中國技術集團有限公司
CHINA STRATEGIC TECHNOLOGY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1725.HK

INTERIM REPORT 2026

China Strategic Technology Group Limited / Interim Report 2026

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Gu Lin *(Chairman)*
Mr. Chen Youan *(Deputy Chairman)*
(resigned on 13 July 2026)
Mr. Lu Huasheng
Mr. Zhang Yuanqi
Mr. Ma Fujun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yao Xinguo
Mr. Shi Jun
(appointed on 13 July 2026)
Mr. Boris Tadić
Ms. Chow Yin Kwan Yvonne

AUDIT COMMITTEE

Ms. Chow Yin Kwan Yvonne *(Chairman)*
Mr. Yao Xinguo
Mr. Boris Tadić

NOMINATION COMMITTEE

Mr. Boris Tadić *(Chairman)*
Mr. Yao Xinguo
Ms. Chow Yin Kwan Yvonne

REMUNERATION COMMITTEE

Mr. Yao Xinguo *(Chairman)*
Mr. Boris Tadić
Ms. Chow Yin Kwan Yvonne

EXECUTIVE COMMITTEE

Mr. Gu Lin *(Chairman)*
Mr. Zhang Yuanqi

AUTHORISED REPRESENTATIVES

Mr. Gu Lin
Ms. Huang Huajuan
(appointed on 7 January 2026)
Mr. Lee Yiu Man
(resigned on 7 January 2026)

COMPANY SECRETARY

Ms. Huang Huajuan
(appointed on 7 January 2026)
Mr. Lee Yiu Man
(resigned on 7 January 2026)

REGISTERED OFFICE IN CAYMAN ISLANDS

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1–1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC" OR "CHINA")

No. Unit 07–10, 54th Floor
East Tower, Tianying Plaza
222 Xingmin Road
Zhujiang New Town
Tianhe District, Guangzhou
Guangdong
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 917–920, 9th Floor
One Island South
No. 2 Heung Yip Road
Wong Chuk Hang
Hong Kong

CORPORATE INFORMATION

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Sparkasse Heidelberg
Shanghai Pudong Development Bank

CAYMAN ISLANDS PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1–1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Level 8, K11 ATELIER King's Road
728 King's Road
Quarry Bay
Hong Kong

SHARE LISTING

The Stock Exchange of Hong Kong Limited (the "Stock Exchange")
Stock code: 1725.HK

STOCK CODE

1725

STOCK NAME

C STRATEGIC TEC

COMPANY WEBSITE

www.cncstg.com

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

The board (the "**Board**") of directors (the "**Director(s)**") of China Strategic Technology Group Limited (the "**Company**") announces the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Review Period**"), together with the comparative figures for the six months ended 30 June 2025 as follows.

- Revenue of the Group for the Review Period was approximately RMB243.8 million, representing an increase of approximately 41.3% as compared with approximately RMB172.5 million for the corresponding period in 2025.

- Gross profit of the Group for the Review Period was approximately RMB17.1 million, representing a decrease of approximately 52.8% as compared with approximately RMB36.2 million for the corresponding period in 2025.

- Profit attributable to equity holders of the Company for the Review Period was approximately RMB141.6 million and loss attributable to equity holders of the Company was approximately RMB32.4 million for the corresponding period in 2025.

- Profit of the Group for the Review Period was approximately RMB140.4 million and the loss for the corresponding period in 2025 was approximately RMB48.6 million.

- Basic and diluted earnings per share attributable to equity holders of the Company was RMB19.82 cents for the Review Period and basic and diluted loss per share attributable to equity holders of the Company was approximately RMB6.43 cents for the corresponding period in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of 2026, China Strategic Technology Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") navigated a complex and changing global landscape marked by persistent inflationary pressures, currency volatility, and geopolitical uncertainty. Despite these challenges, the Group demonstrated resilience and strategic focus, delivering a notable improvement in financial performance compared to the same period last year.

Total revenue for the six-month period reached approximately RMB243.8 million, representing a year-on-year increase of 41.3%. This growth was primarily driven by the Electronics Manufacturing Services (the "**EMS**") segment, which saw strong demand for printed circuit board assemblies (the "**PCBAs**"), particularly from clients in the banking and finance sectors. Revenue from PCBAs rose by 36.5%, while assembled products decreased by 74.8% due to the decreased in demand. The Group also benefited from geographic diversification, with increased sales in China and Germany offsetting declines in India, Australia and the USA.

Gross profit decreased to RMB17.1 million. The decline reflected changes in the Group's business mix, including the commencement of trading activities which are at an early stage of development and operate at relatively lower margins. While the overall gross profit margin was diluted, the trading business broadened the Group's revenue base and is expected to create opportunities for future growth. Gross profit in the EMS business was affected by an increase in cost of sales that outpaced revenue growth. In response, the Group adopted a stable pricing strategy to retain customers and preserve its market position. Selling and distribution expenses increased by 13.1%, while general and administrative expenses were reduced by 30.0%, reflecting the Group's commitment to operational efficiency. Net finance costs also fell significantly, down by 35.7% to RMB3.6 million, due to lower interest-bearing liabilities and favourable financing arrangements.

The Group reported a profit attributable to equity holders of RMB141.6 million, representing a substantial turnaround from the loss of RMB32.4 million recorded in the first half of 2025. Total comprehensive income for the Review Period was RMB151.3 million and the total comprehensive loss was RMB35.5 million in the corresponding period of 2025. Basic and diluted earnings per share was RMB19.8 cents, compared to loss per share of RMB6.4 cents in the previous year.

The Group will continue to invest in its strategic pillars of artificial intelligence, precision manufacturing, and aerospace technology. These areas form the foundation of the Group's long-term growth strategy, enabling it to deliver intelligent algorithms, machine vision systems, micro-nano fabrication capabilities, and advanced satellite technologies.

Despite the progress made, the Group remains highly leveraged, with a gearing ratio of 528.9% as of 30 June 2026. Cash and cash equivalents stood at RMB30.2 million, slightly down from RMB33.7 million at year-end 2025. To support its liquidity needs, the Group has secured multiple funding sources, including interest-free loans from major shareholders, bond placements, equity subscriptions, and banking facilities. These measures are critical to sustaining operations and executing strategic initiatives.

Management is confident that its financing and operational plans will provide the necessary support to the Group. The Board remains committed to steering the Group through this transitional phase, with a clear focus on innovation, efficiency, and sustainable growth.

OPERATING RESULTS

Revenue by Customer's Geographical Location

The Group's revenue from continuing operations by geographical location, which is determined by the location of customers, is as follows:

	Unaudited six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
The PRC	**165,996**	58,762
Vietnam	**29,756**	33,711
Hong Kong	**17,955**	26,653
Germany	**15,343**	149
South Korea	**4,874**	3,104
India	**3,865**	23,309
Australia	**1,716**	10,454
The USA	**509**	7,351
Others	**3,744**	9,006
	243,758	172,499

Revenue by Product Type

During the Review Period, the Group's revenue was generated primarily through four principal product categories: PCBAs (Printed Circuit Board Assemblies), fully assembled electronic products, materials and comestibles.

	Unaudited six months ended 30 June		
	2026	2025	Change
	RMB'000	*RMB'000*	%
Revenue by Product Type			
Printed circuit board assemblies	**187,534**	137,364	36.5%
Materials	**26,135**	–	–
Comestibles	**20,173**	–	–
Fully-assembled electronic products	**8,859**	35,135	(74.8%)
Others	**1,057**	–	–
Total	**243,758**	172,499	41.3%

Revenue from PCBAs increased by 36.5% from approximately RMB137.4 million for the period ended 30 June 2025 to approximately RMB187.5 million during the Review Period, driven by a higher volume of orders associated with higher gross profit margins. These assemblies are utilised in electronic end-products across the banking and finance, telecommunications, and smart device industries. Notably, the banking and finance sector experienced an increase in demand, which resulted in growth in this segment.

The fully assembled electronic products that are predominantly manufactured in-house include mobile phones, mobile point-of-sale (mPOS) devices, photovoltaic inverters, tablets, and streetlamp controllers, and are sold under the brands of the Group's customers or their ultimate clients. The revenue generated from fully assembled electronic products decreased by 74.8% from approximately RMB35.1 million for the period ended 30 June 2025 to RMB8.9 million during the Review Period mainly due to the decrease in demand from overseas mobile phones and tablets manufacturers who did not place new orders during the Review Period.

Gross Profit

During the Review Period, the Group achieved a gross profit of approximately RMB17.1 million, marking a decrease of 52.8% compared to the RMB36.2 million recorded for the period ended 30 June 2025. The commencement of trading activities which are at early stage of development and operate at relatively low margins has diluted the Group's gross profit. Nevertheless, the trading business has broadened the Group's revenue base and is expected to create opportunities for future growth. The gross profit of EMS Business was affected by the increase in cost of sales that outpaced revenue growth. The Group adopted a stable pricing strategy to retain customers and preserve its market position.

Other Income

Other income for the Review Period amounted to approximately RMB3.0 million (Period ended 30 June 2025: RMB3.7 million). Other income of the Group for the Review Period mainly represented discretionary government grants received by the Group of approximately RMB0.7 million (six months ended 30 June 2025: approximately RMB1.6 million) and service income of approximately RMB2.2 million (six months ended 30 June 2025: RMB0.8 million).

Other Gains, Net

Other Gains, Net for the Review Period amounted to approximately RMB189.0 million (six months ended 30 June 2025: RMB4.2 million). During the Review Period, other gains mainly represented gains on disposal of subsidiaries of approximately RMB197.8 million (six months ended 30 June 2025: RMB nil), compensation to a customer in respect of inventory destroyed of approximately RMB14.9 million (six months ended 30 June 2025: RMB nil), and gain on disposal of properties, plant and equipment of approximately RMB6.3 million (six months ended 30 June 2025: loss of RMB0.2 million).

Selling and Distribution Expenses

Selling and distribution expenses mainly comprised (i) employee benefit expenses which include salaries and allowance, social insurance contributions and staff welfare expenses for sales staff; (ii) sales commission paid to the sales agent in respect of customer introduction; (iii) advertising expenses; and (iv) entertainment expenses. For the Review Period, selling and distribution expenses amounted to approximately RMB6.9 million (six months ended 30 June 2025: approximately RMB6.1 million), representing an increase of approximately 13.1% as compared to that for the corresponding period in 2025. The increase in the selling and distribution expenses was mainly due to the commencement of new trading activities, while the EMS business also recorded an increase in selling and distribution expenses in line with revenue growth in this segment.

General and Administrative Expenses

General and administrative expenses mainly represented (i) employee benefit expenses which include salaries and allowance, social insurance contributions and staff welfare expenses of administrative staff; (ii) legal and professional fees; (iii) building management fee; and (iv) other administrative expenses. For the Review Period, general and administrative expenses amounted to approximately RMB56.5 million (six months ended 30 June 2025: approximately RMB80.7 million), representing a decrease of approximately 30.0% as compared to that for the corresponding period in 2025. The decrease in the general and administrative expenses was mainly due to the decrease in building management fee and depreciation of property, plant and equipment resulting from the disposal of subsidiaries.

Finance Costs, Net

Finance costs mainly comprised interest expenses on bank and other borrowings, finance lease liability and lease liabilities while the finance income mainly represented interest income on cash and cash equivalents and pledged bank deposits. For the Review Period, the net finance costs of the Group was approximately RMB3.6 million (six months ended 30 June 2025: approximately RMB5.6 million). The decreased net finance costs was primarily due to the decrease in the interest expenses on lease liabilities resulting from the disposal of subsidiaries during the Review Period.

Income Tax Expense

Income tax expense amounted to approximately RMB0.8 million for the Review Period (six months ended 30 June 2025: approximately RMB0.03 million). The increase in income tax expenses is mainly due to more assessable profit generated by the Group during the Review Period.

Profit/loss for the period

As a result of the factors discussed above, the Company recorded a profit of approximately RMB140.4 million for the Review Period (six months ended 30 June 2025: loss of RMB48.6 million).

LIQUIDITY AND CAPITAL RESOURCES

Net Current Liabilities

The Group had net current assets of approximately RMB9.2 million as at 30 June 2026 (31 December 2025: net current liabilities of approximately RMB193.2 million). The current ratio of the Group was approximately 1.02 as at 30 June 2026 (31 December 2025: 0.60).

Borrowings, the Pledge of Assets and Restricted Cash

The bank and other borrowings of the Group amounted to approximately RMB234.2 million as at 30 June 2026 (31 December 2025: approximately RMB88.0 million). The weighted average interest rate per annum of the Group's bank and other borrowings as at 30 June 2026 was 1.21% (31 December 2025: 3.35%). As at 30 June 2026 and 31 December 2025, the bank and other borrowings were secured by pledged bank deposit, shares of the Company's subsidiary, corporate guarantees provided by the members of the Group and a personal guarantee by Mr. Ma Fujun, an executive Director. As at 30 June 2025, the bank deposits included in assets classified as held for sale amounting to RMB10 million were pledged to banks for a performance bond provided for customer contract. As at 30 June 2026, the cash and cash equivalents, pledged bank deposits, restricted cash and bank and other borrowings were mainly denominated in RMB, Hong Kong Dollars ("**HK$**"), United States Dollars ("**USD**") and Euros ("**EUR**").

Gearing Ratio

The gearing ratio, which is calculated by total bank and other borrowings, bond payable and loans from related companies divided by total equity, was approximately 528.9% as of 30 June 2026 (31 December 2025: 75.6%).

Capital Structure

As at 30 June 2026, the Company's issued share capital was HK$8,184,100 (31 December 2025: HK$6,040,740) and the number of issued shares of the Company was 818,410,000 (31 December 2025: 604,074,000) ordinary shares of HK$0.01 each ("**Share(s)**").

Foreign Exchange Exposure and Exchange Rate Risk

The Group's assets, liabilities and transactions are mainly denominated in RMB, HK$, USD and EUR, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than the respective functional currencies of the Group's entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The management closely monitors the foreign currency exposure from time to time.

Capital Expenditure

For the Review Period, the Group had capital expenditure of approximately RMB33.4 million (six months ended 30 June 2025: approximately RMB1.5 million). The capital expenditure was related to the additions of furniture and fixtures, plant and machinery, construction of manufacturing plant and intangible asset.

INTERIM DIVIDEND

The Board does not recommend payment of interim dividend for the Review Period (six months ended 30 June 2025: Nil).

EMPLOYEES AND EMOLUMENTS POLICY

The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, commission, bonuses and the Group's contribution to mandatory provident funds or state-managed retirement benefits scheme.

As at 30 June 2026, the Group had approximately 356 employees with a total remuneration of approximately RMB19.1 million during the Review Period (six months ended 30 June 2025: approximately RMB34.9 million). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices.

CAPITAL COMMITMENT

As at 30 June 2026, the Group's capital commitment amounted to approximately RMB426.7 million (31 December 2025: approximately RMB2.2 million). The capital commitment was mainly related to (i) the fitting-out contracts and procurement and installation contracts for the establishment of the Aerospace Business, (ii) satellite procurement contracts and (iii) construction contracts.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as of 30 June 2026 (31 December 2025: Nil).

EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activity in the 12-month period prior to the date of this report.

Date of relevant announcements	Fund raising activity	Intended use of proceeds	Approximate net proceeds	Actual use of proceeds as at the date of this report	Untilised approximate net proceeds as at the date of this report
25 July 2025, 1 August 2025, 15 August 2025 and 27 August 2025	Subscription of new Shares under the general mandate	General working capital	HK$64.5 million	Fully utilised as intended	Nil
5 December 2025, 11 February 2026, 4 March 2026, 23 March 2026, 31 March 2026 and 9 April 2026	(1) Subscription of new Shares under specific mandate; and (2) Placing of new Shares under specific mandate	Repayment of shareholder's loan; and general working capital of the Group	HK$117.84 million	Fully utilised as intended	Nil

Subscription of new Shares under general mandate

On 25 July 2025, the Company entered into a subscription agreement (the "**July 2025 Subscription Agreement**") with Ms. Ren Yue (the "**Ms. Ren**"), an individual investor, pursuant to which the Company has conditionally agreed to allot and issue, and Ms. Ren has conditionally agreed to subscribe for 100,000,000 new Shares (the "**July 2025 Subscription Shares**") under the general mandate at the subscription price of HK$0.65 per Share (the "**July 2025 Subscription**"). The Subscription Price of HK$0.65 per Subscription Share represents: (i) a discount of approximately 18.75% to the closing price of HK$0.80 per Share as quoted on the Stock Exchange on the date of the July 2025 Subscription Agreement; and (ii) a discount of approximately 17.51% to the average of the closing prices per Share of HK$0.788 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the July 2025 Subscription Agreement. The aggregate nominal value of the July 2025 Subscription Shares was HK$1,000,000. Completion of the July 2025 Subscription took place on 27 August 2025 in accordance with the July 2025 Subscription Agreement. The net proceeds from the July 2025 Subscription (after deduction of expenses of the July 2025 Subscription) are approximately HK$64.5 million. The Company has applied the net proceeds of the July 2025 Subscription as follows: (i) approximately HK$60.9 million or 94.4% for general working capital, including but not limited to payment of salaries (approximately HK$35.3 million or 54.7%), rental expenses (approximately HK$3.0 million or 4.7%), utilities (approximately HK$3.0 million or 4.7%), legal and professional fees (approximately HK$12.4 million or 19.2%), office overheads (approximately HK$3.6 million or 5.6%) and other administrative expenses (approximately HK$3.6 million or 5.6%); and (ii) approximately HK$3.6 million or 5.6% for operating expenses of the Group's aerospace business. Details of the Subscription are set out in the announcements of the Company dated 25 July 2025, 1 August 2025, 15 August 2025 and 27 August 2025 respectively.

Subscription of new Shares and Placing of new Shares under specific mandates

On 5 December 2025, the Company entered into subscription agreements (the "**December 2025 Subscription Agreements**") with Ms. Zhong Li and Mr. Xie Chang Lun (the "**Subscribers**"), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, an aggregate of 160,926,000 Shares ("**December 2025 Subscription Shares**") at the subscription price of HK$0.56 per subscription share (the "**December 2025 Subscription**"), represents (i) a discount of approximately 20.00% to the closing price of HK$0.700 per Share as quoted on the Stock Exchange on the date of the December 2025 Subscription Agreement; and (ii) a discount of approximately 20.68% to the average closing prices of HK$0.706 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the December 2025 Subscription Agreement; and the Company entered into the placing agreement (the "**December 2025 Placing Agreement**") with the placing agent pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 90,000,000 Shares at the placing price of HK$0.56 per placing share represents (i) a discount of approximately 20.00% to the closing price of HK$0.700 per Share as quoted on the Stock Exchange on the date of the December 2025 Placing Agreement; and (ii) a discount of approximately 20.68% to the average closing prices of HK$0.706 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the December 2025 Placing Agreement, to not less than six placees who and whose ultimate beneficial owners (if applicable) are independent third parties (the "**December 2025 Placing**"), respectively. The December 2025 Subscription and the December 2025 Placing were duly approved by the Shareholders by way of poll at an extraordinary general meeting of the Company held on 11 February 2026. Completion of the December 2025 Subscription took place on 23 March 2026. The net proceeds from Subscription is approximately HK$88.89 million. Competition of placing of an aggregate of 53,410,000 Shares (the "**December 2025 Placing Shares**") under the December 2025 Placing took place on 9 April 2026. The net proceeds of December 2025 Placing is approximately HK$28.95 million. The Company has applied the net proceeds of the December 2025 Subscription and the December 2025 Placing as follows: (i) approximately HK$90.20 million for the repayment of Shareholder's loan; and (ii) approximately HK$27.60 million for general working capital, including but not limited to payment of salaries (approximately HK$2.56 million), rental expenses (approximately HK$0.51 million), utilities (approximately HK$0.03 million), legal and professional fees (approximately HK$15.24 million), fixed assets (approximately HK$1.77 million) office overheads (approximately HK$1.52 million), other administrative expenses (approximately HK$3.99 million) and other operating expenses (approximately HK$1.98 million). As the Placing was not fully generated, the actual amount allocated to general working capital was less than expected. Details of which are set out in the announcements of the Company dated 5 December 2025, 11 February 2026, 4 March 2026, 23 March 2026, 31 March 2026 and 9 April 2026 and the circular of the Company dated 27 January 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

The July 2025 Subscription Shares was allotted and issued under the general mandate and the December 2025 Subscription Shares and December 2025 Placing Shares were allotted and issued under specific mandate. The Directors consider that the December 2025 Subscription and the December 2025 Placing provided opportunities for the Company to raise capital and applied the net proceeds from the December 2025 Subscription and the December 2025 Placing for the general working capital of the Group including, but not limited to the ongoing administrative expenses of the Company and operating expenses of the Aerospace Business, and the net proceeds from the December 2025 Subscription and the December 2025 Placing (i) as to approximately HK$90.20 million or 65.31% for the repayment of Shareholder's loan; and (ii) as to approximately HK$47.92 million or 34.69% for the general working capital of the Group, including but not limited to the ongoing administrative expenses of the Company.

Save as disclosed, the Company has not conducted any equity fund raising activities during the Review Period and there are no other proceeds brought forward from any issue of equity securities (including securities convertible into equity securities) in previous financial year(s).

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

The Group did not make any material acquisitions or disposals and the Group did not hold any significant investments during the Review Period.

EVENTS AFTER THE REVIEW PERIOD

Placing of New Shares under General Mandate

On 18 August 2026, the Company and the placing agent entered into the placing agreement (as amended by the extension letter dated 8 September 2026, the Company and the placing agent agreed to extend the long stop date and the latest placing date to 29 September 2026 (or such other date as may be agreed between the Company and the placing agent)), pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 163,682,000 Shares (the "**Placing Shares**") at the placing price of HK$0.300 per Placing Share, represents (i) a discount of approximately 9.09% to the closing price of HK$0.330 per Share as quoted on the Stock Exchange on the day of the placing agreement; and (ii) a premium of approximately 4.17% over the average closing price of approximately HK$0.288 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the placing agreement to not less than six placees who and whose ultimate beneficial owners (if applicable) are independent third parties. Details of which are set out in the announcements of the Company dated 18 August 2026 and 8 September 2026 respectively.

Save as disclosed elsewhere in this interim report, there are no significant events affecting the Group which have occurred after the Review Period and up to the date of this interim report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

So far as the Directors and chief executives of the Company are aware, as at 30 June 2026, interests or short positions of the Directors and the chief executives of the Company or any of their associates in the shares, underlying shares and debentures of the Company and any of 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 were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register to be kept pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction 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 (the "**Listing Rules**"), were as follows:

Long position in the shares of the Company

Name of Director or chief executive	Nature of interest	Number of shares held/ interested(Note)	Approximate percentage of shareholding (%)
Mr. Boris Tadić	Beneficial owner	1,000,000(L)	0.12

Note: The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company and/or any of their respective associates had registered any interests or short positions in any shares and underlying shares or debentures of the Company or any associated corporations, or any of their spouses or children under the age of 18 recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" in this report, at no time during the Review Period was the Group, or the Company's holding company or any subsidiary of its holding company a party to any arrangements to enable the Directors, or any of their spouses or children under the age of 18 to acquire by means of acquisition of shares in, or debt securities, and including debentures, of the Group or any other body corporate.

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

So far as the Directors and the chief executives of the Company are aware, as at 30 June 2026, the following corporations/persons (other than the Directors and chief executive of the Company) had interests or short positions of 5% or more in the shares underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Name of Shareholder	Nature of interest	Number of Shares held/ interested[1]	Approximate percentage of shareholding (%)
Hong Kong Aerospace Technology Holdings Limited ("**HKATH (BVI)**")	Beneficial owner	78,343,553(L)	9.57
Vision International Group Limited ("**Vision**", currently known as Venture Capital (Asia) Limited)	Beneficial owner; Interest of a controlled corporation[2]	98,929,553(L)	12.08
Ren Yue	Beneficial owner	100,000,000(L)	12.22
Xie Chang Lun	Beneficial owner	69,926,000(L)	8.54

Notes:

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

(2) Vision was directly interested in 20,586,000 Shares and HKATH (BVI) was directly interested in 78,343,553 Shares. The entire issued share capital of HKATH (BVI) is owned by Vision and the entire issued share capital of Vision is in turn owned by Mr. Sun Fengquan ("**Mr. Sun**"). Therefore, Vision is deemed or taken to be interested in the Shares held by HKATH (BVI) under the SFO and Mr. Sun is deemed or taken to be interested in the Shares held by both Vision and HKATH (BVI) under the SFO.

Save as disclosed above, as at 30 June 2026, no other person (other than the Directors and chief executives of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Review Period and up to the date of this report, none of the Directors or any of their respective associates has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

SHARE OPTION SCHEME

A share option scheme was conditionally adopted by the Company on 25 July 2018 (the "**Share Option Scheme**"), which became effective on 16 August 2018 and shall remain valid and effective for a period of 10 years from its date of adoption. The Share Option Scheme is designed to provide the eligible participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (i) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; (ii) attract and retain or otherwise maintain an on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group; and (iii) align the interests of the Group's senior management and shareholders, so that the senior management will pay more attention to the long-term development of the Group.

The eligible participants include the Group's service providers, directors, officers and employees of any members of the Group as determined or approved by the Board and the remuneration committee (the "**Remuneration Committee**") of the Company from time to time and in compliance with the Listing Rules and the latest amendments under Chapter 17 regarding Share Option Schemes.

As detailed in the Company's listing documents dated 3 August 2018, and in line with the latest Listing Rules, the total number of shares available for issue under the Share Option Scheme as of 30 June 2026 was 30,000,000, representing 10% of the issued share capital of the Company as at the listing date and approximately 4.97% of the issued share capital of the Company as of 1 January 2026 and approximately 3.67% of the issued share capital of the Company as of 30 June 2026. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the adoption date, and during the Review Period and up to the date of this report.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") in force during the Review Period as set out in Appendix C1 to the Listing Rules during the Review Period.

AUDIT COMMITTEE

The Company established the audit committee of the Board (the "**Audit Committee**") on 25 July 2018 with terms of reference in compliance with the CG Code to the Listing Rules for the purpose of making recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and related materials and provide independent advice in respect of the financial reporting process, and to oversee the risk management and internal control system of the Group. As at 30 June 2026, the Audit Committee comprises three members, all being independent non-executive Directors, namely, Ms. Chow Yin Kwan Yvonne (Chairperson), Mr. Yao Xinguo and Mr. Boris Tadić.

The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2026 have not been audited or reviewed by the Company's external auditor, but they have been reviewed by the Audit Committee and have been duly approved by the Board under the recommendation of the Audit Committee.

CORPORATE GOVERNANCE AND OTHER INFORMATION

REMUNERATION COMMITTEE

The Remuneration Committee was established on 25 July 2018 with terms of reference (revised on 30 December 2022) in compliance with the CG Code for the purpose of making recommendations to the Board on the overall remuneration policy and structure relating to the Directors and senior management of the Group, to review and evaluate their performance in order to make recommendations on the remuneration package of each of the Directors and senior management as well as other employee benefit arrangements based on their experience, level of responsibility and general market conditions, to review and/or approve matters relating to all share schemes governing under Chapter 17 of the Listing Rules. As at 30 June 2026, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. Yao Xinguo (Chairperson), Mr. Boris Tadić and Ms. Chow Yin Kwan Yvonne.

NOMINATION COMMITTEE

The nomination committee of the Company (the "**Nomination Committee**") was established on 25 July 2018 with terms of reference (revised on 30 June 2025) in compliance with the CG Code for the purpose of making recommendations to the Board on the appointment of Directors and the succession of the Board. As at 30 June 2026, the Nomination Committee comprises one executive Director, namely H.E. Mohamed Ben Amor (chairman), and three independent non-executive Directors, namely Mr. Boris Tadić, Mr. Yao Xinguo and Ms. Chow Yin Kwan Yvonne.

EXECUTIVE COMMITTEE

The executive committee of the Company (the "**Executive Committee**") was established on 13 October 2025 with terms of reference which deal clearly with its authorities and duties. The Executive Committee has been conferred with the general powers of the Board (except those matters specifically reserved for the Board) to manage and oversee the operations of the Group and has been assigned with the responsibilities to perform the corporate governance duties. As at 30 June 2026, the Executive Committee comprises two executive Directors, namely Mr. Gu Lin (chairman) and Mr. Zhang Yuanqi.

CHANGE OF DIRECTORS

Pursuant to Rule 13.51B of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the change of directors following the publication of 2025 annual report of the Company is as follows:

On 13 July 2026, Mr. Chen Youan has resigned from his office of executive Director and the deputy chairman of the Board, and Mr. Shi Jun has been appointed as an independent non-executive Director. Details of which are set out in the announcement of the Company dated 13 July 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code during the Review Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the Review Period.

CHANGE OF DIRECTORS

During the Review Period and up to the date of this report, there were changes in Directors as follows:

With effect from 13 July 2026, Mr. Shi Jun has been appointed as an independent non-executive Director and Mr. Chen Youan has resigned from his office of executive Director and the deputy chairman of the Board.

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, the Company has maintained sufficient public float of not less than 25% of its Shares as required under the Listing Rules as at the date of this report.

By order of the Board
Gu Lin
Chairman and Executive Director

Hong Kong
27 August 2026

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026

		Unaudited Six months ended 30 June	
	Notes	**2026** ***RMB'000***	2025 *RMB'000*
Revenue	6	**243,758**	172,499
Cost of sales	7	**(226,645)**	(136,305)
Gross profit		**17,113**	36,194
Other income	8	**3,045**	3,669
Other gains, net	9	**188,992**	4,244
Selling and distribution expenses		**(6,935)**	(6,091)
General and administrative expenses		**(56,498)**	(80,670)
Provision for impairment on financial assets	7	**(846)**	(315)
Operating profit/(loss)		**144,871**	(42,969)
Finance income		**32**	270
Finance costs		**(3,635)**	(5,829)
Finance costs, net		**(3,603)**	(5,559)
Profit/(loss) before income tax		**141,268**	(48,528)
Income tax expense	10	**(819)**	(25)
Profit/(loss) for the period		**140,449**	(48,553)
Profit/(loss) for the period attributable to:			
Equity holders of the Company		**141,564**	(32,421)
Non-controlling interest		**(1,115)**	(16,132)
		140,449	(48,553)

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Unaudited	
		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Profit/(loss) for the period		**140,449**	(48,553)
Other comprehensive income/(loss):			
Item that will not be reclassified to profit or loss			
Currency translation differences		**(3,112)**	(6,897)
Item that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**20,760**	5,064
Total comprehensive income/(loss) for the period		**158,097**	(50,386)
Total comprehensive loss for the period attributable to:			
Equity holders of the Company		**151,336**	(35,535)
Non-controlling interest		**6,761**	(14,851)
		158,097	(50,386)
Earnings/(loss) per share attributable to equity holders of the Company			
Basic and diluted	*11*	**RMB19.82 cents**	RMB(6.43) cents

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2026

	Notes	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Assets			
Non-current assets			
Properties, plant and equipment	13	21,108	48,131
Right-of-use assets	13	24,317	2,059
Intangible assets	14	1,835	2,443
Prepayments and deposits	15	238	1,090
Deferred tax assets		1,238	1,238
		48,736	54,961
Current assets			
Inventories	16	11,762	18,903
Trade and bills receivables	17	196,129	170,692
Financial asset at fair value through profit or loss		–	2,171
Prepayments, deposits and other receivables	15	273,127	69,304
Cash and cash equivalents		30,198	33,688
		511,216	294,758
Total assets		559,952	349,719
Equity			
Equity attributable to equity holders of the Company			
Share capital		7,288	5,405
Share premium		695,609	592,136
Accumulated losses		(685,010)	(826,574)
Reserves		10,724	138,723
		28,611	(90,310)
Non-controlling interest		21,365	(172,944)
Total equity		49,976	(263,254)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2026

	Notes	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Liabilities			
Non-current liabilities			
Deferred government grants		2,750	3,346
Lease liabilities		4,393	55,962
Provision for reinstatement cost	19	–	22,189
Bank and other borrowings		–	42,747
Deferred tax liabilities		817	817
		7,960	125,061
Current liabilities			
Trade and bills payables	18	125,752	84,541
Other payables and accruals	19	89,641	108,946
Contract liabilities	19	11,330	22,941
Lease liabilities		4,451	109,121
Bank and other borrowings		234,200	45,277
Bonds payable		15,562	17,208
Loan from related companies	22	14,577	93,854
Current income tax liabilities		6,503	6,024
		502,016	487,912
Total liabilities		509,976	612,973
Total equity and liabilities		559,952	349,719

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000 (Note a)	Other reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interest RMB'000	Total RMB'000
Balance at 1 January 2026	5,405	592,136	9,894	117,952	10,877	(826,574)	(90,310)	(172,944)	(263,254)
Comprehensive income:									
Profit/(loss) for the period	–	–	–	–	–	141,564	141,564	(1,115)	140,449
Other comprehensive income/(loss)									
Currency translation differences	–	–	–	–	(3,112)	–	(3,112)	–	(3,112)
Exchange differences on translation of foreign operations	–	–	–	–	12,884	–	12,884	7,876	20,760
Total comprehensive income	–	–	–	–	9,772	141,564	151,336	6,761	158,097
Transaction with owners									
Issuance of ordinary shares	1,883	103,473	–	–	–	–	105,356	–	105,356
Disposal of subsidiaries *(Note 20)*	–	–	–	(103,957)	(33,814)	–	(137,771)	165,980	28,209
Incorporation of subsidiaries	–	–	–	–	–	–	–	21,568	21,568
Balance at 30 June 2026	7,288	695,609	9,894	13,995	(13,165)	(685,010)	28,611	21,365	49,976

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Unaudited									
	Attributable to equity holders of the Company									
	Share capital *RMB'000*	Share premium *RMB'000*	Statutory reserve *RMB'000* *(Note a)*	Share-based payment reserve *RMB'000*	Other reserve *RMB'000*	Exchange reserve *RMB'000*	Accumulated losses *RMB'000*	Sub-total *RMB'000*	Non-controlling interest *RMB'000*	Total *RMB'000*
Balance at 1 January 2025	4,488	533,376	9,894	–	117,952	10,454	(501,317)	174,847	(38,631)	136,216
Comprehensive loss:										
Loss for the period	–	–	–	–	–	–	(32,421)	(32,421)	(16,132)	(48,553)
Other comprehensive income/ (loss)										
Currency translation differences	–	–	–	–	–	(6,897)	–	(6,897)	–	(6,897)
Exchange differences on translation of foreign operations	–	–	–	–	–	3,783	–	3,783	1,281	5,064
Total comprehensive income/ (loss)	–	–	–	–	–	(3,114)	(32,421)	(35,535)	(14,851)	(50,386)
Transaction with owners										
Appropriation	–	–	455	–	–	–	(455)	–	–	–
Balance at 30 June 2025	4,488	533,376	10,349	–	117,952	7,340	(534,193)	139,312	(53,482)	85,830

Notes:

(a) The laws and regulations of the PRC require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the profit after income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate an amount of not less than 10% of statutory profits after income tax to statutory surplus reserves, prior to distribution of its post-tax profits of the current period. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's operations, or to increase the capital of the company. In addition, a company may make further contribution to the discretional surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.

(b) On 23 March 2026, the Company issued 160,926,000 new shares at a price of HK$0.56 per Share to two independent third parties and raised net proceeds of approximately HK$90.2 million (equivalent to approximately RMB79.4 million). The new shares rank equally with all existing shares.

On 9 April 2026, the Company further issued 53,410,000 new shares at a price of HK$0.56 per Share to an independent third party and raised net proceeds of approximately HK$27.6 million (equivalent to approximately RMB26.0 million). The new shares rank equally with all existing shares.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Unaudited six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cash flows from operating activities		
Cash used in operations	**(194,735)**	(25,430)
Income tax paid	**(231)**	–
Interest received	**32**	270
Net cash used in operating activities	**(194,934)**	(25,160)
Cash flows from investing activities		
Purchase of properties, plant and equipment	**(8,870)**	(1,454)
Purchase of land-use rights	**(16,119)**	–
Redemption of financial assets at fair value through profit or loss	**2,171**	–
Purchase of intangible assets	**(15)**	–
Proceeds from disposal of subsidiaries	**1,349**	–
Proceeds from disposal of property, plant and equipment	**16,865**	54
Net cash used in investing activities	**(4,619)**	(1,400)
Cash flows from financing activities		
Proceeds from bank borrowings	**177,300**	29,060
Repayments of bank borrowings	**(29,060)**	(33,697)
Repayment of bond	**(878)**	–
Interest paid	**(2,239)**	(5,800)
Payments of principal element of lease liabilities	**(978)**	(567)
Proceeds from loan from related companies	**11,983**	22,318
Repayments of loan from related companies	**(91,137)**	(1,100)
Proceed from issuance of shares	**105,356**	–
Capital injection by shareholders	**21,568**	–
Net cash generated from financing activities	**191,915**	10,214
Decrease in cash and cash equivalents	**(7,638)**	(16,346)
Cash and cash equivalents at beginning of the period	**33,688**	28,719
Currency translation differences	**4,201**	8,111
Cash and cash equivalents included in asset held for sale	**–**	6,171
Cash and cash equivalents included in Disposal Group	**(53)**	–
Cash and cash equivalents at end of the period	**30,198**	26,655

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 March 2017 as an exempted company with limited liability under the Companies Act (Cap. 22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman, KY1–1111, Cayman Islands.

The Company is an investment holding company and the Group is principally engaged in (A) aerospace business (the "**Aerospace Business**"), comprising (1) satellite manufacturing, (2) satellite component manufacturing, (3) precision electronics manufacturing, (4) satellite data applications, (5) satellite telemetry, tracking, and controlling (TT&C), and (6) satellite launch; and (B) electronics manufacturing services business (the "**EMS Business**"), including assembling and production of printed circuit boards assemblies (the "**PCBAs**") and fully-assembled electronic products; and (C) the Trading Business.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 August 2018.

This condensed consolidated interim financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand ("**RMB'000**"), unless otherwise stated. This interim financial information was approved for issue on 27 August 2026.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The interim financial information does not include all the notes of the type normally included in an annual report. Accordingly, this interim financial information is to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

2 BASIS OF PREPARATION (Continued)

Basis of preparation — use of going concern basis

The Directors have given careful consideration of the future liquidity and cash flows of the Group in assessing whether the Group will have sufficient resources to continue as a going concern.

For this purpose, the management had prepared a forecast covering a period of not less than twelve months from 30 June 2026 taking into account of the followings:

(i) The Group entered into legally binding agreements with an independent third-party lender (the "**Lender**") for loans in the aggregate sum of approximately HK$108,000,000 (equivalent to RMB98,200,000) (the "**Loans**") in July and October 2021. The Group had entered into supplemental agreements dated 8 March 2026 with the Lender to extend the repayment date of the Loans to 7 April 2027. As at 30 June 2026, the Loans amounted to approximately HK$47,200,000 (equivalent to RMB40,806,000). The management will discuss with the Lender and expects the repayment date can be extended;

(ii) On 5 December 2025, the Company entered into the December 2025 Subscription Agreements with the Subscribers pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, an aggregate of 160,926,000 subscription shares at the subscription price of HK$0.560 per December 2025 Subscription Share. The completion of the subscription took place on 23 March 2026. Upon the completion of the issuance of the December 2025 Subscription Shares, approximately HK$90,119,000 (equivalent to RMB79,715,000), net of all transaction fees has been raised to support the Group in meeting its financial obligations and daily operations;

(iii) On 5 December 2025, the Company entered into the December 2025 Placing Agreement pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 90,000,000 placing shares at the placing price of HK$0.560 per December 2025 Placing Share to not less than six placees who and whose ultimate beneficial owners (if applicable) are independent third parties. The completion of the placing took place on 9 April 2026. Upon the completion of the issuance of the December 2025 Placing Shares (i.e. 53,410,000 Shares), approximately HK$29,910,000 (equivalent to RMB26,118,000), net of all transaction fees has been raised to support the Group in meeting its financial obligations and daily operations;

(iv) On 18 August 2026, the Company entered into a placing agreement (as amended by the extension letter dated 8 September 2026, the Company and the placing agent agreed to extend the long stop date and the latest placing date to 29 September 2026 (or such other date as may be agreed between the Company and the placing agent)) pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 163,682,000 placing shares at the placing price of HK$0.300 per Placing Share to not less than six placees who and whose ultimate beneficial owners (if applicable) are independent third parties. As at the date of this report (i.e. 27 August 2026), the placing is still in progress. The management expects upon the completion of the issuance of the Placing Shares, approximately HK$48,580,000 (equivalent to RMB41,999,000), net of all transaction fees will be raised to support the Group in meeting its financial obligations and daily operations;

2 BASIS OF PREPARATION (Continued)

Basis of preparation — use of going concern basis (Continued)

(v) On 9 March 2026, the Company and an independent third-party (the "**Purchaser**") entered into a share purchase agreement ("**Disposal**"), pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase the paid-up capital of the 2 wholly owned subsidiaries of the Company and a non wholly-owned subsidiary of the Company (collectively, the "**Disposal Companies**") including its respective subsidiaries, referred as the "Disposal Group", at a consideration of USD2,000,000 (approximately RMB13,487,000). The transaction completed on 9 March 2026. Pursuant to the share purchase agreement, all outstanding amounts are contractually required to be settled within six calendar months from the date of the agreement. Management expects that the remaining proceeds of USD1,800,000 (approximately RMB12,138,000) will be received in September 2026. After the Disposal, each member of the Disposal Group ceased to be a subsidiary of the Company. The Company has obtained legal opinion that the obligation to pay the liabilities arising from the dispute over tenancy agreements for premises in Hong Kong will not attach to the Group thereafter;

(vi) On 16 March 2026, the Company entered into a facility letter with an independent third-party (the "**Revolving Loan Lender**") pursuant to which the Revolving Loan Lender has irrevocably undertaken to provide the Company with an interest-bearing revolving loan facility in the aggregate sum of approximately HK$30,000,000 (equivalent to RMB25,936,000) (the "**Revolving Loan Facility**");

(vii) On 20 August 2026, the Group obtained a letter of undertaking (the "**Undertaking Letter**") from Mr. Sun Fengquan ("**Mr. Sun**", a substantial shareholder of the Company), pursuant to which Mr. Sun has irrevocably undertaken to provide the Group with an unsecured and interest-free revolving loan when necessary to meet the Group's future financial obligation. The Undertaking Letter is valid and subsisting up to 30 September 2027 and any loan drawn thereunder shall be repayable on 30 September 2027;

(viii) In March, June, July, September and October 2025, the Group obtained banking facilities totaling RMB84,000,000 from three banks in Mainland China to support the general working capital of the EMS Business. As at 30 June 2026, the amount undrawn under these facilities totalled approximately RMB20,000,000;

(ix) The Group is in negotiation with existing lenders in respect of renewal of existing borrowings as well as certain potential lenders in respect of new borrowings; and

(x) The Group is in negotiation with certain potential investors for raising new capital by the way of issuing new equity and/or debt securities.

The directors of the Company reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 30 June 2026. In the opinion of the directors, assuming the successful and timely implementation of the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 30 June 2026. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2025, as described in those annual consolidated financial statements, except for the estimation of income tax and the adoption of amended standards as set out below. Taxes on income in the Review Period are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) Amended accounting standards and guidelines adopted by the Group

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatory effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's interim financial information:

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 Group expected that the adoption of the above HKFRS Accounting Standard in the current interim period did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments.

(b) Impact of standards issued but not yet applied by the Group

Certain amended accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4 ESTIMATES

The preparation of this interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements in the annual report for the year ended 31 December 2025.

5 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

This interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual report for the year ended 31 December 2025. There have been no significant changes in the risk management policies since the year end.

(b) Fair value estimation

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

In the opinion of the Directors, the carrying amounts of the Group's other financial assets and financial liabilities approximated their fair values as at 30 June 2026 and 31 December 2025.

6 REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in (A) the Aerospace Business, comprising (1) satellite manufacturing, (2) satellite component manufacturing, (3) precision electronics manufacturing, (4) satellite data applications, (5) satellite telemetry, tracking, and controlling (TT&C), and (6) satellite launch; and (B) the EMS Business, including assembling and production of PCBAs and fully-assembled electronic products; (C) the Trading Business; and (D) Others, comprising office expenses and other operating expenses that are not directly attributable to individual reportable segments.

The chief operating decision-maker has been identified as the Directors. The Directors review the Group's internal reporting in order to assess performance and allocate resources. The Directors have determined the operating segments based on these reports.

During the six months ended 30 June 2026, the Group had four reportable segments being:

(i) EMS Business — Banking and finance and other devices; and

(ii) Aerospace Business;

(iii) Trading Business; and

(iv) Others.

6 REVENUE AND SEGMENT INFORMATION (Continued)

(a) Segment revenue, gross profit and other segment information

The Directors assess the performance of the segments based on a measure of revenue and gross profit.

	EMS Business RMB'000	Aerospace Business RMB'000	Trading Business RMB'000	Others RMB'000	Total RMB'000
For the six months ended 30 June 2026 (unaudited)					
Segment revenue	196,692	–	47,066	–	243,758
Segment cost of sales	(179,965)	–	(46,680)	–	(226,645)
Segment gross profit	16,727	–	386	–	17,113
Other segment information:					
Depreciation of properties, plant and equipment	2,811	1	267	42	3,121
Depreciation of right-of-use assets	395	1,061	204	507	2,167
Amortisation of intangible assets	68	474	–	–	542
Additions to non-current segment assets*	5,423	26,153	1,841	–	33,417
For the six months ended 30 June 2025 (unaudited)					
Segment revenue	172,499	–	–	–	172,499
Segment cost of sales	(136,305)	–	–	–	(136,305)
Segment gross profit	36,194	–	–	–	36,194
Other segment information:					
Depreciation of properties, plant and equipment	2,318	12,874	–	42	15,234
Depreciation of right-of-use assets	392	16,251	–	–	16,643
Amortisation of intangible assets	448	–	–	–	448

* The additions to non-current segment assets include (i) additions to properties, plant and equipment, right-of-use assets and intangible assets and (ii) prepayments for the acquisitions of properties, plant and equipment.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities

	EMS Business *RMB'000*	Aerospace Business *RMB'000*	Trading Business *RMB'000*	Others *RMB'000*	Total *RMB'000*
As at 30 June 2026 (unaudited)					
Continuing operations					
Segment assets	**315,127**	**201,185**	**24,104**	**18,298**	**558,714**
Segment liabilities	**254,493**	**185,972**	**21,631**	**40,560**	**502,656**
As at 31 December 2025 (audited)					
Continuing operations					
Segment assets	300,357	28,286	–	19,838	348,481
Segment liabilities	222,616	278,045	–	105,471	606,132

Reportable segment assets are reconciled to total assets as follows:

	Unaudited 30 June 2026 ***RMB'000***	Audited 31 December 2025 *RMB'000*
Segment assets	**558,714**	348,481
Deferred tax assets	**1,238**	1,238
Total assets	**559,952**	349,719

Reportable segment liabilities are reconciled to total liabilities as follows:

	Unaudited 30 June 2026 ***RMB'000***	Audited 31 December 2025 *RMB'000*
Segment liabilities	**502,656**	606,132
Current income tax liabilities	**6,503**	6,024
Deferred tax liabilities	**817**	817
Total liabilities	**509,976**	612,973

6 REVENUE AND SEGMENT INFORMATION (Continued)

(c) Disaggregation of revenue from contracts with customers

	Unaudited six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Timing of revenue recognition:		
At a point in time — sales of goods	**243,758**	172,499

(d) Revenue by customers' geographical location

The Group's revenue by geographical location, which is determined by the location of customers, is as follows:

	Unaudited six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
The People's Republic of China (the "**PRC**" or "**China**")	**165,996**	58,762
Vietnam	**29,756**	33,711
Hong Kong	**17,955**	26,653
Germany	**15,343**	149
South Korea	**4,874**	3,104
India	**3,865**	23,309
Australia	**1,716**	10,454
The United States of America (the "**USA**")	**509**	7,351
Others	**3,744**	9,006
	243,758	172,499

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 REVENUE AND SEGMENT INFORMATION (Continued)

(e) Non-current assets by geographical location

The total amounts of non-current assets, other than financial instruments and deferred tax assets from continuing operations of the Group as at 30 June 2026 and 31 December 2025 are located in the following regions:

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
The PRC	**42,631**	26,462
Hong Kong	**4,865**	27,257
Germany	**2**	4
	47,498	53,723

(f) Major customers

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

	Unaudited six months ended 30 June	
	2026 *RMB'000*	2025 *RMB'000*
Customer A	**64,206**	26,273
Customer B	**25,399**	23,309
Customer C	**17,328**	22,867

The five largest customers accounted for approximately 53.6% (six months ended 30 June 2025: 52.3%) of revenue for the Review Period.

7 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses, general and administrative expenses and provision for impairment on financial assets are analysed as follows:

	Unaudited Six months ended 30 June	
	2026 ***RMB'000***	2025 *RMB'000*
Cost of inventories recognised as expenses	**226,645**	136,305
Employee benefit expenses and manpower service expenses, including Directors' emoluments	**19,128**	34,922
Rental expenses of short-term leases in respect of machinery and properties	**2,726**	5,247
Amortisation on intangible assets	**542**	448
Depreciation of properties, plant and equipment	**3,121**	15,234
Depreciation of right-of-use assets	**2,167**	16,643
Provision for inventories	**4,204**	–
Auditor's remuneration		
— Audit services	**878**	930
— Non-audit services	**177**	110
Provision for impairment on financial assets *(Note 17)*	**846**	315

8 OTHER INCOME

	Unaudited Six months ended 30 June	
	2026 ***RMB'000***	2025 *RMB'000*
Government grants	**704**	1,600
Service income	**2,218**	776
Sundry income	**123**	1,293
	3,045	3,669

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 OTHER GAINS, NET

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Compensation to a customer	**(14,889)**	–
Exchange differences	**6,341**	4,459
Gain/(loss) on disposal of properties, plant and equipment	**6,276**	(183)
Gain on disposal of subsidiaries	**197,794**	–
Others	**(6,530)**	(32)
	188,992	4,244

10 INCOME TAX EXPENSE

Pursuant to the enactment of two-tiered profit tax rates by the Inland Revenue Department of Hong Kong from the year of assessment 2019/20 onwards, the Group's first HK$2 million of assessable profits under Hong Kong profits tax is subject to a tax rate of 8.25%. The Group's remaining assessable profits above HK$2 million will continue to be subject to a tax rate of 16.5%.

During the six months ended 30 June 2026 and 2025, no provision for Hong Kong profits tax has been made in the interim financial information as the Group had no assessable profit in Hong Kong.

During the six months ended 30 June 2026 and 2025, Shenzhen Hengchang Sheng Technology Company Limited*, the Group's major operating subsidiary for the EMS Business in the PRC, has qualified for high and new technology enterprises status and is therefore subject to a preferential income tax rate of 15%.

* *For identification purpose only*

10 INCOME TAX EXPENSE (Continued)

During the six months ended 30 June 2026 and 2025, other Group's entities in the PRC were subject to the PRC corporate income tax ("**CIT**") at the tax rate of 25%.

	Unaudited Six months ended 30 June	
	2026 ***RMB'000***	2025 *RMB'000*
Current income tax		
— The PRC CIT	**24**	25
— German Enterprise Income Tax	**795**	–
Total current income tax	**819**	25
Income tax expense	**819**	25

11 EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2026 and 2025.

	Unaudited Six months ended 30 June	
	2026	2025
Profit/(loss) attributable to equity holders of the Company (RMB'000)	**141,564**	(32,421)
Weighted average number of ordinary shares in issue (thousands of shares)	**714,138**	504,074
Basic and diluted earnings/loss per share (RMB cents)	**19.82**	(6.43)

There were no differences between the basic and diluted earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2026 and 2025.

12 DIVIDEND

No dividend has been paid or declared by the Company during the six months ended 30 June 2026 and 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 PROPERTIES, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Properties, plant and equipment *RMB'000*	Right-of-use assets *RMB'000*	Total *RMB'000*
As at 1 January 2026 (audited)			
Cost	423,435	195,636	619,071
Accumulated depreciation	(375,304)	(193,577)	(568,881)
Net book amount	48,131	2,059	50,190
Six months ended 30 June 2026 (unaudited)			
Opening net book amount	48,131	2,059	50,190
Additions	8,870	24,532	33,402
Depreciation	(3,121)	(2,167)	(5,288)
Disposals	(10,589)	–	(10,589)
Exchange difference	(1,002)	(107)	(1,109)
Disposal of subsidiaries	(21,181)	–	(21,181)
Closing net book amount	21,108	24,317	45,425
As at 30 June 2026 (unaudited)			
Cost	80,534	30,695	111,229
Accumulated depreciation	(59,426)	(6,378)	(65,804)
Net book amount	21,108	24,317	45,425
As at 1 January (audited)			
Cost	375,054	200,926	575,980
Accumulated depreciation	(58,310)	(87,336)	(145,646)
Net book amount	316,744	113,590	430,334
Six months ended 30 June 2025 (unaudited)			
Opening net book amount	316,744	113,590	430,334
Additions	1,454	–	1,454
Depreciation	(15,234)	(16,643)	(31,877)
Disposals	(237)	–	(237)
Exchange difference	(6,982)	(2,655)	(9,637)
Closing net book amount	295,745	94,292	390,037
As at 30 June 2025 (unaudited)			
Cost	364,200	195,844	560,044
Accumulated depreciation	(68,455)	(101,552)	(170,007)
Net book amount	295,745	94,292	390,037

13 PROPERTIES, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

As at 30 June 2026 and 31 December 2025, properties, plant and equipment included buildings, furniture and fixtures, office equipment, plant and machinery, motor vehicles, satellites, leasehold improvements and construction in progress; whereas right-of-use assets included land-use rights and properties.

14 INTANGIBLE ASSETS

No intangible assets were acquired during the Review Period.

15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Prepayments	**69,232**	52,208
Prepayments for the acquisition of properties, plant and equipment and intangible asset	**6,606**	30,439
Less: provision for impairment on prepayments	**–**	(31,250)
	75,838	51,397
Deposits	**1,958**	19,141
Deposits for the acquisition of properties, plant and equipment	**22,850**	–
Other receivables	**33,588**	6,032
Other receivables for the construction	**128,300**	–
Value-added tax receivables	**11,002**	10,378
Less: provision for impairment on deposits and other receivables	**(171)**	(16,554)
	197,527	18,997
	273,365	70,394
Analysed as		
Current	**273,127**	69,304
Non-current	**238**	1,090
	273,365	70,394

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 INVENTORIES

During the six months ended 30 June 2026, the cost of inventories recognised as expense and included in cost of sales amounted to approximately RMB226,645,000 (30 June 2025: RMB136,305,000), which included provision for inventories amounting to approximately RMB4,204,000 (30 June 2025: Nil).

17 TRADE AND BILLS RECEIVABLES

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Trade receivables	**220,957**	194,446
Bills receivables	**–**	228
Less: provision for impairment of trade and bills receivables	**(24,828)**	(23,982)
Trade and bills receivables	**196,129**	170,692

The Group's sales are on credit terms primarily from 30 to 120 days.

As at 30 June 2026 and 31 December 2025, the aging analysis of trade and bills receivables, based on invoice date, was as follows:

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Within 3 months	**150,744**	119,067
Over 3 months	**70,213**	75,607
	220,957	194,674
Less: provision for impairment of trade and bills receivables	**(24,828)**	(23,982)
	196,129	170,692

As at 30 June 2026 and 31 December 2025, the carrying amounts of trade and bills receivables approximated their fair values.

18 TRADE AND BILLS PAYABLES

	(Unaudited) 30 June 2026 RMB'000	(Audited) 31 December 2025 RMB'000
Trade payables	105,752	60,541
Bills payables	20,000	24,000
	125,752	84,541

As at 30 June 2026 and 31 December 2025, the aging analysis of trade and bills payables, based on invoice date, was as follows:

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Within 3 months	122,121	80,514
Over 3 months	3,631	4,027
	125,752	84,541

As at 30 June 2026 and 31 December 2025, the carrying amounts of trade and bills payables approximated their fair values.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 PROVISION FOR REINSTATEMENT COST, CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

	(Unaudited) 30 June 2026 *RMB'000*	(Audited) 31 December 2025 *RMB'000*
Current portion		
Accrued salaries and bonus	11,427	12,356
Accrued expenses	3,898	6,125
Interest payable	4,147	3,856
Other tax payables	7,028	5,364
Other payables	63,141	24,755
Payables for construction works	–	24,964
Provision on litigation case	–	31,526
Other payables and accruals	89,641	108,946
Contract liabilities	11,330	22,941
Non-current portion		
Provision for reinstatement cost	–	22,189

As at 30 June 2026 and 31 December 2025, the carrying amounts of contract liabilities, other payables and accruals approximated their fair values. They were unsecured, interest free and repayable on demand.

20 DISPOSAL OF SUBSIDIARIES

In March 2026, the Group disposed of its 100% equity interests in Aspace Holdings Limited, Prestige Dragon Holdings Limited and Supreme Class International Limited (collectively referred to as the "**Disposal Group**") to Van Minh Technology Service Trading Company Limited, an independent third party, for a consideration of US$2,000,000 (approximately RMB13,487,000). The disposal was completed on 9 March 2026. After the Disposal, each member of the Disposal Group ceased to be a subsidiary of the Company. The Group has obtained legal opinion that the obligation to pay the liabilities arising from the dispute over tenancy agreements for premises in Hong Kong will not attach to the Company thereafter.

The aggregate net assets of the Disposal Group at the date of disposal were as follows:

	Aspace Holdings Limited	Prestige Dragon Holdings Limited	Supreme Class International Limited	Disposal Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Properties plant and equipment *(note)*	12,968	1,297	6,916	21,181
Prepayments, deposits and other receivables	667	–	435	1,102
Cash and cash equivalents	–	–	53	53
Other payables and accruals	(22,485)	(4,073)	(30,958)	(57,516)
Lease liabilities	(117,040)	(11,824)	(27,291)	(156,155)
Provision for reinstatement cost	(12,968)	(1,297)	(6,916)	(21,181)
Net liabilities disposed of	(138,858)	(15,897)	(57,761)	(212,516)
Non-controlling interest	165,980	–	–	165,980
Release of reserves	(125,632)	(1,650)	(10,489)	(137,771)
				(184,307)
Consideration received				(13,487)
Gain on disposal				(197,794)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

20 DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of net inflows of cash and cash equivalents in respect of the disposal of Disposal Group is as follows:

	Unaudited 30 June 2026 *RMB'000*
Net cash inflow arising on disposal:	
Cash consideration received	**1,349**
Cash and cash equivalents disposed of	**(53)**
	1,296

21 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the period/year but not yet incurred is as follows:

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Contracted but not provided for:		
Properties, plant and equipment	**426,700**	2,212

22 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

Save as disclosed elsewhere, major related parties that had transactions with the Group during the six months ended 30 June 2026 and 2025 were as follows:

Name of related parties	**Relationship with the Company**
Rich Blessing Group Limited	Controlled by a Director
Shenzhen Qianhai Yufa Technology Company Limited* (深圳市前海宇發科技有限公司)	Controlled by a Director
Hong Kong Aerospace Technology Holdings Limited ("**HKATH (BVI)**")	A related company controlled by Mr. Sun
Vision International Group Limited ("**Vision**")	A related company controlled by Mr. Sun

* *For identification purpose only*

22 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties

Save as disclosed elsewhere in the interim financial information, during the six months ended 30 June 2026 and 2025, the following transactions were carried out with related parties at terms mutually agreed by both parties:

(i) Office rental fees paid/to be paid to a related company

	Unaudited six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Shenzhen Qianhai Yufa Technology Company Limited* (深圳市前海宇發科技有限公司) *(Note)*	**408**	461

(ii) Consultancy fee paid/to be paid to Directors

	Unaudited six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Christian Feichtinger *(Note)*	**–**	168
Fabio Favata *(Note)*	**–**	168

Note:

The above transactions were charged based on terms mutually agreed with the related party and in the ordinary course of business.

* *For identification purpose only*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

22 RELATED PARTY TRANSACTIONS (Continued)

(b) Key management compensation

Key management compensation including Directors' compensation paid or payable to key management for employee services is shown below:

	Unaudited six months ended 30 June 2026 RMB'000	2025 RMB'000
Wages and salaries	**573**	3,120
Pension costs — defined contribution plan	**85**	9
	658	3,129

(c) Balances arising from related party transactions

	Note	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Amount due from Rich Blessing Group Limited	*(i)*	**(2,594)**	(2,717)
Loan from the HKATH (BVI)	*(i)*	**–**	(25,444)
Loan from the Vision	*(i)*	**(2,983)**	(65,693)
Rental deposit paid to Shenzhen Qianhai Yufa Technology Company Limited* (深圳市前海宇發科技有限公司)	*(ii)*	**119**	119

Notes:

(i) Balances were unsecured, interest free and repayable on demand.

(ii) Balance was unsecured, interest free and repayable within one year from the period/year end.

* *For identification purpose only*