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China ITS (Holdings) Co., Ltd.
中国智能交通系统(控股)有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1900)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**

HIGHLIGHTS OF 2026 INTERIM RESULTS

For the six-month period ended June 30, 2026 (the “**Period**” or the “**First Half of the Year**”), highlights of the results of China ITS (Holdings) Co., Ltd. (the “**Company**”) and its subsidiaries (collectively the “**Group**”) are as follows:

- The Group recorded RMB425.4 million in the First Half of the Year from the new contracts signed⁽¹⁾, as compared to the restated amount of RMB426.0 million for the same period last year⁽²⁾, remaining largely flat year-on-year.
- Revenue of RMB461.0 million was generated as compared to the restated revenue of RMB348.7 million for the same period last year⁽²⁾, increased by 32.2%.
- As of June 30, 2026, the Group recorded RMB1,071.9 million from backlog as compared to RMB1,093.4 million as at the end of the previous year, decreased by 2.0% as compared to the end of the previous year.

- The Group generated gross profit of RMB151.6 million as compared to the restated gross profit of RMB147.7 million for the same period last year⁽²⁾, increased by 2.6%, and recorded gross profit margin of 32.9% as compared to the restated gross profit margin of 42.4% for the same period last year⁽²⁾, representing a decrease of 9.5 percentage points.
- The profit attributable to owners of the parent of the Company amounted to RMB27.2 million as compared to the restated profit of RMB378.2 million for the same period last year⁽²⁾, representing a decrease of 92.8% year-on-year, which was mainly attributable to the absence during the Period of the revaluation gain of approximately RMB350.2 million recognised in the corresponding period of 2025, which resulted from the remeasurement of the Group's interest in Forever Opensource Software Inc. (“FOSS”) to its fair value upon obtaining control over FOSS on January 1, 2025.

Notes:

- (1) *The amount of the new contracts signed for the power supply project was recognised for revenue generated from such project for the current period.*
- (2) *The Group first adopted Amendments to IAS 21 Lack of Exchangeability in its audited consolidated financial statements for the year ended December 31, 2025. However, these amendments were not applied in the preparation of the unaudited interim financial statements of the Group for the six months ended June 30, 2025. Consequently, the comparative figures for the corresponding period in the Group's 2026 interim results have been adjusted and restated to reflect the adoption of the amendments to IAS 21.*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-month period ended June 30, 2026

	Notes	For the six month period ended June 30,	
		2026 RMB'000 Unaudited	2025 RMB'000 Unaudited (restated)
REVENUE	4	460,953	348,739
Cost of revenue		<u>(309,398)</u>	<u>(201,029)</u>
Gross profit		151,555	147,710
Other income and gains	5	13,367	369,001
Selling, distribution and administrative expenses		(91,944)	(85,383)
Impairment of financial and contract assets, net		(5,707)	(17,804)
Other expenses		(5,622)	(15,384)
Finance costs		(4,980)	(5,523)
Share of results of associates		<u>4,733</u>	<u>280</u>
PROFIT BEFORE TAX	6	61,402	392,897
Income tax (expense) credit	7	<u>(16,763)</u>	<u>4,712</u>
PROFIT FOR THE PERIOD		<u>44,639</u>	<u>397,609</u>
Attributable to:			
Owners of the Company		27,176	378,163
Non-controlling interests		<u>17,463</u>	<u>19,446</u>
		<u>44,639</u>	<u>397,609</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY		RMB Unaudited	RMB Unaudited (Restated)
Basic	8	<u>0.02</u>	<u>0.21</u>
Diluted	8	<u>0.02</u>	<u>0.21</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended June 30, 2026

	For the six-month period ended June 30,	
	2026	2025
	RMB'000	RMB'000
	Unaudited	Unaudited (Restated)
PROFIT FOR THE PERIOD	<u>44,639</u>	<u>397,609</u>
OTHER COMPREHENSIVE LOSS		
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange differences on translation of Company's financial statements	(41,507)	(14,723)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<u>3,831</u>	<u>7,978</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	<u>(37,676)</u>	<u>(6,745)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>6,963</u></u>	<u><u>390,864</u></u>
Attributable to:		
Owners of the Company	2,421	356,506
Non-controlling interests	<u>4,542</u>	<u>34,358</u>
	<u><u>6,963</u></u>	<u><u>390,864</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

		June 30, 2026	December 31, 2025
	Notes	RMB'000 Unaudited	RMB'000 Audited
NON-CURRENT ASSETS			
Investment properties		55,879	55,879
Property and equipment		417,986	384,807
Intangible assets		112,920	128,059
Goodwill		180,799	180,799
Investments in associates		233,797	218,130
Financial assets at fair value through profit or loss		68,097	78,101
Prepayments, deposits and other receivables		1,340	1,154
Deferred tax assets		—	9,800
Total non-current assets		<u>1,070,818</u>	<u>1,056,729</u>
CURRENT ASSETS			
Inventories		365,305	402,703
Trade and bills receivables	10	501,955	508,038
Prepayments, deposits and other receivables		309,248	272,364
Contract assets		133,518	116,245
Financial assets at fair value through profit or loss		95,906	103,319
Amounts due from related parties		41,971	41,864
Pledged deposits		46,125	39,682
Cash and cash equivalents		<u>647,466</u>	<u>699,435</u>
Total current assets		<u>2,141,494</u>	<u>2,183,650</u>

		June 30, 2026	December 31, 2025
	<i>Notes</i>	RMB'000	RMB'000
		Unaudited	Audited
CURRENT LIABILITIES			
Trade and bills payables	11	181,733	253,975
Contract liabilities, other payables and accruals		298,265	361,841
Interest-bearing bank borrowings		384,754	268,181
Amounts due to related parties		3,380	4,013
Income tax payable		79,373	88,391
Total current liabilities		947,505	976,401
NET CURRENT ASSETS		1,193,989	1,207,249
TOTAL ASSETS LESS CURRENT LIABILITIES		2,264,807	2,263,978
NON-CURRENT LIABILITIES			
Deferred tax liabilities		4,481	6,406
Interest-bearing bank borrowings		13,897	15,287
Total non-current liabilities		18,378	21,693
Net assets		2,246,429	2,242,285
EQUITY			
Equity attributable to owners of the Company			
Share capital		302	302
Reserves		1,829,583	1,826,956
		1,829,885	1,827,258
Non-controlling interests		416,544	415,027
Total equity		2,246,429	2,242,285

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended June 30, 2026

1. CORPORATE AND GROUP INFORMATION

China ITS (Holdings) Co., Ltd. (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on February 20, 2008. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The Company’s principal place of business in Hong Kong is at 8/F., Golden Star Building, 20–24 Lockhart Road, Wanchai. The principal executive office of the Company is located at Building 204, No. A10, Jiuxianqiao North Road, Chaoyang District, Beijing, 100015, the People’s Republic of China (the “**PRC**”).

The Company and its subsidiaries (the “**Group**”) is mainly a provider of (i) products, specialised solutions and services related to infrastructure technology in the railway and electric power sectors and, (ii) energy related management and services. During the year, following the acquisition of Forever Opensource, the Group also commenced a new business for (iii) the provision of software technology development and technical consulting services to large-scale customers in the aviation industry, manufacturing industry and government.

The main businesses of the Group are (i) railway business, (ii) energy business and (iii) aviation business, details please refer to note 3 to the unaudited interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES

Basis of presentation

The unaudited interim condensed consolidated financial statements of the Group for the six-month period ended June 30, 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The unaudited interim condensed consolidated financial statements of the Group do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2025, which was prepared in accordance with IFRS Accounting Standards. The unaudited interim condensed consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousands, except when otherwise indicated.

Application of amendments to IFRS Accounting Standards — current period

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards, 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	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments 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 to 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.

Application of amendments to IFRS Accounting Standards — prior period

The Group has adopted the amendments to IAS21 "Lack of Exchangeability" for the first time for the annual consolidated financial statements for the year ended December 31, 2025. The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The adoption of the amendments results in restatements to the comparative figures for the six-month period ended June 30, 2025.

Consolidated reserve balances at January 1, 2025 and June 30, 2025:

	As previously reported <i>RMB'000</i>	Adjustments <i>RMB'000</i>	Restated <i>RMB'000</i>
At January 1, 2025			
Exchange fluctuation reserve	(209,599)	68,932	(140,667)
Retained earnings	275,112	(186,242)	88,870
Non-controlling interests	119,900	(93,283)	26,617
At June 30, 2025			
Exchange fluctuation reserve	(207,385)	45,061	(162,324)
Retained earnings	636,735	(169,702)	467,033
Non controlling interests	483,907	(60,882)	423,025

Consolidated statement of profit or loss and consolidated statement of other comprehensive income
for the six months month period June 30, 2025

	As previously reported <i>RMB'000</i>	Adjustments <i>RMB'000</i>	Restated <i>RMB'000</i>
Revenue	478,667	(129,928)	348,739
Cost of revenue	<u>(232,108)</u>	<u>31,079</u>	<u>(201,029)</u>
Gross profit	246,559	(98,849)	147,710
Other income and gains	370,240	(1,239)	369,001
Selling, distribution and administrative expenses	(87,983)	2,600	(85,383)
Impairment of financial and contract assets, net	(17,675)	(129)	(17,804)
Other expenses	(142,056)	126,672	(15,384)
Finance costs	(6,346)	823	(5,523)
Share of results of associates	<u>280</u>	<u>–</u>	<u>280</u>
Profit before tax	363,019	29,878	392,897
Income tax credit	<u>4,001</u>	<u>711</u>	<u>4,712</u>
Profit for the period	<u>367,020</u>	<u>30,589</u>	<u>397,609</u>
Profit for the period	367,020	30,589	397,609
Other comprehensive income			
Exchange differences on translation of Company's financial statements	(14,723)	–	(14,723)
Exchange differences on translation of foreign operations	<u>13,497</u>	<u>(5,519)</u>	<u>7,978</u>
Total other comprehensive loss for the period	<u>(1,226)</u>	<u>(5,519)</u>	<u>(6,745)</u>
Total comprehensive income for the period	<u><u>365,794</u></u>	<u><u>25,070</u></u>	<u><u>390,864</u></u>

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has the following operating segments based on its business units.

(i) Railway business

Provision of products and specialised solutions to customers according to their needs, which mainly includes railway communication products and energy-base products; and provision of value-added operation and services such as maintenance services, network optimisation and network planning, and technical consulting for the products related to the communication system for railway customers.

(ii) Energy business

Provision of products and specialised solutions related to electric power equipment for customers in the electric power infrastructure construction area, which mainly includes power transmission and transformation equipment and power generation equipment, etc.; power generation; provision of planning and technical consulting services of the infrastructure construction in relation to electric power such as power plant construction and power grid renovation, and value-added operation and services related to power plant investment, construction and operation, etc.; and provision of energy conservation services.

(iii) Aviation Business

Provision of software technology development and technical consulting services to large-scale customers in the aviation industry, manufacturing industry and government.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that finance income, finance costs, impairment of financial and contract assets, net, changes in fair value of financial assets at fair value through profit or loss, gain on re-measurement of an associate to fair value at acquisition date as well as head office and corporate income and expenses are excluded from this measurement.

For the six-month period ended June 30, 2026 (Unaudited)	Railway business RMB'000	Energy business RMB'000	Aviation business RMB'000	Total RMB'000
Segment revenue				
Sales to external customers	<u>260,591</u>	<u>120,831</u>	<u>79,531</u>	<u>460,953</u>
Segment results	10,894	49,676	3,101	63,671
<i>Reconciliation:</i>				
Finance income				3,151
Finance costs				(4,980)
Changes in fair value of financial assets at fair value through profit or loss, included in other expenses				(3,152)
Impairment of financial and contract assets, net				(5,693)
Corporate and other unallocated expenses				<u>8,405</u>
Profit before tax				<u><u>61,402</u></u>
Other segment information:				
Gain on disposal of financial assets at fair value through profit or loss	–	–	–	2,151
Share of results of associates	3,960	–	773	4,733
Depreciation and amortisation	(5,462)	(13,418)	(7,313)	(26,193)
Capital expenditure*	<u>(989)</u>	<u>(59,809)</u>	<u>(2,889)</u>	<u>(63,687)</u>

For the six-month period ended June 30, 2025 (Unaudited) (Restated)	Railway business <i>RMB'000</i>	Energy business <i>RMB'000</i>	Aviation business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
Sales to external customers	<u>164,080</u>	<u>118,761</u>	<u>65,898</u>	<u>348,739</u>
Segment results	22,475	34,517	1,281	58,273
<i>Reconciliation:</i>				
Finance income				3,602
Finance costs				(5,523)
Changes in fair value of financial assets at fair value through profit or loss				(2,509)
Gain on re-measurement of an associate to fair value at acquisition date				350,170
Impairment of financial and contract assets, net				(17,804)
Corporate and other unallocated expenses				<u>6,688</u>
Profit before tax				<u><u>392,897</u></u>
Other segment information:				
Gain on disposal of financial assets at fair value through profit or loss	–	–	–	4,219
Share of results of associates	(708)	–	988	280
Depreciation and amortisation	(5,521)	(9,696)	(2,865)	(18,082)
Capital expenditure*	<u>(901)</u>	<u>(19,446)</u>	<u>(1,142)</u>	<u>(21,489)</u>

* Capital expenditure represents the additions to property and equipment and intangible assets.

4. REVENUE

An analysis of revenue is as follows:

	For the six-month period ended June 30,	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	Unaudited	Unaudited (Restated)
Revenue from contracts with customers within IFRS 15	<u><u>460,953</u></u>	<u><u>348,739</u></u>

Segments	For the six-month period ended June 30,	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	Unaudited	Unaudited (Restated)
Type of goods or services		
Sales of products and provision of specialised solutions	275,665	171,258
Maintenance services	28,530	38,696
Power supply	113,501	113,283
Software development and technical services	43,257	25,502
	<u>460,953</u>	<u>348,739</u>
Total revenue from contracts with customers	<u>460,953</u>	<u>348,739</u>
Geographical markets		
Chinese Mainland and Hong Kong	319,810	235,933
Overseas	141,143	112,806
	<u>460,953</u>	<u>348,739</u>
Total revenue from contracts with customers	<u>460,953</u>	<u>348,739</u>
Timing of revenue recognition		
Goods and services transferred at a point in time	65,391	56,622
Goods and services transferred over time	395,562	292,117
	<u>460,953</u>	<u>348,739</u>
Total revenue from contracts with customers	<u>460,953</u>	<u>348,739</u>

5. OTHER INCOME AND GAINS

	For the six-month period ended June 30,	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	Unaudited	Unaudited (Restated)
Finance income	3,151	3,602
Gain on disposal of financial assets at fair value through profit or loss	2,151	4,219
Gross rental income	4,935	7,812
Gain on re-measurement of an associate to fair value at acquisition date	–	350,170
Others	3,130	3,198
	<u>13,367</u>	<u>369,001</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six-month period ended June 30,	
	2026	2025
	RMB'000	RMB'000
	Unaudited	Unaudited (Restated)
Cost of inventories	257,816	154,988
Depreciation of property and equipment	14,111	8,751
Amortisation of intangible assets, included in cost of revenues	6,551	2,206
Amortisation of intangible assets, included in selling, distribution and administrative expenses	5,531	7,125
	26,193	18,082
Staff costs (including directors' remuneration)		
Wages and salaries	67,704	66,778
Pension scheme contributions (defined contribution scheme)	5,678	1,997
Social insurance costs and staff welfare	8,013	10,483
Equity-settled share-based payment expenses	758	227
	82,153	79,485
Impairment of trade receivables	4,982	16,419
Impairment of contract assets	1,168	320
(Reversal of impairment) impairment of financial assets included in prepayments, deposits and other receivables	(158)	1,065
Short-term lease payments	1,654	3,725
Changes in fair value of financial assets at fair value through profit or loss	3,152	2,509
Write-off of property and equipment	–	210
Gain on disposal of property and equipment	(18)	–
Gain on disposal of financial assets at fair value through profit or loss	(2,151)	(4,219)
Rental income on investment properties	(4,935)	(7,812)
Exchange losses, net	2,291	12,502

7. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated. The determination of current and deferred income taxes was based on the enacted tax rates.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Subsidiaries of the Group are subject to the standard PRC Enterprise Income Tax rate of 25% (June 30, 2025: 25%) on their respective taxable income, except for certain subsidiaries which qualify for preferential income tax rates ranging from 5% to 15% (June 30, 2025: 5% to 15%).

According to PRC tax regulations, from January 1, 2008 onwards, non-resident enterprises without an establishment or place of business in Mainland China or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in Mainland China are subject to withholding tax at the rate of 10% on various types of passive income such as dividends derived from entities in Mainland China. Distributions of the pre-2008 earnings are exempted from the above-mentioned withholding tax. As at June 30, 2026, no deferred tax liabilities (June 30, 2025: nil) have been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China because in the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

No provision for Hong Kong profits tax has been made for the six-month period ended June 30, 2026 (June 30, 2025: nil), as the Group had no assessable profits arising in Hong Kong for the period.

Subsidiaries incorporated in Myanmar are subject to Corporate Income Tax at a rate 25% (June 30, 2025: 25%) on their taxable income. In addition, non-Myanmar incorporated subsidiaries are also subject to withholding tax in Myanmar at the rate of 2.5% (June 30, 2025: 2.5%) on the service income earned in Myanmar.

Subsidiaries incorporated in Malaysia and Hungary are subject to Corporate Income Tax at rates of 24% and 18% (June 30, 2025: 24% and 18%) on their taxable income respectively.

The major components of income tax (credit) expense are as follows:

	For the six-month period ended June 30,	
	2026	2025
	RMB'000	RMB'000
	Unaudited	Unaudited (Restated)
Current income tax:		
PRC Enterprise Income Tax		
— Provision for the period	5,626	5,502
— Under-provision in prior years	15	2
Myanmar Corporate Income Tax	2,776	615
Hungary Corporate Income Tax	26	—
Malaysia Corporate Income Tax	251	—
	8,694	6,119
Deferred income tax:		
Origination and reversal of temporary differences	8,069	(10,831)
Income tax expense (credit)	16,763	(4,712)

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic earnings per share

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the Company of RMB27,176,000 (June 30, 2025: RMB378,163,000 (restated)), and the weighted average number of 1,720,185,862 (June 30, 2025: 1,720,185,862) ordinary shares outstanding during the six-month period ended June 30, 2026.

Diluted earnings per share

No adjustment had been made to the basic earnings per share presented for the six-month period ended June 30, 2026 as there were no potential dilutive shares in issue during the period (June 30, 2025: nil).

9. DIVIDENDS

No interim dividend was declared or proposed by the Company for the six-month period ended June 30, 2026 (June 30, 2025: nil).

10. TRADE AND BILLS RECEIVABLES

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
Trade receivables	636,526	615,821
Impairment	(153,484)	(148,518)
	483,042	467,303
Bills receivables	18,913	40,735
	501,955	508,038

Trade receivables, which are non-interest-bearing, are recognised and carried at the original invoiced amount less any loss allowance. Trade receivables generally have credit terms ranging from 30 days to 180 days.

Bills receivables generally mature from 180 days to 270 days.

In view of the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its balances of trade receivables.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
Less than 6 months	83,130	106,478
6 months to 1 year	244,723	228,095
1 year to 2 years	83,858	73,244
2 years to 3 years	42,280	31,129
Over 3 years	29,051	28,357
	483,042	467,303

The movements in the loss allowance for impairment of trade receivables are as follows:

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
At beginning of period/year	148,518	129,494
Exchange realignment	(16)	–
Impairment	4,982	16,471
Business combinations	–	10,313
Write-off	–	(7,760)
At end of period/year	<u>153,484</u>	<u>148,518</u>

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
Current or less than 1 year	58,897	159,477
1 to 2 years	45,232	24,575
Over 2 years	77,604	69,923
	<u>181,733</u>	<u>253,975</u>

Trade payables are non-interest-bearing and generally have credit terms ranging from 1 to 360 days.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE OVERALL OPERATION OF THE GROUP DURING THE FIRST HALF OF THE YEAR

In the First Half of the Year, the Group recorded RMB425.4 million from new contracts signed, remaining largely flat year-on-year. The Group generated revenue of RMB461.0 million, representing an increase of 32.2% compared to the same period last year, and as of June 30, 2026, the Group recorded RMB1,071.9 million from backlog, representing a decrease of 2.0% compared to the end of the previous year. The Group generated gross profit of RMB151.6 million, representing an increase of 2.6% compared to the same period last year, and recorded gross profit margin of 32.9%, which decreased from 42.4% for the same period last year. The profit attributable to owners of the parent of the Company amounted to RMB27.2 million for the First Half of the Year as compared to the profit attributable to owners of the parent of the Company of RMB378.2 million for the same period last year.

BUSINESS AND FINANCIAL REVIEW

The Group is mainly a provider of products, specialised solutions and services related to infrastructure technology in the railway, electric power and aviation sectors, and of contract energy management to customers. The main businesses of the Group are as follows:

- (a) Railway business — The Group sells products and specialised solutions to customers according to their needs. It mainly includes railway communication products and energy-base products. We also provide railway customers with value-added operation and services such as maintenance services, network optimisation and network planning, and technical consulting for products related to the communication system.
- (b) Energy business — The Group provides products and specialised solutions related to electric power equipment for customers in the electric power infrastructure construction area. It mainly includes power transmission and transformation equipment, and power generation equipment, etc. According to customers' needs, it also provides planning and technical consulting services of the infrastructure construction in relation to electric power such as power plant construction and power grid renovation, value-added operation and services related to power plant investment, construction and operation etc., and contract energy management to customers.

- (c) **Aviation Business** — The Group primarily provides software development and technical services, information system integration services, and operation and maintenance services to clients in the aviation industry. Its main businesses include: (1) in the field of airline informatization, the Company leverages next-generation information technologies such as big data, cloud computing, the Internet of Things (IoT), and artificial intelligence to deliver comprehensive solutions for production operations management, marketing management, and aircraft maintenance management; and (2) in the smart airport sector, the integration of technology, data, and business operations enable efficient, shared, and intelligent airport operations. The smart airport product suite mainly includes integrated solutions in areas such as command and dispatch, security monitoring, and aviation fuel management, based on the comprehensive support needs of airports.

BUSINESS REVIEW

1. Railway business continuing to grow in the domestic market and securing large orders in the overseas market

In the railway business, the Group remained customer-oriented and continued to consolidate its competitive advantages in the niche market of domestic railway communications, with its relevant products and solutions maintaining relatively high market shares. At the same time, the Group actively expanded into emerging areas such as digitalization and digital energy. Through continuous technological innovation and service enhancement, the Group laid a solid foundation for steady growth in domestic business revenue.

Building on its efforts to deepen its presence in the domestic market, the Group accelerated its expansion into overseas markets. During the Period, the Group successfully secured projects including the China-Thailand Railway project, with the total contract value of overseas projects awarded amounting to RMB105 million. The successful implementation of these projects marks further progress in the Group's overseas railway market expansion under the "Belt and Road" Initiative, with a broader geographic footprint. Overseas business has become an important growth driver for the Group.

2. Energy business growing steadily

In the energy business, the AHLONE 151,000-kilowatt power plant project invested in, constructed and operated by the Group in Yangon, Myanmar, and the Hlawga 123,000-kilowatt power plant rehabilitation project in Myanmar delivered stable returns during the First Half of the Year, providing a sustained and stable contribution to the Group's results.

As regards the new energy business, the Group actively responded to national initiatives on energy conservation and emission reduction, striving toward the goals of carbon peaking and carbon neutrality, and achieved notable progress. During the First Half of the Year, several of the Group's distributed photovoltaic power generation projects at highway service areas and contract energy management projects involving energy-saving upgrades were in normal operation, generating stable returns and laying a solid foundation for the continued development and market expansion of the Group's new energy business.

Meanwhile, several other energy-saving upgrade and energy management projects of the Group were in the acceptance stage and are expected to commence stable operations in the second half of 2026, which are expected to provide new growth drivers for the Group's new energy business.

3. *Civil aviation business laying the foundation for the Group's diversified development*

The Company implemented its development strategy of “focusing on the civil aviation business, fully embracing artificial intelligence, and actively expanding into the low-altitude economy”. In terms of civil aviation, the Company maintained a steady growth trajectory; regarding artificial intelligence, the Company launched products based on large-model technologies, using technological innovation to drive business development; and in the low-altitude economy, the Company advanced both product R&D and market expansion in parallel, with business operations progressing in an orderly manner.

The Company's non-wholly owned subsidiary FOSS is a company listed on the Beijing Stock Exchange (stock code: 920415). It primarily provides software development and technical services, information system integration services, operation and maintenance services to clients in the aviation industry.

BUSINESS OUTLOOK

1. Railway business

Keeping pace with advances in railway communications and seizing opportunities from the digital transformation of the industry

Currently, innovative technologies represented by 5G-R, intelligent operation and maintenance, and IPv6+ have become key drivers of the digital and intelligent transformation of the railway industry. At the industry level, domestic railway construction continues to advance, while the industry as a whole is accelerating its transition toward digitalization, cloud-based operations and intelligentization. The Group will increase its investment of resources in railway digitalization and, while consolidating its existing leading position in the railway communications market, vigorously expand into railway information technology-related markets, with the aim of maintaining its competitive advantages in the industry through continued participation in 5G-R deployment and railway intelligentization projects.

Deepening our presence continuously in overseas markets and unlocking the growth potential of overseas business

The Group will continue to deepen its presence in overseas railway markets and capitalize on opportunities arising from the development of overseas rail transit infrastructure. Leveraging its mature product solutions and project implementation experience, the Group will further expand its overseas business footprint and pursue high-quality projects. Going forward, as China continues to expand its opening-up in the railway sector and the influence of the “Belt and Road” Initiative continues to grow, demand for cross-border and cross-regional railway infrastructure cooperation is expected to continue to increase. Against this backdrop, the Group will continue to increase its investment in overseas markets, proactively identify cooperation opportunities, and promote the large-scale, high-quality development of its overseas railway business.

2. Energy business

Maintaining the stable development of the electric power business

As regards power plant projects in the Group's electric power business, the AHLONE 151,000-kilowatt power plant project, which was invested, constructed and operated by the Group in Yangon, Myanmar, officially commenced operations in January 2021. The first-phase contract with the Ministry of Electric Power in Myanmar expired in January 2026. In August 2025, the Group renewed the contract with the Ministry of Electric Power in Myanmar, with the second-phase contract expiring in January 2031. Furthermore, the Hlawga 123,000-kilowatt power plant restoration project in Myanmar also achieved combined cycle power generation in December 2022 and has a ten-year operating period. At present, both power plants are in a stable development phase, providing a solid foundation for the steady growth of the Group's power business.

Actively expanding the new energy business

Building upon the steady development of its power plant projects, the Group is actively expanding its energy-saving upgrade and new energy businesses, covering multiple areas including energy-saving upgrades, photovoltaic power generation, charging piles, energy storage, contract energy management, etc.

During the First Half of the Year, the Group successfully entered into the “Energy Management Project for Energy-Saving Upgrades to the Ventilation, Air-Conditioning and Lighting Systems of Shaoxing Rail Transit Line 1”, marking another solid step forward in the Group's efforts to promote green and low-carbon development. Going forward, the Group will continue to identify high-quality energy-saving upgrade and renewable energy projects and further expand its business footprint.

3. Aviation business

The Group will strongly support FOSS in refining and expanding its existing aviation business, continuously launching solutions based on large language models and artificial intelligence. At the same time, the low-altitude economy business will be positioned as a new growth driver for FOSS.

FINANCIAL REVIEW

Revenue

By Industry Sectors

For the First Half of the Year, the Group generated revenue as follows:

	For the six-month period ended June 30,	
	2026	2025
	RMB'000	RMB'000
Revenue by industry sectors		
Railway	260,591	164,080
Energy	120,831	118,761
Aviation	79,531	65,898
Total	460,953	348,739

(i) Railway

For the First Half of the Year, revenue of RMB260.6 million was recognised from the railway sector, representing an increase of RMB96.5 million compared to the same period last year, and increased by 58.8%. The increase in revenue was primarily due to the concentrated delivery during the Period of domestic and overseas projects secured in previous years, resulting in higher revenue recognition.

The sector recorded RMB233.9 million from the new contracts signed, representing an increase of RMB9.6 million as compared to the same period last year. As of the end of the Period, backlog amounted to RMB707.3 million, representing a decrease of RMB15.4 million as compared to the end of the previous year.

(ii) Energy

For the First Half of the Year, revenue of RMB120.8 million was recognised from the energy sector, representing an increase of RMB2.0 million compared to the same period last year, and increased by 1.7%.

The sector recorded RMB113.5 million from the new contracts signed, which was basically the same as the same period last year.

(iii) Aviation

In the First Half of the Year, revenue of RMB79.5 million was recognised from the aviation sector, representing an increase of RMB13.6 million compared to the same period last year, which comprised: revenue from software development and technical services of RMB43.2 million; revenue from system integration and related services of RMB20.5 million; and revenue from operation and maintenance services of RMB15.8 million.

The sector recorded RMB78.0 million from new contracts signed, representing a decrease of RMB10.4 million compared to the same period last year. As of the end of the Period, backlog amounted to RMB238.7 million, representing a decrease of RMB1.8 million as compared to the end of the previous year.

By Business Model

For the First Half of the Year, the Group generated revenue as follows:

	For the six-month period ended June 30,	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue by business model		
Products and specialised solutions	275,665	171,258
Value-added operation and services	185,288	177,481
Total	460,953	348,739

(i) Products and specialised solutions

In the First Half of the Year, revenue of RMB275.7 million was recognised from the products and specialised solutions business, representing an increase of RMB104.4 million or 60.9% compared to the same period last year. The increase in revenue was mainly attributable to the significant contribution of the railway segment's business revenue in the First Half of the Year.

The business recorded RMB252.3 million from the new contracts signed, representing an increase of RMB17.6 million compared to the same period last year. As of the end of the Period, backlog amounted to RMB765.1 million, representing a decrease of RMB13.2 million compared to the end of the previous year.

(ii) *Value-added operation and services*

In the First Half of the Year, value-added operations and services recognised revenue of RMB185.3 million, representing an increase of RMB7.8 million or 4.4% compared to the same period last year.

In the First Half of the Year, new contracts signed for value-added operations and services amounted to RMB173.1 million, representing a decrease of RMB18.1 million compared to the same period last year. As of the end of the Period, backlog amounted to RMB306.8 million, representing a decrease of RMB8.3 million compared to the end of the previous year.

Gross Profit and the Gross Profit Margin

The Group generated gross profit of RMB151.6 million in the First Half of the Year, increased by RMB3.9 million compared to the same period last year. Gross profit margin decreased from 42.4% for the same period last year to 32.9% for the First Half of the Year.

By Industry Sectors

	For the six-month period ended June 30,	
	2026	2025
	RMB'000	RMB'000
Gross profit and gross profit margin by industry sectors		
Railway	49,716	47,772
Gross profit margin %	19.1%	29.1%
Energy	63,822	67,786
Gross profit margin %	52.8%	57.1%
Aviation	38,017	32,152
Gross profit margin %	47.8%	48.8%
Total	151,555	147,710
Gross profit margin	32.9%	42.4%

(i) Railway

For the First Half of the Year, gross profit of RMB49.7 million was recognised from the railway sector, representing an increase of RMB1.9 million as compared to the same period last year. The gross profit margin was 19.1%, representing a decrease of 10 percentage points compared to the same period last year. The decrease in gross profit margin was mainly due to the delivery during the First Half of the Year of projects with lower gross profit margins such as the Kaka Railway Project in Nigeria and the Sarawak Light Rail Project in Malaysia. These projects were undertaken by the Group based on strategic considerations to expand into overseas markets.

(ii) Energy

For the First Half of the Year, gross profit of RMB63.8 million was recognised from the energy sector, representing a decrease of RMB4.0 million as compared to the same period last year. The gross profit margin was 52.8%, representing a decrease of 4.3 percentage points compared to the same period last year.

(iii) Aviation

For the First Half of the Year, gross profit of RMB38.0 million was recognised from the aviation sector, representing an increase of RMB5.8 million as compared to the same period last year. The gross profit margin was 47.8%, as compared to 48.8% for the same period last year.

By Business Model

	For the six-month period ended June 30,	
	2026	2025
	RMB'000	RMB'000
Gross profit and gross profit margin by business model		
Products and specialised solutions	59,040	55,752
Gross profit margin %	21.4%	32.6%
Value-added operation and services	92,515	91,958
Gross profit margin %	49.9%	51.8%
Total	151,555	147,710
Gross profit margin	32.9%	42.4%

(i) Products and specialised solutions

For the First Half of the Year, gross profit of RMB59.0 million was recognised from the products and specialised solutions business, representing an increase of RMB3.2 million compared to the same period last year. The gross profit margin was 21.4%, representing a decrease of 11.2 percentage points compared to the same period last year. The decrease in gross profit margin was mainly due to the delivery during the First Half of the Year of projects with lower gross profit margins such as the Kaka Railway Project in Nigeria and the Sarawak Light Rail Project in Malaysia. These projects were undertaken by the Group based on strategic considerations to expand into overseas markets.

(ii) Value-added operation and services

Gross profit recognised from the value-added operation and services business for the First Half of the Year was RMB92.5 million, which was basically the same as the same period last year. The gross profit margin was 49.9%, representing a decrease of 1.9 percentage points compared to the same period last year.

Other Income and Gains

For the First Half of the Year, other income and gains⁽¹⁾ were RMB13.4 million, representing a decrease of RMB355.6 million compared to the same period last year. The substantial decrease was mainly attributable to the absence during the Period of the revaluation gain of approximately RMB350.2 million recognised in the corresponding period of 2025, which resulted from the remeasurement of the Group's interest in FOSS to its fair value upon obtaining control over FOSS on January 1, 2025. For the First Half of the Year, other income and gains mainly include: (i) rental income of approximately RMB4.9 million; (ii) interest income of approximately RMB3.2 million; (iii) gains from the sale of wealth management products of approximately RMB2.2 million; (iv) government grants of approximately RMB1.4 million; (v) other income of approximately RMB1.7 million.

Selling, Distribution and Administrative Expenses

For the First Half of the Year, selling, distribution and administrative expenses were approximately RMB91.9 million, representing an increase of RMB6.5 million as compared to the same period last year, mainly due to the increase in revenue of the Group in the First Half of the Year compared with the same period last year, resulting in corresponding increases in selling, distribution and administrative expenses.

Net Impairment Losses on Financial and Contract Assets

For the First Half of the Year, net impairment losses on financial and contract assets were approximately RMB5.7 million, as compared to the net impairment losses of approximately RMB17.8 million for the same period last year, representing a decrease of RMB12.1 million as compared to the same period last year.

Other Expenses

For the First Half of the Year, other expenses⁽²⁾ were RMB1.4 million, representing a decrease of RMB13.7 million as compared to the same period last year, mainly due to the higher foreign exchange losses incurred by the electric power business in Myanmar in the same period last year.

(1) Other income and gains excluded profit or loss through fair value changes of equity investments.

(2) Other expenses excluded gains or losses from changes in fair value of equity investments.

Share of Profits of Joint Ventures/Associates

For the First Half of the Year, share of profits of associates was RMB4.7 million, as compared to profits of RMB0.3 million for the same period last year. Such increase was primarily attributable to the acquisition of 40% of the equity interest in Beijing Zhongzhi Runbang Technology Co., Ltd. (北京中智潤邦科技有限公司) by the Group at the end of June 2025, which contributed profit of approximately RMB5.5 million in the First Half of the Year.

Profit or Loss through Fair Value Changes of Equity Investments

For the First Half of the Year, the Group's equity investments in Shenzhen Hopeland Technologies Co., Ltd. (深圳市鴻陸技術有限公司, "**Shenzhen Hopeland**"), Helios Energy Limited ("**Helios Energy**") (ASX: HE8.AX), Xinyizu (Beijing) Technology Innovation Co., Ltd. (新一族(北京)科技創新有限公司, "**Xinyizu**") and Suzhou Huagai Digital Technology Venture Capital Partnership (Limited Partnership) (蘇州華蓋數字科技創業投資合夥企業(有限合夥), "**Suzhou Huagai**") generated a loss of RMB4.2 million through fair value changes, as compared to the loss of RMB0.3 million for the same period last year.

Shenzhen Hopeland is primarily engaged in RFID hardware and solution integrator business in the Internet of Things industry. Helios Energy Limited is primarily engaged in oil and gas exploration with operation in Texas, USA. Xinyizu is primarily engaged in online community operations and offline club establishment based on 'FBLIFE' and related IP and community resources, as well as the derivative co-branded off-road vehicle manufacturing business and other businesses developed by the off-road vehicle manufacturer. Suzhou Huagai is a company mainly engaged in capital market services. As of June 30, 2026, the Group held (i) 16.0% of equity interest in Shenzhen Hopeland with investment costs of RMB23.4 million, the fair value of such investment amounted to RMB16.8 million, representing 0.4% of our total assets, (ii) 1.34% of equity interest (24,989,900 shares) in Helios Energy Limited with investment costs of RMB2.3 million, the fair value of such investment amounted to RMB0.2 million, representing 0.01% of our total assets; (iii) 5.71% of equity interest in Xinyizu with investment costs of RMB7.5 million, the fair value of such investment amounted to RMB4.5 million, representing 0.1% of our total assets; and (iv) 19.61% of equity interest in Suzhou Huagai with investment costs of RMB10 million, the fair value of such investment amounted to RMB13.0 million, representing 0.4% of our total assets. The gain/(loss) (including unrealized gain/(loss)) from the Group's investment in the shares of Shenzhen Hopeland, Helios Energy Limited, Xinyizu and Suzhou Huagai for the First Half of the Year were RMB(3.4) million, RMB(0.8) million, RMB nil and RMB nil, respectively. During the First Half of the Year, we received dividends of RMB nil, RMB nil, RMB nil and RMB nil from Shenzhen Hopeland, Helios Energy Limited, Xinyizu and Suzhou Huagai, respectively. The Company makes strategic investments in technology companies in related industries from time to time and would seek further cooperation opportunities as and when appropriate.

Finance Cost

Finance cost mainly comprised of interest expenses for interest-bearing bank loan. For the First Half of the Year, the finance cost was RMB5.0 million, compared to approximately RMB5.5 million in the same period last year.

Income Tax Expenses (Credit)

For the First Half of the Year, the total income tax expenses were RMB16.8 million, compared to total income tax credit of RMB4.7 million for the same period last year. The significant change in income tax expenses as compared to the same period last year was primarily attributable to the recognition and reversal of temporary differences in deferred income tax assets of approximately RMB10.9 million recorded in the corresponding period last year.

Profit for the Period

For the First Half of the Year, the net profit of the Group amounted to RMB44.6 million, compared to a net profit of RMB397.6 million in the same period last year, representing a decrease in net profit of RMB353.0 million as compared to the same period last year, mainly due to the facts that: (i) the absence in the Period of the revaluation gain of approximately RMB350.2 million recognised in the same period of 2025, which arose from the remeasurement of the Group's interest in FOSS to its fair value upon obtaining control over FOSS on January 1, 2025; (ii) during the First Half of the Year, net profit decreased by RMB2.8 million as compared to the same period last year, mainly due to the net impact of operating factors including gross profit, other income and gains, selling, distribution and administrative expenses, net impairment losses on financial and contract assets, other expenses and finance costs.

For the First Half of the Year, the profit attributable to owners of the parent of the Company amounted to RMB27.2 million as compared to RMB378.2 million for the same period last year.

Inventory Turnover Days

The inventories of the Group mainly comprised of products and spare parts related to the railway communication. For the First Half of the Year, the inventory turnover days were 175 days (the same period last year: 232 days).

Trade Receivables Turnover Days

For the First Half of the Year, the turnover days for trade receivables were 180 days (the same period last year: 198 days).

Trade Payables Turnover Days

For the First Half of the Year, the trade payables turnover days were 108 days (the same period last year: 176 days).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's principal sources of working capital included cash flow from operating activities, bank and other loans. As at June 30, 2026, the Group's current interest-bearing bank borrowings amounted to RMB384.8 million (as at December 31, 2025: RMB268.2 million), interest-bearing bank borrowings repayable within one to two years amounted to RMB2.8 million (as at December 31, 2025: RMB2.8 million), interest-bearing bank borrowings repayable within two to five years amounted to RMB8.3 million (as at December 31, 2025: RMB8.3 million) and interest-bearing bank borrowings repayable beyond five years amounted to RMB2.8 million (as at December 31, 2025: RMB4.2 million), which bore interest at fixed rates, at the People's Bank of China loan prime rate, and at the People's Bank of China loan prime rate minus certain basis points, respectively.

All interest-bearing bank borrowings of the Group are denominated in RMB except for interest-bearing bank borrowings of RMB48.2 million (as at December 31, 2025: RMB nil) which are denominated in Myanmar kyat as of June 30, 2026. The Group mainly borrows and holds cash and cash equivalents in RMB, Myanmar kyat, US dollars, and Hong Kong dollars.

As of June 30, 2026, the Group's current ratio (current assets divided by current liabilities) was 2.3 (as of December 31, 2025: 2.2). The Group's financial position remains healthy. As of June 30, 2026, the Group was in a net cash position⁽³⁾ of RMB294.9 million (as at the end of the previous year: RMB455.7 million), decreased by RMB160.8 million compared to the end of the previous year. As at June 30, 2026, the Group's gearing ratio⁽⁴⁾ was -14.8%, increased by 7.2 percentage points from -22.0% as at the end of the previous year.

FINANCIAL POLICY

The Group pursues a prudent financial policy with strict control over cash and risk management. Surplus cash reserves are used to generate income by investing in financial products without affecting the Group's business operations or capital expenditure. For the six-month period ended June 30, 2026, the Group did not use any derivative financial instruments to hedge its risks.

(3) *Net cash included cash and cash equivalents, interest-bearing bank loan and pledged deposits.*

(4) *Gearing ratio refers to adjusted cash (interest-bearing bank loan plus amounts due to related parties minus pledged deposits and cash and bank balances) divided by total equity.*

EXCHANGE RATE EXPOSURE AND HEDGING

The Group operates in Mainland China, Hong Kong, and Myanmar, and for the six-month period ended June 30, 2026, its revenue, costs, and expenses are mainly denominated in RMB, Myanmar Kyat, Hong Kong dollars, and US dollars. Therefore, the Group is exposed to potential foreign exchange risks due to fluctuations in exchange rates between them. In addition, the Group's principal operating assets are located in Mainland China, Hong Kong, and Myanmar and are denominated in local currencies or in US dollars. As a result, the majority of the Group's assets and liabilities are denominated in RMB, Hong Kong dollars, Myanmar Kyat, or US dollars, and the Group's reporting currency is RMB. This situation also exposes the Group to potential foreign exchange risk when translating these assets and liabilities at each reporting date.

For the First Half of the Year, the Group did not enter into agreements or purchase instruments to hedge the Group's exposure to exchange rate risk, but will continue to monitor the Group's foreign exchange risk and consider prudent measures where appropriate.

CONTINGENT LIABILITIES

As at June 30, 2026, the Group had no material contingent liabilities.

CHARGES ON GROUP ASSETS

As at June 30, 2026, except for the pledged deposits of approximately RMB46.1 million (as at December 31, 2025: RMB39.7 million), the Group pledged a building with a net carrying amount of approximately RMB183.6 million, real estate with an appraised value of approximately RMB55.9 million, equity in three subsidiaries, trade receivables with a carrying amount of RMB19.5 million, the receivables (including existing and future receivables) arising from the electricity supply charging rights in respect of seven service areas under an agreement by a subsidiary and the transferable property rights in intellectual property to banks to secure banking facilities granted to the Group (as at the end of the previous year, the Group pledged a building with a net carrying amount of approximately RMB185.5 million, real estate with an appraised value of approximately RMB55.9 million, equity in two subsidiaries, trade receivables with a carrying amount of RMB20.8 million and the receivables (including existing and future receivables) arising from the electricity supply charging rights in respect of seven service areas under an agreement by a subsidiary to banks to secure banking facilities granted to the Group). Save as disclosed above, as at June 30, 2026, the Group had no other assets charged to financial institutions.

EVENTS AFTER THE REPORTING PERIOD

There was no important event affecting the Group from June 30, 2026 to the date of this announcement.

SIGNIFICANT INVESTMENTS

Subscription of Wealth Management Products

On May 23, 2025, FOSS, a non-wholly owned subsidiary of the Company, subscribed two wealth management products (“**Products**”) offered by China CITIC Bank Corporation Limited, namely the Win-Win Smart FX-Linked RMB Structured Deposit and the Win-Win Smart Rate-Linked RMB Structured Deposit, each with a principal amount of RMB30 million.

The decision to subscribe to the Products was based on the following considerations: (i) the principal-guaranteed nature and low risk profile of the Products; (ii) the opportunity to enhance the efficiency of FOSS’s cash and bank balance utilization; and (iii) the moderately higher annualized returns offered by the Products compared with standard fixed-term deposits issued by commercial banks in the PRC.

Subsequently, FOSS fully redeemed the Products: (i) the Win Win Smart FX Linked RMB Structured Deposit was redeemed on November 25, 2025, generating a return of approximately RMB182,466; and (ii) the Win Win Smart Rate Linked RMB Structured Deposit was redeemed on August 22, 2025, generating a return of approximately RMB147,205.

The subscription of the Products constituted major transaction under Chapter 14 of the Listing Rules and was approved at the extraordinary general meeting (EGM) held on January 16, 2026. Further details are available in the Company’s announcement dated November 12, 2025 and its circular dated December 26, 2025.

Other than as disclosed above, the Group held no other significant investments during the Period. As of the date of this announcement, the Company has no concrete plans for future material investments.

MATERIAL ACQUISITIONS AND DISPOSALS

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

EMPLOYMENT AND EMOLUMENT POLICIES

As at June 30, 2026, the Group had 888 full-time employees. The emolument policy of the employees of the Group is set up by the Board on the basis of individual role, responsibilities and performance of the individual concerned, and the performance of our Group and market conditions.

The Company has adopted the 2021 Share Award Scheme as incentive for directors of the Company, senior management and employees. FOSS, a non-wholly owned subsidiary of the Company, has also adopted the 2023 FOSS A Share Scheme and the 2026 FOSS A Share Incentive Scheme as incentives for its directors, senior management members, core employees and such other individuals as the board of FOSS may designate.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend (same period last year: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

The number of treasury shares held by the Company as at June 30, 2026 is nil.

CORPORATE GOVERNANCE

The Company places high value on its corporate governance practice and the Board firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of its shareholders.

The Company has adopted the code provisions contained in the Code of Corporate Governance Practices (the “**CG Code**”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Company has complied with all the code provisions in the CG Code for the Period.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as the standards for the Directors’ dealings in the securities of the Company. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standards set out in the Model Code during the Period.

AUDIT COMMITTEE

The audit committee of the Company was established on June 18, 2010 with effect from the listing of the Company. The current terms of reference of the audit committee have been adopted on December 22, 2015 in compliance with the CG Code. The primary duties of the audit committee are, among other things, to review and supervise the financial reporting process and internal control systems of the Company.

The audit committee comprises three independent non-executive Directors, being Mr. Lai Hongyi, Mr. Hu Hailin and Ms. Huang Jianling. The audit committee is chaired by Mr. Lai Hongyi.

The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed with the management of the Company on financial reporting matters including a review of the unaudited interim financial information of the Group for the Period.

PUBLICATION OF THE 2026 INTERIM REPORT

The 2026 Interim Report of the Company containing all the information as required under Appendix D2 to the Listing Rules will be dispatched to the shareholders (if requested) and available on the Company's website at www.01900.hk and the Stock Exchange's website at www.hkexnews.hk in due course.

ACKNOWLEDGEMENT

The chairman of the Company would like to thank the Board, management and all members of our staff for their commitment and diligence. The chairman of the Company would also like to thank our shareholders and business associates for their strong support to the Group.

By Order of the Board
China ITS (Holdings) Co., Ltd.
Liao Jie
Chairman

Beijing, August 31, 2026

As at the date of this announcement, the executive Directors are Mr. Liao Jie and Mr. Jiang Hailin, and the independent non-executive Directors are Ms. Huang Jianling, Mr. Lai Hongyi and Mr. Hu Hailin.