HENGXIN
TECHNOLOGY
亨鑫科技

HENGXIN TECHNOLOGY LTD.
亨鑫科技有限公司*

(carrying on business in Hong Kong as HX Singapore Ltd.)
(incorporated in Republic of Singapore with limited liability)
(Stock Code: 1085)

INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

1. Revenue for the six months ended 30 June 2026 increased by approximately RMB94.4 million or 9.2% year-on-year to approximately RMB1,116.6 million

2. Gross profit for the six months ended 30 June 2026 increased by approximately RMB40.7 million or 21.7% year-on-year to approximately RMB228.0 million

3. Gross profit margin for the six months ended 30 June 2026 increased by approximately 2.1 percentage points year-on-year to approximately 20.4%

4. Net profit attributable to equity shareholders of the Company for the six months ended 30 June 2026 was approximately RMB6.8 million, net loss attributable to equity shareholders of the Company for the six months ended 30 June 2025 was approximately RMB70.4 million

5. Basic earnings per share for the six months ended 30 June 2026 was approximately RMB0.015, basic losses per share for the six months ended 30 June 2025 was approximately RMB0.152

6. No payment of interim dividend for the six months ended 30 June 2026 has been recommended

* *For identification purposes only*

The board (the "**Board**") of directors (the "**Director(s)**") of Hengxin Technology Ltd. (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively hereinafter referred as the "**Group**") for the six months ended 30 June 2026 together with the comparative figures for the corresponding period in 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

*For the six months ended 30 June ("**1H**")*

	Notes	**1H2026** ***RMB'000*** **(unaudited)**	1H2025 *RMB'000* (unaudited)
Revenue	*3*	**1,116,560**	1,022,209
Cost of sales		**(888,550)**	(834,878)
Gross profit		**228,010**	187,331
Interest income		**6,984**	13,200
Other operating income	*4*	**6,737**	15,623
Selling and distribution expenses		**(63,658)**	(58,852)
Administrative expenses		**(53,385)**	(40,997)
Impairment loss on trade and other receivables		**(6,083)**	(8,383)
Other operating expenses		**(82,203)**	(76,761)
Profit from operations		**36,402**	31,161
Interest expense	*5*	**(31,381)**	(31,155)
Share of result of an associate		**1**	–
Profit before taxation	*6*	**5,022**	6
Income tax	*7*	**(6,215)**	(71,097)
Loss for the period		**(1,193)**	(71,091)
Attributable to:			
Equity shareholders of the Company		**6,824**	(70,420)
Non-controlling interests		**(8,017)**	(671)
Loss for the period		**(1,193)**	(71,091)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
(Continued)
For the six months ended 30 June

	Notes	**1H2026** **RMB'000** **(unaudited)**	1H2025 *RMB'000* (unaudited)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of			
– financial statements of entities with functional currencies other than RMB		**(6,462)**	1,791
Total comprehensive loss for the period		**(7,655)**	(69,300)
Attributable to:			
Equity shareholders of the Company		**362**	(68,629)
Non-controlling interests		**(8,017)**	(671)
Total comprehensive loss for the period		**(7,655)**	(69,300)
Earnings/(losses) per share attributable to equity shareholders of the Company	*10*		
Basic and diluted *(RMB)*		**0.015**	(0.152)
Dividends per share (*RMB*)	*8*	**–**	–

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30 June 2026** *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment	*11*	**1,918,281**	1,217,919
Intangible assets		**200,746**	209,590
Goodwill		**211,551**	201,589
Interest in associates		**5,194**	152
Equity securities designated at fair value through other comprehensive income ("**FVOCI**")		**3,760**	5,760
Financial assets measured at fair value through profit or loss ("**FVPL**")		**46,512**	44,605
Time deposits		**100,000**	100,000
Pledged deposit		**35,000**	335,000
Deferred tax assets		**15,076**	13,808
Other non-current assets		**9,916**	–
		2,546,036	2,128,423
Current assets			
Inventories and other contract costs		**259,722**	198,237
Digital assets		**102**	13,875
Trade and other receivables	*12*	**2,062,288**	1,577,127
Time deposits		**31,275**	29,908
Bank balances and cash		**514,872**	402,643
Pledged deposits		**463,965**	576,757
		3,332,224	2,798,547
Current liabilities			
Trade and other payables	*13*	**668,605**	586,225
Contract liabilities		**67,232**	63,211
Bank loans		**1,081,652**	759,233
Lease liabilities		**3,375**	3,940
Income tax payable		**5,178**	7,298
		1,826,042	1,419,907
Net current assets		**1,506,182**	1,378,640
Total assets less current liabilities		**4,052,218**	3,507,063

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	Note	**As at 30 June 2026** *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Non-current liabilities			
Bank loans		**1,180,664**	1,135,883
Deferred income		**1,991**	1,629
Lease liabilities		**46,121**	46,227
Deferred tax liabilities		**14,127**	15,395
Other non-current liabilities		**9,040**	–
		1,251,943	1,199,134
NET ASSETS		**2,800,275**	2,307,929
CAPITAL AND RESERVES			
Share capital	*9*	**362,849**	362,849
General reserves		**352,310**	352,310
Share award scheme reserve		**(2,778)**	(2,778)
Special reserve		**(478,026)**	(478,026)
Fair value reserve		**(5,304)**	(5,304)
Translation reserves		**(7,562)**	(1,100)
Retained profits		**1,298,052**	1,291,228
Total equity attributable to equity shareholders of the Company		**1,519,541**	1,519,179
Non-controlling interests		**1,280,734**	788,750
TOTAL EQUITY		**2,800,275**	2,307,929

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 (unaudited)

GROUP – RMB'000	Share capital	General reserves	Share award scheme reserves	Special reserve	Fair value reserve	Translation reserves	Retained profits	Total	Non-controlling interests	Total
Balance at 1 January 2026	**362,849**	**352,310**	**(2,778)**	**(478,026)**	**(5,304)**	**(1,100)**	**1,291,228**	**1,519,179**	**788,750**	**2,307,929**
Changes in equity for the period:										
Profit for the period	–	–	–	–	–	–	6,824	6,824	(8,017)	(1,193)
Other comprehensive expense for the period	–	–	–	–	–	(6,462)	–	(6,462)	–	(6,462)
Total comprehensive (expense)/income	–	–	–	–	–	(6,462)	6,824	362	(8,017)	(7,655)
Partial disposal of a subsidiary	–	–	–	–	–	–	–	–	500,001	500,001
Balance at 30 June 2026	**362,849**	**352,310**	**(2,778)**	**(478,026)**	**(5,304)**	**(7,562)**	**1,298,052**	**1,519,541**	**1,280,734**	**2,800,275**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the six months ended 30 June 2026 (unaudited)

GROUP – RMB'000	Share capital	General reserves	Share award scheme reserves	Special reserve	Fair value reserve	Translation reserves	Retained profits	Total	Non-controlling interests	Total
Balance at 1 January 2025	362,849	327,378	(2,778)	(478,026)	(5,329)	(803)	1,358,586	1,561,877	785,215	2,347,092
Changes in equity for the period:										
Loss for the period	–	–	–	–	–	–	(70,420)	(70,420)	(671)	(71,091)
Other comprehensive income for the period	–	–	–	–	–	1,791	–	1,791	–	1,791
Total comprehensive income	–	–	–	–	–	1,791	(70,420)	(68,629)	(671)	(69,300)
Balance at 30 June 2025	362,849	327,378	(2,778)	(478,026)	(5,329)	988	1,288,166	1,493,248	784,544	2,277,792

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Republic of Singapore on 18 November 2004 under the Singapore Companies Act and its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited. The address of the Company's principal place of business is 460 Alexandra Road, #28-01 mTower, Singapore 119963. The registered office of the Company is located at 460 Alexandra Road, #28-01 mTower, Singapore 119963.

The principal activities of the Company and its subsidiaries (the "**Group**") are engaged in the (i) chips research, design, sales and supply chain services, semiconductor, intellectual property authorization business, and digital security products and services; (ii) the supply of electricity with a focus on the production and sales of solar power as well as the provision of development consultation and technical services of the solar thermal power generation technology; and (iii) research, design, development and manufacture of cabled and wireless communications and technological products, production of radio frequency coaxial cables for mobile communications and mobile communications systems exchange equipment. The Group's operations are principally conducted in the People's Republic of China ("**PRC**" or "**China**").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements for the six months ended 30 June 2026 (the "**Financial Statements**") have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board ("**IASB**") that are effective for annual reporting periods beginning on or after 1 January 2026.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

		Effective for accounting periods beginning on or after
IFRS 18	*Presentation and Disclosure in Financial Statements*	1 January 2027
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	A date to be determined

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The directors of the Company are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

The Financial Statements have been prepared on a historical cost basis except that certain assets which are stated at fair value. The consolidated financial statements are presented in Renminbi ("**RMB**"), being the functional currency of the Company and the presentation currency of the Group. All values are rounded to the nearest thousand except when otherwise indicated.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are engaged in (i) chips research, design, sales and supply chain services, semiconductor, intellectual property authorization business, and digital security products and services; (ii) the supply of electricity with a focus on the production and sales of solar power as well as the provision of development consultation and technical services of the solar thermal power generation technology; and (iii) the provision of high-quality and reliable signal transmission products and services for global mobile communication operators, equipment vendors and rail transit builders, mainly covering RF coaxial cables, leakage coaxial cables, antennas, active transmission equipment, and related accessory products, as well as overall solution services for cabled and wireless communications.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Integrated circuits and digital technology	**157,122**	94,677
New energy and services	**98,979**	73,697
Cabled and wireless communications	**860,459**	853,835
	1,116,560	1,022,209

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("**CODM**") for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Integrated circuits and digital technology ("**Integrated Circuits and Digital Technology**"): chips research, design, sales and supply chain services, semiconductor, intellectual property authorization business, and digital security products and services. To better reflect the Group's business operations and development, the integrated circuits and digital technology business segment was renamed from digital technology and digital security business segment during the current reporting period.

– New energy and services ("**New Energy and Services**"): the supply of electricity with a focus on the production and sales of solar power as well as the provision of development consultation and technical services of the solar thermal power generation technology.

– Cabled and wireless communications ("**Cabled and Wireless Communications**"): The provision of high-quality and reliable signal transmission products and services for global mobile communication operators, equipment vendors and rail transit builders, mainly covering RF coaxial cables, leakage coaxial cables, antennas, active transmission equipment, and related accessory products, as well as overall solution services for cabled and wireless communications.

Information about reportable segments

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitor the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the interest income, interest expense, depreciation and amortisation expenses, share of result of an associate, asset impairment losses, write-off of deposits and related reversals attributable to those segments.

The measure used for reporting segment profit is profit or loss before tax, adjusted for items not specifically attributed to individual segments, such as other income, central interest expense, central administration costs, independent directors' fees at corporate level and foreign exchange gains or losses. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning interest income, interest expense, depreciation and amortisation expenses, written-off of deposits, asset impairment losses and related reversals and share of result of an associate.

Segment assets and liabilities are not regularly reported to the Group's CODM and therefore information of reportable segment assets and liabilities are not presented in the consolidated financial statements.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2026 and 2025 is set out below:

	Reportable segments			
	Integrated Circuits and Digital Technology *RMB'000*	**New Energy and Services** *RMB'000*	**Cabled and Wireless Communications** *RMB'000*	**Total reportable segments** *RMB'000*
Six Months Ended 30 June 2026				
Disaggregated by timing of revenue recognition				
Point in time	**93,856**	**61,766**	**860,459**	**1,016,081**
Over time	**63,266**	**37,213**	**–**	**100,479**
Revenue from external customers	**157,122**	**98,979**	**860,459**	**1,116,560**
Segment profit before taxation	**34,016**	**22,494**	**(9,425)**	**47,085**
Interest income	**278**	**700**	**6,003**	**6,981**
Finance cost	**(9,059)**	**(14,673)**	**(7,648)**	**(31,380)**
Depreciation and amortisation expense	**(6,911)**	**(19,646)**	**(7,083)**	**(33,640)**

	Reportable segments			
	Integrated Circuits and Digital Technology *RMB'000*	New Energy and Services *RMB'000*	Cabled and Wireless Communications *RMB'000*	Total reportable segments *RMB'000*
Six Months Ended 30 June 2025				
Disaggregated by timing of revenue recognition				
Point in time	70,895	69,675	853,835	994,405
Over time	23,782	4,022	–	27,804
Revenue from external customers	94,677	73,697	853,835	1,022,209
Segment profit before taxation	15,750	11,520	(5,775)	21,495
Interest income	84	3,742	9,358	13,184
Finance cost	(10,686)	(10,237)	(10,225)	(31,148)
Depreciation and amortisation expense	(2,933)	(19,134)	(10,253)	(32,320)

Reconciliation of reportable segment profit

	Group For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit before tax		
Total profit before tax for reportable segments	**47,085**	21,495
Unallocated amounts:		
– Other operating income	**6,740**	15,638
– Share of profit of an associate	**1**	–
– Other unallocated amounts	**(48,804)**	(37,127)
Consolidated profit before tax	**5,022**	6

Other material items

	Reportable and all other segment totals	Unallocated amounts	Consolidated totals
	RMB'000	*RMB'000*	*RMB'000*
For the six months ended 30 June 2026 (unaudited)			
Depreciation and amortisation expenses	**(33,640)**	**(90)**	**(33,730)**
For the six months ended 30 June 2025 (unaudited)			
Depreciation and amortisation expenses	(32,320)	(171)	(32,491)

Geographical segment

The Company is an investment holding company and the Group's major operational subsidiaries are domiciled in the PRC. The geographical regions of the customers of the Group are principally located in the PRC.

The following table sets out the geographic information analyses the Group's revenue and specified non- current assets including property, plant and equipment. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets have been based on the geographic location of the assets.

	Revenue from external customer For the six months ended 30 June		**Specified non-current assets* As at**	
			30 June	31 December
	2026	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(unaudited)	(unaudited)	**(unaudited)**	(audited)
PRC	**1,035,385**	949,325	**2,308,378**	1,598,759
Other countries	**81,175**	72,884	**27,395**	30,491
Total	**1,116,560**	1,022,209	**2,335,772**	1,629,250

* *excludes other investments and deferred tax assets*

4. OTHER OPERATING INCOME

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government grants	**4,523**	12,585
Net gain on commodity future contracts	**2,242**	255
Service fee income	**–**	1,500
Others	**(28)**	1,283
Total	**6,737**	15,623

5. INTEREST EXPENSE

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expense on short term bank loans	**31,381**	31,139
Interest on lease liabilities	**–**	16
	31,381	31,155

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting) the following items during the period:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of inventories recognised as expense	**687,688**	698,803
Depreciation of property, plant and equipment and amortisation expenses	**33,730**	32,491
Salaries and bonus	**106,961**	96,566
Contributions to defined contribution plans	**9,536**	4,749
Executive directors' remuneration	**1,190**	386
Non-executive directors' fees	**891**	1,142
Total staff costs	**118,578**	102,843
Research and development expenses (included in other operating expenses)	**70,197**	72,990
Impairment loss on trade and other receivable	**6,083**	8,383
Net foreign exchange losses (included in other operating expenses)	**11,815**	1,377
Reversal of stock obsolescence	**(1,303)**	(162)
Net losses on write-off of property, plant and equipment	**235**	46

7. INCOME TAX

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax expense		
Current year		
– PRC Corporate Income Tax	**6,215**	71,097

(i) Singapore and India income tax are calculated at the applicable rates in accordance with the relevant tax laws and regulation in respective countries.

No provision for Singapore and India income tax has been made in the consolidated financial statements since the Group do not have assessable profits subject to Singapore and India income tax for the six months ended 30 June 2026 and 30 June 2025.

(ii) The provision for PRC Income Tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

The statutory corporate income tax rate of the Group's operating subsidiaries in the PRC for the six months ended 30 June 2026 is 25% (six months ended 30 June 2025: 25%) except for Jiangsu Hengxin Technology Co., Ltd., Jiangsu Hengxin Wireless Technology Co., Ltd., Nanjing Zhangyu Information Technology Co., Ltd. (南京掌御信息科技有限公司)("**Nanjing Zhangyu**"), Shanghai Zhangyu Information Technology Co., Ltd. (上海掌御信息科技有限公司) and Qinghai Zhongkong Solar Power Co., Ltd. ("**Qinghai Zhongkong**"), are subject to a preferential income tax rate of 15% in for six months ended 30 June 2026 and 30 June 2025 as these companies qualify as a High and New Technology Enterprise.

Qinghai Zhongkong is also entitled to preferential tax treatments including three years exemption followed by three years of a 50% tax reduction.

(iii) Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group do not have assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2026 and 30 June 2025.

8. DIVIDENDS

The Company did not recommend or declare any interim dividend for the six months ended 30 June 2026 and 30 June 2025.

9. SHARE CAPITAL

Details of the changes in the Company's share capital are as follows:

Share capital – Ordinary Shares	**No. of shares**	
	'000	*RMB'000*
Balance as at 30 June 2026 and 31 December 2025	**465,600**	362,849

10. EARNINGS/(LOSSES) PER SHARE

Earnings/(losses) per share is calculated by dividing the Group's net profit/(loss) attributable to equity shareholders of the Company for the period by the weighted average number of ordinary shares outstanding during the period.

	Group	
	For the six months ended	
	30 June 2026 (unaudited)	30 June 2025 (unaudited)
Earnings/(losses) per share *(RMB)*		
– Basic	**0.015**	(0.152)
– Diluted	**0.015**	(0.152)
Weighted average no. of shares applicable to basic EPS *('000)*	**463,274**	463,274

For the purpose of calculating diluted earnings/(losses) per share, net profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares in issue (excluding treasury shares) are adjusted for the effects of all potential dilutive ordinary shares. There are no potential dilutive ordinary shares during the six months ended 30 June 2026 and 30 June 2025. Accordingly, the diluted earnings/(losses) per share is computed to be the same as the basic losses per share for the six months ended 30 June 2026 and 30 June 2025.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group's capital expenditure was approximately RMB16.9 million (six months ended 30 June 2025: approximately RMB13.7 million).

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Trade receivables	**1,050,231**	919,942
Bills receivables	**85,022**	84,646
Less: Loss allowance	**(60,940)**	(59,633)
Net trade and bills receivables	**1,074,313**	944,955
Loans to the associate	**21,191**	21,191
Non-trade amount due from the associate	**1,680**	1,680
Less: Loss allowance	**(22,871)**	(22,871)
	–	–
Net other receivables	**987,975**	632,172
Total trade and other receivables	**2,062,288**	1,577,127

Trade and bills receivables are due within 90-270 days from the date of billing. The aging of trade and bills receivables based on the invoice date, net of allowance for impairment in respect of trade receivables at the end of the reporting period, is as follows:

	As at 30 June 2026 *RMB'000* **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Within 6 months	**857,766**	667,434
7 to 12 months	**100,036**	143,419
1 to 2 years	**97,378**	57,705
Over 2 years	**19,133**	76,397
	1,074,313	944,955

13. TRADE AND OTHER PAYABLES

	As at 30 June 2026 *RMB'000* (unaudited)	As at 31 December 2025 *RMB'000* (audited)
Trade payables	**523,503**	468,071
Other payables	**145,102**	118,154
	668,605	586,225

As at the end of the reporting period, the aging profile of trade and bills payables of the Group, based on invoice date, is as follows:

	As at 30 June 2026 *RMB'000* (unaudited)	As at 31 December 2025 *RMB'000* (audited)
0 to 90 days	**433,926**	404,394
91 to 180 days	**26,735**	18,555
181 to 360 days	**34,577**	21,852
Over 360 days	**28,265**	23,270
	523,503	468,071

14. CONTINUING CONNECTED TRANSACTIONS

(a) During the six months ended 30 June 2026 (the "Reporting Period"), the Group had the following continuing connected transactions with Hengtong Group Co., Ltd. and Hengtong Optic-Electric Co., Ltd.:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Sale of finished goods	**79,459**	56,129
Purchase of raw materials	**247,242**	153,850

Jiangsu Hengxin Technology Co., Ltd. ("**Jiangsu Hengxin**"), a then wholly-owned subsidiary of the Company has been selling the Group's products to and purchasing materials from Suzhou Hengli Telecommunications Materials Co., Ltd. ("**Suzhou Hengli**") since December 2008 under relevant sales master agreements or purchases master agreements. The term of the sales master agreement and the purchases master agreement entered into between Jiangsu Hengxin and Suzhou Hengli on 10 October 2019 has expired on 31 December 2022.

On 3 January 2023, Jiangsu Hengxin, Hengtong Group Co., Ltd. (亨通集團有限公司) ("**Hengtong Group**") and Hengtong Optic-Electric Co., Ltd. (江蘇亨通光電股份有限公司) ("**Hengtong Optic-Electric**") (the holding company of Suzhou Hengli) (together and collectively with their respective associates, the "**Connected Parties**") entered into (i) the sales master agreement ("**Prior Sales Master Agreement**") to govern the terms of the sales of products by Jiangsu Hengxin to the Connected Parties; and (ii) the purchases master agreement ("**Prior Purchases Master Agreement**") to govern the terms of the purchases of materials by Jiangsu Hengxin from the Connected Parties, for the periods up to 31 December 2025.

On 31 May 2023, Jiangsu Hengxin, Hengtong Group and Hengtong Optic-Electric entered into a supplemental agreement to the Prior Purchases Master Agreement to amend the entity of the purchaser from Jiangsu Hengxin to Jiangsu Hengxin and its subsidiaries. Other terms of the Prior Purchases Master Agreement remain unchanged.

Given the growing amount of the purchases and the sales, the Company anticipated that then annual caps under the Prior Sales Master Agreement and the Prior Purchases Master Agreement would not be sufficient. On 31 October 2025, Jiangsu Hengxin, Hengtong Group and Hengtong Optic-Electric entered into (i) the new sales master agreement ("**New Sales Master Agreement**") to revise the annual caps under the Prior Sales Master Agreement for the years ending 31 December 2025 and 31 December 2026; and (ii) the new purchases master agreement ("**New Purchases Master Agreement**") to revise the annual caps under the Prior Purchases Master Agreement for the years ending 31 December 2025 and 31 December 2026.

The New Sales Master Agreement, the New Purchases Master Agreement and the revised annual caps were approved by the independent shareholders at the extraordinary general meeting held on 30 December 2025.

As at 31 October 2025, Hengtong Optic-Electric was held as to approximately 23.77% by Hengtong Group, which was beneficially owned by Mr. Cui Genliang and Mr. Cui Wei as to 27% and 73% respectively. Mr. Cui Genliang is the father of Mr. Cui Wei (the chairman of the Board, a non-executive Director and a substantial shareholder of the Company via his wholly-owned entity, Kingever Enterprises Limited). Separately, Mr. Cui Genliang directly owns approximately 3.86% of the share capital of Hengtong Optic-Electric and can control the composition of a majority of the board of directors of Hengtong Optic-Electric. In this regard, each of Mr. Cui Wei, Mr. Cui Genliang, Hengtong Group, Hengtong Optic-Electric and their associates is considered as a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transactions contemplated under the New Sales Master Agreement and New Purchases Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

As the highest applicable percentage ratio for the New Purchases Master Agreement calculated on an annual basis by reference to the highest New Purchases Cap is more than 5% and the highest New Purchases Cap exceeds HK$10,000,000, the New Purchases Master Agreement is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter14A of the Listing Rules. The annual purchase cap for the year ending 31 December 2026 is RMB560 million.

As the highest applicable percentage ratio for the New Sales Master Agreement calculated on an annual basis by reference to the highest New Sales Cap is more than 5% and the highest New Sales Cap exceeds HK$10,000,000, the New Sales Master Agreement is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The annual sales cap for the year ending 31 December 2026 is RMB150 million.

For details of the New Sales Master Agreement and the New Purchases Master Agreement, please refer to the announcement of the Company dated 31 October 2025, the circular of the Company dated 12 December 2025 and the poll results announcement of the Company dated 30 December 2025 for the extraordinary general meeting of the Company held on 30 December 2025.

(b) During the Reporting Period, the Group had the following continuing connected transaction with Cosin Solar Technology Co., Ltd. (浙江可勝技術股份有限公司) ("Cosin Solar"):

On 22 April 2024, Zhejiang Zhongguang New Energy Technology Co., Ltd. (浙江中光新能源科技有限公司) ("**Zhongguang New Energy**"), an indirect non-wholly-owned subsidiary of the Company, entered into the operation and maintenance technical service contract ("**Technical Service Contract**") with Cosin Solar for a duration of (i) six months before the date of grid-connected power generation ("**Grid-connected Power Generation**") of the Jinta Zhong Guang Solar Power "100MW CSP + 600MW PV" project – 100MW CSP project, being a 100MW tower-type molten salt solar thermal power station supporting 8 hours of heat storage, located in the Baishuiquan Photovoltaic Industrial Zone, Jinta County, Jiuquan City, Gansu Province, China, with an expected operation period of 25 years (the "**Jinta Photo-thermal Project**") and (ii) five consecutive years after the date of Grid-connected Power Generation.

Pursuant to the Technical Service Contract, Cosin Solar agrees to entrust Zhongguang New Energy and Zhongguang New Energy agrees to provide the following services to Cosin Solar: (i) be responsible for assisting the Jinta Photo-thermal Project in accomplishing the production tasks and carrying out the daily operations related to the production tasks under the supervision and management of Cosin Solar during the production and operation period of the Jinta Photo-thermal Project; and (ii) provide services related to the overhaul and maintenance of the equipment and systems of the Jinta Photo-thermal Project, responsible for carrying out the necessary monitoring, repair and maintenance of the equipment and systems, and keeping the equipment in good condition through daily maintenance to ensure safe and stable operation.

The services are divided into two phases: (i) six (6) months before the Grid-connected Power Generation of the Jinta Photo-thermal Project (subject to the notice of Cosin Solar), Zhongguang New Energy shall enter into the site in advance according to the requirements of Cosin Solar to prepare for the project and familiarize itself with the equipment and systems; and (ii) after the date of Grid-connected Power Generation of the Jinta Photo-thermal Project, Zhongguang New Energy shall provide the operation and maintenance services to Cosin Solar for a period of five (5) consecutive years.

The total service price is RMB90,200,000 (inclusive of VAT at the rate of 6% and subject to adjustment according to the actual number of service personnel for on-site preparation, actual power generation and satisfaction of safety production indicators), which consists of two parts: (i) a service fee for the preparation period for entry into the site of RMB5,200,000 (inclusive of VAT at the rate of 6% and subject to adjustment according to the actual number of service personnel for on-site preparation), which will be paid by Cosin Solar in installments in accordance with the contract from the month when Cosin Solar notifies Zhongguang New Energy to enter the site for preparation; and (ii) an annual normal operation and maintenance service fee of RMB17,000,000 (inclusive of VAT at the rate of 6%, the installments are payable in each operation and maintenance quarter, of which the amount of ten percent (10%) of the annual normal operation and maintenance service fee shall be the assessment fee and will be settled based on the results of the annual appraisal and be paid by Cosin Solar to Zhongguang New Energy within one (1) month after the settlement). The annual caps on the maximum amounts of fees payable to Cosin Solar for the year ending 31 December 2026 is RMB18,000,000 (2025: RMB18,000,000). During the six months ended 30 June 2026, the revenue recognized from the operation and maintenance service under the Technical Service Contract was approximately RMB8,019,000 (For the six months ended 30 June 2025: RMB2,646,000).

Zhongguang New Energy is an indirect non-wholly-owned subsidiary of the Company. As the date of signing the Technical Service Contract, (i) Hangzhou Longkong Zhongguang Enterprise Holding Enterprise Partnership (Limited Partnership) (杭州龍控中光企業控股合夥企業(有限合夥) ("**Hangzhou Longkong**") was the holding company of Zhongguang New Energy, while approximately 12.33% equity interest of Hangzhou Longkong was held by Cosin Solar, and therefore Cosin Solar was a substantial shareholder of Hangzhou Longkong; and (ii) Cosin Solar also held 28.25% equity interest in Ningbo Fuju Zhongguang Venture Capital Enterprise Partnership (Limited Partnership) (寧波復聚中光創業投資合夥企業(有限合夥) ("**Fuju Zhongguang**"), while approximately 28.86% equity interest of Zhongguang New Energy was held by Fuju Zhongguang, and therefore Fuju Zhongguang was a substantial shareholder of Zhongguang New Energy. Therefore, Cosin Solar was regarded as a connected person at the subsidiary level of the Company. Accordingly, the transactions contemplated under the Technical Service Contract constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As (i) Cosin Solar was a connected person at the subsidiary level of the Company and the Technical Service Contract was entered into on normal commercial terms and has been approved by the Board, and (ii) the independent non-executive Directors are of the view that the transactions contemplated under the Technical Service Contract were in the course of business of Zhongguang New Energy, on normal commercial terms, the terms of which are fair and reasonable and in the interest of the Company and its Shareholders as a whole, the continuing connected transactions contemplated thereunder are subject to the annual review, reporting and announcement requirements but exempt from the independent financial advice and independent shareholders' approval requirement pursuant to Rule 14A.101 of the Listing Rules.

In addition, as the duration of the Technical Service Contract exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed an independent financial adviser to explain why the Technical Service Contract requires a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration.

For details of the Technical Service Contract, please refer to the announcement of the Company dated 22 April 2024.

(c) During the Reporting Period, the Group had the following continuing connected transaction with Jiangsu Hengtong International Logistics Company Limited* (江蘇亨通國際物流有限公司) ("Hengtong Logistics"):

Due to Jiangsu Hengxin's operational needs under its ordinary and usual course of business, on 1 August 2024, Jiangsu Hengxin and Hengtong Logistics entered into the conditional framework agreement (the "**Framework Agreement**") which governs the procurement of the transportation services in relation to Jiangsu Hengxin's raw materials purchased and/or products sold in the PRC (the "**Logistic Services**") by Jiangsu Hengxin from Hengtong Logistics for the three years ending 31 December 2026, subject to Independent Shareholders' approval. According to the Framework Agreement, Jiangsu Hengxin and Hengtong Logistics will enter into individual contract for provision of specific Logistic Services. The service fee payable by Jiangsu Hengxin to Hengtong Logistics will be set out in the individual contract and will be determined based on service content, including but not limited to, distance and weight of cargo to be transported. Prior to entering into an individual contract, purchasing department of Jiangsu Hengxin will obtain quotations from at least 3 suppliers who provide the Logistic Services (which may include Hengtong Logistics). The service fee payable by Jiangsu Hengxin to Hengtong Logistics shall be no less favourable to Jiangsu Hengxin than those payable to/quoted by independent third party suppliers. The annual caps for each of the three years ending 31 December 2026 are RMB30,000,000, RMB39,300,000 and RMB43,300,000 and were determined based on Jiangsu Hengxin's historical annual demand for the Logistics Services and its growing trend. During the Reporting Period, the Logistics Services provided by Hengtong Logistics to Jiangsu Hengxin amounted to approximately RMB12,356,000 (six months ended 30 June 2025: RMB14,001,000).

As at 1 August 2024, (i) Hengtong Logistics was beneficially owned by Hengtong Group, Suzhou Hengtong Yongsheng Venture Capital Enterprise (Limited Partnership)* (蘇州亨通永盛創業投資企業（有限合夥）) and Mr. Cui Wei (chairman and non-executive Director of the Company and a substantial Shareholder) as to 51%, 30% and 19% respectively; (ii) Suzhou Hengtong Yongsheng Venture Capital Enterprise (Limited Partnership)* (蘇州亨通永盛創業投資企業（有限合夥）) was owned as to 99% by Suzhou Hengtong Investment Management Partnership (Limited Partnership)* (蘇州亨通投資管理合夥企業（有限合夥）) and 1% by Mr. Cui Wei respectively; (iii) Suzhou Hengtong Investment Management Partnership (Limited Partnership)* (蘇州亨通投資管理合夥企業（有限合夥）) was in turn owned by Hengtong Group, Mr. Cui Wei and Jiangsu Hengtong Venture Capital Co., Ltd.* (江蘇亨通創業投資有限公司) as to approximately 59.03%, 40.16% and 0.81% respectively; and (iv) Hengtong Group was beneficially owned by Mr. Cui Genliang and Mr. Cui Wei as to 27% and 73% respectively. Mr. Cui Genliang is the father of Mr. Cui Wei. Accordingly, the aforesaid transactions constituted continuing connected transaction of the Company.

As the highest applicable percentage ratio for the Framework Agreement calculated on an annual basis by reference to the highest Annual Cap is more than 5% and the highest Annual Cap exceeds HK$10,000,000, the Framework Agreement was subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

At the extraordinary general meeting of the Company held on 9 September 2024, the ordinary resolution for approving and confirming the Framework Agreement was duly approved by the independent shareholders of the Company.

For details of the above continuing connected transaction contemplated under the Framework Agreement, please refer to the announcements of the Company dated 1 August 2024 and 5 September 2024, the circular of the Company dated 22 August 2024 and the extraordinary general meeting poll results announcement of the Company dated 9 September 2024.

(d) During the Reporting Period, the Group had the following continuing connected transactions with Hengtong Finance Limited:

On 26 June 2026, the Company entered into the financial services framework agreement (the "**Financial Services Framework Agreement**") with Hengtong Finance Limited ("**HT Finance**"), pursuant to which HT Finance will provide the deposit services (the "**Deposit Services**"), the loan & credit services (the "**Loan & Credit Services**") and the other financial services (the "**Other Financial Services**") to the Group for a term commencing on (i) the date on which the Company obtained independent shareholder's approval on the Deposit Services (including the maximum daily deposit balance placed by the Group with HT Finance (including accrued interests)) at the extraordinary general meeting to be convened (the "**Effective Date**") and expiring on 31 December 2027 (for the Deposit Services) and (ii) the date of entering the Financial Services Framework Agreement (the "**Agreement Date**") and expiring on 31 December 2027 (for the Loan & Credit Services and Other Financial Services).

As at the Agreement Date, HT Finance was owned as to (a) 52% by Hengtong Group; and (b) 48% by Hengtong Optic-Electric. Hengtong Optic-Electric was held as to approximately 24.07% by Hengtong Group, which was beneficially owned by Mr. Cui Genliang and Mr. Cui Wei as to 27% and 73% respectively. Mr. Cui Genliang is the father of Mr. Cui Wei (the chairman of the Board, a non-executive Director and a substantial shareholder of the Company via his wholly-owned entity, Kingever Enterprises Limited). Separately, Mr. Cui Genliang directly owns approximately 3.86% of the share capital of Hengtong Optic-Electric and can control the composition of a majority of the board of directors of Hengtong Optic-Electric. In this regard, each of Mr. Cui Wei, Mr. Cui Genliang, Hengtong Group, Hengtong Optic-Electric and their associates was considered as connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, HT Finance was considered as a connected person of the Company pursuant to Chapter 14A of the Listing Rules. The transactions contemplated under the Financial Services Framework Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio with respect to the Deposit Services contemplated under the Financial Services Framework Agreement exceeded 25%, the Deposit Services constituted (i) a non-exempt continuing connected transaction of the Company and were subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) a major transaction of the Company and also subject to the requirements applicable to major transaction under Chapter 14 of the Listing Rules.

The provision of Loan & Credit Services to the Group by HT Finance under the Financial Services Framework Agreement would constitute financial assistance received by the Group from a connected person. As the Loan & Credit Services shall be on normal commercial terms or better, and no security will be granted by the Group over its assets in respect of the Loan & Credit Services, the Loan & Credit Services were fully exempted pursuant to Rule 14A.90 of the Listing Rules from reporting, annual review, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of Other Financial Services were less than 0.1%, the Other Financial Services constituted continuing connected transactions which were fully exempted from the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

There was no historical transaction between the Group and HT Finance. The annual caps for the period from the Effective Date (relating to the "**Deposit Caps**") or Agreement Date (relating to the "**Loan Caps**" and "**Service Fees Caps**") to 31 December 2027 are as follows:

	For the period from the Effective Date to 31 December 2026	**For the year ending 31 December 2027 ("FY2027")**
	RMB	*RMB*
Deposit Caps		
Maximum daily deposit balance placed by the Group with HT Finance (including accrued interests)	200,000,000	200,000,000

	For the period from Agreement Date to 31 December 2026	**For the year ending 31 December 2027**
	RMB	*RMB*
Loan Caps		
Maximum daily balance of the loans provided by HT Finance to the Group (including accrued interests)	500,000,000	500,000,000
Service Fees Caps		
Service fees paid to HT Finance in relation to the Other Financial Services	500,000	500,000

HT Finance is regulated by National Financial Regulatory Administration (國家金融監督管理總局). In the past years, it has been maintaining satisfactory operating results and financial position with good risks control and well-regulated management to ensure the safety of fund deposits.

As the terms (including interest rates and fees charged) in respect of financial services contemplated under the Financial Services Framework Agreement shall be no less favourable than the terms offered by major independent commercial banks or financial institutions in the PRC for provision of similar services to the Group, and considering that the Financial Services Framework Agreement does not prevent the Group from obtaining services from other commercial banks or financial institutions, the Group may still at its discretion choose other major independent commercial banks or financial institutions in the PRC as it deems appropriate and beneficial to the Group as its financial service provider. Therefore, the Financial Services Framework Agreement allows the Group to enjoy benefits and flexibility of diversified financing channels without posing any adverse effect on the assets and liabilities of the Group.

In addition, the Group could also diversify its deposit placement and enjoy interest rate which shall be no less favourable than those offered by independent third party banks/financial institutions.

The Directors (including independent non-executive Directors) are of the view that the Financial Services Framework Agreement (including the corresponding annual caps) was entered into in the ordinary and usual course of business of the Group and its terms are on normal commercial terms, which are fair and reasonable and in the interests of the Company the Shareholders as a whole.

As at the date of this report, the extraordinary general meeting for considering and approving the Deposit Services is scheduled to be convened on 4 September 2026. For details of the Financial Services Framework Agreement, please refer to the announcements of the Company dated 26 June 2026, 20 July 2026 and 10 August 2026 and the circular and notice for the extraordinary general meeting of the Company dated 14 August 2026.

15. NOTIFIABLE TRANSACTIONS DURING THE REPORTING PERIOD

(a) On 26 March 2026, Nanjing Zhangyu, an indirect wholly owned subsidiary of the Company, entered into a contract in relation to procurement of equipment for advanced packaging facility (the "**Facility Procurement Contract**") with Suzhou Honghuiheng Metal Industrial Co., Ltd.* (蘇州鴻輝恒金屬實業有限公司) ("**Suzhou Honghuiheng**"). Suzhou Honghuiheng and its ultimate beneficial owner Li Jia Jia* (李佳佳), were independent third parties to the Group within the meaning of the Listing Rules.

According to the Facility Procurement Contract, the total contract price is RMB92 million which is payable within 3 months after the date of the Facility Procurement Contract. Having considered the development and the business needs of Nanjing Zhangyu, Nanjing Zhangyu intends to establish its own advanced packaging facility. The entering into of the Facility Procurement Contract is in line with the such development strategy and the products acquired will be used in the ordinary and usual course of business of Nanjing Zhangyu. The procurement of the products and equipment contracted in the Facility Procurement Contract will support the Group's Integrated Circuits and Digital Technology business segment, and is expected to contribute to the Group's sustainable development and long-term returns to the Shareholders.

As the highest percentage ratio as set out in the Listing Rules in respect of the transactions contemplated under the Facility Procurement Contract is more than 5% but less than 25%, the Facility Procurement Contract and the transaction as contemplated thereunder constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements.

For details of the Facility Procurement Contract, please refer to the announcement of the Company dated 26 March 2026.

(b) On 18 June 2026, Xin Ke Xin (Suzhou) Technology Co., Ltd.* (鑫科芯(蘇州)科技有限公司) ("**Xin Ke Xin Suzhou**") (an indirect wholly owned subsidiary of the Company), as the guarantor, entered into the guarantee agreement ("**Guarantee Agreement**") in favour of Agricultural Bank of China Limited, Tianjin Jizhou Branch (中國農業銀行股份有限公司天津薊州支行) (the "**Bank**") (a licensed bank established under the laws of the PRC), pursuant to which Xin Ke Xin Suzhou has agreed to provide guarantee for the due performance of the repayment obligations of Tianjin Jizhixin Technology Co., Ltd* (天津薊智芯科技有限公司) (the "**Borrower**") to the Bank under the working capital loan agreement (流動資金貸款合同) (the "**Loan Agreement**") signed between the Borrower and the Bank on 22 June 2026 in relation to the grant of a loan up to a maximum principal amount of RMB50,000,000 by the Bank to the Borrower for a term of 1 year commencing from the date of signing to 1 June 2027. The Bank and Borrower are independent parties to the Group within the meaning of the Listing Rules.

As Xin Ke Xin Suzhou and its wholly owned subsidiary Nanjing Zhangyu are facing difficulties in obtaining financing from financial institutions, whereas the Borrower is owned as to 5% by state-owned enterprise, which provides a meaningful level of implicit government backing and enhances its overall creditworthiness. The arrangement under the Guarantee Agreement enables Xin Ke Xin Suzhou and Nanjing Zhangyu to access and secure external financing by leveraging the existing credit line of the Borrower. Furthermore, the Borrower did not charge the Company or Xin Ke Xin Suzhou (as the guarantor) any fees during the financing process. In view of the aforesaid, the financing structure contemplated under the Guarantee Agreement supports the continued operation and development of Xin Ke Xin Suzhou and Nanjing Zhangyu, which in turn is expected to enhance the Group's profitability and financial stability and support the sustainable growth of the Group's two other principal business segments, namely, (i) the integrated circuits and digital technology business segment and (ii) the New Energy & Services business segment. In addition, as Nanjing Zhangyu's technology is critical to the Borrower's business development, the Borrower's support in allowing its creditworthiness to be used for the benefit of Nanjing Zhangyu and Xin Ke Xin Suzhou further reinforces the Group's mutual strategic cooperation with the Borrower and is expected to generate long-term synergies and value for the Company and the Shareholders.

The Bank has agreed to provide a loan facility to the Borrower. The principal amount of the loan under the Loan Agreement is RMB50,000,000, being the first loan to be advanced to the Borrower thereunder. As the Guarantee Agreement is a maximum amount guarantee (最高額保證合同), upon utilisation of the first loan of RMB50,000,000, a further loan of up to RMB50,000,000 may be advanced to the Borrower under the same Guarantee Agreement without the need for any separate guarantee, such that the maximum aggregate principal amount of the loans secured by the Guarantee Agreement is RMB100,000,000. Therefore the guarantee of up to RMB120,000,000 to be provided by Xin Ke Xin Suzhou represents 120% of such maximum aggregate loan principals (i.e. RMB100,000,000), with the additional 20% covering the related interest, default interest, penalties and enforcement costs that may arise under the Guarantee Agreement. Having considered the above and that the risk exposed to the Group can be managed by adopting appropriate safeguards on the cash and bank balances of the Borrower derived from the Loan Agreement and any other future loan agreement(s) and control measures (including the Company monitoring the use of, and the designated repayment account holding, the proceeds of the Loan pursuant to the relevant contractual arrangements), the Board is of the view that the Guarantee Agreement is determined on normal commercial terms or better and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

As the highest percentage ratio as set out in the Listing Rules in respect of the provision of guarantee under the Guarantee Agreement is more than 5% but less than 25%, the provision of guarantee under the Guarantee Agreement constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and was subject to the notification and announcement requirements.

For details of the Guarantee Agreement, please refer to the announcement of the Company dated 18 June 2026.

16. MAJOR AND CONNECTED TRANSACTION DURING THE REPORTING PERIOD

On 7 December 2025, the Company, Hengtong Group (the "**Purchaser**") and Jiangsu Hengxin (the "**Target Company**") entered into the equity transfer agreement (the "**Equity Transfer Agreement**") pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the sale equity, representing the 39% equity interest (the "**Sale Equity**") in the Target Company (the "**Disposal**") at the consideration of RMB500,000,000 in cash (the "**Consideration**"). On 30 December 2025, the Company, the Purchaser and Jiangsu Hengxin entered into the supplemental agreement to the Equity Transfer Agreement in relation to the amendment of the payment arrangement of the Consideration (the "**Supplemental Agreement**").

The Target Company together with is subsidiaries (the "**Disposal Group**") is principally engaged in the Cabled and Wireless Communications business providing research, design, development and manufacture of telecommunications and technological products, production of radio frequency coaxial cables for mobile communications and mobile communications systems exchange equipment. Upon completion of the Disposal during the first quarter of 2026, the Target Company is owned as to 61% and 39% by the Company and the Purchaser, respectively. Accordingly, members of the Disposal Group remain as subsidiaries of the Company, and their results, assets and liabilities continue to be consolidated into the consolidated financial statements of the Company.

The Consideration was determined after arm's length negotiations between the parties to the Equity Transfer Agreement by taking into consideration various factors, including but not limited to (i) the historical financial performance of the Disposal Group as well as the market capitalisation of the ordinary shares of the Company in the past years; (ii) a valuation prepared by an independent valuer engaged by the Company in respect of the 39% equity interest of the Target Company with market value of approximately RMB491.0 million as at 30 September 2025 under market approach, which was mainly based on the enterprise value-to-earnings before interest, taxes, depreciation and amortization multiples of the comparable companies; and (iii) the various reasons and beneficial factors as disclosed under the section headed "REASONS FOR AND BENEFITS OF THE DISPOSAL" in the Letter From the Board of the circular of the Company dated 31 December 2025.

The Directors consider the strategic divestment of the Sale Equity for the Cabled and Wireless Communications business will enhance the overall cash position of the Group in preparation of further development of the other two business segments of the Group, namely, the Integrated Circuits and Digital Technology and New Energy and Services businesses. The net proceeds from the Disposal of approximately RMB478.7 million (after deducting expenses and related taxes) ("**Net Proceeds**") was intended to be used as follows:

(i) approximately RMB300.0 million, representing approximately 62.7% of the Net Proceeds, will be used in the development of Delingha 350 megawatts solar thermal project (the "**Qinghai Project**"), which was expected to be fully utilized by the end of 2027;

(ii) approximately RMB140.0 million, representing approximately 29.2% of the Net Proceeds, will be used for the establishment of the advanced packaging facility (including (a) the procurement of production equipment, testing equipment, and factory IT systems; and (b) general working capital) to support the integrated circuits and digital technology business segment, which was expected to be fully utilized by the end of 2027;

(iii) approximately RMB20.0 million, representing approximately 4.2% of the Net Proceeds, will be used for the repayment of loans, which was expected to be fully utilized by the end of 2026; and

(iv) approximately RMB18.7 million, representing approximately 3.9% of the Net Proceeds will be used for the general working capital of the Group, which was expected to be fully utilized by the end of 2026.

As at 7 December 2025, Hengtong Group was beneficially owned by Mr. Cui Genliang and Mr. Cui Wei as to 27% and 73% respectively. Mr Cui Genliang is the father of Mr. Cui Wei (the chairman of the Board, a non-executive Director and a substantial shareholder of the Company via his wholly-owned entity, Kingever). In this regard, each of Mr. Cui Wei, Mr. Cui Genliang and Hengtong Group was a connected person of the Company under Rule 14A.07 of the Listing Rules. The Disposal therefore also constituted a connected transaction of the Company under Chapter 14A of the Listing Rules and was subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Disposal exceeded 25% but was less than 75%, the Disposal constituted a major transaction of the Company under Chapter 14 of the Listing Rules and was therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

The Equity Transfer Agreement and the Supplemental Agreement were approved, confirmed and ratified at the extraordinary general meeting of the Company held on 20 January 2026 (the "**2026 January EGM**") by an ordinary resolution.

For details of the Equity Transfer Agreement and the Supplemental Agreement, please refer to the announcements of the Company dated 8 December 2025 and 30 December 2025, the circular of the Company dated 31 December 2025 and the 2026 January EGM poll results announcement of the Company dated 20 January 2026.

As at the end of the Reporting Period, the usage of the Net Proceeds were as follows:

Usage	**Allocation of Net Proceeds** *RMB million*	**Utilized Net Proceeds** *RMB million*	**Unutilized Net Proceeds** *RMB million*
Development of the Qinghai Project	300.0	70.0	230.0
Establishment of the advanced packaging facility	140.0	92.0	48.0
Repayment of loans	20.0	20.0	–
General working capital of the Group	18.7	18.7	–
Total	478.7	200.7	278.0

17. MAJOR TRANSACTION DURING THE REPORTING PERIOD

On 12 June 2026, Qinghai Zhongkong Solar Power Co., Ltd.* (青海眾控太陽能發電有限公司) ("**Qinghai Zhongkong**") (a direct wholly-owned subsidiary of Zhongguang New Energy) entered into the following three contracts (collectively, the "**Contracts**") with companies from GCL System Integration Technology Co., Ltd* (協鑫集成科技股份有限公司) ("**GCL System Integration**") and its subsidiaries (together, the "**GCL Group**") for the purpose of the Qinghai Project participated by Zhongguang New Energy and its subsidiaries, with the aggregate contract price being RMB4,725,705,900 (inclusive of tax):

(i) the construction contract (the "**Construction Contract**") with GCL Green Energy System Technology Co., Ltd* (協鑫綠能系統科技有限公司) ("**GCL Green Energy**") (an indirect wholly owned subsidiary of GCL System Integration) as the contractor, in respect of the construction works to be carried out at the site for the Qinghai Project. As at the date of entering into the Construction Contract, GCL Green Energy was owned as to 95% by GCL System Integration and 5% by Suzhou GCL System Integration Investment Co., Ltd* (蘇州協鑫集成投資有限公司) (a direct wholly owned subsidiary of GCL System Integration). The contract price for the Construction Contract is RMB219,789,500 (inclusive of 9% tax) (which is subject to final determination upon completion of the underlying construction works and the adjustments in accordance with the terms and conditions in the Construction Contract);

(ii) the supply contract (the "**Supply Contract**") with Lvyuan Xinneng Technology (Suzhou) Ltd.* (綠源鑫能科技（蘇州）有限公司) ("**Lvyuan Xinneng**") (an indirect wholly owned subsidiary of GCL System Integration) as the supplier, in respect of supply and purchase of equipment essential for the construction and operation of the Qinghai Project. As at the date of entering into the Supply Contract, Lvyuan Xinneng was owned as to 60% by GCL Green Energy and 40% by GCL Energy Technology Co., Ltd* (協鑫能源技術有限公司) (a direct wholly owned subsidiary of GCL Green Energy and therefore an indirect wholly-owned subsidiary of GCL System Integration). The contract price for the Supply Contract is RMB4,192,496,700 (inclusive of 13% tax); and

(iii) The installation contract (the "**Installation Contract**") with GCL Green Energy as the contractor, in respect of the installation and commissioning of the equipment at the site of the Qinghai Project. The total contract price is RMB313,419,700 (inclusive of 9% tax) (which is subject to final determination upon completion of all underlying installation works and the adjustments in accordance with the terms and conditions in the Installation Contract).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, GCL Green Energy and Lvyuan Xinneng and their ultimate beneficial owner(s) are independent third parties within the meaning of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, given that the transactions (the "**Transactions**") contemplated under the Contracts were made within a 12-month period between Qinghai Zhongkong and the counterparties from the same group in respect of the construction of the Qinghai Project, the Transactions will be aggregated and treated as if there was one series of transactions for the purpose of calculating the relevant percentage ratios. As the highest applicable percentage ratio in respect of the Transactions was more than 100%, the Transactions constituted a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and were therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

As at the date of this report, the extraordinary general meeting for considering and approving the Contracts has not yet been convened and has been scheduled on 11 September 2026. For details of the Contracts, please refer to the announcements of the Company dated 12 June 2026, 7 July 2026, 3 August 2026 and 21 August 2026 and the circular of the Company dated 24 August 2026.

18. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and other members of key management during the period were as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Short term benefits	**4,574**	3,841
Retirement benefits scheme contribution	**495**	243
Total	**5,069**	4,084

19. DONATIONS & CAPITAL COMMITMENTS

	As at 30 June 2026`	As at 31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Acquisition of property, plant and equipment	**–**	–
Donation commitment	**–**	–
	–	–

(I) MANAGEMENT DISCUSSION AND ANALYSIS

Consolidated Statement of Profit or Loss

Material fluctuations of the consolidated statement of profit or loss items are explained below:

Revenue

The Group's revenue for the six months ended 30 June 2026 ("**1H2026**" or the "**Reporting Period**") increased by approximately RMB94.4 million, or approximately 9.2% from approximately RMB1,022.2 million in the six months ended 30 June 2025 ("**1H2025**") to approximately RMB1,116.6 million in 1H2026.

The increase in revenue for 1H2026 comparing 1H2025 can be broken down into:

(i) Integrated Circuits and Digital Technology business segment increased by approximately RMB62.4 million or 66.0% comparing the same period of last year;

(ii) New Energy and Services business segment increased by approximately RMB25.3 million or 34.3%; and

(iii) Cabled and Wireless Communications business segment increased by approximately RMB6.7 million or 0.8%.

Below is an analysis of revenue according to the categories of business segments.

Integrated Circuits and Digital Technology

During 1H2026, Integrated Circuits and Digital Technology business segment recorded revenue of approximately RMB157.1 million (representing an increase of approximately RMB62.4 million or 66.0% from approximately RMB94.7 million for 1H2025), of which revenue from (i) design services was approximately RMB53.3 million (1H2025: approximately RMB35.3 million); (ii) tape-out service was approximately RMB23.1 million (1H2025: approximately RMB35.6 million); and (iii) digital security, IP authorization, cloud computing and other services were approximately RMB80.7 million (1H2025: approximately RMB23.8 million).

New Energy and Services

During 1H2026, New Energy and Services business segment have recorded revenue of approximately RMB99.0 million, representing an increase of approximately RMB25.3 million or 34.3% from approximately RMB73.7 million in 1H2025. The revenue in 1H2026 mainly generated from the sales of solar power from the business segment's 50MW and 10MW power generating facilities. The total revenue generated from the two power generating facilities in 1H2026 was approximately RMB60.8 million, representing a slight decrease of approximately RMB3.3 million or 5.2% comparing with approximately RMB64.1 million in 1H2025. In 1H2026, the 50MW and 10MW power plants have in aggregate operated 2,572 hours (representing a decrease of 295 hours or 10.3% year-on-year) and generated 63.28 MkWh of electricity (representing a decrease of 1.38 MkWh or 2.1% year-on-year), of which the grid-connected power generated was 62.14 MkWh (representing a decrease of 0.88 MkWh or 1.4% year-on-year). The main reason for the decrease in power generation revenue is mainly because during 1H2026, there were abnormal weather conditions in the areas where the two power plants operated – increased rainfall frequency and increased cloudy days reduced solar radiation (resulting in lower theoretical power generation), which in turn led to a year-on-year decrease in actual power generation. In addition, the 10MW unit also experienced a certain impact on power generation due to equipment modification and maintenance. In order to further develop and expand the business of the New Energy and Services business segment, the New Energy and Services business segment has proactively explored its business in operations and maintenance. During 1H2026, revenue from the provision of operations and maintenance ("**O&M**") services has generated approximately RMB38.2 million (approximately RMB9.6 million in 1H2025, representing an increase of approximately RMB28.6 million or 297.9%). In 1H2026, most of the O&M projects of the New Energy and Services business segment entered their formal O&M phase. During 1H2025, the relevant O&M projects were still in the production preparation stage and revenue was not recognised on the basis of the formal O&M phase, which is the primary reason for the year-on-year revenue growth in the current period. The provision of O&M services will provide the Group with stable and consistent income stream in future and will lead the Group to further develop and expand its business in the new energy sector.

Cabled and Wireless Communications

Amid fierce market competition during 1H2026, Cabled and Wireless Communications business segment strove and achieved an increase in revenue of approximately RMB6.7 million or 0.8% from approximately RMB853.8 million in 1H2025 to approximately RMB860.5 million in 1H2026 because of the Group's increased effort on market exploration with more competitive pricing strategy and broadening its products mix width in order to maintain its market position and securing orders from major telecommunication operators in the PRC. Looking ahead, the Group remains cautiously optimistic about the recovery for the revenue of the Cabled and Wireless Communications business segment. In the domestic operator centralized procurement market, the Group will enhance its bid-winning share through presubmission sample testing, expansion of testing equipment capabilities, and intensified performance efforts on a province-by-province basis, targeting a bid-winning share of 10%-18%. In the specialized niche segment, the Group will continue to maintain its industry leadership in rail transit business, while low-altitude and satellite antennas will establish standardized implementation cases and indoor digital distribution systems are expected to sustain high growth. Overall revenue from niche segments is expected to grow by over 20% year-on-year, with comprehensive gross margins stabilizing at above 28%, becoming a core profit growth driver. In overseas markets, as international partner countries continue to expand, orders for antennas and RF-coaxial cable components are steadily increasing. Overseas revenue is expected to grow by 20%–30% year-on-year, which will help offset the pressure from low-price competition in domestic centralized procurement and restore the comprehensive gross margin of the Cabled and Wireless Communications business segment by 2–3 percentage points.

Gross profit margin

The Group achieved an overall gross profit margin of approximately 20.4% for 1H2026 compared to approximately 18.3% for 1H2025, representing an increase of approximately 2.1 percentage points year-on-year. By separating the Integrated Circuits and Digital Technology business segment and New Energy and Service business segment, the rest of the Cabled and Wireless Communications business segment achieved a combined gross profit margin of approximately 14.4%, representing a decrease of approximately 1.0 percentage point from the previous year's approximately 15.4%.

The Integrated Circuits and Digital Technology business segment has achieved a gross profit margin of approximately 43.6% during 1H2026 (gross profit margin of approximately 34.1% during 1H2025), representing an increase of approximately 9.5 percentage points year-on-year.

Due to the nature of digital security, cloud computing and other services businesses, gross profit margins are generally higher than the other businesses of the Group. During 1H2026, digital security, IP authorization, cloud computing and other services businesses have achieved a combined gross profit margin of approximately 54.9%, representing an increase of 30.5 percentage points year-on-year. With the increase in revenue for the Integrated Circuits and Digital Technology business segment in 1H2026, gross profit contribution from the Integrated Circuits and Digital Technology business segment in 1H2026 has reached approximately RMB68.5 million, representing an increase of approximately RMB36.3 million or 112.7% from 1H2025's RMB32.2 million.

The New Energy and Service business segment has achieved a gross profit margin of approximately 36.2% in 1H2026 (gross profit margin of approximately 31.6% during 1H2025), representing an increase of approximately 4.6 percentage points year-on-year. Although the O&M services recorded a decrease in gross profit margin of 9.0 percentage points from 1H2025's 73.0% to 1H2026's 64.0%, the significant increase in revenue from O&M services has resulted in a great leap in gross profit contribution from 1H2025's approximately RMB7.0 million to 1H2026's approximately RMB24.4 million, representing an increase of approximately RMB17.4 million or 248.6%. As a result, the gross profit margin of the New Energy and Services business segment for 1H2026 increased year-on-year accordingly.

Despite a year-on-year decline in gross profit margin of the Cabled and Wireless Communications business segment, the increase in revenue and gross profit margin of the Integrated Circuits and Digital Technology and New Energy and Services business segments has resulted in an increase in gross profit of the Group by approximately RMB40.7 million, or 21.7% for 1H2026 from approximately RMB187.3 million in the same period last year to approximately RMB228.0 million in 1H2026.

Cabled and Wireless Communications

As discussed above, as Integrated Circuits and Digital Technology and New Energy and Services business segments have higher gross profit margin than the Cabled and Wireless Communications business segment, during 1H2026, the Group recorded an increase in the combined gross profit margin of 2.1 percentage points year-on-year.

In order to further increase the gross profit margin of the Group, the Group will continue to enhance product profitability by increasing investment in new product research and development and the application of new technologies. The Group will continue to promote intelligent, information-based and lean development. In addition to micro-innovation and micro operating activities, the Group will also continue to improve output efficiency, reduce labor and materials consumption, control procurement costs, shorten the receivables cycle and strengthen inventory management, thereby breaking through the bottleneck of costs improvement and maintaining an appropriate gross profit margin to cope with market competition pressure. With the growing importance and trend of using green and renewable energy in the China domestic market and overseas and the growing demand on integrated circuits and digital technology in the era of booming artificial intelligence, the Group envisages that the further development and expansion of the two new business segments, the Integrated Circuits and Digital Technology and New Energy and Services business segments will further contribute to the sustainable long term development and profitability of the Group.

Furthermore, as the New Energy and Services business segment further develops and contributes to the Group and more O&M services are expected to be secured for solar thermal projects in China and overseas in future, the Group will be able to achieve higher overall gross profit margin and gross profit contribution as these new business segments have much higher profitability than the Group's traditional Cabled and Wireless Communications business segment.

Other operating income

Other operating income decreased by approximately RMB8.9 million or approximately 57.1% from approximately RMB15.6 million in 1H2025 to approximately RMB6.7 million in 1H2026.

The decrease is primarily due to the decrease in government grants and subsidies of approximately RMB8.1 million, the decrease in service fee income of approximately RMB1.5 million, and the increase in net gain on commodity future contracts of approximately RMB2.0 million.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB4.8 million or approximately 8.1% from approximately RMB58.9 million in 1H2025 to approximately RMB63.7 million in 1H2026. The increase is in line with the increase in revenue of the Group, thus resulting in an increase in payroll related expenses under selling and distribution expenses during 1H2026.

Administrative expenses

Administrative expenses increased by approximately RMB12.4 million or approximately 30.2% from approximately RMB41.0 million in 1H2025 to approximately RMB53.4 million in 1H2026. The increase is mainly due to the increase in payroll related expenses and consulting and legal and professional fees.

Other operating expenses

Other operating expenses increased by approximately RMB5.4 million or approximately 7.0% from approximately RMB76.8 million in 1H2025 to approximately RMB82.2 million in 1H2026.

Such change is mainly due to:

(i) a decrease in research and development ("**R&D**") expenses by approximately RMB2.8 million or 3.8% year-on-year from 1H2025's approximately RMB73.0 million to approximately RMB70.2 million in 1H2026. During 1H2026, approximately RMB57.4 million (representing a decrease of approximately RMB8.4 million or 24.6% from approximately RMB65.8 million in 1H2025) of R&D was attributable to the continuing R&D activities undertaken for the modifications and improvements to the Group's telecommunications products during 1H2026; approximately RMB10.4 million (1H2025: RMB4.7 million) was due to the R&D undertaken by Nanjing Zhangyu Information Technology Co., Ltd. and Shanghai Zhangyu Information Technology Co., Ltd. (collectively, the "**Zhangyu Companies**") during 1H2026; and approximately RMB2.4 million (1H2025: RMB2.5 million) was due to the R&D undertaken by Zhongguang New Energy during 1H2026; and

(ii) an increase in foreign exchange loss of approximately RMB10.4 million from approximately RMB1.4 million in 1H2025 to approximately RMB11.8 million in 1H2026; and

(iii) an increase in the reversal of stock obsolescence of approximately RMB1.1 million in 1H2026 comparing 1H2025.

Profit before taxation

Profit before taxation for 1H2026 is approximately RMB5.0 million, comparing the profit tax before taxation for 1H2025 of approximately RMB6,000. Such improvement is mainly attributed by the increase in revenue and gross profit margin during 1H2026, as offset by (i) the year-on-year decrease in government grants and subsidies of approximately RMB8.1 million and interest income of approximately RMB6.2 million; and (ii) the year-on-year increase in selling and distribution expenses, administrative expenses and the increase in foreign exchange loss of approximately RMB10.4 million.

Income tax

The Group's main subsidiaries, Jiangsu Hengxin Technology Co., Ltd. ("**Jiangsu Hengxin**"), Zhangyu Companies and the subsidiary of Zhongguang New Energy, Qinghai Zhongkong Solar Power Co., Ltd., have been subject to an incentive tax rate of 15% in 1H2026 as they qualify as a high-tech enterprise in the PRC. Income tax expense decreased by approximately RMB64.9 million or approximately 91.3% from approximately RMB71.1 million in 1H2025 to approximately RMB6.2 million in 1H2026. The significant decrease is mainly due to the corporate income tax paid for the intra-group dividend payment made in the PRC during 1H2025, no such item was recorded during 1H2026.

Profit/(loss) Attributable to Equity Shareholders of the Company

In view of the above, after taking into account of the effects of the increase in revenue and gross profit margin, the decrease in government grants and subsidies and interest income, the year-on-year increase in selling and distribution expenses, administrative expenses, the increase in foreign exchange loss and changes in non-controlling interests, the Group recorded a profit attributable to equity shareholders of the Company of approximately RMB6.8 million (1H2025: loss attributable to equity shareholders of the Company of approximately RMB70.4 million).

Consolidated Statement of Financial Position

Material fluctuations of the consolidated statement of financial position items are explained below:

Trade and other receivables

(i) Net trade and bills receivables increased by approximately RMB129.3 million or approximately 13.7% from approximately RMB945.0 million as at 31 December 2025 to approximately RMB1,074.3 million as at 30 June 2026. The increase in net trade and bills receivables is mainly due to the increase in trade receivables for the Cabled and Wireless Communications (related mainly to major telecommunication operators in PRC) and Integrated Circuits and Digital Technology business segments (related mainly to digital security and technology customers).

    As at 30 June 2026, based on the invoice date and net of allowance for impairment, approximately 79.8% of the net trade and bills receivables are within 6 months as compared with that of approximately 70.6% as at 31 December 2025.

    For long aged net trade and bills receivables, as at 30 June 2026, approximately 1.8% were over two years (as compared with 8.1% as at 31 December 2025). The long aged net trade and bills receivables were mainly related to trade receivables from provincial grid company. The Group does not foresee any significant difficulty in the collection of these receivables. The Group will continue to endeavour in its collection efforts on the outstanding balances.

(ii) Net prepayments and non-trade receivables increased by approximately RMB355.8 million or approximately 56.3% from approximately RMB632.2 million as at 31 December 2025 to approximately RMB988.0 million as at 30 June 2026. The increase was mainly due to the prepayments made for the purchase of raw materials in anticipation of the future rise in materials costs and prepayment for the procurement of equipment for advanced packaging facility of the Integrated Circuits and Digital Technology business segment.

Trade and other payables

(i) Trade payables increased by approximately RMB55.4 million or approximately 11.8% from approximately RMB468.1 million as at 31 December 2025 to approximately RMB523.5 million as at 30 June 2026. The increase is mainly due to the increase in purchases of raw materials for the Cabled and Wireless Communications business segment in anticipation of the future rise in materials costs.

(ii) Other payables recorded an increase of approximately RMB26.9 million or approximately 22.8% from approximately RMB118.2 million as at 31 December 2025 to approximately RMB145.1 million as at 30 June 2026. The increase is mainly due to the increase in tender security deposits.

Current bank loans and non-current bank loans

The current and non-current bank loans as at 30 June 2026 amounted to approximately RMB2,262.3 million (approximately RMB1,895.1 million as at 31 December 2025). The loans were mainly used to enhance the working capital position of the Group and support the business development of the Company's New Energy and Services business segment.

Non-controlling interests

The non-controlling interests as at 30 June 2026 amounted to approximately RMB1,280.7 million (approximately RMB788.8 million as at 31 December 2025). The increase of approximately RMB491.9 million was primarily attributable to the completion of the disposal of a 39% equity interest in Jiangsu Hengxin to Hengtong Group in January 2026 for a cash consideration of RMB500 million. Subsequent to the completion of the disposal, Jiangsu Hengxin ceased to be a wholly-owned subsidiary of the Company and became a non-wholly owned subsidiary, with the Company retaining 61% equity interest. The 39% equity interest held by the external shareholder (Hengtong Group) was recognised as a non-controlling interest in the Group's consolidated financial statements upon completion of the transaction.

(II) LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group's total assets were approximately RMB5,878,260,000 (31 December 2025: RMB4,926,970,000) (of which current assets were approximately RMB3,332,224,000 (31 December 2025: RMB2,798,547,000) and non-current assets were approximately RMB2,546,026,000 (31 December 2025: RMB2,128,423,000), the total liabilities were approximately RMB3,077,985,000 (31 December 2025: RMB2,619,041,000), of which current liabilities were approximately RMB1,826,042,000 (31 December 2025: RMB1,419,907,000) and non-current liabilities were approximately RMB1,251,943,000 (31 December 2025: RMB1,199,134,000)), and shareholder's equity attributable to equity shareholders of the Company reached approximately RMB1,519,541,000 (31 December 2025: RMB1,519,179,000). As at 30 June 2026, the Group's total cash, time deposits and pledged deposits were approximately RMB1,145,112,000 (31 December 2025: approximately RMB1,444,308,000).

As at 30 June 2026, the Group has current bank loans due within one year of approximately RMB1,081,652,000 (31 December 2025: RMB759,233,000) carrying fixed interest rates and non-current bank loans of approximately RMB1,180,664,000 carrying fixed interest rates (31 December 2025: RMB1,135,883,000).

In addition to its short-term interest-bearing facilities, the Group generally finances its operations from cash flows generated internally.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balance.

Management monitors capital based on the Group's debt-to-assets ratio. This ratio is calculated as total liabilities divided by total assets.

As at the end of the Reporting Period, the Group is in compliance with all capital requirements on its external borrowings.

The debt-to-assets ratio (total liabilities divided by total assets) at the end of the Reporting Period is as follows:

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Total liabilities	**3,077,985**	2,619,041
Total assets	**5,878,260**	4,926,970
Debt-to-assets ratio (%)	**52%**	53%

(III) REVIEW AND OUTLOOK

The Group's revenue for 1H2026 was approximately RMB1,116.6 million, representing an increase of approximately RMB94.4 million or 9.2% over the same period in 2025; the profit attributable to equity shareholders of the Company was approximately RMB6.8 million for 1H2026, while net loss attributable to equity shareholders of the Company was approximately RMB70.4 million over the same period in 2025.

In 1H2026, during the opening year of the "15th Five-Year Plan", China's economy faced a complex situation marked by a combination of turbulent and intertwined external environment as well as overlapping new and long-standing domestic challenges. Supported by more proactive and effective macroeconomic policies, the economy withstood the pressure and maintained an overall stable trajectory of development toward innovation and quality, demonstrating strong resilience and vitality. According to the data from China's National Bureau of Statistics, China's GDP reached RMB69,570.4 billion in 1H2026, representing a year-on-year increase of 4.7% calculated at constant prices. On a quarterly basis, GDP grew by 5.0% year-on-year in the first quarter and by 4.3% in the second quarter. The year-on-year increase in GDP compared with the same period last year amounted to RMB3.6 trillion, marking the largest increase for the same period over the past five years. The average urban surveyed unemployment rate stood at 5.2%, which was the same as that of the corresponding period of last year; the national Consumer Price Index (CPI) rose by 1.0% year-on-year, and the Producer Price Index (PPI) rose by 1.5% year-on-year, both maintaining moderate upward levels. In the first half of the year, the total value of goods trade imports and exports exceeded RMB25 trillion for the first time in any half-year period on record, representing a year-on-year increase of 16.9%. The International Monetary Fund (IMF) recently lowered its forecast for global economic growth this year, while raising its forecast for China's full-year economic growth by 0.2 percentage points, making China one of the few major economies to see its growth outlook revised upward, largely driven by the robust performance of new growth drivers such as high-tech manufacturing and scientific and technological innovation.

China's domestic industrial upgrading and the cultivation of new growth drivers continued to accelerate. In 1H2026, the added value of industrial enterprises above the designated size nationwide grew by 5.4% year-on-year, of which the added value of equipment manufacturing increased by 9.3% year-on-year, while that from the high-tech manufacturing grew by 13.3% year-on-year, both outpacing the overall growth rate of the added value of industrial enterprises above the designated size. New growth drivers, represented by high-end manufacturing, the digital and intelligent economy, and modern services, contributed more than 40% to economic growth in the first half of the year. In 1H2026, China's national fixed assets investment (excluding rural households) reached RMB22,637.0 billion, representing a year-on-year decrease of 5.7%; however, the investment structure continued to improve. Investment in high-tech service industry increased by 7.5% year-on-year, with rapid development in cutting-edge fields such as artificial intelligence driving a 15.5% increase in investment in information service industry. Investment in intellectual property products increased by 9.4% year-on-year, accounting for 13.8% of total investment, representing a rise of 1.9 percentage points compared with the same period last year. In the new energy sector, according to data from the National Energy Administration, as of the end of June 2026, the installed capacity of new energy storage facilities nationwide that had been completed and put into operation reached 153 million kilowatts, representing a year-on-year increase of 61%; investment in new energy storage rose by 74.3% year-on-year, becoming a major growth driver of investment in the energy sector. At the same time, infrastructure support capabilities improved steadily, with the total number of 5G base stations nationwide reached 5.102 million by the end of June 2026. The planning and construction of modern infrastructure systems, such as next-generation communication networks and the "six networks" have accelerated.

The Group has achieved significant breakthroughs in its strategic layout in the digital technology sector. In January 2026, Shanghai Zhangyu Information Technology Co., Ltd. ("**Shanghai Zhangyu**"), a wholly-owned subsidiary of the Group, was jointly reviewed and approved by the Shanghai Municipal Science and Technology Commission, the Shanghai Municipal Commission of Economy and Informatization, and the Shanghai Municipal Finance Bureau as a "2025 Shanghai Technology Giant Cultivation Enterprise" (2025年度上海市科技小巨人培育企業), with the implementation period running from 1 January 2025 to 31 December 2026 (for details, please refer to the Company's voluntary announcement dated 4 February 2026). In addition, Mr. Peng Yinan, an executive Director of the Company, as one of the principal drafters, and Shanghai Zhangyu, as one of the principal drafting units, have participated in the development of the national standard "Blockchain and Distributed Ledger Technology — Infrastructure — System Storage Technical Requirements" (GB/T 47701-2026). The Standard was released on 25 May 2026, and will officially come into effect on 1 September 2026 (for details, please refer to the Company's voluntary announcement dated 27 May 2026). This Standard is under the administration of the National Technical Committee on Blockchain and Distributed Ledger Technology of Standardization Administration of China (全國區塊鏈和分散式記帳技術標準化技術委員會) (TC590), with the Ministry of Industry and Information Technology as the competent authority. Participation in the drafting of the national Standard demonstrates the Company's expertise and industry contributions in the fields of blockchain distributed storage and digital security as being recognized at the national level. This will help the Group take the lead in developing system storage security solutions that comply with the Standard, and further enriching the Group's product portfolio in the digital technology business.

The Group's strategic layout in the new energy sector has also continued to deepen. Zhongguang New Energy, an indirect non-wholly-owned subsidiary of the Group, has been included in the "Promotion Catalogue of Advanced Applicable Technologies and Solutions for BRICS Countries" (《面向金磚國家推廣的先進適用技術和解決方案》) by the Ministry of Industry and Information Technology of the People's Republic of China in May 2026. Its distributed molten salt thermal storage green steam solution stood out among 110 submitted projects following expert evaluation and became one of the 32 selected technologies (for details, please refer to the Company's voluntary announcement dated 29 May 2026). The inclusion in the promotion catalogue reflects the advancement and applicability of Zhongguang New Energy's technologies in the fields of concentrated solar power and molten salt energy storage, and will help consolidate its existing business foundation in the relevant fields. At the same time, Zhongguang New

Energy, an indirect non-wholly-owned subsidiary of the Company, has recently received the "Shortlisting Notice" (《入圍通知書》) issued by the Qinghai Provincial Development and Reform Commission, successfully winning the bid for the first batch of independent solar thermal projects in 2026. The project is located in Haixi Mongolian and Tibetan Autonomous Prefecture, Qinghai Province (青海省海西蒙古族藏族自治州). The construction is required to commence by 31 December 2026 and the solar thermal project to be completed and grid-connected by 31 December 2028 (for details, please refer to the Company's voluntary announcement dated 21 July 2026). The successful winning of the bid for this solar thermal project is a recognition of the Group's technical strength in the solar thermal power generation sector, will further enhance the Group's market competitiveness and sustainable development capabilities in the solar thermal power generation field, and is conducive to the Group's long-term profitability and strategic development. As of the date of that voluntary announcement, the Group has not yet entered into any formal definitive contract in respect of the aforesaid solar thermal project, and the specific details and implementation of the solar thermal project are subject to the terms of the formal definitive contract. The progress of the solar thermal project is subject to various factors and there are uncertainties for the project.

In general, in the first half of 2026, the opening year of the "15th Five-Year Plan", China's domestic economy maintained an overall stable development trend of pursuing innovation and excellence, with new growth drivers growing rapidly. This has brought both opportunities and challenges to the development of the Group's three major business segments, namely integrated circuits and digital technology, new energy and services, and cabled and wireless communications. The Board will continue to pay close attention to macroeconomic trends and industry policies, maintain strategic flexibility, take the new energy and services business as the Group's primary growth engine, deepen the synergistic development of green power with computing power and digital capabilities, while sustaining the continuous operation and market competitiveness of the integrated circuits and digital technology as well as the cabled and wireless communications business, thereby laying the foundation for the second half of 2026 and long-term development.

Integrated Circuits and Digital Technology

The Group's integrated circuits business adopts a fabless model, focusing on the R&D and industrialization of IoT security chips. It provides a one-stop semiconductor supply chain service covering chip specification definition, IP selection, front-end and back-end physical design, wafer foundry coordination, and packaging and testing. Its products are mainly used in industrial IoT, financial security, intelligent terminals, automotive security, and other fields. The digital technology business focuses on the trusted technology foundation for the digital economy. It provides data security and computing infrastructure security products and services for industrial internet, fintech, and smart cities.

In the first half of 2026, the construction of AI computing infrastructure and the localization of the semiconductor supply chain continued to drive demand for high-performance computing, storage, data security and trusted computing. Leveraging the capabilities of Shanghai Zhangyu in high-performance GPU server deployment, ongoing operations and maintenance, and digital security, the Group will extend its integrated circuit and digital technology businesses from standalone design services towards an integrated solution encompassing "chips design, firmware development, security algorithm adaptation and batch supply chain delivery". In addition, the Group will explore the application of its relevant digital capabilities to the operation and maintenance of new energy projects and the market-based trading of electricity.

The business segment still faces challenges including fluctuations in mature process wafers capacity and procurement prices, competition for high-end chip design talents, cyclical fluctuations in consumer electronics demand, fierce competition in the data security market, as well as budget tightening and extended payment cycles of certain government and enterprise customers. The Group will prudently control project and payment collection risks, focus on applications with higher technological barriers such as encryption chips for industrial IoT, security chips for financial identity and automotive-grade trusted authentication chips, and gradually build up its own security IP library to enhance product differentiation and project value-added.

As of the date of this report, the Integrated Circuits and Digital Technology business segment has an order backlog of over RMB206.55 million, equivalent to approximately 77% of the segment's full-year revenue for 2025. The Group will continue to develop semiconductor IP licensing, digital security and high-performance computing-related businesses while maintaining existing customers and expanding new ones, and will enhance capacity assurance, delivery capabilities and cost control through cooperation with domestic foundries, packaging and testing service providers and IP suppliers.

New Energy and Services

As a pioneer in the construction, operation and maintenance of solar thermal power stations and molten salt fields in China, Zhongguang New Energy expands its new energy and service businesses with a focus on "solar thermal power generation+" and "molten salt energy storage+", and provides standardized and systematic operation and maintenance solutions covering the full life cycle for solar thermal power stations. In 2025, the Group's total operation and maintenance scale for solar thermal power stations exceeded 1.1 GW, and it secured benchmark projects such as the Guoneng Gonghe (國能共和) 100 MW and the Xinjiang Xinhua Bozhou (新疆新華博州) 100MW operation and maintenance projects. According to industry data from CSPPLAZA, the Group ranked first among global operation and maintenance service providers of solar thermal power stations in terms of operation and maintenance scale.

The Group continues to operate its tower-type molten salt solar thermal power stations with capacities of 10MW and 50MW in Delingha. In 2025, despite the annual Direct Normal Irradiance at the 50MW project in Delingha being lower than the designed value, it still recorded approximately 143 million kWh of power generation, with a generation completion rate of approximately 98.09%. The 10 MW project in Delingha recorded a year-on-year increase of approximately 158% in power generation, with a generation completion rate of approximately 89.84%. The Group will continue to improve the operational efficiency and stability of its existing power stations through measures such as heliostat field cleaning, molten salt system corrosion prevention and intelligent control upgrades.

Solar thermal power generation is a typical new energy source that contributes to the consumption of new energy, which can provide rotational inertia and reactive support. It is an extremely rare grid-friendly low-carbon power source. It can also be equipped with a natural gas or biomass supplementary combustion system as a backup power source. From a technical perspective, solar thermal power generation serves as an ideal choice for power systems with a high proportion of new energy. Under a heat-to-electricity conversion method, solar thermal power generation converts solar radiation heat energy into thermal energy through heat collection devices to drive turbines to generate electricity. Solar thermal power generation can store excess daytime heat via heat storage system (such as molten salt) and release it for power generation at night, achieving 24-hour continuous electricity supply and addressing the fluctuations of the solar thermal power generation caused by the intermittency of sunshine. Unlike photovoltaic or wind power which require inverters for conversion, solar thermal power generation outputs alternating current (AC) that can be directly connected to the grid.

At the policy level, the China National Energy Administration issued the Notice Related to Promoting the Large-scale Development of Solar Thermal Power in March 2023, clarifying that the solar thermal power generation possesses the dual functions of peak-shaving sources and energy storage. It is capable of providing long-term peak-shaving capacity and rotational inertia in power system. Qinghai Province has also introduced supportive measures to promote the large-scale development of solar thermal power generation, providing policy support for the construction, grid connection and long-term operation of local solar thermal projects.

On 23 July 2026, the National Development and Reform Commission and the National Energy Administration issued the Plan for Renewable Energy Development during the 15th Five-Year Plan Period (Fa Gai Neng Yuan [2026] No. 1067). The Plan proposes to actively promote the large-scale development of solar thermal power generation, allocate solar thermal power generation in large-scale wind and photovoltaic bases on a reasonable basis, and construct a number of large-capacity solar thermal power stations for local consumption in regions such as Qinghai, Xinjiang, Gansu, Inner Mongolia and Tibet. It also promotes the synergistic layout of solar thermal power generation with industries, explores new business models such as direct green power connection with solar thermal power generation as the base power source, and explores the construction of small-scale solar thermal power generation systems tailored to local conditions. By 2030, the national installed capacity of solar thermal power generation is targeted to reach 15 million kilowatts. The Board is of the view that the plan further clarifies the direction for the large-scale development of solar thermal power generation during the "15th Five-Year Plan" period, providing a favourable policy environment for the Group to advance large-scale solar thermal projects in western regions such as Qinghai, expand the operation and maintenance services of solar thermal power stations, and explore businesses such as direct green power connection.

Article 25 of the Energy Law of the People's Republic of China, which came into effect on 1 January 2025, states that "the state promotes development and utilization of wind energy and solar energy, persisting in development of centralized and distributed energy sources simultaneously, accelerating construction of wind power and photovoltaic power generation bases, supporting nearby development and utilization of distributed wind power and photovoltaic power generation, developing the offshore wind power in a reasonable and orderly manner, and actively developing solar thermal power generation", which provides a fundamental policy support for the development of solar thermal power generation.

As domestic solar thermal demonstration projects and large-scale new energy base projects are progressively advancing, the solar thermal power generation industry is gradually transitioning from the demonstration application stage to a phase of large-scale and commercial development. According to publicly available industry data, the scale of solar thermal projects under construction globally continues to grow; during the "15th Five-Year Plan" period, the demand for equipment, EPC services, and operation and maintenance services for solar thermal projects in China is expected to be further unleashed. The Group will prudently seize opportunities in project development and third-party operation and maintenance, while also paying attention to risks such as fluctuations in solar irradiation resources, the marketisation of electricity prices, project financing and construction timelines.

Zhongguang New Energy and its subsidiaries currently operate two tower-type molten salt energy storage solar thermal power plants in Delingha, Qinghai, with capacities of 50MW and 10MW, and have accumulated over a decade of experience in solar thermal power plant construction and operation and maintenance. These projects have provided a practical foundation for the Group to establish its capabilities in the development, construction, commissioning and operation and maintenance of large-scale solar thermal projects, and also serve as a demonstration for the Group's expansion into third-party operation and maintenance, technical retrofitting and molten salt thermal storage application businesses.

The Group is advancing the Delingha 350MW Solar Thermal Power Demonstration (Pilot) Project of Qinghai Zhongkong Solar Power Co., Ltd. (青海眾控太陽能發電有限公司). The project adopts tower-type molten salt solar thermal technology and a three-tower-one-turbine (三塔一機) configuration. It includes a 3.15 million square meter heliostat field and one 350 MW steam turbine generator unit. The project has commenced construction in December 2025 and is scheduled to achieve grid connection in December 2027. Measured against similar projects already completed, under construction or planned, this project is the tower-type solar thermal project with the largest installed capacity, and is equipped with long-duration molten salt thermal storage system.

On 12 June 2026, Qinghai Zhongkong Solar Power Co., Ltd. (青海眾控太陽能發電有限公司) entered into contracts with related subsidiaries of GCL System Integration Technology Co., Ltd (協鑫集成科技股份有限公司) for construction works, equipment supply, and equipment installation in respect of the 350MW project, with aggregate contract consideration of RMB4,725.71 million (inclusive of tax). Such consideration is proposed to be funded by New Policy-Based Financial Instruments of RMB200 million, the Group's internal resources of RMB745.14 million, and syndicated loan of RMB3,780.56 million. These transactions constitute a very substantial acquisition of the Company and are subject to shareholders' approval before they can take effect, and may or may not proceed. The Group will closely manage project approvals, financing implementation, construction progress, cost control and safety production risks.

Cabled and Wireless Communications

In 2026, the capital expenditure focus of domestic telecommunications operators will continue to shift from 5G scale coverage to 5G-A capability upgrades, computing power networks, and deep and precise coverage. Demand for traditional macro base stations, feeders and jumpers remains under pressure. However, indoor and camouflaged coverage demand in scenarios such as urban commercial districts, residential communities, underground parking lots and elevators, as well as rail transit, low-altitude communications, satellite communications and overseas markets, still present structural opportunities for the Cabled and Wireless Communications business. The Group will continue to participate in the centralised procurement of major telecommunications operators and selectively expand into rail transit upgrade and overseas markets projects.

The audited segment revenue and profit before tax of the Cabled and Wireless Communications business for the year 2025 decreased by approximately 15.3% and 42.4% year-on-year, respectively, reflecting the slowdown in market demand for traditional communications equipment and intensified price competition. As of the date of this report, the aggregate value of bids won by the Group in centralized procurement projects of major telecommunications operators in Mainland China, provincial telecommunications operators and enterprise-level customers exceeded RMB0.9 billion. The Group intends to continue operating this business segment in the year 2026, maintain its market competitiveness, and conduct selective research and development in core product areas. The Board will reassess whether an adjustment to the scale of this business segment is necessary after a comprehensive review of the 2026 annual audited results.

Outlook

Looking ahead to the second half of 2026, uncertainties persist in the external economic and geopolitical environment, demand in major industries, as well as raw material and financing costs. While maintaining financial and operational prudence, the Board will continue to advance the development of the three major business segments: leveraging the New Energy and Services business as the primary growth engine, deepening the synergy between green power and computing power and digital capabilities; driving the Integrated Circuits and Digital Technology business to upgrade towards high-barrier security chips and integrated solutions; and sustaining the ongoing operations and market competitiveness of the Cabled and Wireless Communications business.

In the field of Integrated Circuits and Digital Technology, the Group will focus on applications such as industrial Internet of Things, financial security and automotive safety, advance the development of its proprietary security IP library and standardized platform products, and enhance its full-chain service capabilities encompassing chip design, firmware development, security algorithm adaptation and batch supply chain delivery. The Group will also leverage its existing high-performance computing and digital security capabilities to explore business opportunities in computing cluster security, trusted computing and digital operation and maintenance of new energy projects. The development of this business will remain subject to wafer capacity and pricing, the stability of the core R&D team, customer budgets and payment collections, as well as the commercialisation progress of relevant products.

In the field of New Energy and Services, the Group will, subject to obtaining the requisite approvals and securing financing, advance the construction of the Delingha 350MW solar thermal project, continue to enhance the operational efficiency of its existing 50MW and 10MW power plants, expand its third-party solar thermal power plant operation and maintenance business, and promote the commercialisation of distributed molten salt thermal storage and industrial green steam solutions. The Group also intends to explore models such as direct green power supply, virtual power plants, AI-driven carbon asset management and integrated wind-solar-thermal-storage systems, where commercially and technically feasible, in order to deepen the synergistic development of green power and computing infrastructure.

The aforementioned plan sets forth the target of striving to achieve a nationwide solar thermal power installed capacity of 15 million kilowatts by 2030, along with policy directions such as constructing large-capacity solar thermal power plants in regions like Qinghai and exploring direct green power connection with solar thermal power generation as the base power source, which are expected to further expand the market space for solar thermal project development, equipment supply, engineering construction and operation and maintenance services. The Group will prudently pursue relevant business opportunities, taking into consideration its own project pipeline, technical capabilities, funding arrangements and risk tolerance.

In addition, the Group is exploring the partial disposal of its interests in Qinghai Zhongkong Solar Power Co., Ltd. (青海眾控太陽能發電有限公司), which holds the 50MW and 10MW solar thermal power plants in Delingha, through an asset-backed securitisation arrangement in China, and intends to retain approximately 30% of the units issued under such asset-backed securitisation arrangement. This proposal has not yet been finalised and may or may not proceed; if materialised, the Company will comply with the applicable requirements under the Listing Rules and make further announcement(s) as and when appropriate.

In the field of Cabled and Wireless Communications, the Group will continue to rely on centralised procurement from major telecommunications operators as its business foundation, control costs through lean production and supply chain synergies, and step up the R&D and market development of green multi-frequency antennas, rail transit-specific antennas, low-altitude communications and satellite communications products. The Group will also simultaneously expand into overseas markets such as Southeast Asia and the Middle East, in order to mitigate the impact of domestic traditional communications equipment market cycles and price competition on its overall business.

Looking ahead, the Group will continue to operate its three major business segments, namely Integrated Circuits and Digital Technology, New Energy and Services, and Cabled and Wireless Communications, and regards them as complementary and mutually reinforcing components of the Group's longstanding diversification development strategy. Based on the Board's current assessment, the Group has no plan to make any fundamental change to any of its existing major business segments in the foreseeable future. The Group will continue to leverage the New Energy and Services business as its growth engine and deepen the synergistic development of green power with computing power and digital capabilities. The above reflects the Board's current strategic intentions; the relevant plans have not yet been finalised and may be adjusted in light of market conditions, project opportunities and the progress of approvals, and do not constitute any profit forecast or guarantee of future performance.

(IV) DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and chief executives of the Company in shares and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**SEHK**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which are required to be entered into, as recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules were as follows:

Long positions in the Company:

Name of Directors	Capacity and nature of interests	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Mr. Cui Wei*(Note)*	Deemed interest and interest in controlled corporation	108,868,662	23.38%

Note: Mr. Cui Wei beneficially owns the entire issued share capital of Kingever Enterprises Limited ("**Kingever**"), and Kingever in turn holds approximately 23.38% of the total issued shares in the Company.

Saved as disclosed above, as at 30 June 2026, none of the Directors and chief executives of the Company nor their associates had or deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to Section 352 of Part XV of the SFO or which has been notified to the Company and the SEHK pursuant to the Model Code.

(V) SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, insofar as is known to the Directors and chief executives of the Company, the following shareholders having interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Long positions in the Company:

Name of substantial shareholders	Capacity and nature of interests	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Kingever*(Note)*	Beneficial owner	108,868,662	23.38%
Mr. Cui Wei*(Note)*	Deemed interest and interest in controlled corporation	108,868,662	23.38%

Note: Kingever is a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Cui Wei.

Saved as disclosed above, as at 30 June 2026, no person, other than the Directors, whose interests are set out in the paragraph headed "Directors' and chief executives' interests and short positions in shares and underlying shares and debentures" above, had an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

Arrangements to enable Directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the Reporting Period nor at any time during the Reporting Period did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for (i) the employee equity incentive scheme (the "**Incentive Scheme**") adopted by the Company at its extraordinary general meeting held on 26 April 2019; and (ii) the share award scheme (the "**Share Award Scheme**") adopted by the Company on 21 October 2024. The Incentive Scheme is not subject to the regulation of the Listing Rules. For details of the Incentive Scheme, please refer to the previous announcements of the Company dated 29 March 2019, 12 November 2019 and 28 February 2020 and the circular of the Company dated 29 March 2019. For details of the Share Award Scheme, please refer to the announcement of the Company dated 21 October 2024. During the Reporting Period, no Shares acquired during the Report Period according to the Share Award Scheme have been awarded to any Directors of the Company.

(VI) SUPPLEMENTAL INFORMATION

1. Audit Committee and its Terms of Reference

As at the date of this report, the Company's audit committee members are Mr. Qian Ziyan, Mr. Cui Wei, Ms. Lin Ting and Mr. Chan Hon Chung Johnny. The audit committee, which is chaired by Mr. Qian Ziyan, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2026.

2. Compliance with Corporate Governance Code

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2026.

3. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

Having made specific enquiries with all the Directors, all the Directors have confirmed that they have complied with the required standards of the Model Code during the Reporting Period.

4. Dividends

No dividend has been recommended by the Company for the six months ended 30 June 2026.

5. Review of financial results

The consolidated interim results of the Group for the six months ended 30 June 2026 have not been audited or reviewed by the Company's auditors.

6. Purchase, sales or redemption of the Company's securities

During the Reporting Period, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the securities of the Company.

7. Employees and remuneration practices

As at 30 June 2026, there were 907 (as at 31 December 2025: 1,276) employees in the Group. The decrease in the Group's total headcount during the Reporting Period was primarily attributable to the termination of employment contracts of certain operation and maintenance ("**O&M**") personnel based in the PRC for the New Energy and Services business segment, following the restructuring of the Group's O&M service delivery model. Such personnel subsequently entered into new employment relationships with a third-party service partner of the Group, and have continued to provide O&M services to the customers of the Group through that partner.Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

The Company also adopted the Incentive Scheme at its extraordinary general meeting held on 26 April 2019 to implement the long-term incentive and binding mechanism of Jiangsu Hengxin and fully mobilize the proactiveness of core and key employees of Jiangsu Hengxin to ensure the sustainable and healthy development of the Company.

The Company also adopted the Share Award Scheme on 21 October 2024 to (1) provide incentives to eligible participants (who include full-time employee of any member of the Group); (2) retain such eligible participants to continuously serve the Group for operation and development of the Group; and (3) attract suitable professional and experienced talents for future development of the Group.

8. Loan Arrangements Granted to Entities

During the Reporting Period, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 of the Listing Rules.

9. Pledge of Shares by Controlling Shareholders

During the Reporting Period, there was no pledge of Shares by the controlling shareholder of the Company.

10. Breach of Loan Agreements

During the Reporting Period, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

11. Financial Assistance and Guarantees to Affiliated Companies

During the Reporting Period, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure under Rule 13.22 of the Listing Rules.

12. Events after the Reporting Period

Save as disclosed in this report and the major transaction in relation to quasi-REITs disclosed in the announcement of the Company on 7 August 2026 and described below, no important events affecting the Group has occurred since the end of the six months ended 30 June 2026 and up to the date of this report.

On 7 August 2026, the Board resolved to enter into a series of agreements for the purpose of establishing an asset-backed special scheme (資產支持專項計劃) (the "**Special Scheme**"), structured as a quasi-REITs transaction (the "**Proposed Transaction**").

The Proposed Transaction involves a net disposal of 70% of the underlying assets, being two solar-thermal molten salt energy storage power stations in Delingha, Qinghai with operational scales of 10MW and 50MW, held by the Qinghai Zhongkong Solar Energy Generation Co., Ltd* (青海中控太陽能發電有限公司) (the "**Project Company**"), an indirect non-wholly owned subsidiary of the Company. The estimated total issue size of the Special Scheme is RMB750 million, of which approximately RMB525 million is expected to be subscribed by external investors and approximately RMB225 million will be subscribed by Zhongguang New Energy.

The Proposed Transaction will be implemented through three inter-conditional agreements:

(i) the sale and purchase agreement in relation to 100% of the equity interest in the Project Company;

(ii) the sale and purchase agreement in relation to 100% of the equity interest in the special purpose vehicle (Qinghai Zhongguang Power Generation Co., Ltd* (青海眾光發電有限公司) (the "**SPV**"), newly established by Zhongguang New Energy; and

(iii) the subscription agreement in relation to the subscription for 30% of the units of the privately traded REITs (representing 30% of the asset-backed securities under the Special Scheme).

Following the above steps, the SPV and the Project Company will undergo an absorption merger (吸收合併) pursuant to PRC laws, whereby the SPV will be deregistered and the Project Company will absorb all assets and liabilities of the SPV.

The Project Company's audited net asset value as at 31 December 2025 was approximately RMB451.2 million. Upon completion of the Proposed Transaction, the Group is expected to continue to control and consolidate the Special Scheme and the Project Company. Accordingly, no disposal gain or loss is expected to be recognised in the Group's consolidated statement of profit or loss on completion of the Proposed Transaction. After deducting related expenses, the Group expects net proceeds of approximately RMB460 million, of which approximately RMB400 million will be applied towards investment in the Delingha 350MW solar thermal project and the balance of approximately RMB60 million will be used as general working capital.

The Company has applied to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for the adoption of alternative size tests under Rule 14.20 of the Listing Rules, and the Stock Exchange has accepted such tests. Based on the alternative size tests, the highest applicable percentage ratio exceeds 25% but is less than 75%, and therefore the Proposed Transaction constitutes a major transaction of the Company, subject to notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this report, the extraordinary general meeting for considering and approving the Special Scheme has not yet been convened. For details of the Special Scheme, please refer to the announcement of the Company dated 7 August 2026.

13. Disclosure on the website of the SEHK and the Company

This report is published on the website of SEHK (http://www.hkexnews.hk) and on the Company's website (http://www.hengxin.com.sg).

By Order of the Board
Hengxin Technology Ltd.
Peng Yinan
Executive Director

Hong Kong, 26 August 2026

As at the date of this report, the executive Directors of the Company are Mr. Peng Yinan and Mr. Lau Fai Lawrence; the non-executive Directors of the Company are Mr. Cui Wei, Mr. Tao Shunxiao and Mr. Zeng Guowei; and the independent non-executive Directors of the Company are Mr. Qian Ziyan, Ms. Lin Ting and Mr. Chan Hon Chung Johnny.