中国智能交通系统(控股)有限公司

China ITS (Holdings) Co., Ltd.

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1900

2026

Interim Report

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liao Jie *(chairman of the Board)*
Mr. Jiang Hailin *(chief executive officer)*

Independent Non-executive Directors

Ms. Huang Jianling
Mr. Lai Hongyi *(CICPA)*
Mr. Hu Hailin

COMPANY SECRETARY

Mr. Leung Ming Shu *(FCCA, FCPA)*

AUTHORIZED REPRESENTATIVES

Mr. Jiang Hailin
Suite 102, 1st Unit, 8th building
1 Balizhuang Beili, Haidian District
Beijing
China

Mr. Leung Ming Shu *(FCCA, FCPA)*
Flat 1, 3/F, Block A
Ventris Place
19–23 Ventris Road
Happy Valley
Hong Kong

AUDIT COMMITTEE

Mr. Lai Hongyi *(CICPA) (committee chairman)*
Mr. Hu Hailin
Ms. Huang Jianling

REMUNERATION COMMITTEE

Ms. Huang Jianling *(committee chairman)*
Mr. Lai Hongyi *(CICPA)*
Mr. Hu Hailin

NOMINATION COMMITTEE

Mr. Hu Hailin *(committee chairman)*
Ms. Huang Jianling
Mr. Lai Hongyi *(CICPA)*

REGISTERED OFFICE

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

HEAD OFFICE IN THE PRC

Building 204, No. A10,
Jiuxianqiao North Road,
Chaoyang District
Beijing 100015, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8/F., Linkchart Centre
2 Tai Yip Street
Kwun Tong, Kowloon
Hong Kong

COMPANY WEBSITE

www.01900.hk

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

Corporate Information

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Union Registrars Limited
Suites 3301–04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

AUDITOR
Forvis Mazars CPA Limited
Certified Public Accountants
42/F., Central Plaza
18 Harbour Road
Wanchai
Hong Kong

LEGAL ADVISOR
Morgan, Lewis & Bockius
19th Floor
Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

LISTING EXCHANGE INFORMATION
Place of listing: Main Board of The Stock Exchange of Hong Kong Limited
Stock code: 1900
Board lot: 1,000 shares

PRINCIPAL BANKERS
Bank of Beijing Co., Ltd. Beijing Branch Cuiweilu sub-branch
Bank of China Limited Beijing Shunyi Sub-branch
China Minsheng Banking Corp., Ltd. Beijing Branch Sales Department
China Construction Bank Hong Kong Branch
Shanghai Pudong Development Bank Co., Ltd. Beijing Xuanwu sub-branch

Corporate Information

KEY SUBSIDIARIES

"Ahlone"	Myanmar Ahlone Power Plant Company Limited
"Aproud Technology"	Beijing Aproud Technology Co., Ltd. (北京亞邦偉業技術有限公司)
"Beijing Jiujian"	Beijing Jiujian Technology Co., Ltd. (北京九建科技有限公司)
"CEEC"	CEECGLOBAL LIMITED (世波工程有限公司)
"CIC Infrastructure Industry"	CIC Infrastructure Industry Investment Limited (中智基礎產業投資有限公司)
"CIC Malaysia"	CIC Transportation Systems Technology Malaysia AND BHD
"Chengdu Zhongzhi Runbang"	Chengdu Zhongzhi Runbang Transportation Technology Co., Ltd (成都中智潤邦交通技術有限公司)
"FOSS"	Forever Opensource Software Inc. (恒拓開源信息科技股份有限公司)
"Haotian Jiajie"	Beijing Haotian Jiajie New Energy Co., Ltd. (北京昊天佳捷新能源有限公司)
"Hlawga"	Myanmar Hlawga GGE Power Plant Company Limited
"Hongrui Dake"	Beijing Hongrui Dake Technology Co., Ltd. (北京宏瑞達科科技有限公司)
"Jiangsu Zhongzhi Transportation"	Jiangsu Zhongzhi Transportation Technology Co., Ltd. (江蘇中智交通科技有限公司)
"Xizang Intelligent Aviation"	Xizang Intelligent Aviation Transportation Technology Co., Ltd. (西藏智航交通科技有限公司)
"Zhixun Tiancheng"	Beijing Zhixun Tiancheng Technology Co., Ltd. (北京智訊天成技術有限公司)
"Zhongtian Runbang"	Zhongtian Runbang Information Technology Co., Ltd. (中天潤邦信息技術有限公司)

Financial Highlights

HIGHLIGHTS OF 2026 INTERIM RESULTS

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

- The Group recorded RMB425.4 million in the First Half of the Year from the new contracts signed(1), as compared to the restated amount of RMB426.0 million for the same period last year(2), remaining largely flat year-on-year.

- Revenue of RMB461.0 million was generated as compared to the restated revenue of RMB348.7 million for the same period last year(2), increased by 32.2%.

- As of June 30, 2026, the Group recorded RMB1,071.9 million from backlog as compared to RMB1,093.4 million as at the end of the previous year, decreased by 2.0% as compared to the end of the previous year.

- The Group generated gross profit of RMB151.6 million as compared to the restated gross profit of RMB147.7 million for the same period last year(2), increased by 2.6%, and recorded gross profit margin of 32.9% as compared to the restated gross profit margin of 42.4% for the same period last year(2), representing a decrease of 9.5 percentage points.

- The profit attributable to owners of the parent of the Company amounted to RMB27.2 million as compared to the restated profit of RMB378.2 million for the same period last year(2), representing a decrease of 92.8% year-on-year, which was mainly attributable to the absence during the Period of the revaluation gain of approximately RMB350.2 million recognised in the corresponding period of 2025, which resulted from the remeasurement of the Group's interest in Forever Opensource Software Inc. ("**FOSS**") to its fair value upon obtaining control over FOSS on January 1, 2025.

Notes:

(1) The amount of the new contracts signed for the power supply project was recognised for revenue generated from such project for the current period.

(2) The Group first adopted Amendments to IAS 21 Lack of Exchangeability in its audited consolidated financial statements for the year ended December 31, 2025. However, these amendments were not applied in the preparation of the unaudited interim financial statements of the Group for the six months ended June 30, 2025. Consequently, the comparative figures for the corresponding period in the Group's 2026 interim results have been adjusted and restated to reflect the adoption of the amendments to IAS 21.

Management Discussion and Analysis

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

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

BUSINESS AND FINANCIAL REVIEW

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

(a) Railway business — The Group sells products and specialised solutions to customers according to their needs. It mainly includes railway communication products and energy-base products. We also provide railway customers with value-added operation and services such as maintenance services, network optimisation and network planning, and technical consulting for products related to the communication system.

(b) Energy business — The Group provides products and specialised solutions related to electric power equipment for customers in the electric power infrastructure construction area. It mainly includes power transmission and transformation equipment, and power generation equipment, etc. According to customers' needs, it also provides planning and technical consulting services of the infrastructure construction in relation to electric power such as power plant construction and power grid renovation, value-added operation and services related to power plant investment, construction and operation etc., and contract energy management to customers.

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

Management Discussion and Analysis

BUSINESS REVIEW

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

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

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

2. **Energy business growing steadily**

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

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

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

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

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

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

BUSINESS OUTLOOK

1. **Railway business**

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

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

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

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

2. **Energy business**

Maintaining the stable development of the electric power business

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

Actively expanding the new energy business

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

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

3. **Aviation business**

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

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

By Industry Sectors

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

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

(i) *Railway*

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

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

(ii) *Energy*

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

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

(iii) *Aviation*

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

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

Management Discussion and Analysis

By Business Model

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

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

(i) *Products and specialised solutions*

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

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

(ii) *Value-added operation and services*

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

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

Management Discussion and Analysis

Gross Profit and the Gross Profit Margin

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

By Industry Sectors

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

(i) *Railway*

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

(ii) *Energy*

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

(iii) *Aviation*

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

By Business Model

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

(i) *Products and specialised solutions*

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

(ii) *Value-added operation and services*

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

Other Income and Gains

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

Selling, Distribution and Administrative Expenses

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

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

Management Discussion and Analysis

Net Impairment Losses on Financial and Contract Assets

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

Other Expenses

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

Share of Profits of Joint Ventures/Associates

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

Profit or Loss through Fair Value Changes of Equity Investments

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

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

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

Finance Cost

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

Income Tax Expenses (Credit)

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

Profit for the Period

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

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

Inventory Turnover Days

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

Trade Receivables Turnover Days

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

Trade Payables Turnover Days

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

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

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

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

FINANCIAL POLICY

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

EXCHANGE RATE EXPOSURE AND HEDGING

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

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

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

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

CONTINGENT LIABILITIES

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

CHARGES ON GROUP ASSETS

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

Directors' Report

The board of directors (individually, a "**Director**", or collectively, the "**Board**") of the Company presents its report together with the unaudited consolidated results of the Group for the Period.

INTERIM DIVIDEND

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

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices, the internal control and financial reporting matters of the Company, and the unaudited interim results of the Group for the Period together with the management of the Company.

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

Save as disclosed below, as at June 30, 2026, none of the Directors and chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), to be notified to the Company and the Stock Exchange:

Name of Director	Nature of interest	Securities[3]	Approximate percentage of shareholdings as at June 30, 2026[3]
Mr. Liao Jie[1]	Interest of controlled corporation	105,758,203 (L)	6.15% (L)
Mr. Jiang Hailin[2]	Beneficial owner/Interest of controlled corporation	559,669,605 (L)	32.54% (L)

Notes:

(1) Mr. Liao Jie is deemed to be interested in the 105,758,203 Shares held by Joyful Business Holdings Limited ("**Joyful Business**"), which is wholly-owned by Mr. Liao Jie.

(2) Mr. Jiang Hailin is entitled to exercise or control the exercise of the voting rights of 559,669,605 Shares, which were held by all the parties to the Shareholders Voting Agreements (as defined below). Mr. Jiang Hailin beneficially and directly owns 18,853,876 Shares, which are part of the 559,669,605 Shares.

(3) (L) denotes long positions. As at June 30, 2026, the number of issued ordinary shares of the Company was 1,720,185,862.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the June 30, 2026, so far as is known to any Director or chief executive of the Company, other than a Director or chief executive of the Company, the following persons had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	Capacity	Long position/ Short position	Number of Shares	Percentage to Company's issued share capital[5]
Holdco[1]	Beneficial owner	Long position	559,669,605	32.54%
Best Partners[2]	Interest of controlled corporation	Long position	559,669,605	32.54%
Widecom Investments Limited[3]	Beneficial owner	Long position	117,179,000	6.81%
Jiang Dan[3]	Interest of controlled corporation	Long position	117,179,000	6.81%
Joyful Business[4]	Beneficial owner	Long position	105,758,203	6.15%

Notes:

(1) As disclosed in the prospectus of the Company dated June 30, 2010, to facilitate the management and operation of the Company, certain major shareholders of the Company have entered into voting agreements delegating their voting rights in the Company to Holdco prior to the listing of the Company, and Holdco has been a controlling shareholder (as defined under the Listing Rules) of the Company since the listing of the Company in 2010. In connection with this arrangement and as a result of previous restructuring exercises of the Group, Holdco, Kang Yang Holdings Limited, Best Partners Development Limited, Joyful Business Holdings Limited, Delta Holdings Limited, Mr. Liao Jie, Mr. Jiang Hailin, Mr. Wang Jing, Mr. Zhang Qian, Mr. Guan Xiong, Mr. Zheng Hui and Ms. Wang Li, were parties to a series of shareholders voting agreements (the "**Shareholders Voting Agreements**"), pursuant to which each of the parties (other than Holdco) to the Shareholder Voting Agreements has authorized Holdco to exercise their voting rights in the Company on their behalves.

As at June 30, 2026, Holdco is entitled to exercise or control the exercise of the voting rights of a total of 559,669,605 Shares, representing the aggregate number of Shares held by all of the parties to the Shareholder Voting Agreements.

(2) Holdco is wholly-owned by Best Partners therefore Best Partners is deemed to be interested in such shares held by Holdco under the SFO.

(3) Widecom Investments Limited was controlled by Ms. Jiang Dan and therefore Ms. Jiang Dan was deemed to be interested in the 117,179,000 shares of the Company beneficially owned by Widecom Investments Limited.

(4) Joyful Business is wholly-owned by Mr. Liao Jie. Mr. Liao Jie is the sole director of Joyful Business.

(5) As at June 30, 2026, the number of issued ordinary shares of the Company was 1,720,185,862.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Save as disclosed in the paragraphs headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" above, as at June 30, 2026, no Director or proposed director is a director or employee of a company which has an interest or short position in the shares or 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as otherwise disclosed in this interim report, at no time during the Period, was the Company or any of its subsidiaries or its holding company or any of the subsidiaries of the Company's holding company a party to any arrangement to enable the Directors or the chief executive of the Company or their respective associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors and chief executive, or their spouse and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during such period.

SHARE SCHEMES

2021 Share Award Scheme

The Board adopted a share award scheme (the "**2021 Share Award Scheme**") on September 16, 2021 (the "**Adoption Date**"). The purposes of the 2021 Share Award Scheme are to recognize the contributions of certain Directors, senior management and employees of the Company and its subsidiaries, or other certain eligible participant(s) (the "**Eligible Participant**") and to retain and motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

The Board may from time to time at its absolute discretion select any Eligible Participant for participation in the 2021 Share Award Scheme as selected participant(s) (the "**Selected Participant**"). Subject to the limit on the size of the 2021 Share Award Scheme as set out below, the Board may determine the number of awarded shares to be granted pursuant to any award(s) under the 2021 Share Award Scheme and at its absolute discretion select any Eligible Participant to be a Selected Participant under the 2021 Share Award Scheme, or instruct the trustee to allocate any returned shares ("**Returned Shares**"), i.e. awarded shares which are not vested and/or forfeited in accordance with the terms of the 2021 Share Award Scheme, or such Shares being deemed to be Returned Shares in accordance with the terms of the 2021 Share Award Scheme, as awarded shares to any Selected Participant(s) to satisfy any awards (other than those granted to connected persons of the Company).

Awarded shares may be acquired by the trustee by way of (i) allotment and issue of new Shares by the Company pursuant to the relevant general mandate or specific mandate granted to the Board by the shareholders of the Company in general meetings of the Company from time to time; or (ii) purchase of Shares in the open market by the trustee.

Such awarded shares shall then be held by the trustee for the Selected Participants in accordance with the provisions of the 2021 Share Award Scheme prior to vesting. The trustee shall not exercise any voting rights in respect of any Shares held under the trust (including but not limited to awarded shares, Returned Shares, any bonus Shares and scrip Shares).

SHARE SCHEMES (continued)

2021 Share Award Scheme (continued)

The Board shall not make any further award which will result in the number of Shares administered under the 2021 Share Award Scheme to exceed in total 10% of the Company's issued share capital as at the Adoption Date. Unless approved by the shareholders of the Company in a general meeting, the maximum number of awarded shares which may be awarded to a single Selected Participant in any 12-month period shall not in aggregate exceed 1.0% of the issued share capital of the Company as at the Adoption Date.

Unless it is early terminated by the board of directors, the 2021 Share Award Scheme shall be valid and effective for a term of ten years commencing on the date of adoption and ending on 15 September 2031.

Details of the 2021 Share Award Scheme are set out in the Company's announcement dated September 16, 2021.

On November 8, 2021, the Company conditionally granted a total of 66,160,994 Awarded Shares to two Connected Award Participants pursuant to the terms of the 2021 Share Award Scheme which have been approved by the Independent Shareholders at the EGM held on December 15, 2021. 21,833,128 Awarded Shares were issued on May 30, 2022 and June 2, 2023, respectively, and 22,494,738 Awarded Shares were issued on May 29, 2024. Please refer to the Company's announcements dated November 8, 2021 and December 15, 2021 and circular dated November 29, 2021 for further details.

There are no outstanding share awards which have been granted but not vested as at January 1, 2026. No share awards had been granted, vested, lapsed or cancelled under the 2021 Share Award Scheme during the Period. As at January 1, 2026 and June 30, 2026, the total number of awards available for grant under the 2021 Share Award Scheme are 99,241,492 and 99,241,492 respectively. There is no service provider sublimit under the 2021 Share Award Scheme. The total number of Shares available for issue under the 2021 Share Award Scheme is 99,241,492 Shares, representing approximately 5.77% of the total issued Shares as at the date of this interim report. The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Period divided by weighted average number of Shares in issue (excluding any treasury Shares) for the Period is nil.

2023 FOSS A Share Incentive Scheme

On September 15, 2023, the shareholders of FOSS, a non-wholly owned subsidiary of the Company, approved the 2023 FOSS A share incentive scheme (the "**2023 FOSS A Share Scheme**"). As FOSS is not a principal subsidiary of the Company, the FOSS A Share Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

The 2023 FOSS A Share Scheme aims to establish a long-term interest-sharing mechanism between FOSS and its eligible personnel, to motivate staff, enhance corporate cohesion and competitiveness, and to support the sustainable, healthy development of the Company.

Eligible participants under the 2023 FOSS A Share Scheme include FOSS' directors (excluding independent directors), supervisors, senior management members, core employees, and other individuals whom the Board may designate at its discretion.

Pursuant to the scheme rules of 2023 FOSS A Share Scheme, 3,506,500 shares of FOSS were granted to a total of 67 selected participants at a purchase price of RMB1.97 per share, which have been fully vested as of the date of this report. Such shares were satisfied exclusively by the A shares of FOSS repurchased from the open market.

SHARE SCHEMES (continued)

2023 FOSS A Share Incentive Scheme (continued)

The 2023 FOSS A Share Scheme shall remain valid and in effect for a term of 36 months from November 20, 2023. It is also subject to early termination after the vesting period, provided all scheme assets have been fully liquidated and distributed.

2026 FOSS A Share Incentive Scheme

On March 26, 2026, the shareholders of FOSS, a non-wholly owned subsidiary of the Company, approved the 2026 A share incentive scheme (the "**2026 FOSS A Share Scheme**"). As FOSS is not a principal subsidiary of the Company, the FOSS A Share Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

The 2026 FOSS A Share Scheme aims to establish a long-term interest-sharing mechanism between FOSS and its eligible personnel, to motivate staff, enhance corporate cohesion and competitiveness, and to support the sustainable, healthy development of the Company.

Eligible participants under the 2026 FOSS A Share Scheme include FOSS' directors (excluding independent directors), senior management members, core employees, and other individuals whom the Board may designate at its discretion.

Pursuant to the scheme rules of 2026 FOSS A Share Scheme, 1,056,289 shares of FOSS were granted to a total of 30 selected participants at a purchase price of RMB8.15 per share, which shall be vested in two equal tranches: 50% upon the expiration of 12 months from April 27, 2026, and the remaining 50% upon the expiration of 24 months from April 27, 2026. The final number of shares vested in each tranche is subject to the achievement of the FOSS performance targets and individual performance assessments. The shares granted under the 2026 FOSS A Share Scheme shall be satisfied exclusively by the A shares of FOSS repurchased from the open market.

The 2026 FOSS A Share Scheme shall remain valid and in effect for a term of 36 months from April 27, 2026. It is also subject to early termination after the vesting period, provided all scheme assets have been fully liquidated and distributed.

As of the date of this report, no shares have vested under the 2026 FOSS A Share Incentive Scheme.

EVENTS AFTER THE REPORTING PERIOD

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

SIGNIFICANT INVESTMENTS

Subscription of Wealth Management Products

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

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

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

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

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

Investment Strategy

FOSS has adopted a clear policy for the cash management of temporarily idle proceeds to enhance fund utilisation efficiency. The policy is founded on three core principles: (i) dedicated use — proceeds must be applied strictly for their designated purposes; (ii) safety — safeguarding the security of proceeds through low-risk, principal protected investments; and (iii) no impact on projects — cash management activities shall not affect the normal implementation of the intended fund raised projects. FOSS' investments are limited to low-risk, principal-protected products such as structured deposits and large-denomination certificates of deposit. All products must offer good liquidity with a term not exceeding 12 months. To ensure risk control, the invested products must not be pledged. Such investment shall be subject to strict internal approval procedures. The Company has overall supervision of all its subsidiaries' cash management activities. The Group has established a clear pre-reporting and review mechanism and subsidiaries must strictly implement the Company's final decisions on external investments.

MATERIAL ACQUISITIONS AND DISPOSALS

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

EMPLOYMENT AND EMOLUMENT POLICIES

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

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

Directors' Report

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

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

CORPORATE GOVERNANCE

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

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

DIRECTORS' SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

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

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

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

REMUNERATION COMMITTEE

The Company has established a remuneration committee on June 18, 2010 with effect from the listing of the Company. The current terms of reference of the remuneration committee have been adopted on December 29, 2022 in compliance with the CG Code.

The primary duties of the remuneration committee is to evaluate and make recommendations to the Board regarding the compensation of the Directors. In addition, the remuneration committee conducts reviews of the performance, and determines the compensation structure of senior management of the Group.

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

NOMINATION COMMITTEE

The Company established a nomination committee on June 18, 2010 with effect from the listing of the Company. The current terms of reference of the nomination committee have been adopted on March 28, 2012 in compliance with the CG Code.

The primary duty of the nomination committee is to make recommendations to the Board regarding candidates to fill vacancies on the board of directors.

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

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Mr. Zhou Jianmin, an independent non-executive Director, chairman of the Nomination Committee, member of the Audit Committee and the Remuneration Committee of the Board, sadly passed away on May 19, 2026. Mr. Lai Hongyi has been appointed to succeed him as the chairman of the Nomination Committee.

With effect from July 31, 2026, Mr. Hu Hailin has been appointed an independent non-executive Director. He has also been appointed chairman of the Nomination Committee of the Board and a member of each of the Audit Committee and the Remuneration Committee of the Board.

Accordingly, with effect from the same date, Mr. Lai Hongyi has ceased to act as the chairman of the Nomination Committee of the Board but continues to serve as a member of the Nomination Committee.

For further details, reference is made to the Company's announcements dated May 22, 2026 and July 31, 2026.

Save as disclosed above, during the Period, there were no changes to information relating to the Directors of the Company that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

On behalf of the Board of Directors
China ITS (Holdings) Co., Ltd.
Liao Jie
Chairman

Beijing, August 31, 2026

Condensed Consolidated Statement of Profit or Loss

For the six-month period ended June 30, 2026

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

Condensed Consolidated Statement of Comprehensive Income

For the six-month period ended June 30, 2026

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

Condensed Consolidated Statement of Financial Position

As at June 30, 2026

	Notes	**June 30, 2026 RMB'000 Unaudited**	December 31, 2025 RMB'000 Audited
NON-CURRENT ASSETS			
Investment properties		**55,879**	55,879
Property and equipment	10	**417,986**	384,807
Intangible assets		**112,920**	128,059
Goodwill		**180,799**	180,799
Investments in associates		**233,797**	218,130
Financial assets at fair value through profit or loss		**68,097**	78,101
Prepayments, deposits and other receivables	13	**1,340**	1,154
Deferred tax assets		**–**	9,800
Total non-current assets		**1,070,818**	1,056,729
CURRENT ASSETS			
Inventories	11	**365,305**	402,703
Trade and bills receivables	12	**501,955**	508,038
Prepayments, deposits and other receivables	13	**309,248**	272,364
Contract assets	14	**133,518**	116,245
Financial assets at fair value through profit or loss		**95,906**	103,319
Amounts due from related parties	20	**41,971**	41,864
Pledged deposits	15	**46,125**	39,682
Cash and cash equivalents	15	**647,466**	699,435
Total current assets		**2,141,494**	2,183,650

Condensed Consolidated Statement of Financial Position

As at June 30, 2026

	Notes	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
CURRENT LIABILITIES			
Trade and bills payables	16	**181,733**	253,975
Contract liabilities, other payables and accruals	17	**298,265**	361,841
Interest-bearing bank borrowings	18	**384,754**	268,181
Amounts due to related parties	20	**3,380**	4,013
Income tax payable		**79,373**	88,391
Total current liabilities		**947,505**	976,401
NET CURRENT ASSETS		**1,193,989**	1,207,249
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,264,807**	2,263,978
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**4,481**	6,406
Interest-bearing bank borrowings	18	**13,897**	15,287
Total non-current liabilities		**18,378**	21,693
Net assets		**2,246,429**	2,242,285
EQUITY			
Equity attributable to owners of the Company			
Share capital	19	**302**	302
Reserves		**1,829,583**	1,826,956
		1,829,885	1,827,258
Non-controlling interests		**416,544**	415,027
Total equity		**2,246,429**	2,242,285

Liao Jie
Director

Jiang Hailin
Director

Condensed Consolidated Statement of changes in equity

For the six-month period ended June 30, 2026

	Attributable to owners of the Company								Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Capital reserve RMB'000	Asset revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained earnings RMB'000	Total RMB'000		
At January 1, 2026	302	1,041,270*	203,293*	562,865*	7,782*	(147,209)*	158,955*	1,827,258	415,027	2,242,285
Profit for the period	–	–	–	–	–	–	27,176	27,176	17,463	44,639
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations	–	–	–	–	–	(24,755)	–	(24,755)	(12,921)	(37,676)
Total comprehensive income for the period	–	–	–	–	–	(24,755)	27,176	2,421	4,542	6,963
Equity-settled share-based payments	–	–	–	206	–	–	–	206	552	758
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	(3,577)	(3,577)
Total transactions with owners	–	–	–	206	–	–	–	206	(3,025)	(2,819)
At June 30, 2026 (unaudited)	302	1,041,270*	203,293*	563,071*	7,782*	(171,964)*	186,131*	1,829,885	416,544	2,246,429

* These reserve accounts comprise the reserves of RMB1,829,583,000 (December 31, 2025: RMB1,826,956,000) in the condensed consolidated statement of financial position as at June 30, 2026.

Condensed Consolidated Statement of changes in equity

For the six-month period ended June 30, 2026

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Capital reserve RMB'000	Asset revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At January 1, 2025	302	1,041,270	202,890	563,467	7,782	(209,599)	275,112	1,881,224	119,900	2,001,124
Changes in accounting policies on adopting the amendments to IAS 21	–	–	–	–	–	68,932	(186,242)	(117,310)	(93,283)	(210,593)
As restated	302	1,041,270	202,890	563,467	7,782	(140,667)	88,870	1,763,914	26,617	1,790,531
Profit for the period (restated)	–	–	–	–	–	–	378,163	378,163	19,446	397,609
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations (restated)	–	–	–	–	–	(21,657)	–	(21,657)	14,912	(6,745)
Total comprehensive income for the period (restated)	–	–	–	–	–	(21,657)	378,163	356,506	34,358	390,864
Equity-settled share-based payments	–	–	–	227	–	–	–	227	–	227
Non-controlling interests arising from business combination	–	–	–	–	–	–	–	–	382,310	382,310
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	(20,260)	(20,260)
Total transactions with owners	–	–	–	227	–	–	–	227	362,050	362,277
At June 30, 2025 (unaudited) (restated)	302	1,041,270	202,890	563,694	7,782	(162,324)	467,033	2,120,647	423,025	2,543,672

Condensed Consolidated Statement of Cash Flows

For the six-month period ended June 30, 2026

	For the six-month period ended June 30, 2026 RMB'000 Unaudited	2025 RMB'000 Unaudited (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**61,402**	392,897
Adjustments for:		
Depreciation and amortisation	**26,193**	18,082
Write-off of property and equipment	**–**	210
Gain on disposal of property and equipment	**(18)**	–
Equity-settled share-based payments	**758**	227
Gain on disposal of financial assets at fair value through profit or loss	**(2,151)**	(4,219)
(Reversal of impairment) impairment of financial assets included in prepayment, other receivables and other assets	**(158)**	1,065
Impairment of trade receivables	**4,982**	16,419
Impairment of contracts assets	**1,168**	320
Changes in fair value of financial assets at fair value through profit or loss	**3,152**	2,509
Share of results of associates	**(4,733)**	(280)
Gain on re-measurement of an associate to fair value at acquisition date	**–**	(350,170)
Finance income	**(3,151)**	(3,602)
Finance costs	**4,980**	5,523
	92,424	78,981
Changes in assets and liabilities:		
Inventories	**37,398**	(24,593)
Contracts assets	**(18,441)**	71,211
Trade and bills receivables	**(656)**	(79,898)
Prepayments, deposits and other receivables	**(54,503)**	(61,257)
Amounts due from related parties	**(107)**	10,077
Pledged deposits	**(6,443)**	15,412
Trade and bills payables	**(72,242)**	(48,719)
Contract liabilities, other payables and accruals	**(56,674)**	104,878
Amounts due to related parties	**(633)**	(2,873)
Cash (used in) generated from operations	**(79,877)**	63,219
Interest paid	**(4,980)**	(5,523)
Interest received	**3,151**	3,602
Income tax paid	**(22,196)**	(6,920)
Net cash flows (used in) generated from operating activities	**(103,902)**	54,378

Condensed Consolidated Statement of Cash Flows

For the six-month period ended June 30, 2026

	Note	For the six-month period ended June 30, 2026 RMB'000 Unaudited	2025 RMB'000 Unaudited (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property and equipment		**(63,687)**	(21,489)
Proceeds from disposal of property and equipment		**256**	–
Purchases of financial assets at fair value through profit or loss		**(5,000)**	(193,181)
Proceeds from disposal of financial assets at fair value through profit or loss		**21,416**	201,867
Outflow arising on acquisition of an associate		**(10,934)**	(80,000)
Net inflow arising on acquisition of subsidiaries		**–**	69,371
Additions to other intangible assets		**(17)**	–
Net cash flows used in investing activities		**(57,966)**	(23,432)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing bank borrowings		**277,090**	119,313
Repayment of interest-bearing bank borrowings		**(161,907)**	(112,106)
Dividend distributed by an associate		**–**	4,000
Dividend paid to non-controlling interests		**(3,577)**	(20,260)
Net cash flows generated from (used in) financing activities		**111,606**	(9,053)
Net (decrease) increase in cash and cash equivalents		**(50,262)**	21,893
Effect of foreign exchange rate changes, net		**(1,707)**	(736)
Cash and cash equivalents at beginning of period		**699,435**	329,888
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15	**647,466**	351,045

Notes to Condensed Consolidated Financial Statements

For the six-month period ended June 30, 2026

1. CORPORATE AND GROUP INFORMATION

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

The Company and its subsidiaries (the "**Group**") is mainly a provider of (i) products, specialised solutions and services related to infrastructure technology in the railway and electric power sectors and, (ii) energy related management and services. Following the acquisition of Forever Opensource in 2025, the Group also engaged in the business for (iii) the provision of software technology development and technical consulting services to large-scale customers in the aviation industry, manufacturing industry and government.

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

2. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES

Basis of presentation

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

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

Application of amendments to IFRS Accounting Standards — current period

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

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

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

2. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES (continued)

Application of amendments to IFRS Accounting Standards — prior period

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

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

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

2. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES (continued)

Application of amendments to IFRS Accounting Standards — prior period (continued)

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

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

3. OPERATING SEGMENT INFORMATION

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

(i) Railway business

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

(ii) Energy business

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

(iii) Aviation Business

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

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

3. OPERATING SEGMENT INFORMATION (continued)

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

3. OPERATING SEGMENT INFORMATION (continued)

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

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

4. REVENUE

An analysis of revenue is as follows:

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

4. REVENUE (continued)

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

5. OTHER INCOME AND GAINS

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

6. PROFIT BEFORE TAX

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

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

7. INCOME TAX

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

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

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

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

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

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

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

7. INCOME TAX (continued)

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

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

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic earnings per share

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

Diluted earnings per share

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

9. DIVIDENDS

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

10. PROPERTY AND EQUIPMENT

During the six-month period ended June 30, 2026, the Group purchased equipment with a cost of RMB63,687,000 (June 30, 2025: RMB21,948,000).

11. INVENTORIES

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
Materials, parts and equipment	**365,305**	402,703

12. TRADE AND BILLS RECEIVABLES

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

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

Bills receivables generally mature from 180 days to 270 days.

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

12. TRADE AND BILLS RECEIVABLES (continued)

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

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

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

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

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
Prepayments to suppliers for purchases of goods (net of loss allowance of RMB2,941,000 (2025: RMB3,098,000))	**153,217**	154,051
Loan receivables (note a) (net of loss allowance of RMB8,000,000 (2025: RMB8,000,000))	**60,648**	48,431
Tender deposits (net of loss allowance of nil (2025: nil))	**2,034**	1,910
Contract deposits (net of loss allowance of RMB569,000 (2025: RMB295,000))	**13,096**	13,405
Advances to staff (net of loss allowance of RMB2,658,000 (2025: RMB2,658,000))	**13,300**	5,874
Tax refundable for export sales (of machinery)	**929**	12,019
Others (net of loss allowance of RMB81,200,000 (2025: RMB81,575,000))	**67,364**	37,828
	310,588	273,518
Less: non-current assets	**(1,340)**	(1,154)
Current portion	**309,248**	272,364

Note:

a. The balance comprises:

(i) Loan of RMB10,000,000 (2025: RMB10,000,000) to an independent third party which is secured by the borrower's owned equity interests in a PRC entity, interest-free and repayable on demand;

(ii) Loans of RMB10,000,000 (2025: RMB10,000,000) to independent third parties which bear interest at rate of 6% per annum (2025: from 6% per annum) and are secured by personal guarantees; and,

(iii) Unsecured loans of RMB40,648,000 (2025: RMB28,431,000) to independent third parties which bear interests at 0% to 18% per annum and are repayable on demand (2025: same).

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

The movements in the impairment of prepayments, deposits and other receivables are as follows:

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
At beginning of period/year	**95,626**	95,445
(Reversal of impairment) impairment	**(158)**	469
Business combinations	**–**	1,057
Write-off	**(100)**	(1,345)
At end of period/year	**95,368**	95,626

Financial assets included in prepayments, deposits and other receivables mainly represent contract deposits, tender deposits with customers, loan receivables and advances to staff. Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of the counterparty and the historical loss record of the Group.

As at June 30, 2026, the Group performed impairment assessment on other receivables from various parties based on 12-month or lifetime ECL based on the assessed credit risk. As a result, the Group recognised a reversal of impairment amounting to RMB158,000 (December 31, 2025: impairment amounting to RMB469,000) in the current period.

14. CONTRACT ASSETS

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
Contract assets	**163,233**	144,624
Impairment	**(29,547)**	(28,379)
Write-off	**(168)**	–
	133,518	116,245

15. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
Cash and bank balances	**647,466**	699,435
Pledged deposits		
— Current deposits	**46,125**	39,682
Less: Pledged deposits with/for	**693,591**	739,117
— Letter of guarantee for projects	**(42,791)**	(37,800)
— Others, mainly for investments	**(1,965)**	(353)
— Restricted cash	**(1,369)**	(1,529)
Cash and cash equivalents	**647,466**	699,435

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

The cash and bank balances and pledged and fixed deposits denominated in RMB held by the Group in Mainland China amounted to RMB488,067,000 as at June 30, 2026 (December 31, 2025: RMB592,199,000). In Mainland China, RMB is not freely convertible into other currencies. However, under PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

The cash and bank balances denominated in USD and MMK held by the Group in Myanmar amounted to RMB34,711,000 as at June 30, 2026 (December 31, 2025: RMB12,978,000). Myanmar maintains stringent foreign exchange controls, and currencies in Myanmar are not freely convertible, with the use and remittance of foreign currency subject to regulatory restrictions.

16. TRADE AND BILLS PAYABLES

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

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

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

17. CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
Contract liabilities	**161,603**	210,843
Business advance deposits	**5,603**	4,118
Staff costs and welfare accruals	**55,851**	64,503
Other taxes payable	**33,296**	36,181
Accrued purchases	**9,628**	1,090
Others	**32,284**	45,106
	298,265	361,841

18. INTEREST-BEARING BANK BORROWINGS

	June 30, 2026 Effective Interest rate %	June 30, 2026 RMB'000 Unaudited	December 31, 2025 Effective Interest rate %	December 31, 2025 RMB'000 Audited
Current				
Bank loans — secured	**Note (i)**	**288,928**	Note (i)	231,520
Factoring loan	**2.6/2.8/5.8**	**95,227**	2.6/5.0	31,780
Bills receivable discounted	**–**	**–**	–	–
Bills receivable endorsed	**0–2.35**	**599**	–	4,881
		384,754		268,181
Non-current				
Bank loans — secured	**Note (i)**	**13,897**	Note (i)	15,287
		398,651		283,468

Note:

(i) The below is the analysis of interest rates of the short-term bank loans:

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
Floating rate at loan prime rate (1 year) set by the People's Bank of China ("**PBOC LPR**")	**91,788**	40,815
PBOC LPR (5 year)	**13,897**	17,540
PBOC LPR add 30 basis point	**20,000**	–
PBOC LPR less 65 basis point	**–**	15,000
PBOC LPR less 50 basis point	**17,000**	17,000
PBOC LPR less 45 basis point	**5,000**	5,000
PBOC LPR less 40 basis point	**144,500**	150,000
PBOC LPR less 35 basis point	**1,454**	1,452
PBOC LPR less 5 basis point	**9,186**	–
	302,825	246,807

19. SHARE CAPITAL

	June 30, 2026 HK$'000	December 31, 2025 HK$'000
Authorised		
5,000,000,000 ordinary shares of HK$0.0002 each	**1,000**	1,000

Issued and fully paid (ordinary shares of HK$0.0002 each):	June 30, 2026 No. of Shares	June 30, 2026 RMB'000 Unaudited	December 31, 2025 No. of Shares	December 31, 2025 RMB'000 Audited
At 1 January and at 30 June/31 December	**1,720,185,862**	**302**	1,720,185,862	302

20. RELATED PARTY TRANSACTIONS

In addition to the transactions or balances as detailed elsewhere in the unaudited interim condensed consolidated financial statements, the Group had the following major transactions with related parties during the six-month period ended June 30, 2026:

	Note	For the six-month period ended June 30, 2026 RMB'000 Unaudited	For the six-month period ended June 30, 2025 RMB'000 Unaudited
Rental income and recharge of expenses			
Beijing United Trust Technical Services Co., Ltd*	(i)	**759**	659
eSOON Information Technology Co., Ltd*	(i)	**361**	561
King Victory Holdings Limited ("**King Victory**") and its affiliates	(i)	**599**	1,480
Vision (China) Cultural Development Co., Ltd*	(i)	**3,183**	3,566
Beijing Zhongzhi Runbang Technology Co., Ltd.*	(i)	**–**	23
		4,902	6,289

Note:

(i) The rental income and recharge of expenses arose from the rental of the Group's office buildings and were based on prices mutually agreed by both parties.

20. RELATED PARTY TRANSACTIONS (continued)

	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited
Due from related parties		
Associate	**16,629**	26,275
Joint operation	**13,897**	4,374
King Victory and its affiliates	**11,445**	11,215
	41,971	41,864
Due to related parties		
Associate	**32**	–
Beijing United Trust Technical Services Co., Ltd*	**327**	706
eSOON Information Technology Co., Ltd*	**345**	345
Vision (China) Cultural Development Co., Ltd*	**2,676**	2,962
	3,380	4,013

The amounts due are unsecured, non-interest bearing and repayable on demand.

Compensation of key management personnel of the Group

	For the six-month period ended June 30, 2026 RMB'000 Unaudited	2025 RMB'000 Unaudited
Fees	**654**	695
Salaries, bonuses, allowances and benefits in kind	**1,146**	1,144
Pension plan contributions	**103**	102
Equity-settled share-based payment expenses	**758**	227
Total compensation paid to key management personnel	**2,661**	2,168

21. PLEDGE OF ASSETS

Certain bank borrowings were secured by a building, an investment property and a certain amount of trade receivables and machinery and equipment of the Group. Details of the Group's assets pledged for the Group's bills receivable discounted or endorsed, are included in note 15 to the condensed consolidated financial statements.

22. CAPITAL COMMITMENTS

As at June 30, 2026, the Group did not have any significant commitment (December 31, 2025, nil).

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major input applied in the valuation. The valuation is reviewed and approved by the management of the Group.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments measured at fair value as at June 30, 2026 and December 31, 2025:

	Fair value measurement using			
As at June 30, 2026 (Unaudited)	**Quoted prices in active markets (Level 1) RMB'000**	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Financial assets at fair value through profit or loss	**234**	**124,612**	**39,157**	**164,003**

	Fair value measurement using			
As at December 31, 2025 (Audited)	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	1,055	121,674	58,691	181,420

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Movements in level 3 fair value measurements

During the six-month period ended June 30, 2026, and the year ended December 31, 2025, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfer into or out of Level 3. The movements of the Level 3 investments during the period/year represent the changes in fair value which were recognised in profit or loss for the period/year.

Description of the valuation techniques and inputs used in Level 2 fair value measurement

The Group's level 2 financial instruments comprise of unlisted mutual funds and bank financial products. The unlisted mutual funds are valued based on quoted market prices from dealers or by reference to quoted market prices for similar instruments and the bank financial products are valued based on the quoted prices from the banks.

Quantitative information of the significant unobservable inputs used in level 3 fair value measurements

The fair values of unlisted equity investments at fair value through profit or loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as enterprise value to sales ("**EV/Sales**") multiple for each comparable company identified. The multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value.

	Fair value at			Range of inputs		
	June 30, 2026 RMB'000 Unaudited	December 31, 2025 RMB'000 Audited	**Significant unobservable input**	**June 30, 2026 RMB'000 Unaudited**	December 31, 2025 RMB'000 Audited	**Relationship of unobservable input to fair value**
Investment in unlisted companies, limited partnership measured at FVTPL	**35,399**	38,759	Latest new major investor's price	10% to 220%	10% to 220%	The higher the latest investor's price, the higher the fair value
			EV/Sales multiple	3.05X	3.09X	The higher the multiple, the higher the fair value
	35,399	38,759				

24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on August 31, 2026.