is a licensed corporation under the Securities and Futures Ordinance (the "**Investment Manager**"). Pursuant to the Agreement, the Investment Manager is appointed as agent and attorney-in-fact of the Group to invest and reinvest the Group assets under the discretionary account in accordance with the investment objectives and risk tolerance level agreed with the Group on a discretionary basis.

During the year ended 31 December 2025, the Investment Manager invested in Global Market Fixed-rate Notes (the "**Notes**") on behalf of the Group under the Discretionary Account, with a principal amount of HK$40,000,000 (equivalent to approximately RMB36,128,000).

The Notes are redeemable daily at par, subject to a 7-day advance notice period and a minimum redemption amount of HK$778,000. There is no lock-up period, and no management, subscription, redemption, or performance fees are payable in respect of this investment. The Investment Manager acted as the subscriber of the Notes and serves as the executing broker, custodian, and nominee of the Group.

As at 30 June 2026, the fair value of the Notes held in the discretionary account was RMB31,991,000 (31 December 2025: RMB33,265,000), and none of the Notes had been pledged as security for any banking facilities or other purposes. The difference in the fair value of the Notes as at 30 June 2026 and 31 December 2025 was attributed to exchange rate difference.

14. TRADE AND BILLS PAYABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**956,256**	755,712
Bills payables under supplier finance arrangement *(note)*	**2,187,525**	2,462,199
Trade and bills payables	**3,143,781**	3,217,911

Note: These amounts relate to bills payables under supplier finance arrangements, including bills issued to relevant external suppliers for the settlement of trade payables amounting to approximately RMB405,280,000 as at 30 June 2026 (31 December 2025: RMB532,872,000), and bills issued to Group entity under arrangements for financing the production of the respective Group entities, amounting to approximately RMB1,782,245,000 as at 30 June 2026 (31 December 2025: RMB1,929,327,000). All of the aforementioned bills payables are fully secured by pledged bank deposits amounting to approximately RMB1,801,879,000 (31 December 2025: RMB2,139,087,000). In the consolidated statement of cash flows, payments to the banks are classified as financing cash flows, net of receipts from the bank in respect of intercompany bills, reflecting the nature of the arrangements.

In order to facilitate extended payment terms with suppliers and intragroup transactions, the Group enters into arrangements involving bills secured by pledged deposits. The arrangements involving external suppliers provide for payment terms of 30–60 days for the Group to issue the bills to the external suppliers, and the issued bills have 90 to 180 days to maturity for those issued to external suppliers and 60 to 180 days to maturity for intragroup companies, respectively, depending on the specific terms of the bills. The Group repays the banks the full invoice amount on the maturity date of the bills as required. The Group classifies these related bills payables as trade and other payables.

The following is an ageing analysis of trade payables presented based on invoice date at the end of the reporting period.

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 30 days	**539,371**	428,666
31 to 60 days	**267,792**	233,611
61 to 90 days	**90,016**	62,334
Over 90 days	**59,077**	31,101
Total	**956,256**	755,712

The average credit period on purchases of goods is ranging from 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is an ageing analysis of bills payables under supplier finance arrangement based on bills issuance date at the end of the reporting period.

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 30 days	**572,770**	239,125
31 to 60 days	**598,999**	310,411
61 to 90 days	**359,582**	419,438
Over 90 days	**656,174**	1,493,225
Total	**2,187,525**	2,462,199

All the bills payables of the Group are not yet due at the end of each reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During the six months ended 30 June 2026, the Group, as one of the leading suppliers of smart terminals and solutions based in China, is principally engaged in R&D, designing, manufacturing and sale of smart terminals, on-device artificial intelligence products, hardware, software and ecosystem, with a focus on expanding emerging markets.

China's smart terminal market was more challenging in the first half of 2026 than in the corresponding period in 2025. According to data published by International Data Corporation, China's smartphone shipments for the first half of 2026 declined by approximately 4.2% year-on-year to approximately 134 million units. The decline was driven primarily by (i) rising memory and other core component costs, which led some suppliers to raise retail prices and/or reduce device specifications, thereby dampening consumer upgrade demand; and (ii) the tapering-off of government trade-in subsidies that had previously supported the market.

China's AIoT market showed relatively steady demand in the first half of 2026, supported by ongoing developments in 5G connectivity, AI integration and related applications across sectors such as smart manufacturing, healthcare and urban infrastructure.

Notwithstanding the industry headwinds facing China's smart terminal market, the Group's diversified customer base, broadening geographical spread and balanced product mix between smart terminals and AIoT has helped to mitigate the impact of the softer demand in the China market. For the six months ended 30 June 2026, the Group's revenue from China market remained relatively stable as compared with the corresponding period in 2025. As disclosed in the Company's 2025 annual report, the Group entered into nine Memoranda of Understanding ("**MOUs**") between October 2025 and January 2026 with reputable telecommunications and mobile phone distribution companies (the "**Business Partners**") in the United Arab Emirates, Bangladesh, India, Sri Lanka, Türkiye and other regions, establishing long-term strategic partnerships to export smart terminals and AIoT to emerging markets with large populations and rising demand for smart devices.

During the six months ended 30 June 2026, the Group continued to work with the Business Partners to convert these MOUs into firm orders and to advance joint product development and brand-promotion initiatives. The strategic partnerships were the primary driver of the significant increase in the Group's total revenue for the six months ended 30 June 2026 and contributed substantially to the rising revenue generated from India. As the Group deepens these partnerships and its overseas business, revenue contributions from India and other overseas markets have exceeded that from China.

The Group recorded revenue of RMB2,572.9 million for the six months ended 30 June 2026, representing an increase of approximately 60.7% as compared to RMB1,600.9 million for the six months ended 30 June 2025, and net profit of RMB32.9 million for the period, as compared to RMB11.5 million for the corresponding period in 2025.

OUTLOOK AND BUSINESS STRATEGY

Looking ahead, the global smart terminal and AIoT market presents both opportunities and challenges. Memory and component cost pressures are likely to persist through the second half of 2026, weighing on costs and demand. At the same time, deepening AI integration into smartphones and connected devices will drive substantial demand for smart terminals and AIoT.

The Group intends to continue executing its prudent growth strategy by: (i) strengthening R&D capabilities; (ii) further diversifying its product portfolio across smart terminals, AIoT and related businesses; (iii) accelerating the conversion of overseas MOUs into recurring orders and expanding its footprint in emerging markets with rising demand for mobile and smart devices; (iv) enhancing sales and marketing efforts to broaden its customer base; and (v) evaluating suitable M&A and strategic investment opportunities as they arise.

The Board believes that the Group's prudent growth strategy will enable it to capture opportunities while effectively addressing potential challenges, thereby delivering greater value to shareholders.

FINANCIAL REVIEW

Revenue

Revenue by product categories

The Group's product portfolio includes smart terminals and AIoT. During the six months ended 30 June 2026, the Group mainly derives its revenue from the sales of smart terminals and AIoT. Set out below is a breakdown of the Group's total revenue by product categories and the revenue generated from each product category as a percentage of total revenue for the six months ended 30 June 2026 and 2025:

	Six months ended 30 June			
	2026		2025	
	RMB'000	***% of total revenue***	*RMB'000*	*% of total revenue*
Smart terminals	**1,784,071**	**69.3**	917,480	57.3
AIoT	**619,213**	**24.1**	584,650	36.5
Others *(Note)*	**169,614**	**6.6**	98,787	6.2
Total	**2,572,898**	**100.0**	1,600,917	100.0

Note: Others mainly include revenue from the sales of materials and components of smart terminals and AIoT.

The Group's total revenue increased by approximately 60.7% to RMB2,572.9 million for the six months ended 30 June 2026 from RMB1,600.9 million for the six months ended 30 June 2025.

Revenue from smart terminals increased by 94.5% to RMB1,784.1 million for the six months ended 30 June 2026 from RMB917.5 million for the six months ended 30 June 2025, primarily attributed to the increase in sales of smart terminals to India.

Revenue from AIoT increased by 5.9% to RMB619.2 million for the six months ended 30 June 2026 from RMB584.7 million for the six months ended 30 June 2025, as AIoT market showed relatively steady demand in the first half of 2026, supported by ongoing developments in 5G connectivity, AI integration and related applications across sectors such as smart manufacturing, healthcare and urban infrastructure.

Revenue by geographical regions

The Group's products are mainly sold to emerging markets which have high population and growing demands on smart terminals and AIoT. Set out below is a breakdown of the Group's total revenue by geographical region and the revenue generated from each region as a percentage of total revenue for the six months ended 30 June 2026 and 2025:

	Six months ended 30 June			
	2026		2025	
	RMB'000	***% of total revenue***	*RMB'000*	*% of total revenue*
Emerging Asia				
India	**1,247,420**	**48.5**	371,844	23.2
The PRC	**1,144,914**	**44.5**	1,111,247	69.4
Pakistan	**–**	**–**	5,810	0.4
People's Republic of Bangladesh	**42,002**	**1.6**	16,996	1.1
Sub-total:	**2,434,336**	**94.6**	1,505,897	94.1
Other regions				
Kenya	**52,728**	**2.0**	–	–
United States of America	**40,769**	**1.6**	52,453	3.3
Algeria	**115**	**0.1**	12,809	0.8
Others	**44,950**	**1.7**	29,758	1.8
Sub-total:	**138,562**	**5.4**	95,020	5.9
Total	**2,572,898**	**100.0**	1,600,917	100.0

Revenue from India increased by 2.4 times to RMB1,247.4 million for the six months ended 30 June 2026 from RMB371.8 million for the six months ended 30 June 2025, primarily attributed to progress in converting the MOUs signed between October 2025 and January 2026 into firm orders.

Revenue from the PRC remained relatively stable at RMB1,144.9 million for the six months ended 30 June 2026 as compared with RMB1,111.2 million for the six months ended 30 June 2025, primarily attributed to the Group's diversified customer base and balanced product mix between smart terminals and AIoT, which helped mitigate the impact of the softer smart terminals demand in the PRC.

Revenue from Pakistan decreased to nil for the six months ended 30 June 2026 from RMB5.8 million for the six months ended 30 June 2025, primarily attributed to the Group's strategic decision to reserve its production capacity for the sales orders from other geographical regions.

Revenue from People's Republic of Bangladesh increased by 1.5 times to RMB42.0 million for the six months ended 30 June 2026 from RMB17.0 million for the six months ended 30 June 2025, primarily attributed to increase in sales orders for smart terminals from major customers.

For the six months ended 30 June 2026, the Group's strategic marketing initiatives and proactive international expansion successfully secured inaugural sales orders from new customers in Kenya, generating revenue of RMB52.7 million.

Revenue from the United States of America decreased by 22.3% to RMB40.8 million for the six months ended 30 June 2026 from RMB52.5 million for the six months ended 30 June 2025, resulting from the decrease in sales orders for smart terminals from a major customer.

Revenue from Algeria decreased by 99.2% to RMB0.1 million for the six months ended 30 June 2026 from RMB12.8 million for the six months ended 30 June 2025, primarily attributed to the Group's strategic decision to reserve its production capacity for the sales orders from other geographical regions.

Gross profit and gross profit margin

Gross profit increased by 46.9% to RMB199.5 million for the six months ended 30 June 2026 from RMB135.8 million for the six months ended 30 June 2025, primarily attributed to the increase in revenue. Gross profit margin decreased to 7.8% for the six months ended 30 June 2026 from 8.5% for the six months ended 30 June 2025, primarily attributed to rising raw material costs.

Other gains and income

Other gains and income mainly include government subsidies, amortisation of government subsidies, bank interest income, gain on derecognition of financial liabilities at FVTPL, gain on reversal of credit loss for trade and bills receivables and sundry income. The Group's other gains and income increased by 5.6% to RMB35.8 million for the six months ended 30 June 2026 from RMB33.8 million for the six months ended 30 June 2025, primarily attributed to the increase in government subsidies, but partially offset by the decrease in bank interest income.

Selling and distribution expenses

Selling and distribution expenses mainly represent transportation and custom declaration expenses, salaries and employee benefits of our sales and marketing staff, marketing expenses, business-related travelling and entertainment expenses. Selling and distribution expenses increased by 17.5% to RMB37.6 million for the six months ended 30 June 2026 from RMB32.0 million for the six months ended 30 June 2025, primarily attributed to higher transportation costs, salaries, and marketing expenses aimed at expanding the customer base.

Administrative and other expenses

Administrative and other expenses mainly represent salaries and benefits of our administrative and management staff, depreciation, amortisation of intangible assets, general office expenses, legal and professional fees, rental expenses, insurance expenses, bank charges, exchange losses and other miscellaneous administrative expenses. Administrative and other expenses increased by 54.4% to RMB52.8 million for the six months ended 30 June 2026 from RMB34.2 million for six months ended 30 June 2025, primarily attributed to the increase in exchange losses, salaries and contributions to retirement benefit scheme.

Research and development expenses

Research and development expenses increased by 18.4% to RMB83.1 million for the six months ended 30 June 2026 from RMB70.2 million for the six months ended 30 June 2025, primarily driven by higher staff costs and subcontracting expenses related to research and development activities.

Finance costs

Finance costs mainly represent interests on discounted bills, interest portion of lease liabilities, bank borrowings and factoring loans. The Group's finance costs decreased by 20.8% to RMB12.6 million for the six months ended 30 June 2026 from RMB15.9 million for the six months ended 30 June 2025, primarily attributed to decrease in interest on discounted bills financing and factoring loans.

Income tax expenses

The Group's income tax expenses increased by 1.9 times to RMB16.3 million for the six months ended 30 June 2026 from RMB5.7 million for the six months ended 30 June 2025, primarily attributed to the increase in tax assessable profits. The effective income tax rate for the six months ended 30 June 2026 was 33.2% (six months ended 30 June 2025: 33.1%).

Profit for the period

As a result of the above factors, the Group recorded a net profit of RMB32.9 million for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB11.5 million).

Dividend

The Board does not recommend the payment of dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

Right-of-use assets

As at 30 June 2026, the Group's right-of-use assets amounted to RMB26.6 million (31 December 2025: RMB30.2 million). The decrease was primarily attributed to the depreciation recognised during the six months ended 30 June 2026.

Trade and bills receivables

As at 30 June 2026, the Group's trade and bills receivables amounted to RMB1,188.8 million (31 December 2025: RMB1,007.2 million). The Group generally grants credit period ranging from 30 to 120 days to its customers and allows its PRC customers to settle their purchases by way of bills with maturity period ranging from three to seven months.

In order to minimise credit risk, the Group carefully assesses the background information and credit worthiness of its customers before it decides to grant them credit periods. Further, the Group also closely monitors the payment record of its customers and regularly reviews the credit terms granted to them. The Group's credit assessment is based on various factors, including but not limited to the financial strength, size of the business and payment history of customers and length of their business relationship with the Group.

The increase in the Group's trade and bills receivables as at 30 June 2026 was primarily attributed to increased sales during the six months ended 30 June 2026. Based on the dates of the relevant sales invoices, 97.7% of the Group's trade and bills receivables as at 30 June 2026 aged within 90 days and the Group did not notice any substantial long outstanding balances.

Prepayments and other receivables

As at 30 June 2026, the Group's prepayments and other receivables amounted to RMB272.7 million (31 December 2025: RMB207.5 million). The increase was primarily attributed to higher prepayments to suppliers for raw materials in response to growing customer demand for the Group's products.

Trade and bills payables

As at 30 June 2026, the Group's trade and bills payables amounted to RMB3,143.8 million (31 December 2025: RMB3,217.9 million). Suppliers generally grant the Group credit period ranging from 30 to 60 days, with certain suppliers require the Group to make advance payment before product delivery. The decrease in the Group's trade and bills payables as at 30 June 2026 was attributed to the settlements made by the Group to its suppliers. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe. Certain suppliers allow the Group to settle its purchases by way of bank acceptance bills and the Group may also endorse certain bills receivables to its suppliers in order to settle the trade payable due to them.

CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING

The Group mainly funds its business and working capital requirements by using a balanced mix of internal resources, borrowings and funds raised from rights issue.

The funding mix will be adjusted depending on the costs of funding and the actual needs of the Group. As at 30 June 2026, the Group had net current assets of RMB485.1 million (31 December 2025: RMB447.8 million), cash and cash equivalents amounted to RMB163.8 million (31 December 2025: RMB153.3 million), pledged bank deposits of RMB1,801.9 million (31 December 2025: RMB2,139.1 million) and borrowings amounted to RMB189.0 million (31 December 2025: RMB91.7 million). The Group's cash and cash equivalents and borrowings as at 30 June 2026 were mainly denominated in RMB. As at 30 June 2026, the Group had borrowings of RMB160.0 million (31 December 2025: RMB91.7 million) subject to fixed interest rates; and RMB29.0 million subject to variable interest rates (31 December 2025: nil). As at 30 June 2026, the Group had a current ratio of 1.1 times (31 December 2025: 1.1 times) and gearing ratio of 0.3 (calculated by dividing total debt by total equity) (31 December 2025: 0.2).

As at 30 June 2026, the Group's unutilised borrowing facilities amounted to RMB107.2 million (31 December 2025: RMB126.6 million).

CAPITAL EXPENDITURE

For the six months ended 30 June 2026, the Group incurred cash flows on capital expenditures for the purchase of properties, plant and equipment in the amount of RMB10.4 million (six months ended 30 June 2025: RMB4.2 million); and nil for intangible assets (six months ended 30 June 2025: RMB1.0 million).

CAPITAL COMMITMENTS

As at 30 June 2026, the Group did not have capital commitments (31 December 2025: nil).

CONTINGENT LIABILITIES

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

PLEDGE OF ASSETS

As at 30 June 2026, the Group pledged trade and bills receivables with carrying amount of RMB222.9 million (31 December 2025: RMB6.6 million), bank deposits with carrying amount of RMB1,801.9 million (31 December 2025: RMB2,139.1 million) and land and building with carrying amount of RMB39.9 million (31 December 2025: RMB41.5 million) to secure its borrowings and banking facilities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 June 2026 and 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

Save as disclosed herein, the Group did not make any other significant investments during the six months ended 30 June 2026.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

To further enhance the value the Group and its shareholders, the Group will consider potential investment opportunities when they arise. Save as disclosed in the Company's prospectus dated 12 September 2025 and the section headed "Use of Proceeds from the Rights Issue" in this announcement, the Group did not have any future plans for material investments and capital assets during the six months ended 30 June 2026.

FOREIGN EXCHANGE RISKS

The Group is exposed to foreign currency risk primarily through the operations of its Hong Kong subsidiary, whose functional currency is USD and has significant RMB-denominated liabilities. This gives rise to foreign currency exposure from the translation of these liabilities into USD. All other operations of the Group are mainly transacted in RMB. The Group has several derivative financial instruments.

During the six months ended 30 June 2026, the Group held USD/HKD foreign exchange forward contracts and USD/HKD currency options sold short, both maturing within one year, with a notional amount of USD128,000,000 (equivalent to RMB871,795,200) and USD40,000,000 (equivalent to RMB272,436,000) respectively. Given the pegged exchange rate system between the Hong Kong dollar and the United States dollar, any exchange difference arising from these instruments does not expect to have a material financial impact.

Save as disclosed herein, the Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

EMPLOYEES, REMUNERATION POLICY AND TRAINING

As at 30 June 2026, the Group had approximately 1,495 employees (31 December 2025: 1,641 employees), whose remunerations and benefits are determined based on market rates, government policies and individual performance. For the six months ended 30 June 2026, the Group's total staff costs amounted to RMB119.6 million (2025: RMB102.5 million). To provide incentives or rewards to its employees, the Company adopted a share option scheme, particulars of which are set out in the section headed "Share option scheme" in this announcement. The Group provides comprehensive training and development opportunities to its employees on a regular basis. The trainings are arranged according to needs of employees, which are identified annually by individual departments.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

On 23 July 2025, the Company proposed a rights issue of 500,000,000 rights shares (the "**Rights Issue**") on the basis of one (1) rights share for every two (2) shares held on the record date on a non-underwritten basis, at the subscription price of HK$0.28 per rights share. Upon completion of the Rights Issue on 11 November 2025 (the "**Completion**"), a total of 500,000,000 rights shares were issued pursuant to the terms of the Rights Issue. The net proceeds from the Rights Issue after deducting all relevant expenses were approximately HK$138 million the "**Net Proceeds**").

Details of the actual utilisation of the Net Proceeds are as follows:

Planned use of the Net Proceeds	**Allocation of the Net Proceeds** *HK$' million (approximate)*	**Utilised Net Proceeds as at 30 June 2026** *HK$' million (approximate)*	**Remaining Net Proceeds as at 30 June 2026** *HK$' million (approximate)*	**Expected timeline for utilising remaining Net Proceeds**
Address the genuine funding needs of the Group's smart terminal and related products business, in particular, for the additional working capital required to complete new business contracts entered into by the Group in the first quarter 2025	79.0	79.0	–	Within 6 months upon the Completion
Expand production lines, enhance workforce capacity, and advance research and development initiatives of the Group's smart terminal and related products business	12.0	7.6	4.4	Within 10 months upon the Completion
Expand the Group's automobile business	5.0	1.7	3.3	Within 12 months upon the Completion
Enhance the Group's Enterprise Resource Planning system	2.0	1.0	1.0	Within 14 months upon the Completion
General working capital and general corporate purposes *(Note)*	20.0	20.0	–	Within 11 months upon the Completion
Mergers, acquisitions, and strategic investments, with a particular focus on exploring potential opportunities in the artificial intelligence sector	20.0	–	20.0	Within 25 months upon the Completion
Total	138.0	109.3	28.7	

Note: The allocated Net Proceeds were utilised for the payment of administrative expenses, including but not limited to salaries and staff related expenses, rent, utilities and other administrative expenses.

For further details of the Rights Issue, please refer to the Company's announcements dated 23 July 2025, 7 August 2025, 21 August 2025, 6 October 2025 and 10 November 2025 and the Company's prospectus dated 12 September 2025.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2026, interests and short positions of the Directors and chief executive of the Company in the shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions By Directors of Listed Issuers (the "**Model Code**") are as follows:

Interest in the Company

Name of Director	**Capacity/nature of interest**	**Number of shares/underlying shares held** *(Note 1)*	**Percentage of shareholding in the Company** *(Approximate)*
Mr. Li Chengjun *(Note 2)*	Founder of a discretionary trust	307,450,806 (L)	20.50%
Mr. Xiong Bin *(Note 3)*	Founder of a discretionary trust	210,048,384 (L)	14.00%

Notes:

1. The letter "L" denotes long position of the shares.

2. Leap Elite Limited is legally owned as to 100% by Mr. Li Chengjun for the benefit of the beneficiaries of the family trust found by himself. Accordingly, Mr. Li Chengjun is deemed to be interested in the shares held by Leap Elite Limited pursuant to the SFO.

3. Beyond Innovation Limited is legally owned as to 100% by Mr. Xiong Bin for the benefit of the beneficiaries of the family trust found by himself. Accordingly, Mr. Xiong Bin is deemed to be interested in the shares held by Beyond Innovation Limited pursuant to the SFO.

Save as disclosed above, none of the Directors or chief executive of the Company had registered any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations as at 30 June 2026, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this announcement, at no time during the six months ended 30 June 2026 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, as at 30 June 2026, the following corporation/persons (other than the interests of the Directors or chief executives of the Company as disclosed above) had interests of 5% or more in the issued shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	**Capacity/nature of interest**	**Number of shares held** *(Note 1)*	**Percentage of shareholding in the Company** *(Approximate)*
Leap Elite Limited	Beneficial owner	307,450,806 (L)	20.50%
Beyond Innovation Limited	Beneficial owner	210,048,384 (L)	14.00%
Ms. Sui Rongmei *(Note 2)*	Interest of spouse	307,450,806 (L)	20.50%
Ms. Yan Xue *(Note 3)*	Interest of spouse	210,048,384 (L)	14.00%
Charming Blaze Limited *(Note 4)*	Beneficial owner	90,783,690 (L)	6.05%

Notes:

1. The letter "L" denotes long position of the shares.

2. Ms. Sui Rongmei is the spouse of Mr. Li Chengjun. By virtue of the SFO, she is deemed to be interested in the same number of shares held by Mr. Li Chengjun.

3. Ms. Yan Xue is the spouse of Mr. Xiong Bin. By virtue of the SFO, she is deemed to be interested in the same number of shares held by Mr. Xiong Bin.

4. Mr. Lee Cho Man Joe is the ultimate beneficial owner of Charming Blaze Limited.

Save as disclosed above, as at 30 June 2026, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares if any) for the six months ended 30 June 2026.

As at 30 June 2026, the Company did not hold any treasury shares.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Apart from the Group's business, none of the Directors or any of their respective close associates was engaged in or had any interest in any business that competes or may compete with the principal business of the Group, which would require disclosure under Rule 8.10 of the Listing Rules. or has any other conflict of interest with the Group during the six months ended 30 June 2026 and up to the date of this announcement.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "**Share Option Scheme**") on 18 October 2019 ("**Adoption Date**"), which become effective on 13 November 2019. The purpose of which is to motivate the eligible participants to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

The eligible participants include any full-time or part-time employees, executives or officers, directors, advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries; and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group.

Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the shares in issue as at 13 November 2019 (i.e. 100,000,000 shares) unless approved by the shareholders of the Company. Such limit represented 6.7% of the shares of the Company in issue as at the date of this announcement.

Unless approved by shareholders of the Company in general meeting in the manner stipulated in The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), the maximum entitlement for each eligible participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the total number of shares in issue as at the date of grant.

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the options duly signed by the grantee, together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The minimum period for which an option must be held before it can be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted.

The exercise price of share option granted under the Share Option Scheme shall be a price solely determined by the Board and shall be at least highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of the option; (b) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (c) the nominal value of a share.

Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the Adoption Date. As at 30 June 2026, the remaining life of the Share Option Scheme is approximately three years and 3.5 months.

For further details on the principal terms of the Share Option Scheme, please refer to the paragraph headed "Statutory and General Information – Other Information – 1. Share Option Scheme" in Appendix IV to the prospectus of the Company dated 30 October 2019.

As at 1 January 2026 and 30 June 2026, the number of share options available for grant under the Share Option Scheme was 100,000,000 and 100,000,000, respectively. During the six months ended 30 June 2026, no share options were granted, exercised, cancelled or lapsed.

AUDIT COMMITTEE

The Company's interim results for the six months ended 30 June 2026 have been reviewed by the Audit Committee and the Audit Committee have also discussed the related financial matters with the Board.

CHANGE OF DIRECTORS

With effect from 31 March 2026, Mr. Ching Khei Cheong Christopher ("**Mr. Ching**") resigned as an independent non-executive Director and a member of the Audit Committee and the Company's remuneration committee (the "**Remuneration Committee**").

CHANGE IN BOARD COMMITTEES AND THEIR COMPOSITION

Following the resignation of Mr. Ching mentioned above, the composition of the Audit Committee and the Remuneration Committee has been adjusted with effect from 31 March 2026. The Audit Committee now comprises Mr. Wong Kwan Kit (Chairman), Mr. Lu Brian Yong Chen and Mr. Hung Wai Man, all being independent non-executive Directors. The Remuneration Committee now comprises Mr. Hung Wai Man (Chairman), Mr. Wong Kwan Kit, Mr. Lu Brian Yong Chen and Ms. Wang Huihui, all being independent non-executive Directors.

INTERIM DIVIDEND

The Board does not recommend the payment of dividend for the six months ended 30 June 2026.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. All Directors of the Company have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code during the six months ended 30 June 2026 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company has adopted a set of corporate governance practices which aligns with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules since the Listing Date. Except for code provision C.2.1, the Company has complied with the code provisions set out in the CG Code for the six months ended 30 June 2026.

Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current organisation structure of the Company, Mr. Li Chengjun is the Group's chief executive officer, and he also performs as the chairman of the Board as he has considerable experience in the mobile communication industry. The Board believes that vesting the roles of both the chairman of our Board and the chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group.

Although Mr. Li Chengjun performs both the roles of chairman of the board and chief executive officer, the division of responsibilities between the chairman of the board and chief executive officer is clearly established. In general, the chairman of the board is responsible for supervising the functions and performance of the Board, while the chief executive officer is responsible for the management of the Group's businesses. The two roles are performed by Mr. Li Chengjun distinctly. Further, the current structure does not impair the balance of power and authority between the Board and management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued shares during the six months ended 30 June 2026 and up to the date of this announcement.

EVENT AFTER THE REPORTING PERIOD

On 12 August 2026, Shenzhen Interstellar Quantum Technology Co., Ltd.* (深圳星際量子科技有限公司) ("**Interstellar Quantum**"), an indirect wholly-owned subsidiary of the Company, together with other investors, entered into a capital increase agreement with the shareholders of Zhichen Semiconductor (Shenzhen) Co., Ltd.* (智辰半導體(深圳)有限公司) (the "**Target Company**"), a company principally engaged in the research, development and sale of software and hardware related to chips and artificial intelligence technologies, pursuant to which, Interstellar Quantum agreed to subscribe for newly issued registered capital of the Target Company of RMB50,073.57 at a subscription price of RMB20,000,000, resulting in the Company indirectly holding approximately 0.9742% of the equity interest in the Target Company upon completion. For details of this transaction, please refer to the Company's announcements dated 14 August 2026 and 19 August 2026.

Save as disclosed herein, the Group does not have any important events after the six months ended 30 June 2026 and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.sprocomm.com). The interim report of the Company for the six months ended 30 June 2026 will be dispatched (if requested by Shareholder(s)) to shareholders of the Company and published on the aforementioned websites in due course.

By order of the Board
Future Machine Limited
Mr. Li Chengjun
Chairman

Hong Kong, 28 August 2026

The English translation of Chinese names or words in this announcement, where indicated by "", are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

As at the date of this announcement, the executive Directors are Mr. LI Chengjun, Mr. XIONG Bin, Mr. WEN Chuanchuan, Mr. GUO Qinglin, Mr. HE Wenyuan and Mr. CHAN Hoi Shu, and the independent non-executive Directors are Mr. HUNG Wai Man, Mr. WONG Kwan Kit, Mr. LU Brian Yong Chen and Ms. WANG Huihui.