RISECOMM
瑞斯康

Risecomm Group Holdings Limited
瑞斯康集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1679

INTERIM REPORT 2026

Contents

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Ms. Zhao Luyi *(Resigned on 16 April 2026)*
Ms. Ye Bailing
Mr. Tsang Wah Tak, Brian

NON-EXECUTIVE DIRECTORS

Mr. Yu Lu
Ms. Guo Lei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Victor Yang
Ms. Lo Wan Man
Mr. Zou Heqiang *(Resigned on 4 September 2026)*

COMPANY SECRETARY

Ms. Chau Hing Ling *(Resigned on 28 August 2026)*
Mr. Kenneth Chen *(Appointed on 28 August 2026)*

AUTHORIZED REPRESENTATIVES

(for the purpose of the Listing Rules)

Ms. Zhao Luyi *(Resigned on 16 April 2026)*
Ms. Ye Bailing *(Appointed on 16 April 2026)*
Ms. Chau Hing Ling *(Resigned on 28 August 2026)*
Mr. Kenneth Chen *(Appointed on 28 August 2026)*

AUDIT COMMITTEE

Ms. Lo Wan Man *(Chairman)*
Mr. Zou Heqiang *(Resigned on 4 September 2026)*
Mr. Victor Yang

NOMINATION COMMITTEE

Ms. Lo Wan Man *(Chairman)*
Ms. Zhao Luyi *(Resigned on 16 April 2026)*
Ms. Ye Bailing *(Appointed on 16 April 2026)*
Mr. Victor Yang

REMUNERATION COMMITTEE

Mr. Victor Yang *(Chairman)*
Ms. Lo Wan Man
Ms. Zhao Luyi *(Resigned on 16 April 2026)*
Ms. Ye Bailing *(Appointed on 16 April 2026)*

PRINCIPAL BANKERS

In Hong Kong:
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

*In the People's Republic of China (the "**PRC**"):*
Bank of China Limited
China Merchants Bank

AUDITOR

Rongcheng (Hong Kong) CPA Limited
Units 4301–07
Cosco Tower
183 Queen's Road Central
Central
Hong Kong

LEGAL ADVISER

ONC Lawyers
(As to Hong Kong Law)

REGISTERED OFFICE

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Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

41/F, Block A, Building 8
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Shenzhen China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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100 How Ming Street, Kwun Tong,
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
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Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY WEBSITE

www.risecomm.com.cn

STOCK CODE

1679

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In view of the strategy and planning on high-tech development by the government, the integrated circuit industry is a key area of support and development for the PRC. Despite cyclical fluctuations in the industry, the overall trend is expected to be upward. Domestic integrated circuit-related businesses will gradually gain market dominance over the next decade. Therefore, strengthening the comprehensive capabilities of the integrated circuit business and the vertical development of the integrated circuit industry chain will be the focus of the development and strategic investment of the Company in the future.

With the development of the new energy industry, intelligent solutions based on technologies such as the Internet of Things (IoT), big data, and artificial intelligence (AI) have become the trend in addressing complex energy challenges. Such solutions are crucial for meeting green and environmental requirements while enhancing energy efficiency. The Company's intelligent business is built on a foundation of power line communication and wireless convergence communication technology, integrating various intelligent sensing devices. By leveraging AI software algorithms and big data statistical analysis, a connection is established across the "cloud-network-edge-end" (cloud data center — wired and wireless communication technology — edge devices — end devices), constructing a complete AI+IoT system and ecosystem, which provides products and systems tailored to energy-saving scenarios in households, buildings and parks, offering vast market potential.

China has been vigorously promoting the development of an advanced power system based on new energy. In 2025, the National Energy Administration issued the "Guiding Opinions on Energy Work in 2026 (《2026年能源工作指導意見》)", which pointed out that continuing to advance the deployment of charging infrastructure in rural areas is an important measure to accelerate rural energy transformation and support rural revitalisation. With the growing popularity of new energy vehicles, there is an increasing demand for charging in rural areas. However, the current development of charging facilities still faces issues such as uneven coverage and insufficient service capacity. To this end, the National Energy Administration will focus on strengthening the planning of rural charging networks, prioritising the deployment of fast-charging stations in town centres, transport hubs, tourist attractions and other areas, while encouraging the upgrade and retrofitting of existing power facilities to reduce construction costs. In addition, policies will be carried out to promote the integrated development of charging facilities with smart grids and renewable energy, supporting the construction of integrated "solar-storage-charging" projects in rural areas to enhance energy utilisation efficiency. For effective implementation, relevant authorities will improve subsidy mechanisms, provide guidance for private capital participation, and tighten supervision of operation and maintenance services, ensuring that charging facilities are "built successfully and used well". These measures will not only effectively alleviate the challenges of charging new energy vehicles in rural areas, but will also stimulate the development of related industrial chains, inject fresh impetus into the rural economy, and support the broader goals of achieving carbon peaking and carbon neutrality.

From 2023 to 2025, the market size of China's high-speed power line communication module industry was RMB6,780 million, RMB7,580 million and RMB8,470 million respectively. Within the new-type power system sector, the cumulative installed capacity of wind, solar, nuclear and other new energy sources as a proportion of the national power generation unit installed capacity was 37.94%, 43.84% and 48.93% for the years 2023 to 2025, respectively. Based on these proportions, a preliminary estimate indicates that the market size for high-speed power line communication modules in China's new-type power system sector was RMB2,570 million, RMB3,320 million, and RMB4,140 million for the years 2023 to 2025.

From the perspective of market opportunities and key drivers, the core value of power line communication equipment lies in its ability to fully leverage existing power infrastructure to achieve deep integration of communication networks and power networks. Against the backdrop of global power systems evolving towards digitalisation, automation and intelligence, its strategic importance continues to rise. Firstly, global investment in power grids is growing steadily, particularly in areas such as smart grids, distribution automation, grid resilience enhancement and renewable energy grid integration. This development has driven increasing demand for reliable, low-latency and interference-resistant communication solutions. Compared with optical fibre and wireless communication, power line communication does not rely on the deployment of new communication lines, offering advantages such as lower construction costs, faster deployment and adaptability to complex power environments. It is especially suitable for communication between substations, communication at the distribution network endpoints, and areas where fibre optic installation is difficult. Secondly, energy transition policies in various countries are driving the rapid development of distributed energy resources, electric vehicle charging facilities and energy storage systems, leading to a significant increase in the number of grid nodes and the demand for monitoring. As a native communication method within power systems, power line communication is naturally well-suited for equipment condition monitoring, remote control and data acquisition. Furthermore, power equipment manufacturers and energy automation companies continue to integrate digital communication functions into traditional power equipment, enabling power line communication devices to evolve from standalone communication equipment to system-level solutions, thereby further expanding the market.

The Group's smart manufacturing & industrial automation ("**SMIA**") business segment has been continuing in exploring the field of industrial automation systems by leveraging its core technology competency, particularly in the area of maintenance and safety integrity system ("**MSI**") for the petroleum and petrochemicals industry.

The main competitors in China's wind power operation and maintenance services market include wind power equipment manufacturers, wind farm owners (developers) and third-party operation and maintenance companies. The equipment manufacturers hold the core technology of wind power equipment. In recent years, manufacturers have also paid more attention to operation and maintenance services, and are committed to providing overall solutions to strengthen its competitive advantage. Wind farm owners (developers) mainly invest in wind farms and continuously expand the scale of installed capacity, with strong advantages in aspects such as capital, resources, and scale. The third-party wind power operation and maintenance companies focus on maintenance and status analysis of wind turbine equipment, with advantages such as flexible service models. However, there are also areas of improvement, such as inconsistent technical levels and service quality.

The existing projects of the Company are in smooth progress. The Group closely monitors market dynamics and adjusts our operation and maintenance mode promptly, and maintains close communication with property owners to ensure the normal operation of their assets to the greatest extent possible.

BUSINESS REVIEW

The Group is principally engaged in the design, development and sales of power line communication ("**PLC**") products as well as the provision of relevant maintenance services in connection with the deployment and upgrades of the non-automated meter reading ("**AMR**") systems by power grid companies in the PRC and for a wide range of applications related to energy saving and environmental protection ("**AMR Business**").

The Group is also engaged in the sales of software license, production of safety products, construction contracts, as well as the provision of post-contract customer support service software in connection with the SMIA applied in the area of maintenance and safety integrity system in the petroleum and petrochemicals industry ("**SMIA Business**").

In addition, the Group is engaged in the provision of wind farm operation and maintenance services for wind farm owners in the PRC ("**WFOM Business**").

The Group recorded revenue of approximately RMB25.6 million for the six months ended 30 June 2026 (the "**Period**") (for the corresponding period in 2025: approximately RMB58.6 million), representing a decrease of approximately 56.3%.

AMR Business

The Group's AMR and other business segment recorded a revenue of approximately RMB13.1 million (for the corresponding period in 2025: approximately RMB28.4 million), representing a decrease of approximately 53.8%. Revenue from AMR and other business segment for the Period accounted for approximately 51.1% (for the corresponding period in 2025: approximately 48.4%) of the Group's total revenue. The decrease in revenue from AMR and other business segment for the Period was mainly due to the decline in the Group's sales to the smart grid industry, as well as a reduction in sales of broadband dual-mode AMR products.

SMIA Business

The Group's SMIA business segment has been continuing in exploring the field of industrial automation systems by leveraging its core technology competency, particularly in the area of maintenance and safety integrity system ("**MSI**") for the petroleum and petrochemicals industry.

The Group's SMIA business segment recorded a revenue of approximately RMB0.905 million (for the corresponding period in 2025: approximately RMB15.9 million), representing a decrease of approximately 94.3%. Revenue from SMIA business segment for the Period accounted for approximately 3.5% (for the corresponding period in 2025: approximately 27.1%) of the Group's total revenue.

The decrease in revenue from SMIA business segment was mainly due to a shortage of working capital, as well as a reduction in projects undertaken amid the deteriorating economic and competitive environment in China.

WFOM Business

Upon the completion of acquisition ("**Zhongyi Acquisition**") of the entire issued share capital of Zhongyi (BVI) International Limited ("**Zhongyi (BVI)**"), the Group expanded its business and engaged in WFOM Business where the Company provided operation and maintenance services to owners of wind farms in the PRC.

The Group's WFOM business segment recorded a revenue of approximately RMB11.6 million (for the corresponding period in 2025: approximately RMB14.4 million). Revenue from WFOM business segment for the Period accounted for approximately 45.4% (for the corresponding period in 2025: approximately 24.5%) of the Group's total revenue. The Group's WFOM Business has entered into long term operation and maintenance services contracts (the "**Management Contracts**") with the owners of six wind farms, with total services fees amounting to approximately RMB1,293 million and total annual design capacity of 503.5 MW. Revenue from wind farm operation and maintenance services is recognised over time. During the Period, revenue represented the service fees generated from the Management Contracts, and was calculated by the product of the respective time-weighted capacity of each wind farm and the respective fee rate.

The increasing in loss attributable to owners of the company for the period was primarily attributable to (i) a dramatical drop in revenue from the AMR business and SMIA business; (ii) drop in revenue from the WFOM business; and (iii) decrease in gross profit from the SMIA business.

In order to diversify the Group's business and increase the Group's source of revenue, the Group has been exploring various development opportunities with a view to broadening its revenue base.

FINANCIAL REVIEW

Revenue

Revenue decreased from approximately RMB58.6 million for the corresponding period in 2025 to approximately RMB25.6 million for the Period, or by approximately 56.3%. The decrease was mainly due to (i) the decrease in revenue of approximately RMB15.3 million from the AMR and other business segment; (ii) the decrease in revenue of approximately RMB15.0 million from the SMIA business segment; and (iii) the decrease in revenue of approximately RMB2.7 million from the WFOM business segment.

Gross profit

Gross profit decreased by approximately 47.5% to approximately RMB11.8 million for the Period from approximately RMB22.6 million for the corresponding period in 2025.

Gross profit margin increased to approximately 46.2% for the Period, as compared to approximately 38.5% for the corresponding period in 2025.

The increase in gross profit margin was mainly attributable to (i) the increase in gross profit margin of the AMR and other business segment to approximately 37.3% for the Period from approximately 25.9% for the corresponding period in 2025, which was mainly due to higher gross profit margin of the Group's newly launched broadband dual-mode AMR products; and (ii) the contribution from the WFOM business segment which had gross profit margin of approximately 59.5% for the Period.

Other income

Other income increased by approximately 135.3% to approximately RMB8.0 million for the Period from approximately RMB3.4 million for the corresponding period in 2025. The increase in other income was mainly attributable to gains of approximately RMB5.8 million from the disposal of a subsidiary for the Period.

Sales and marketing expenses

Sales and marketing expenses decreased by approximately 51.7% to approximately RMB5.6 million for the Period from approximately RMB11.7 million for the corresponding period in 2025. The decrease was mainly attributable to (i) decreased marketing expenses for promoting the sales of broadband dual-mode AMR products (from approximately RMB8.0 million to approximately RMB5.4 million); and (ii) no marketing expenses incurred on engineering software installation, development and maintenance of SMIA business.

General and administrative expenses

General and administrative expenses increased by approximately 1.2% to approximately RMB13.7 million for the Period from approximately RMB13.6 million for the corresponding period in 2025. Moreover, there was a recognition of an impairment loss of RMB8.4 million on the related debts of the subsidiary upon its disposal.

Research and development expenses

Research and development expenses decreased by approximately 68.8% to approximately RMB1.4 million for the Period from approximately RMB4.4 million for the corresponding period in 2025. Stringent cost control measures are implemented continuously. Research and development expenses mainly represented staff cost, amortisation of intangible assets, contracted development expenses, and R&D material costs and inspection costs.

Finance costs

Finance costs decreased by approximately 20.9% to approximately RMB3.0 million for the Period from approximately RMB3.8 million for the corresponding period in 2025. The decrease was mainly attributable to a reduction in interest expenses on significant borrowings following the repayment of a portion of the Group's debts after the rights issue, as well as a decrease in the relevant interest rates during the Period compared with the corresponding period in 2025.

Income tax expense

Income tax expense of approximately RMB1.08 million was recorded during the Period (for the corresponding period in 2025: approximately RMB1.9 million). The decrease in income tax expense for the Period was mainly attributable to a reduction in the net profit of the WFOM business segment which was subject to the PRC corporate income tax rate of 25%.

Loss attributable to owners of the Company

As a result of the above factors, the Company recorded a loss attributable to owners of the Company for the Period of approximately RMB13.4 million (for the corresponding period in 2025: loss attributable to owners of the Company: approximately RMB12.2 million).

Liquidity and financial resources

The Group's operations were mainly financed by (i) internal resources, including but not limited to existing cash and cash equivalents, cash flow from its operating activities; (ii) net proceeds generated from the listing of shares of the Company (the "**Listing**") on the Main Board of the Stock Exchange on 9 June 2017, and the rights issue of the Company which was completed on 22 October 2025; (iii) net proceeds arising from subscription of new shares under the general mandate, which was completed in July 2023; and (iv) borrowings. The Board believes that the Group's liquidity needs will be satisfied.

As of 30 June 2026, the Group's current assets amounted to approximately RMB82.5 million (as of 31 December 2025: approximately RMB99.1 million), with cash and cash equivalents totalling approximately RMB9.3 million (as of 31 December 2025: approximately RMB17.0 million). The cash and cash equivalents of the Group are principally held in RMB, HKD and USD.

As of 30 June 2026, the Group's total interest-bearing liabilities amounted to approximately RMB174.6 million (as of 31 December 2025: approximately RMB181.3 million), representing borrowings and lease liabilities. The Group had interest-bearing liabilities of RMB69.1 million (as of 31 December 2025: RMB39.8 million) and RMB105.5 million (as of 31 December 2025: RMB141.6 million) which will be due repayable within one year and after one year respectively with coupon rates range from 0% to approximately 10.0% per annum. The net debt-to-equity ratio (referred as to the gearing ratio: interest-bearing liabilities less cash and cash equivalents divided by total equity) was approximately -278.1% as of 30 June 2026 (as of 31 December 2025: approximately -303.2%).

Exchange rate risk

Most of the businesses of the Group are settled in RMB while businesses in foreign currencies are mainly settled in either HKD or USD. The fluctuation of exchange rate of the currencies will have certain impact on the Group's business which are settled in foreign currencies. During the Period and in the corresponding period of 2025, the Group did not enter into any foreign exchange forward contracts or other hedging instruments to hedge against fluctuations.

Capital structure

On 17 June 2025, the Board proposed to (i) implement the share consolidation on the basis that every five issued and unissued shares of the Company of par value of HK$0.001 each be consolidated into one consolidated share (the "**Consolidated Share**") of HK$0.005 each (the "**Share Consolidation**"); (ii) increase the authorised share capital of the Company to HK$1,000,000 divided into 200,000,000 Consolidated Shares (the "**Increase in Authorised Share Capital**") with par value of HK$0.005 each, of which 51,145,772 Consolidated Shares have been issued and are fully paid or credited as fully paid; and (iii) subject to the Share Consolidation and the Increase in Authorised Share Capital becoming effective, rights issue on the basis of five rights shares for every one Consolidated Share held by the qualifying shareholders on the record date at a subscription price of HK$0.5 per rights share (the "**2025 Rights Issue**").

Pursuant to an extraordinary general meeting on 15 August 2025, the Share Consolidation, Increase in Authorised Share Capital and the 2025 Rights Issue have been duly passed by the shareholders by way of poll.

The Share Consolidation and the Increase in Authorised Share Capital have taken effect on 18 August 2025. The Company's authorised share capital has been increased, after the Share Consolidation, from HK$1,000,000 divided into 1,000,000,000 shares with par value of HK$0.001 each to HK$1,000,000 divided into 200,000,000 Consolidated Shares with par value of HK$0.005 each, and after the Increase in Authorised Share Capital, from HK$1,000,000 divided into 200,000,000 Consolidated Shares with par value of HK$0.005 each to HK$5,000,000 divided into 1,000,000,000 Consolidated Shares by the creation of an additional 800,000,000 new Consolidated Shares.

On 21 October 2025, the Company completed the 2025 Rights Issue and on 22 October 2025, the Company issued 164,668,068 rights shares of HK$0.005 each at a subscription price of HK$0.5 per rights share on the basis of five rights shares for every one Consolidated Share held by the qualifying shareholders on the record date, raising approximately HK$82.33 million before expenses (or approximately HK$80.44 million after deducting all relevant expenses).

For further details, please refer to the announcements of the Company dated 17 June 2025, 9 July 2025, 15 August 2025, 19 September 2025, 21 October 2025 and 6 November 2025, the circular of the Company dated 22 July 2025 and the prospectus of the Company regarding the 2025 Rights Issue dated 28 August 2025.

As at 30 June 2026, the Company's issued share capital was HK$1,079,069 divided into 215,813,840 shares of HK$0.005 each.

Contingent liabilities

As of 30 June 2026, the Group had a contingent liability of approximately RMB8.4 million (as of 31 December 2025: RMB7.5 million).

Charge on assets

As of 30 June 2026, pursuant to the repayment agreement entered into between the Company and the bondholders on 2 September 2022 in relation to the refinancing of the redemption of the convertible bonds, the entire issued shares of two subsidiaries of the Company, namely Risecomm Co. Ltd. and Risecomm (HK) Technology Co. Limited, have been pledged as security for borrowings of approximately RMB104.0 million (as at 31 December 2025: approximately RMB108.3 million).

Saved as disclosed, the Group had no other charge on assets as at 30 June 2026 and 31 December 2025.

Significant investments

During the Period, the Group did not hold any significant investment.

EVENTS AFTER THE REPORTING PERIOD

Details of significant event which would cause material impact on the Group from the end of the Period to the date of this report is set out in note 22 of the unaudited interim financial report. Saved as disclosed, there was no other significant event which would cause material impact on the Group from the end of the Period to the date of this report.

PROSPECTS

As China enters the opening year of the 15th Five-Year Plan period in 2026, grid investment has achieved significant growth. According to industry planning, the total national grid investment during the 15th Five-Year Plan period is expected to exceed RMB5 trillion, of which the State Grid Corporation of China plans to invest RMB4 trillion, with China Southern Power Grid contributing around RMB1 trillion. Some 50% to 60% of this investment is concentrated on the intelligent upgrade of distribution networks and the digitalisation of terminal equipment.

The iterative upgrade of smart meters is the core, steady driver of demand in the power grid sector. In 2026, the tender volumes for smart meters by the State Grid Corporation of China and China Southern Power Grid remain stable. Together with incremental deployment in low-voltage intelligent measurement, station-area smart terminals, and distribution network sensing equipment, the grid system is accelerating its shift from the traditional "source follows load" model to "source — grid — load — storage" coordinated interaction. With large-scale distributed wind and solar resources, energy-storage systems, and bi-directional loads such as electric vehicle charging stations being integrated into the grid, both the grid topology and end-user energy consumption scenarios are becoming increasingly complex. Broadband dual-mode communication technology, as the fundamental backbone supporting grid-wide sensing, data exchange and intelligent dispatch, is continuously meeting the industry's evolving requirements for low-latency, high-reliability, strong anti-interference capabilities and massive terminal access. This will continue to drive growth in the market for broadband dual-mode communication chips and modules.

The Company has long been dedicated to core broadband dual-mode communication technologies, closely aligning with the evolving market demands of the State Grid Corporation of China and China Southern Power Grid, , while consistently advancing the iterative upgrade of its broadband dual-mode chip and module products. In 2026, leveraging its HPLC+HRF broadband dual-mode technology platform, the Company will focus on core application scenarios over the next three years, including electricity information acquisition for smart meters, intelligent low-voltage distribution networks, smart measurement switches and station-area smart terminals. It will increase investment in broadband dual-mode communication chips and modules, step up market promotion and application across diverse areas such as smart electricity consumption, distributed PV/energy storage integration, smart microgrids and integrated energy management, while continuing to expand its presence in various power grid markets and offering a wide range of intelligent solutions.

Through further reinforcing its business with the State Grid Corporation of China and China Southern Power Grid, the Company will expand into power IoT, intelligent low-voltage distribution, smart energy management, smart cities, smart lighting and energy conservation, and smart parks. Leveraging the Belt and Road Initiative, the Company will explore overseas markets to further extend the application of its broadband dual-mode chips and modules internationally. At the same time, the Company will strive to enter new sectors such as the petroleum and petrochemical industries, industrial energy efficiency management and equipment safety monitoring, thereby broadening its product application and expanding market coverage, which will bring more opportunities to the Group.

For the Group's SMIA Business, the Group believes that the growth of China industrial automation market would continue to be healthy given its current relatively low penetration rate and the rising cost of labour. As petrochemical enterprises are the pioneers of the manufacturing sector in China, major market participants have started to build smart oil fields, smart pipelines and smart factories.

The Group will continue to capture opportunities in the design and implementation of industrial automation systems, particularly in the area of MSI for the petroleum and petrochemicals industry, other manufacturing and construction businesses by leveraging the Group's own technologies and intellectual property rights.

The Group aims to enhance the expertise in smart factory integrated solutions for petroleum refining and pipeline construction. At the same time, the Group will utilise its own research and development resources to cooperate with external companies to further develop its own intellectual property rights on the smart factory application interface and visual integrated management platform as well as the integration of the online and core applications on the big data collaboration platform. Such intellectual property will strengthen the Group's core competitiveness while leveraging the Group's PLC technology. By exploring these new profit-driven business opportunities, the Group believes that it will persist a more diversified growth in the market in the long run.

The domestic wind power industry has been developing on a large scale for nearly a decade. With the passage of time, wind turbines wear out, and the maintenance of wind turbines has become the key to ensure the proper functioning of wind farms. The industry believes that with the gradual reduction of high-quality wind power resource areas and new installed capacity in PRC, wind farm operation and maintenance services will provide huge potential for equipment providers to expand their business in the fiercely competitive new installed capacity market. The key points are as follows:

1. **Wind turbines are out of warranty, and demand for operation and maintenance market is released**
   Over the past fifteen years, PRC has gradually formed the world's largest wind power market. The rapid growth of wind power installed capacity has led to a significant increase in equipment maintenance. Domestic wind turbines had a two-year warranty before 2010 and a three to five year warranty thereafter. During the period from 2006 to 2010, with the rapid development of the domestic wind power industry, a large number of wind turbines were put into operation. Most of the wind turbines of this period are now in post-warranty stage. With the end of the warranty period, a huge wind turbine operation and maintenance services market is gradually emerging. According to a research report by Bloomberg New Energy Finance on PRC's wind power operation and maintenance market, the total cost of wind farm operation and maintenance services in PRC reached US$18-22 billion during the period between 2016 and 2025.

2. **The market potential has been greatly increased due to replacement and retirement of old turbines**
   As high-quality wind resources are becoming increasingly scarce, in order to efficiently utilise limited and favourable territories, it will become inevitable to replace old wind turbines with new ones and smaller ones with larger ones. In addition, as the service life of those wind turbines approaches their 20-year limit, there will be a large number of retired turbines in PRC. This means that there are new growth points in the highly competitive market for new installed capacity.

   Currently, the contracts of the Company are still in the performance period, and the warranty period for most of the operation and maintenance projects will expire in 2026-2027. The management team of the Company is also vigorously expanding new wind farm operation and maintenance projects, including but not limited to business such daily maintenance, trade in business, and other businesses.

OTHER INFORMATION

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

As of 30 June 2026, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**")) as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), were as follows:

Name of Director	Relevant company	Nature of interest	Number of Shares in the relevant company (Note 1)	Approximate Percentage* of interest
Mr. Tsang Wah Tak, Brian	The Company	Beneficial owner (Note 2)	263,000 (L)	0.12%
Mr. Yu Lu	The Company	Beneficial owner (Note 3)	3,450,450 (L)	1.60%
Ms. Ye Bailing	The Company	Beneficial owner (Note 4)	20,000,000 (L)	9.27%

* The percentage represents the number of shares/underlying shares involved divided by the number of the issued Shares as of 30 June 2026.

Notes:

(1) The letter "L" denotes the Directors' long position in the Shares.

(2) Mr. Tsang Wah Tak, Brian is an executive Director of the Company.

(3) Mr. Yu Lu is a non-executive Director of the Company.

(4) Ms. Ye Bailing is an executive Director.

(5) The total issued shares of the Company was 215,813,840 Shares as of 30 June 2026.

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As of 30 June 2026, so far as is known to the Directors, the following corporations or persons (other than a Director or the chief executives of the Company) had an interest or short position in the shares and underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares (Note 1)	Approximate Percentage* of Company's issued share capital
Ms. Yang Yang	Beneficial owner	40,526,534 (L) (Note 2)	18.78%
Mr. Wu Yueshi	Interest in a controlled corporation (Note 3)	22,344,000 (L) (Note 2)	10.35%
Silver Castle International Limited	Interest in a controlled corporation (Note 3)	22,344,000 (L) (Note 2)	10.35%
XinDaXin Group Company Limited ("**XinDaXin**")	Beneficial owner (Note 3)	22,344,000 (L) (Note 2)	10.35%
Mr. Zhu Deyun	Beneficial owner	20,000,000 (L) (Note 2)	9.27%
Ms. Yu Feng Ting	Beneficial owner	20,000,000 (L) (Note 2)	9.27%

* The percentage represents the number of shares/underlying shares involved divided by the number of the issued shares as of 30 June 2026. The total issued shares of the Company were 215,813,840 Shares as of 30 June 2026.

Notes:

(1) The letter "L" denotes the person's or corporation's long position in the Shares.

(2) Based on the disclosure of interests forms submitted by these substantial shareholders respectively as of 30 June 2026.

(3) XinDaXin is a company incorporated in Hong Kong with limited liability. XinDaXin is wholly owned by Silver Castle International Limited, a company incorporated in BVI with limited liability. Silver Castle International Limited is wholly owned by Mr. Wu Yueshi. By virtue of the SFO, Silver Castle International Limited and Mr. Wu Yueshi are deemed to be interested in the Shares in which XinDaXin is interested.

Save as disclosed above, as of 30 June 2026, other than the Directors and the chief executives of the Company whose interests are set out in the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above, no person had interest or short position in the Shares or underlying Shares which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEMES

Share Option Scheme

As disclosed in the prospectus of the Company dated 29 May 2017 (the "**IPO Prospectus**"), the Company adopted a share option scheme (the "**Share Option Scheme**") on 16 May 2017. The purpose of the Share Option Scheme is to enable the Company to grant share options to selected participants as incentives for their contribution to the Group. All Directors, employees, suppliers, customers, persons that, among others, contributed to the development and performance of the Group, advisers and consultants of the Group are eligible to participate in the Share Option Scheme. The Board may, at its discretion, grant options to any qualifying participants to subscribe for shares in the Company, subject to the terms and conditions stipulated therein.

Details of movements of the options granted under the Share Option Scheme during the Period under review are as follows:

Employees

Date of grant	Vesting date	Exercisable period	Outstanding as at 1 January 2026	During the Period				Outstanding as at 30 June 2026	Exercise Price per Share HK$
				Granted	Exercised	Cancelled	Lapsed		
3 September 2018	3 September 2020	From 3 September 2020 to 2 September 2026	24,142	–	–	–	–	24,142	40.58
3 September 2018	3 September 2021	From 3 September 2021 to 2 September 2026	24,142	–	–	–	–	24,142	40.58
3 September 2018	3 September 2022	From 3 September 2022 to 2 September 2026	24,142	–	–	–	–	24,142	40.58
			72,426	**–**	**–**	**–**	**–**	**72,426**	

Since the adoption of the Share Option Scheme, no options have been granted under the Share Option Scheme to any Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates (as defined in the Listing Rules).

As at 1 January 2026 and 30 June 2026, the total number of options available for grant under the Share Option Scheme was 1,377,000 and 1,377,000, respectively, representing approximately 0.64% and 0.64% of the total number of shares in issue as at 1 January 2026 and 30 June 2026, respectively. As at 1 January 2026 and 30 June 2026, the total number of shares available for issue by exercising the options granted under the Share Option Scheme was 72,426 and 72,426, respectively, representing approximately 0.03% and 0.03% of the total number of shares in issue as at 1 January 2026 and 30 June 2026, respectively. Save as disclosed above, no options granted under the Share Option Scheme were vested, exercised, cancelled or lapsed during the year under review.

Pre-IPO Share Option Scheme

As disclosed in the IPO Prospectus, the Company adopted the Pre-IPO Share Option Scheme on 25 August 2016 and granted options to subscribe for an aggregate of 771,680 Shares. Immediately following the completion of the Capitalisation Issue (as defined in the IPO Prospectus), the total number of Shares which may be allotted and issued upon exercise of all the outstanding options granted under the Pre-IPO Share Option Scheme increased from 495,180 Shares to 16,210,417 Shares.

The Pre-IPO share option scheme will remain in force for a period of 10 years commencing from 25 August 2016. The remaining life of the Pre-IPO share option scheme was approximately 2 months as at 30 June 2026.

Save as disclosed above, as at 1 January 2026 and 30 June 2026, there were no outstanding Pre-IPO Share Options. No Pre-IPO Share Options were exercised, cancelled or lapsed during the Period under review.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period (corresponding period in 2025: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company is committed to maintaining a solid, transparent and sensible framework of corporate governance for the Group and will continue to review its effectiveness.

The Company has adopted the Code Provisions (the "**Code Provisions**") as stated in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as the corporate governance code of the Company. The Board is committed to complying with the Code Provisions as stated in the CG Code to the extent that the Directors consider it is applicable and practical to the Company.

During the Period and up to the date of this report, the Company has complied with the Code Provisions in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' transactions in securities of the Company (the "**Company's Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules. After specific enquiry made by the Company, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the Company's Code during the Period and up to the date of this report.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Period.

CHANGE IN DIRECTORS' BIOGRAPHICAL DETAILS

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in the information of the Directors since the date of 2025 annual report of the Company and as of the date of this interim report is set out below:

Ms. Zhao Luyi ("**Ms. Zhao**") has tendered her resignation as the chairman of the Board, an executive Director, an authorized representative (the "**Authorized Representative**") of the Company under Rule 3.05 of the Listing Rules, a member of the remuneration committee of the Company (the "**Remuneration Committee**") and a member of the nomination committee of the Company (the "**Nomination Committee**") with effect from 16 April 2026.

Ms. Guo Lei ("**Ms. Guo**") was appointed as a director of each of Risecomm (HK) Holding Co. Limited, Risecomm (HK) Technology Co. Limited, Risecomm Co. Ltd, Harvest Year Global Limited and Prime Key Holdings Limited with effect from 16 April 2026.

Ms. Ye Bailing was appointed as the Authorized Representative, a member of Remuneration Committee and a member of Nomination Committee, with effect from 16 April 2026.

Save as disclosed above, there was no change in the Board and the information of Directors since the date of 2025 annual report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any future plan for material investments or capital assets as at 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares). During the period, the Company held no treasury shares and did not sell any treasury shares.

USE OF PROCEEDS FROM RIGHTS ISSUE

On 21 October 2025, the Company completed the 2025 Rights Issue and on 22 October 2025, the Company issued 164,668,068 rights shares of HK$0.005 each at a subscription price of HK$0.5 per rights share on the basis of five rights shares for every one Consolidated Share.

Upon completion of 2025 Rights Issue, the Company received net proceeds of approximately HK$80.44 million (the "**Net Proceeds**"). The net price per rights shares of 2025 Rights Issue was approximately HK$0.49 and the closing price of the Consolidated Shares on 21 October 2025 was HK$0.62.

For further details of 2025 Rights Issue, please refer to the announcements of the Company dated 17 June 2025, 9 July 2025, 15 August 2025, 19 September 2025, 21 October 2025 and 6 November 2025, the circular of the Company dated 22 July 2025 and the prospectus of the Company regarding the 2025 Rights Issue dated 28 August 2025.

The unutilised Net Proceeds brought forward from 31 December 2025 was in the amount of approximately RMB3,646,000. The following table sets forth the information in relation to the use of the Net Proceeds raised from the 2025 Rights Issue:

	Original allocation of Net Proceeds RMB'000	Unutilised amount of Net Proceeds as at 1 January 2026 RMB'000	Amount of Net Proceeds utilized during the Period RMB'000	Unutilised amount of Net Proceeds as at 30 June 2026 RMB'000
Repayment of bank loans	63,236	–	–	–
Working capital	10,996	3,646	3,646	–
Total	74,232	3,646	3,646	–

The Company has applied the Net Proceeds according to the announcement of the Company dated 21 October 2025.

EMPLOYEE INFORMATION AND REMUNERATION POLICIES

The emolument policy of the employees of the Group is set up by the management on the basis of their merits, qualifications and competence.

As of 30 June 2026, the Group had an aggregate of 41 employees (as of 31 December 2025: 45 employees). During the Period, staff costs, including Directors' remuneration, was approximately RMB6.83 million (for the corresponding period in 2025: approximately RMB7.7 million). The Group recruited and promoted individual persons according to their strengths and development potential. The Group determined the remuneration packages of all employees including the directors with reference to individual performance and prevailing market salary scale.

The Group is dedicated to the training and development of its employees. The Group leverages its research and development capabilities and other resources to ensure that each employee maintains a current skill-set through continuous training. The Group provides introductory training and orientation for all new employees, as well as on-the-job training to continually improve its employees' technical, professional and management skills. The Company has also adopted share option schemes for the purpose of providing incentives and rewards to eligible participants, including the employees of the Group, who contributes to the success of the Group's operations.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL RESULTS

The audit committee of the Board (the "**Audit Committee**") is responsible for assisting the Board in safeguarding the Group's assets by providing an independent review of the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. It also performs other duties as assigned by the Board.

The interim results as disclosed in this report and the unaudited interim financial results of the Group for the Period have not been audited or reviewed by auditor. The Audit Committee has discussed with the management of the Group and reviewed the unaudited interim financial results of the Group for the Period, including the accounting treatment, principles and practices adopted by the Group, and discussed internal control and other financial related matters with no disagreement.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (unaudited)	Six months ended 30 June 2025 RMB'000 (unaudited)
Revenue	5	**25,635**	58,608
Cost of sales		**(13,796)**	(36,037)
Gross profit		**11,839**	22,571
Other income, gains and losses, net	6	**8,000**	3,388
Impairment loss on financial assets, net		**(8,378)**	(2,754)
Selling and marketing expenses		**(5,637)**	(11,671)
General and administrative expenses		**(13,748)**	(13,586)
Research and development expenses		**(1,387)**	(4,443)
Loss from operations		**(9,311)**	(6,495)
Finance costs	7	**(2,974)**	(3,761)
Loss before tax		**(12,285)**	(10,256)
Income tax expense	9	**(1,077)**	(1,895)
Loss for the period	8	**(13,362)**	(12,151)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(continued)*

For the six months ended 30 June 2026

	Notes	Six months ended 30 June **2026** **RMB'000** **(unaudited)**	 2025 RMB'000 (unaudited)
Loss for the period		**(13,362)**	(12,151)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**2,447**	3,742
Other comprehensive income for the period, net of tax		**2,447**	3,742
Total comprehensive expense for the period		**(10,915)**	(8,409)
Loss for the period attributable to:			
Owners of the Company		**(13,362)**	(12,151)
Non-controlling interests		**–**	–
		(13,362)	(12,151)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(10,915)**	(8,409)
Non-controlling interests		**–**	–
		(10,915)	(8,409)
			(Restated)
Loss per share attributable to owners of the Company			
Basic and diluted (RMB cents)	11	**(6.19)**	(11.15)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	**11,499**	12,101
Right-of-use assets		**1,782**	2,153
Goodwill		**–**	–
Intangible assets	13	**96,433**	99,154
Deferred tax assets		**1,030**	1,129
Total non-current assets		**110,744**	114,537
Current assets			
Inventories	14	**6,480**	1,381
Trade and other receivables	15	**66,790**	80,700
Bank and cash balances		**9,265**	17,009
Total current assets		**82,535**	99,090
TOTAL ASSETS		**193,279**	213,627
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	16	**974**	974
Reserves		**(60,431)**	(49,516)
		(59,457)	(48,542)
Non-controlling interests		**–**	(5,645)
Total deficit		**(59,457)**	(54,187)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
LIABILITIES			
Non-current liabilities			
Deferred income		**244**	480
Lease liabilities		**1,161**	1,531
Deferred tax liabilities		**267**	336
Contingent consideration payable	21	**8,424**	7,506
Bank and other borrowings	17	**104,362**	140,029
Total non-current liabilities		**114,458**	149,882
Current liabilities			
Trade and other payables	18	**45,650**	53,412
Contract liabilities		**16,833**	16,360
Bank and other borrowings	17	**68,340**	39,020
Lease liabilities		**740**	730
Income tax payables		**6,715**	8,410
Total current liabilities		**138,278**	117,932
TOTAL EQUITY AND LIABILITIES		**193,279**	213,627

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 — unaudited

	Unaudited Attributable to owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total Equity RMB'000
At 1 January 2026 (audited)	**974**	**482,785**	**128,564**	**21,899**	**14,704**	**(697,468)**	**(48,542)**	**(5,645)**	**(54,187)**
Total comprehensive income/(expense) for the period	**–**	**–**	**–**	**–**	**2,447**	**(13,362)**	**(10,915)**	**–**	**(10,915)**
Derecognition of non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,645**	**–**
Changes in equity for the period	**–**	**–**	**–**	**–**	**2,447**	**(13,362)**	**(10,915)**	**5,645**	**(5,270)**
At 30 June 2026 (unaudited)	**974**	**482,785**	**128,564**	**21,899**	**17,151**	**(710,830)**	**(59,457)**	**–**	**(59,457)**
At 1 January 2025 (audited)	222	408,553	128,564	21,899	8,875	(673,814)	(105,701)	(5,645)	(111,346)
Total comprehensive income/(expense) for the period	–	–	–	–	3,742	(12,151)	(8,409)	–	(8,409)
Changes in equity for the period	–	–	–	–	3,742	(12,151)	(8,409)	–	(8,409)
At 30 June 2025 (unaudited)	222	408,553	128,564	21,899	12,617	(685,965)	(114,110)	(5,645)	(119,755)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026 — unaudited

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Loss before tax	**(12,285)**	(10,256)
Operating cash flow before working capital change	**1,754**	(8,630)
Cash generated from/(used in) operation	**1,013**	(14,467)
NET CASH USED IN OPERATING ACTIVITIES	**(1,729)**	(13,846)
Interest received	**83**	11
Purchase of property, plant and equipment	**–**	(26)
Proceeds from disposal of property, plant and equipment	**–**	20
NET CASH GENERATED FROM INVESTING ACTIVITIES	**83**	5
Interest paid	**(3,605)**	(221)
Drawdown of bank and other borrowings	**450**	17,395
Interest on lease liabilities	**(30)**	–
Principal element of lease payment	**(360)**	–
Repayment of bank and other borrowings	**(1,236)**	(10,332)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(4,781)**	6,842
NET DECREASE IN CASH AND CASH EQUIVALENTS	**6,427**	(6,999)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(1,317)**	5,188
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**17,009**	15,183
CASH AND CASH EQUIVALENTS AT 30 JUNE	**9,265**	13,372

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION

Risecomm Group Holdings Limited (the "**Company**", together with its subsidiaries the "**Group**") was incorporated in the Cayman Islands on 19 August 2015 as an exempted company with limited liabilities under Companies Law, (Cap 22) (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company in China is at 25/F, Block A, Building 8, Shenzhen International Innovation Valley, Xili Street, Nanshan District, Shenzhen, the People's Republic of China (the "**PRC**"). The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 9 June 2017.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The condensed consolidated financial statements should be read in conjunction with the 2025 annual consolidated financial statements, which have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the HKICPA. The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2025.

Going concern basis

The Group incurred a net loss of approximately RMB13,362,000 during the six months ended 30 June 2026, and, as of that date, the Group had net current liabilities and net liabilities of approximately RMB55,743,000 and RMB59,457,000, respectively. As at 30 June 2026, the Group had total borrowings of approximately RMB172,702,000, of which RMB68,340,000 were recorded under current liabilities, while the Group had bank and cash balances of approximately RMB9,265,000. These circumstances indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

As disclosed in the 2025 annual report, due to the existence of material uncertainties relating to the Group's ability to continue as a going concern, the Company's auditor issued a disclaimer of opinion on the consolidated financial statements of the Company for the year ended 31 December 2025 (the "**Disclaimer Opinion**"). The Group has adopted, and proposes to continue to adopt, a number of plans and measures (the "**Action Plans**") to address the matters giving rise to the Disclaimer Opinion, with a view to improving the Group's liquidity and financial position. To alleviate liquidity pressures and improve the Group's financial position, a number of measures have been taken, including but not limited to the following:

1. **Cost control measures and business operations**
   The Group has continued to implement cost control measures, streamline its organisational structure, and optimise resource allocation to enhance operational and cost efficiency.

   The Group's management has also continued to prepare and review cash flow forecasts, closely monitor its bank and cash balances, and manage its working capital requirements, so as to maintain sufficient liquidity for the Group's existing business operations.

2 BASIS OF PREPARATION *(Continued)*

Going concern basis *(Continued)*

2. **Loan capitalisation and placing of new shares of the Company**

Reference is made to the Company's announcements dated 27 May 2026 and 3 June 2026 in relation to, among other things, the loan capitalisation and placing of new shares of the Company (collectively, the "**Announcements**"). As disclosed in the Announcements, on 27 May 2026, the Company entered into the Loan Capitalisation Agreements with the Subscriber, pursuant to which the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, an aggregate of 69,816,957 Capitalisation Shares at a subscription price of HK$0.46 per share, and zero coupon convertible bonds in an aggregate principal amount of HK$128,463,200, which are convertible into a maximum of 279,267,825 Conversion Shares at a conversion price of HK$0.46 per share, for the purpose of settling the Subscriber Loans which are included in "Bank and other borrowings" in the Company's condensed consolidated statement of financial position (the "**Loan Capitalisation**"). Upon completion of the Loan Capitalisation, all liabilities under the Subscriber Loans shall be deemed fully paid, settled and discharged.

As at 27 May 2026, the total outstanding principal amount and interest accrued under the Subscriber Loans amounted to approximately RMB139.1 million. The Loan Capitalisation will enable the Group to settle the Subscriber Loans without immediately utilising its existing cash resources, thereby preserving liquidity for its business operations, alleviating its repayment pressure, reducing its financing costs and gearing ratio, and strengthening its capital base and financial position. In particular, the Subscriber Loans bear interest rates ranging from 2.5% to 12% per annum, whereas the convertible bonds bear no interest.

On the same date, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent conditionally agreed, on a best effort basis, to procure not less than six independent Placees to subscribe for a maximum of 85,869,565 new shares of the Company at the Placing Price of HK$0.46 per Placing Share (the "**Placing**"). Upon completion of the Placing, the maximum gross proceeds and estimated net proceeds from the Placing are expected to be approximately HK$39.5 million and HK$39.0 million, respectively. The Company intends to apply the entire net proceeds from the Placing towards the repayment of two existing loans of the Group, which amounted to approximately HK$39 million in aggregate as at 27 May 2026.

The Board considers that, if completed, the Loan Capitalisation and the Placing will significantly reduce the Group's outstanding indebtedness and repayment obligations, improve its liquidity and financial position to a net current assets position, lower its gearing ratio and financing costs, and strengthen its overall financial position. As such, the Loan Capitalisation and the Placing represent important steps in implementing the Action Plans to address the material uncertainties in relation to its ability to continue as a going concern.

The Company are of the opinion that future cash flow generated from operation together with the financial plans and measures will be sufficient to repay all these liabilities. The Directors are therefore of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern; adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

3 PRINCIPAL ACCOUNTING POLICIES

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

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

Application of amendments to HKFRS Accounting Standards

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

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

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

4 SEGMENT INFORMATION

The Group manages its businesses by business lines. Segmental information has been presented in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resources allocation and performance assessment.

The Group has three reportable segments, which are (a) non-automated meter reading ("**AMR**") and other business; (b) smart manufacturing & industrial automation ("**SMIA**") business; and (c) wind farm operation and maintenance ("**WFOM**") business.

The Group's reportable segments are as follows:

- AMR and other business: this segment includes design, development and sales of power-line communication products, energy saving and environmental protection products and solutions used in streetlight control, building energy management, photovoltaic power management, etc. and providing maintenance services in connection with the deployment and upgrading of AMR systems by power grid companies in the PRC.

- SMIA business: this segment includes sales of software license, production safety products, construction contracts as well as the provision of software post-contract customer support services in connection with the smart manufacturing and industrial automation system applied in the petroleum and petrochemicals industry.

- WFOM business: this segment includes the provision of WFOM services, ensuring the efficient and compliant operation of wind power facilities. The services cover technical support, equipment inspection, performance optimisation, and regulatory compliance management to enhance the reliability and efficiency of wind farm operations.

4 SEGMENT INFORMATION *(Continued)*

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include unallocated finance costs, impairment losses on property, plant and equipment, impairment losses on right-of-use assets, impairment losses on intangible assets, impairment losses on financial assets, net and income tax expense.

No segment assets or liabilities information or other segment information is provided as the Group's chief operating decision maker does not review this information for the purpose of resource allocation and assessment of segment performance.

(a) Information about operating segment profit or loss

The segment information provided to the Group's chief operating decision maker for the reportable segments for the six months ended 30 June 2026 and 2025 is as follows:

Six months ended 30 June 2026	**AMR and other business RMB'000 (unaudited)**	**SMIA business RMB'000 (unaudited)**	**WFOM business RMB'000 (unaudited)**	**Total RMB'000 (unaudited)**
Revenue	**13,093**	**905**	**11,637**	**25,635**
Cost of Sales	**(8,214)**	**(873)**	**(4,709)**	**(13,796)**
Selling and marketing expenses	**(5,412)**	**(225)**	**–**	**(5,637)**
Research and development expenses	**(1,387)**	**–**	**–**	**(1,387)**
Reportable segment results	**(1,920)**	**(193)**	**6,928**	**4,815**

Six months ended 30 June 2025	AMR and other business RMB'000 (unaudited)	SMIA business RMB'000 (unaudited)	WFOM business RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue	28,351	15,884	14,373	58,608
Cost of Sales	(21,012)	(8,025)	(7,000)	(36,037)
Selling and marketing expenses	(8,006)	(3,665)	–	(11,671)
Research and development expenses	(4,443)	–	–	(4,443)
Reportable segment results	(5,110)	4,194	7,373	6,457

4 SEGMENT INFORMATION *(Continued)*

(b) Reconciliations of segment revenue and profit or loss

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Reportable segment results	**4,815**	6,457
Other income, gains and losses, net	**8,000**	3,388
General and administrative expenses	**(13,748)**	(13,586)
Finance costs	**(2,974)**	(3,761)
Impairment losses on financial assets, net	**(8,378)**	(2,754)
Loss before tax	**(12,285)**	(10,256)

No geographical segment information is presented as all the sales and operating (losses)/profits of the Group are derived within the PRC and all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

(c) Revenue from major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Customer A[1]	**2,615**	N/A[2]
Customer B[1]	**6,960**	12,384

1 Revenue from segment of AMR and other business.

2 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5 REVENUE

The Group is principally engaged in the design, development and sales of power line communication ("**PLC**") products as well as the provision of relevant maintenance services in connection with the deployment and upgrades of the AMR systems by power grid companies in the PRC and for a wide range of applications related to energy saving and environmental protection.

The Group is engaged in the sales of software license, production safety products, construction contracts, as well as the provision of software post-contract customer support services in connection with the SMIA applied in the area of maintenance and safety integrity system in the petroleum and petrochemicals industry.

The Group also provides WFOM services in the PRC, ensuring efficient and compliant operations of wind power facilities. The services cover technical support, equipment inspection, performance optimisation, and regulatory compliance management to enhance the reliability and efficiency of wind farms operations.

(a) Disaggregation of revenue

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15 and recognised at a point in time		
Disaggregated by major products or service lines		
AMR and other business		
— PLC Integrated circuits ("**ICs**")	**4,407**	2,501
— PLC Modules	**562**	10,143
— Other products	**6,960**	15,692
— AMR maintenance services	**1,164**	15
Sub-total of AMR and other business	**13,093**	28,351
SMIA business		
— Software license	**905**	15,614
— Production safety products	**–**	270
Sub-total of SMIA business	**905**	15,884
Revenue from contracts with customers within the scope of HKFRS 15 and recognised over time		
Disaggregated by major products or service lines		
WFOM business		
— Wind farm operation and maintenance services	**11,637**	14,373
Sub-total of WFOM business	**11,637**	14,373
Total	**25,635**	58,608

6 OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income from bank deposits	**83**	11
Government grant		
— Unconditional subsidies	**396**	262
— Conditional subsidies	**241**	46
Net foreign exchange gain	**2,037**	3,040
Gain on disposal of a subsidiary	**5,876**	–
Fair value loss on contingent consideration	**(918)**	–
Others	**285**	29
	8,000	3,388

7 FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expenses on bank and other borrowings	**2,944**	3,761
Interest expenses on lease liabilities	**30**	–
	2,974	3,761

8 LOSS FOR THE PERIOD

The Group's loss for the period has been arrived at after charging the following:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Amortisation of intangible assets	**2,721**	4,378
Cost of inventories sold	**8,110**	19,481
Cost of AMR maintenance services	**104**	15
Cost of software license sold	**873**	9,541
Cost of wind farm operation and maintenance services	**4,709**	7,000
Depreciation of property, plant and equipment	**611**	694
Depreciation of right-of-use asset	**371**	–
Write-down of inventories	**280**	–

9 INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax		
Provision for the period	**1,047**	2,012
Under-provision in prior years	**–**	95
	1,047	2,107
Deferred tax	**30**	(212)
	1,077	1,895

10 DIVIDENDS

The board of directors does not recommend the payment of any dividend in respect of the six months ended 30 June 2026 and 2025.

11 LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss		
Loss for the period for the purpose of calculating basic and diluted loss per share	**(13,362)**	(12,151)

	2026	2025
		(Restated)
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**215,814**	108,933

For the six months ended 30 June 2025, the weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share have been adjusted for the share consolidation on 22 October 2025.

The effect of all potential ordinary shares are anti-dilutive for the six months ended 30 June 2026 and 2025 due to loss making for the six months ended 30 June 2026 and 2025.

12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group does not acquire property, plant and equipment (six months ended 30 June 2025: RMB26,000).

13 INTANGIBLE ASSETS

	Software and others RMB'000	Customers relationships RMB'000	Service contracts RMB'000	Non-compete undertakings RMB'000	Total RMB'000
Cost					
At 1 January 2025 (audited)	27,251	99,380	108,768	100,147	335,546
At 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	**27,251**	**99,380**	**108,768**	**100,147**	**335,546**
Accumulated amortisation and impairment loss					
At 1 January 2025 (audited)	18,808	99,380	4,172	100,147	222,507
Amortisation for the period	3,311	–	5,442	–	8,753
Impairment loss recognised in profit or loss	5,132	–	–	–	5,132
At 31 December 2025 and 1 January 2026 (audited)	**27,251**	**99,380**	**9,614**	**100,147**	**236,392**
Amortisation for the period	**–**	**–**	**2,721**	**–**	**2,721**
At 30 June 2026 (unaudited)	**27,251**	**99,380**	**12,335**	**100,147**	**239,113**
Carrying amounts					
At 30 June 2026 (unaudited)	**–**	**–**	**96,433**	**–**	**96,433**
At 31 December 2025 (audited)	–	–	99,154	–	99,154

For the six months ended 30 June 2026
(Expressed in Renminbi unless otherwise indicated)

14 INVENTORIES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Raw materials	**23,289**	23,547
Work in progress	**8,796**	2,669
Finished goods	**10,638**	11,128
	42,723	37,344
Allowance for impairment of inventories	**(36,243)**	(35,963)
	6,480	1,381

15 TRADE AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade receivables	**96,729**	112,978
Allowance for impairment losses of trade receivables	**(52,849)**	(49,731)
	43,880	63,247
Prepayments	**3,060**	5,256
Other receivables	**40,945**	27,222
Loan receivables (note (a))	**5,689**	6,499
Allowance for impairment losses of loan and other receivables	**(26,784)**	(21,524)
	22,910	17,453
Total trade and other receivables	**66,790**	80,700

Note:

(a) The amount receivables under the loan agreements are unsecured and arranged at fixed interest rates of 0% to 5% per annum due from third parties.

The Group generally allows an average credit period of 180 days (31 December 2025: 180 days) for its customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

15 TRADE AND OTHER RECEIVABLES *(Continued)*

The aging analysis of trade receivables, net of allowance for impairment of trade receivables, presented based on the invoice dates is as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within 6 months	**13,388**	27,532
After 6 months but within 1 year	**5,950**	19,344
Over 1 year	**24,542**	16,371
	43,880	63,247

The carrying amounts of the Group's trade receivables are mainly denominated in RMB.

16 SHARE CAPITAL

	30 June 2026 (unaudited) Number of shares '000	**30 June 2026 (unaudited) HK$'000**	31 December 2025 (audited) Number of shares '000	31 December 2025 (audited) HK$'000
Authorised:				
Ordinary shares of HK$0.005 each (2025: HK$0.005 each)	**1,000,000**	**5,000**	1,000,000	5,000
Ordinary shares, issued and fully paid:				
At the beginning of the period/year	**215,814**	**1,079**	255,729	256
Consolidated share	**–**	**–**	(204,583)	–
Issue of shares by way of right issue	**–**	**–**	164,668	823
At the end of the period/year	**215,814**	**1,079**	215,814	1,079
RMB equivalent (RMB'000)		**974**		974

17 BANK AND OTHER BORROWINGS

During the period, the Group obtained new bank and other borrowings of approximately RMB450,000 and made repayments in the amount of RMB1,236,000. The loans bear interest from 2.5% to 12% per annum. The proceeds were used to repay bank and other borrowings, finance capital expenditures, finance the acquisition and general working capital of the Group.

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(Expressed in Renminbi unless otherwise indicated)

18 TRADE AND OTHER PAYABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade payables	**30,049**	41,869
Product warranty provision	**153**	585
Other payables and accruals	**9,688**	4,567
Interest payables	**5,760**	6,391
	45,650	53,412

Trade payables comprised amounts due to suppliers for purchase of goods or services used in regular course of business. Trade payables are non-interest bearing and the average credit period on purchases is 30 to 180 days. The aging analysis of trade payables based on the invoice dates is as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within 3 months	**4,279**	3,825
After 3 months but within 6 months	**2,555**	2,078
After 6 months but within 1 year	**5,172**	7,227
Over 1 year but within 2 years	**7,095**	19,364
Over 2 years	**10,948**	9,375
	30,049	41,869

The carrying amounts of the Group's trade payables are mainly denominated in RMB.

19 SHARE-BASED PAYMENTS

The number and weighted average exercise prices of equity-settled share options are as follows:

	At 30 June 2026		At 31 December 2025	
	Weighted Average exercise price	Number of options	Weighted Average exercise price	Number of options
Outstanding at the beginning of the year	**HK$40.58**	**72,426**	HK$17.24	170,496
Adjustments due to share consolidation and rights issue	–	–	HK$40.58	(98,070)
Forfeited during the period/year	–	–	–	–
Outstanding at the end of the period/year	**HK$40.58**	**72,426**	HK$40.58	72,426
Exercisable at the end of the period/year	**HK$40.58**	**72,426**	HK$40.58	72,426

20 RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related parties during the period:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expenses paid to Ms. Guo Lei (note)	**793**	922
Interest expenses paid to Zhongjia Xinda Investment Co. Limited* ("**Zhongjia Xinda**") (中嘉信達投資有限公司) (note)	**207**	180
Interest expenses paid to Mr. Ding Zhigang (note)	**–**	18
	1,000	1,120

Note: Ms. Guo Lei and Mr. Ding Zhigang are the non-executive directors of the Company.

Mr. Ding Zhigang, being a non-executive director of the Company, holds 84% of equity interest in Zhongjia Xinda. Mr. Ding Zhigang is also a director of Zhongjia Xinda.

* The official name of the company is in Chinese. The English translation of the company name is for reference only.

(b) The following balances were outstanding at the end of the period/year:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(unaudited)	(audited)
Borrowings		
Ms. Guo Lei	**11,007**	11,007
Zhongjia Xinda	**3,450**	3,000
	14,457	14,007

(c) **Key management compensation:**

The remuneration of Directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short-term employee benefits	**2,509**	1,660
Post-employee benefits	**5**	184
	2,514	1,844

21 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

During the period ended 30 June 2026 and 31 December 2025, there was no transfer between Level 2 and Level 3. The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The following table shows the carrying amounts and fair value of financial liabilities, including their levels in the fair value hierarchy.

(a) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements

The Group's financial reporting team is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The team reports directly to the Financial Director for these fair value measurements. Discussions of valuation processes and results are held between the financial director and the board of directors twice a year, to coincide with the reporting dates. The Group engages external valuation firms to perform valuations for its financial instruments where necessary.

For level 3 fair value measurement, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

21 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Reconciliation of liabilities measured at fair value based on level 3

	Six months ended 30 June 2026 RMB'000 (unaudited)	Year ended 31 December 2025 RMB'000 (audited)
Contingent consideration		
At 1 January	**7,506**	603
Increase in fair value	**918**	6,903
At 31 December	**8,424**	7,506

The fair value of the contingent consideration at the end of the reporting period was classified as Level 3 within the fair value hierarchy. The fair value was determined using a discounted cash flow method, taking into account the estimated probability of achieving the profit target. Key assumptions include a three-year cumulative net profit of RMB47 million and a probability of achievement at 100%.

Financial liabilities	**Fair value as at**		**Valuation technique**	**Fair value hierarchy**	**Significant unobservable inputs**
	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)			
Contingent consideration (Note 1)	**8,424**	7,506	Probability-weighted discounted cash flow	Level 3	Probability of profit target achievement: 100% (31 December 2025: 100%) Discount rate: 22.9% (31 December 2025: 24.1%)

Note 1:

As at 30 June 2026, the fair value of the contingent consideration was approximately RMB8,424,000 (31 December 2025: RMB7,506,000), determined using the probability-weighted discounted cash flow method. The significant unobservable inputs used in the Level 3 fair value measurement are the probability of achieving the Three-year Aggregate Net Profit target and the discount rate.

If the probability of achieving the profit target were decreased from 100% to 80%, with all other variables held constant, the fair value of the contingent consideration would decrease by approximately RMB1,685,000. If the discount rate were increased by 5% from 22.90% to 27.90% (31 December 2025: from 24.1% to 29.1%), the fair value would decrease by approximately RMB275,000 (31 December 2025: RMB384,000); conversely, if the discount rate were decreased by 5% to 17.90% (31 December 2025: 19.1%), the fair value would increase by approximately RMB297,000 (31 December 2025: RMB422,000).

22 EVENTS AFTER THE REPORTING PERIOD

On 27 May 2026, the Company entered into the loan capitalisation agreements with certain subscribers, pursuant to which the Company conditionally agreed to issue, and the subscribers conditionally agreed to subscribe for, an aggregate of 69,816,957 capitalisation shares at a subscription price of HK$0.46 per share, and zero coupon convertible bonds in an aggregate principal amount of HK$128,463,200, which are convertible into a maximum of 279,267,825 conversion shares at a conversion price of HK$0.46 per share, for the purpose of settling the subscriber loans which are included in "Bank and other borrowings" in the Company's condensed consolidated statement of financial position (the "**Loan Capitalisation**").

The capitalisation shares under the Loan Capitalisation represent (i) approximately 32.35% of the total number of shares in issue as at 27 May 2026; and (ii) approximately 24.44% of the number of shares in issue as enlarged by the allotment and issue of the capitalisation shares, assuming there will be no changes in the total number of issued shares between 27 May 2026 and the allotment and issue of the capitalization shares.

Based on (i) 215,813,840 shares in issue as at 27 May 2026; and (ii) 279,267,825 conversion shares to be issued and allotted upon full conversion of the bonds under the Loan Capitalisation, 279,267,825 conversion shares will represent (i) approximately 129.40% of the total number of shares in issue as at 27 May 2026; (ii) approximately 49.44% of the number of shares in issue as enlarged by the allotment and issue of the capitalisation shares and the conversion shares.

On 27 May 2026, the Company entered into the placing agreement with the placing agent, pursuant to which the placing agent conditionally agreed, on a best effort basis, to procure not less than six independent placees to subscribe for a maximum of 85,869,565 new shares of the Company at the placing price of HK$0.46 per placing share (the "**Placing**"). Upon completion of the Placing, the maximum gross proceeds and net proceeds from the Placing are expected to be approximately HK$39.5 million and HK$39.0 million, respectively. The Company intends to apply the entire net proceeds from the Placing towards the repayment of two existing loans of the Group, which amounted to approximately HK$39 million in aggregate as at 27 May 2026.

The aggregate nominal value of the placing shares (with a par value of HK$0.005 each) is HK$429,347.83. Completion of the placing agreement is conditional upon, among other things, the listing committee of the stock exchange having granted approval for the listing of, and permission to deal in, the placing shares.

The capitalisation shares, the conversion shares and the placing shares will be allotted and issued under the specific mandate to be sought at the extraordinary general meeting. Completion of each of the loan capitalisation agreement is conditional upon, among other things, the listing committee of the stock exchange having granted approval for the listing of, and permission to deal in, the capitalisation shares and the conversion shares.

As at the date of this report, neither the Placing nor the Loan Capitalisation has been completed, and no capitalisation shares, conversion shares or placing shares have been allotted and issued.

23 APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These condensed consolidated financial statements were approved and authorised for issue by the board of directors on 28 August 2026.