



中國安儲能源集團有限公司

China Anchu Energy Storage Group Limited

*(incorporated in Cayman Islands with limited liability)*

Stock Code: 2399

CHINA  
ANCHU  
ENERGY

Interim Report  
**2026**



# CONTENTS

|                                                                                      |    |
|--------------------------------------------------------------------------------------|----|
| Corporate Information                                                                | 2  |
| Financial Highlights                                                                 | 3  |
| Management Discussion and Analysis                                                   | 4  |
| Condensed Consolidated Statement of Profit or<br>Loss and Other Comprehensive Income | 20 |
| Condensed Consolidated Statement of<br>Financial Position                            | 22 |
| Condensed Consolidated Statement of<br>Changes in Equity                             | 24 |
| Condensed Consolidated Cash Flow Statement                                           | 25 |
| Notes to the Condensed Consolidated<br>Financial Statements                          | 26 |
| Other Information                                                                    | 47 |



# Corporate Information

## Board of Directors and Committees

### Executive Directors

Mr. Kwok Kin Sun (*Chairman*)  
Mr. Kwok Hon Fung  
Mr. Lu Ke  
Mr. Duan Huiyuan  
Ms. Ma Xiaoling

### Non-executive Director

Mr. Wang Yan

### Independent Non-executive Directors

Mr. Cheung Chiu Tung  
Mr. Poon Yick Pang Philip  
Mr. Ma Yu-heng

### Audit Committee

Mr. Poon Yick Pang Philip (*Chairman*)  
Mr. Cheung Chiu Tung  
Mr. Ma Yu-heng

### Remuneration Committee

Mr. Cheung Chiu Tung (*Chairman*)  
Mr. Poon Yick Pang Philip  
Mr. Duan Huiyuan

### Nomination Committee

Mr. Kwok Kin Sun (*Chairman*)  
Mr. Poon Yick Pang Philip  
Mr. Cheung Chiu Tung  
Ms. Ma Xiaoling  
Mr. Ma Yu-heng

### Company Secretary

Mr. Ong Kam Chit Vincent

### Authorized Representatives

Mr. Kwok Hon Fung  
Mr. Ong Kam Chit Vincent

### Auditor

Suya WWC CPA Limited

### Legal Adviser as to Hong Kong Law

Raymond Siu & Lawyers

## Registered Office

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

## Headquarters and Principal Place of Business in the People's Republic of China

Fordoo Industrial Zone E12  
Xunmei Industrial Zone, Fengze District  
Quanzhou City, Fujian Province, China

## Principal Place of Business in Hong Kong

Unit 1703, 17/F,  
Lyndhurst Tower,  
1 Lyndhurst Terrace, Central,  
Hong Kong

## 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

## Branch Share Registrar and Transfer Office

Boardroom Share Registrars (HK) Limited  
Room 2103B, 21/F, 148 Electric Road,  
North Point, Hong Kong

## Principal Bankers

China CITIC Bank Corporation Limited  
China Construction Bank Corporation

## IR Contact

Investor relations department,  
China Anchu Energy Storage Group Limited  
Unit 1703, 17/F,  
Lyndhurst Tower,  
1 Lyndhurst Terrace, Central,  
Hong Kong  
Tel: (852) 3154 9203  
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## Company Website

[www.chinaanchu2399.com](http://www.chinaanchu2399.com)

# Financial Highlights

## OPERATING RESULTS

|                                  | For the six months ended                   |                                            | Change<br>% |
|----------------------------------|--------------------------------------------|--------------------------------------------|-------------|
|                                  | 30 June 2026<br>(Unaudited)<br>RMB million | 30 June 2025<br>(Unaudited)<br>RMB million |             |
| Revenue                          | 115.0                                      | 40.4                                       | +184.7%     |
| Gross profit                     | 16.0                                       | 9.9                                        | +61.6%      |
| Net loss                         | (140.7)                                    | (99.5)                                     | -41.4%      |
|                                  | <b>RMB cents</b>                           | RMB cents                                  |             |
| Basic and diluted loss per share | (3.62)                                     | (2.80)                                     | -29.3%      |

## FINANCIAL POSITION

|                           | As at<br>30 June 2026<br>(Unaudited)<br>RMB million | As at<br>31 December 2025<br>(Audited)<br>RMB million | Change<br>% |
|---------------------------|-----------------------------------------------------|-------------------------------------------------------|-------------|
|                           |                                                     |                                                       |             |
| Cash and cash equivalents | 38.9                                                | 157.1                                                 | -75.2%      |
| Total assets              | 1,218.0                                             | 1,301.8                                               | -6.4%       |
| Net assets                | 255.1                                               | 291.3                                                 | -12.4%      |

## FINANCIAL RATIO

|                     | For the six months ended    |                             | Change<br>% |
|---------------------|-----------------------------|-----------------------------|-------------|
|                     | 30 June 2026<br>(Unaudited) | 30 June 2025<br>(Unaudited) |             |
| Gross profit margin | 13.9%                       | 24.5%                       | -10.6 ppt   |
| Net loss to revenue | (122.3%)                    | (246.1%)                    | +123.8 ppt  |
| Return on equity    | (55.1%)                     | (34.1%)                     | -21.0 ppt   |

|                          | As at<br>30 June 2026<br>(Unaudited) | As at<br>31 December 2025<br>(Audited) | Change<br>% |
|--------------------------|--------------------------------------|----------------------------------------|-------------|
|                          |                                      |                                        |             |
| Net debt to equity ratio | 176.3%                               | 116.8%                                 | +59.5 ppt   |
| Gearing ratio            | 191.6%                               | 170.8%                                 | +20.8 ppt   |

# Management Discussion and Analysis

## OVERVIEW

China Anchu Energy Storage Group Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) are principally engaged in the sales of industrial products to customers located in Saudi Arabia, the sales of menswear apparel, brand licensing and sales of energy storage battery in the PRC during the six months ended 30 June 2026 (the “**Period**”).

## BUSINESS REVIEW

### A. Industrial Products Segment

The Group sells automotive, motorcycle and other industrial products to customers in Saudi Arabia through an indirect non wholly-owned subsidiary of the Company, Oriental Starway Limited (“**Orient Starway**”) with a business partner who owns 20% of the equity interest in Oriental Starway. The business partner has over 17 years of extensive experience in selling auto parts with strong network of marketing in Saudi Arabia and supply chain in the PRC.

Various macroeconomic headwinds continued to impact this segment. The ongoing tensions between the United States and Iran, alongside the severe escalation of the Red Sea crisis, have kept maritime safety risks in the region elevated. Rerouting around the Cape of Good Hope has become the norm for shipping these days. Ocean carriers have adapted to longer transit times by adjusting sailing schedules, deploying additional vessels, and rerouting services. These adjustments have prolonged transit times and driven up shipping costs, thereby exerting operational pressure on the segment.

Our main customers’ shipping ports are located at Jeddah which is a Saudi Arabian port city in the Red Sea. As a result, the Group had to delay the delivery of the industrial products transported by sea to its customers in Saudi Arabia. Our customers intended to carry out procurement in a more efficient way and thus further adversely affected our business. Furthermore, the competition from other suppliers in Southeast Asia engaging in export business to Saudi Arabia was becoming intense and put pressure on the prices of the Group’s industrial products.

In light of the above, the cost of products and delivery costs of this segment significantly increased and are expected to further increase in the foreseeable future.

During the six months ended 30 June 2025 (the “**Prior Period**”), the industrial products segment temporarily maintained at a minimal operating level and resumed limited operations during late 2025 and the Period due to the business environment as mentioned above. To maintain the market share and compete with other suppliers, the selling prices of this segment have to be competitive. During the Period, although the revenue performance of this segment improved comparing with the Prior Period, the gross profit experienced downward pressure.

Furthermore, while Saudi Arabia’s economic environment continues to grow, and despite the local government’s active efforts to promote economic diversification and reduce reliance on the oil sector, the transformation process has proven to be more complex and challenging than expected. In recent years, the government of Saudi Arabia has recorded fiscal deficits due to substantial capital expenditures during this transition period, leading to tighter market liquidity. This has not only suppressed local procurement demand for infrastructure and industrial products, but has also lengthened the collection cycle of trade receivables for this segment. In light of the unsatisfactory collection of trade receivables, the management will adopt a more proactive strategy in the second half of the year. This includes actively engaging with key customers to negotiate payment terms, product unit prices, and future advance orders.

# Management Discussion and Analysis

## B. Menswear Apparel Segment

The Group's menswear apparel business in the PRC mainly engages in the sales of its branded menswear apparel and brand licensing. The Group completed the transformation from labour intensive manufacturing business model to outsourcing of its branded menswear apparel by leveraging on its own design talent in 2021. The Group currently sources its products on OEM basis only, which is more flexible in meeting the customer demand in the current trend. This business operation model can avoid the sunk cost of production, such as idle labor costs and fringe benefits.

However, under the highly challenging environment of the domestic retail market in the PRC, it remains difficult to fully withstand the pressure of shrinking end-consumer demand. Economic growth of the PRC remained stable yet modest, while consumer expenditure on retail apparel — particularly for mid-to-high-end menswear brands — continues to experience sluggish demand. Consumer sentiment remains conservative and cautious, and consumer behavior was increasingly driven by preference for value for money. Foot traffic in physical stores remains low. To avoid accumulating out-of-season inventory and to mitigate working capital risks, distributors have adopted an extremely conservative replenishment strategy, progressively shifting towards a flexible model characterised by high-frequency and small-batch orders.

As individual order quantities fail to meet the scale thresholds required for traditional large-scale production, the benefits of economies of scale cannot be realised, leading to a significant increase in unit costs for raw material procurement and processing. Consequently, the Group faces rising procurement costs from contract manufacturers while remaining unable to raise retail prices due to sluggish market conditions, resulting in severe margin compression.

### **Distribution Network for the Sales of Menswear Apparel**

The Group primarily sells its products on a wholesale basis to third-party distributors, who then (i) resell the products to end customers through retail outlets or (ii) resell the products to their sub-distributors, who in turn resell the products to end customers through retail outlets operated by those sub-distributors. The Group also sells its products to online distributors which then resell the products to end customers through various third-party online platforms such as Tmall.com and JD.com.

Due to the economic environment in the PRC and the expiry of the leases in 2022, we closed all 15 self-operated retail outlets in Quanzhou, Fujian Province and Beijing in the second half of 2022.

As at 30 June 2026, our distribution network comprised 31 distributors (including one online distributor) (31 December 2025: 30) and 17 sub-distributors (31 December 2025: 17) which operated a total of 191 retail outlets (31 December 2025: 236), representing a net decrease of 45 retail outlets. As at 30 June 2026, 86.4% (31 December 2025: 87.3%) of the retail outlets were located in department stores or shopping malls whereas 13.6% (31 December 2025: 12.7%) of the retail outlets were standalone stores.

### **Design and Product Development**

The Group always puts great emphasis on product design and quality, as we believe that our ability and commitment to provide fashionable and comfortable products have been integral to our success. Our product design and development team members, who plan, implement, supervise and manage the design and development efforts, have an average of over 10 years of experiences in the fashion industry. We will continue to invest in our product design and research and development capabilities to capture fashion trends and product designs.

### **Sales Fairs**

We organise sales fairs at our headquarters in Quanzhou to showcase our upcoming products for the spring/summer and autumn/winter collections to our existing and potential distributors and their sub-distributors. We review our distributors' orders placed at our sales fairs to ensure that they are reasonable and in line with the relevant distributor's capacity and development plans. The sales fair for 2026 autumn/winter collections was held in April 2026, and the sales fair for 2027 spring/summer collections will be held in September 2026.

# Management Discussion and Analysis

## C. Energy Storage Battery Segment

The Company commenced the business of energy storage battery segment in 2022. Jiangsu HengAn Energy Technology Co., Ltd. (“**Jiangsu HengAn**”), an indirect non wholly-owned subsidiary of the Company, acquired the intellectual property rights and fixed assets in respect of the production facilities of zinc-bromine flow battery (鋅溴液流電池).

The main operations of this segment are production and sales of zinc-bromine flow battery. A zinc-bromine flow battery is a rechargeable battery system that utilises the chemical reaction between zinc metal and bromine to generate electric current. It is being developed for stationary power applications, ranging from domestic energy usage to grid-scale energy (電網規模能源). It enables power system operators and utility companies to store energy for future use.

In November 2022, Jiangsu HengAn set up a zinc-bromine flow battery research and development production base (the “**Production Base**”) in the Jiangning Development Zone\* (江寧開發區). Jiangsu HengAn started the production trial run. The time for testing and adjusting the machines was longer than expected due to the impact of COVID-19 pandemic at the material time. As the time for testing was prolonged, the Group needed time to purchase new equipment to replace those tools consumed to make the production lines optimal for commercial operation.

In the same year, the PRC promulgated the implementation plan for the development of new energy storage and placed high importance on the advancement of energy storage technologies. The Group believes that the energy storage battery market will have promising prospects under the support of the global trend and the national policy of “carbon emission reduction”. During 2023, the Company has entered into a letter of intent on collaboration with Nanjing Jiangning Economic and Technological Development Committee\* (南京江寧經濟技術開發區管理委員會), to carry out the development plan to increase the production capacity of the Production Base in order to meet the demands from potential customers. Pursuant to the development plan, to increase the plant production capacity and efficiency, the Group planned to automate its production lines. The Group needed to re-design its production base, purchase new equipment and upgrade the existing equipment. The Group has proactively planned the procurement of machinery and raw materials for these development plans in advance. The objective is to commence commercial production as soon as possible and generate returns for the Group following the completion of factory setup, machinery installation, commissioning and testing.

The production of zinc-bromine flow batteries represents a highly complex, interdisciplinary systemic engineering endeavor that entails stringent technical requirements during industrial commercialisation and mass production. The assembly and adjustment of relevant machinery and equipment involve substantial high-tech capital expenditure, specialised technical personnel, and numerous variable factors; consequently, the timeline for production line optimisation has been longer than originally anticipated. As the equipment tuning and trial production remain ongoing during the Period, the revenue for the Period was insignificant. Nevertheless, the feedback from customers regarding our products has been increasingly positive as compared to prior periods. To refine and perfect the mass production process, the Group will maintain continuous communication with customers regarding product quality.

Jiangsu HengAn had also participated in several exhibitions to showcase our products. We took the chance to meet customers and potential customers to ensure that we could satisfy their needs and plans. On the other hand, Jiangsu HengAn has entered into equipment procurement agreements with several subsidiaries of PRC state-owned enterprises, pursuant to which Jiangsu HengAn would sell zinc-bromine flow battery energy storage systems together with the ancillary facilities to those companies. Entering into those agreements with the subsidiaries of PRC state-owned enterprises can strengthen the position and reputation of the Group in the energy storage market and those orders demonstrate the confidence of the market towards the energy storage systems offered by the Group. In addition to current production and operations, the Group is actively seeking strategic cooperation, joint venture investment, and financing opportunities to develop energy storage projects both within the PRC and globally. The Group is proactively establishing close contacts with various local government urban investment platforms, large state-owned power generation enterprises, grid dispatchers, and overseas green energy operators to explore the feasibility of applying Jiangsu HengAn’s zinc-bromine flow batteries to large-scale industrial and commercial energy storage, generation-side peak shaving, and microgrid projects.

\* For identification purposes only

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

#### Revenue by Product Type

|                                  | For the six months ended 30 June |              |                     |              | Change<br>% |
|----------------------------------|----------------------------------|--------------|---------------------|--------------|-------------|
|                                  | 2026<br>RMB million              | % of revenue | 2025<br>RMB million | % of revenue |             |
| <b>Industrial Products</b>       |                                  |              |                     |              |             |
| Automotive Industrial Products   | 90.5                             | 78.7%        | –                   | –            | +100%       |
| <b>Menswear Apparel</b>          |                                  |              |                     |              |             |
| Menswear Apparel Products        | 20.9                             | 18.1%        | 32.7                | 80.9%        | -36.1%      |
| Brand licensing                  | 1.7                              | 1.5%         | 5.9                 | 14.6%        | -71.2%      |
| <b>Total of Menswear Apparel</b> | <b>22.6</b>                      | <b>19.6%</b> | 38.6                | 95.5%        | -41.5%      |
| <b>Energy Storage Battery</b>    |                                  |              |                     |              |             |
| Energy Storage Battery           | 1.9                              | 1.7%         | 1.8                 | 4.5%         | +5.6%       |
| <b>Total</b>                     | <b>115.0</b>                     | <b>100%</b>  | 40.4                | 100%         | +184.7%     |

The increase in revenue was mainly resulted from the increase in revenue from the industrial products segment of approximately RMB90.5 million due to the resumption of limited operations of this segment during the Period, and partially offset by the decrease in revenue from the menswear apparel segment of approximately RMB16.0 million.

In the second half of 2025, the Group has been endeavouring to discuss with customers and suppliers in the industrial products segment in relation to, among other things, the selling/purchases prices, settlement of outstanding trade receivables, and product delivery. The Group has resumed limited operations of the industrial products segment in late 2025 and the Period, and thus the revenue from the industrial products segment for the Period increased comparing with the Prior Period. There was no revenue from the industrial products segment for the Prior Period due to the minimal operation in this segment during that period.

The revenue from menswear apparel segment decreased by approximately 41.5% comparing with the Prior Period. The decrease was mainly attributable to the lower selling price per unit during the Period and decrease in market demand. As the consumer behaviors changed and live commerce becomes popular, customers are prone to buying more affordable products through online channel. Furthermore, due to the low consumer sentiment and slow economic growth, there was no significant improvement in the retail market and it has adversely affected the demand for our menswear products during the Period. The selling price offered by the Group had to be more competitive and thus the revenue decreased despite similar number of units sold comparing with those of the Prior Period.

As the battery production facilities were still under trial production stage during the Period. Revenue from the energy storage battery segment during the Period remained substantially unchanged compared to that of the Prior Period, with positive market and customer responses to the relevant products.

# Management Discussion and Analysis

## Revenue by Region

| For the six months ended 30 June |             |              |             |              |             |
|----------------------------------|-------------|--------------|-------------|--------------|-------------|
| Region                           | 2026        |              | 2025        |              | Change<br>% |
|                                  | RMB million | % of revenue | RMB million | % of revenue |             |
| <b>Saudi Arabia</b>              |             |              |             |              |             |
| Industrial Products              | 90.5        | 78.7%        | —           | —            | +100%       |
| <b>PRC</b>                       |             |              |             |              |             |
| Menswear Apparel                 | 22.6        | 19.6%        | 38.6        | 95.5%        | -41.5%      |
| Energy Storage Battery           | 1.9         | 1.7%         | 1.8         | 4.5%         | +5.6%       |
| <b>Total of PRC</b>              | 24.5        | 21.3%        | 40.4        | 100%         | -39.4%      |
| <b>Total</b>                     | 115.0       | 100%         | 40.4        | 100%         | +184.7%     |

Saudi Arabia region was the major revenue contributor to the Group, accounting for approximately 78.7% (2025: the PRC: 100%) of the total revenue.

## Cost of Sales

|                        | For the six months ended 30 June |              |             |              | Change | Change  |
|------------------------|----------------------------------|--------------|-------------|--------------|--------|---------|
|                        | 2026                             |              | 2025        |              |        |         |
|                        | RMB million                      | % of revenue | RMB million | % of revenue |        |         |
| Industrial Products    | 79.3                             | 69.0%        | —           | —            | +79.3  | +100%   |
| Menswear Apparel       | 18.3                             | 15.9%        | 29.5        | 73.0%        | -11.2  | -38.0%  |
| Energy Storage Battery | 1.4                              | 1.2%         | 1.0         | 2.5%         | +0.4   | +40.0%  |
| Total                  | 99.0                             | 86.1%        | 30.5        | 75.5%        | +68.5  | +224.6% |

Cost of sales increased by approximately 224.6% to approximately RMB99.0 million for the Period from approximately RMB30.5 million for the Prior Period. The cost of sales increased significantly mainly due to the increase in cost of sales of the industrial products segment as it maintained at a minimal operating level during the Prior Period with no revenue.

# Management Discussion and Analysis

## Gross Profit

|                        | For the six months ended 30 June |                     |                       |               |
|------------------------|----------------------------------|---------------------|-----------------------|---------------|
|                        | 2026<br>RMB million              | 2025<br>RMB million | Change<br>RMB million | Change<br>%   |
| Industrial Products    | 11.2                             | –                   | +11.2                 | +100%         |
| Menswear Apparel       | 4.3                              | 9.1                 | -4.8                  | -52.7%        |
| Energy Storage Battery | 0.5                              | 0.8                 | -0.3                  | -37.5%        |
| <b>Total</b>           | <b>16.0</b>                      | <b>9.9</b>          | <b>+6.1</b>           | <b>+61.6%</b> |

## Gross Profit Margin

|                        | For the six months ended 30 June |           |             |
|------------------------|----------------------------------|-----------|-------------|
|                        | 2026<br>%                        | 2025<br>% | Change<br>% |
| Industrial Products    | 12.4%                            | –         | +12.4 ppt   |
| Menswear Apparel       | 19.0%                            | 23.6%     | -4.6 ppt    |
| Energy Storage Battery | 26.3%                            | 44.4%     | -18.1 ppt   |
| Group                  | 13.9%                            | 24.5%     | -10.6 ppt   |

Before operating at minimal level, the gross profit margin of the industrial products segment was ranged from approximately 20% to 24%. The decrease in the profit margin from this segment was mainly due to the pressure on the reduction of selling price to compete with other suppliers and to maintain the market share. It is expected in the current business environment.

The gross profit margin in the menswear apparel segment decreased comparing with the Prior Period due to the decrease in unit price under the uncertain economic environment and weak retail sentiment.

The revenue from the energy storage battery segment was insignificant during the Period and thus the increase in gross profit margin of this segment was not of significant reference value.

## (Loss)/Profit for the Period

|                        | For the six months ended 30 June |                     |                       |               |
|------------------------|----------------------------------|---------------------|-----------------------|---------------|
|                        | 2026<br>RMB million              | 2025<br>RMB million | Change<br>RMB million | Change<br>%   |
| Industrial Products    | (56.7)                           | (68.2)              | +11.5                 | +16.9%        |
| Menswear Apparel       | (10.1)                           | 0.8                 | -10.9                 | -1,362.5%     |
| Energy Storage Battery | (29.6)                           | (24.0)              | -5.6                  | -23.3%        |
| Unallocated            | (44.3)                           | (8.1)               | -36.2                 | -446.9%       |
| <b>Total</b>           | <b>(140.7)</b>                   | <b>(99.5)</b>       | <b>-41.2</b>          | <b>-41.4%</b> |

# Management Discussion and Analysis

The Group recorded loss for the Period. The management of the Group concluded that there was impairment indication and conducted a review of the recoverable amount of trade receivables of the Group. Based on the result of the assessment, the management of the Group determined that the recoverable amount of trade receivables was lower than its carrying amount. A net allowance for expected credit losses on trade receivables under IFRS 9 “Financial Instruments” of approximately RMB62.4 million (2025: RMB66.7 million) had been recognised. The increase in provision for expected credit losses on trade receivables was mainly due to the unsatisfactory trade receivables collection in the industrial products segment. The management has been actively negotiating with the customers to collect the receivables and has suspended the delivery of their orders and considers taking further actions to collect the same.

For the menswear apparel segment, there was a reversal of provision for expected credit losses on trade receivables of approximately RMB3.1 million during the Period due to recovery of certain long outstanding trade receivables.

On 14 January 2025, pursuant to the capital contribution agreements dated 30 December 2024 entered into between the Group and certain independent investors, the investors have agreed to acquire certain equity interest in Jiangsu HengAn. Under certain circumstances as set out in the agreements, each of the investors has the right to request the Group to repurchase his equity interest in Jiangsu HengAn. Thus, according to the valuation report prepared by an external valuer engaged by the Company, financial liabilities at fair value through profit or loss (“FVTPL”) of approximately RMB31.0 million (31 December 2025: RMB30.0 million) was recognised for the repurchase rights on 30 June 2026 and a change in fair value of the financial liabilities at FVTPL of approximately RMB1.0 million (2025: RMB nil) was recognised in the profit or loss on 30 June 2026. This fair value loss is recognised in the energy storage battery segment.

Loss for the Period from the energy storage battery segment, which was under trial production stage, was approximately RMB29.6 million (2025: RMB24.0 million). The increase in loss from this segment was mainly due to increase in research and development expenses, change in fair value of the financial liabilities at FVTPL and a share of loss from an associate during the Period.

The Company granted share options of the Company (the “Share Option(s)”) to certain Directors and employees of the Group during the previous year. According to the IFRS2 “Share-based Payment”, the equity-settled share based payment expenses for the Period in respect of the Share Options granted was approximately RMB33.1 million (2025: RMB2.7 million). Excluding the accounting treatment for this share-based payment expenses, the loss attributable to the equity owners of the Company increased by 13.1% from approximately RMB82.5 million for the Prior Period to approximately RMB95.6 million for the Period.

## Other Income and Other Gains or Losses, Net

For the Period, other income and other gains or losses, net decreased by approximately RMB6.7 million to approximately RMB8.4 million from approximately RMB15.1 million for the Prior Period. The decrease was mainly due to a decrease in rental income of approximately RMB1.0 million, a decrease in sales of scrap materials of approximately RMB1.5 million and a decrease in gain on deregistration of a subsidiary of approximately RMB4.8 million, partially offset by an increase in government grants of approximately RMB1.3 million.

## Selling and Distribution Expenses

|                        | For the six months ended 30 June |              |             |              | Change<br>RMB million | Change<br>% |
|------------------------|----------------------------------|--------------|-------------|--------------|-----------------------|-------------|
|                        | 2026                             |              | 2025        |              |                       |             |
|                        | RMB million                      | % of revenue | RMB million | % of revenue |                       |             |
| Industrial Products    | 4.5                              | 3.9%         | —           | —            | +4.5                  | +100%       |
| Menswear Apparel       | 3.3                              | 2.9%         | 0.7         | 1.7%         | +2.6                  | +371.4%     |
| Energy Storage Battery | 0.8                              | 0.7%         | 1.7         | 4.2%         | -0.9                  | -52.9%      |
| Total                  | 8.6                              | 7.5%         | 2.4         | 5.9%         | +6.2                  | +258.3%     |

# Management Discussion and Analysis

The selling and distribution expenses increased significantly and was mainly due to the increase in those of the industrial products segment as it maintained at a minimal operating level during the Prior Period with no revenue.

For the menswear apparel segment, the increase in selling and distribution expenses was primarily due to the increase in advertising and promotional expenses of approximately RMB2.8 million, and partially offset by the decrease in stores renovation expenses and exhibition expenses of approximately RMB165,000 in aggregate. To respond to the low consumer sentiment, the Group considered to invest in advertising activities to expand customer touchpoints and to drive customer engagement and interest in our products.

For the energy storage battery segment, the decrease in the selling and distribution expenses was primarily due to the decrease in staff salaries of approximately RMB0.4 million due to streamlined operation and the decrease in advertising and promotion expenses of approximately RMB0.4 million during the Period.

## Administrative and Other Operating Expenses

|                        | For the six months ended 30 June |              |             |              | Change<br>RMB million | Change<br>% |
|------------------------|----------------------------------|--------------|-------------|--------------|-----------------------|-------------|
|                        | 2026                             |              | 2025        |              |                       |             |
|                        | RMB million                      | % of revenue | RMB million | % of revenue |                       |             |
| Industrial Products    | 2.4                              | 2.1%         | 2.1         | 5.2%         | +0.3                  | +14.3%      |
| Menswear Apparel       | 14.2                             | 12.3%        | 17.1        | 42.3%        | -2.9                  | -17.0%      |
| Energy Storage Battery | 26.6                             | 23.1%        | 22.2        | 55.0%        | +4.4                  | +19.8%      |
| Unallocated            | 42.2                             | 36.7%        | 7.1         | 17.6%        | +35.1                 | +494.4%     |
| Total                  | 85.4                             | 74.2%        | 48.5        | 120.0%       | +36.9                 | +76.1%      |

For the industrial products segment, the increase in the administrative and other operating expenses was insignificant. It was mainly due to the increase in exchange difference resulting from exchanging foreign currency for settlement of trade payables.

For the menswear apparel segment, the slight decrease in the administrative and other operating expenses was mainly due to the decrease in the staff salaries of approximately RMB0.3 million resulting from optimisation of operational structure and the decrease in the PRC government management fee of approximately RMB0.2 million.

For the energy storage battery segment, the increase in the administrative and other operating expenses was mainly due to the increase in research and development expenses of approximately RMB3.5 million.

The Company granted 474,690,000 Share Options in aggregate to eligible persons of the share option schemes of the Company in the previous years. An equity-settled share based expenses of approximately RMB33.1 million (2025: RMB2.7 million) and the increase in this expense comparing with the Prior Period was the main reason leading to the increase in the administrative and other operating expenses of the unallocated segment.

## Finance Costs

The finance costs did not vary significantly as comparing with that of the Prior Period. There were a decrease in the interest on the bank borrowings of approximately RMB0.6 million and a decrease in interest on the convertible bond of approximately RMB0.3 million, partially offset by an increase in interest on the loans from a shareholder of approximately RMB0.2 million.

# Management Discussion and Analysis

## Income Tax Credit

Income tax credit decreased by approximately 27.0% from approximately RMB5.3 million in the Prior Period to approximately RMB3.9 million in the Period. The decrease in income tax credit was mainly due to the decrease in deferred tax assets generated from allowance for expected credit losses on trade receivables and partially offset by the increase in profits tax expenses for the industrial products segment.

## Interim Dividend

The Board has resolved not to declare the payment of any interim dividend for the Period (30 June 2025: Nil).

## Liquidity and Financial Resources and Capital Structure

As at 30 June 2026, the total cash and bank balances of the Group were approximately RMB38.9 million (31 December 2025: RMB157.1 million), comprising cash and cash equivalents of approximately RMB38.9 million (31 December 2025: RMB157.1 million).

The Group had a total of interest-bearing borrowings of approximately RMB488.7 million (31 December 2025: RMB497.4 million), comprising bank borrowings of approximately RMB391.0 million (31 December 2025: RMB398.4 million), corporate bonds of approximately RMB25.0 million (31 December 2025: RMB27.7 million) and loans from a shareholder of approximately RMB72.7 million (31 December 2025: RMB71.3 million). The Group's borrowings were primarily denominated in RMB and HK\$ (31 December 2025: both RMB and HK\$) and bear interest at the fixed and floating rates (31 December 2025: fixed and floating rates) ranging from 0.1% to 5% and loan prime rate +0.5%, respectively, (31 December 2025: 0.1% to 5% and loan prime rate +0.5%) per annum.

The maturity profile of the total borrowings as at 30 June 2026 is as follows (with comparative figures as at 31 December 2025):

|                            | As at 30 June 2026         |       | As at 31 December 2025   |       |
|----------------------------|----------------------------|-------|--------------------------|-------|
|                            | RMB million<br>(Unaudited) | %     | RMB million<br>(Audited) | %     |
| Within 1 year or on demand | 482.7                      | 98.8% | 464.0                    | 93.3% |
| Over 1 but within 2 years  | 6.0                        | 1.2%  | 33.4                     | 6.7%  |
| Total                      | 488.7                      | 100%  | 497.4                    | 100%  |

As at 30 June 2026, the gearing ratio was approximately 191.6% (31 December 2025: 170.8%). The increase was mainly due to the decrease in the total equity. The Group's gearing ratio is measured by the total interest-bearing borrowings divided by total equity and multiplied by 100%.

As at 30 June 2026, the Group's total equity decreased by approximately RMB36.2 million to approximately RMB255.1 million (31 December 2025: RMB291.3 million). The decrease was mainly due to the loss for the Period and was partially offset by the increase in the share capital and related reserves as a result of the issue of new Shares during the Period.

The Group recorded a net debt to equity ratio of approximately 176.3% as at 30 June 2026 (31 December 2025: 116.8%).

The Group regularly and actively monitors its capital structure to ensure that there is sufficient working capital to operate its business and to maintain a balanced capital structure between providing stable returns to its shareholders and benefits to its other stakeholders and having an adequate level of borrowing and security.

# Management Discussion and Analysis

## Charges of Assets

As at 30 June 2026, secured bank borrowings of approximately RMB361.0 million (31 December 2025: RMB353.0 million) were secured by the following assets with the carrying values:

|                       | As at<br>30 June<br>2026<br>RMB million<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB million<br>(Audited) |
|-----------------------|--------------------------------------------------------|----------------------------------------------------------|
| Properties            | 16.6                                                   | 17.4                                                     |
| Investment properties | 356.1                                                  | 362.0                                                    |
| Land use right        | 189.5                                                  | 189.5                                                    |
| Intangible assets     | 2.4                                                    | 2.7                                                      |
| Total                 | 564.6                                                  | 571.6                                                    |

## Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

### Acquisition of the 100% Equity Interest in Wuzhong Ruichu Technology Co., Ltd.\* (吳忠市瑞儲科技有限公司) (the “Target Company”) (the “Acquisition”)

On 26 January 2026, the Company entered into the equity transfer agreement (the “**Equity Transfer Agreement**”) with Ningxia Jin Xin Sheng Hui Energy Technology Co., Ltd.\* (寧夏晉欣勝輝能源科技有限公司) (the “**Vendor**”), the Target Company and Gansu Qingning Hesheng New Energy Technology Co., Ltd.\* (甘肅慶寧禾生新能源科技有限責任公司) and Mr. Wang Tuanwei\* (王團維) (together, the “**Guarantors**”), pursuant to which the Vendor agreed to sell, and the Company agreed to acquire the entire registered and paid-up capital of the Target Company (the “**Equity Interest**”), at the consideration of RMB64,000,000 (equivalent to approximately HK\$71,680,000) (subject to downward adjustments).

The Target Company is wholly-owned by the Vendor. The Target Company is principally engaged in the operation of an electrochemical energy storage power station project located in Tongxin County under the administration of the Wuzhong City in the central part of the Ningxia Hui Autonomous Region, the PRC. To the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, the Vendor, the Guarantors and their respective ultimate beneficial owners were independent third parties (as defined in the Listing Rules) of the Company and its connected persons.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but all are less than 25%, the Acquisition constituted a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of the Acquisition is subject to the fulfillment of the conditions precedent (the “**Conditions Precedent**”) as set out in the Equity Transfer Agreement. However, as at the date of this report, the parties are still working to fulfill the Conditions Precedent.

The Acquisition has not been completed as at the date of this report. Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Company.

For details of the Acquisition, please refer to the announcement of the Company dated 26 January 2026.

Save as disclosed above, the Group had no significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures during the Period.

\* For identification purposes only

# Management Discussion and Analysis

## Investment in an Associate during the Period

On 5 February 2026, the Group entered into an investment agreement with independent third parties, pursuant to which, the Group agreed to invest RMB10 million for 15% equity interest in an associate. As at 30 June 2026, the Group had interest in an associate with net book value of approximately RMB9.5 million, representing approximately 3.7% of the total assets of the Company. This investment is held through an indirect wholly-owned subsidiary of the Company.

## Factory Restructuring

Since 2020, the Group had started to restructure some redundant factory areas (the **"Restructuring"**) in Quanzhou to alter the usage of those areas to develop a one-stop home and commercial furnishing chain business platform (the **"Platform"**) to increase the income streams.

The Platform will facilitate the matching of suppliers and customers of the furnishing industry. The Restructuring will be separated into different areas such as the furnishing materials store, the furnishing design centre and supporting facilities such as the business centre. We expect to receive rental incomes, promotion and advertisement fees from the Platform.

The Restructuring was principally funded by cash generated from our operations and bank borrowings. The Restructuring has been completed as at 31 December 2025. Portions of the Platform have already been leased out during the Period while the remaining areas are actively being marketed for lease.

## Capital Commitments and Contingencies

As at 30 June 2026, the Group had a total capital commitment of RMB177.2 million (31 December 2025: RMB177.9 million). It was primarily related to the construction in progress and purchases of equipment. All the capital commitments are expected to be financed by income generated from our operations and bank borrowings.

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

## Foreign Currency Exposure

The functional currency of the Company is the Hong Kong dollar and the figures in the Group's financial statements are translated into Renminbi for reporting and consolidation purposes. Foreign exchange differences arising from translation of financial statements are directly recognised in equity as a separate reserve. As the Group conducts business transaction principally in Renminbi, the exchange rate risk at the Group's operational level is not significant. The Group does not implement any financial instruments for hedging purpose.

## Employees, Training, and Development

The Group had a total of 108 employees as at 30 June 2026 (31 December 2025: 96). The Group arranged regular trainings and other development courses for employees to enhance their technical and product knowledge as well as management skills. The Group offered competitive remuneration packages to its employees, including basic salary, allowances, insurance, commission or bonuses and entitlement to participate in the Group's share option schemes.

## Increase in Authorised Share Capital

Pursuant to a Shareholders' resolution passed on 27 May 2026, the authorised share capital of the Company was increased from HK\$10,000,000 divided into 4,000,000,000 Shares to HK\$20,000,000 divided into 8,000,000,000 Shares. As at the date of this report, 3,571,394,000 Shares are issued and 4,428,606,000 Shares are authorised but unissued.

The Board considers that the increase in authorised share capital provides the Company with greater flexibility in fund raising whereby promoting future business growth.

# Management Discussion and Analysis

## Issue of New Shares Under General Mandate

### Subscriptions of 524,431,000 Shares

On 12 December 2025, the Company entered into 31 subscription agreements with 31 subscribers, pursuant to which the subscribers had agreed to subscribe for 524,431,000 new ordinary Shares in aggregate at the subscription price of HK\$0.55 per subscription Share. The net issue price was HK\$0.55 per subscription Share. The closing price was HK\$0.68 per Share as quoted on the Stock Exchange on the date of the subscription agreements. The aggregate nominal value of the subscription Shares was HK\$1,311,077.50. The table below sets out the background of the subscribers with respective number of subscription shares:

|     | Subscriber   | Background                                                                                                                                                     | Number of Subscription Shares |
|-----|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 1.  | Subscriber A | Individual investor familiar with the securities investment sector                                                                                             | 10,909,000                    |
| 2.  | Subscriber B | Individual investor and a merchant engaging in the mechanical and electrical engineering business                                                              | 23,000,000                    |
| 3.  | Subscriber C | Individual investor familiar with the securities investment sector                                                                                             | 11,788,000                    |
| 4.  | Subscriber D | Individual investor familiar with the financial management sector                                                                                              | 1,818,000                     |
| 5.  | Subscriber E | Individual investor familiar with the securities investment sector                                                                                             | 3,996,000                     |
| 6.  | Subscriber F | Individual investor familiar with the securities investment sector                                                                                             | 11,253,000                    |
| 7.  | Subscriber G | Individual investor familiar with the real estate business                                                                                                     | 34,256,000                    |
| 8.  | Subscriber H | Individual investor familiar with the securities investment sector                                                                                             | 12,727,000                    |
| 9.  | Subscriber I | Individual investor familiar with the securities investment sector                                                                                             | 6,454,000                     |
| 10. | Subscriber J | Individual investor familiar with the finance and audit sector                                                                                                 | 3,254,000                     |
| 11. | Subscriber K | A company which is principally engaged in investment holding and its ultimate beneficial owner is an individual with extensive experience in equity investment | 48,363,000                    |
| 12. | Subscriber L | Individual investor and a merchant engaging in the information technology business                                                                             | 2,727,000                     |
| 13. | Subscriber M | Individual investor familiar with the securities investment sector                                                                                             | 3,272,000                     |
| 14. | Subscriber N | Individual investor familiar with the construction business                                                                                                    | 5,454,000                     |
| 15. | Subscriber O | Individual investor familiar with the information technology business                                                                                          | 11,648,000                    |
| 16. | Subscriber P | Individual investor and a merchant engaging in the construction and engineering and energy businesses                                                          | 5,454,000                     |
| 17. | Subscriber Q | Individual investor and a merchant engaging in the real estate business                                                                                        | 12,727,000                    |

# Management Discussion and Analysis

| Subscriber        | Background                                                                                                                                                                                                   | Number of Subscription Shares |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 18. Subscriber R  | A company which is principally engaged in investment holding and its ultimate beneficial owner is an individual with extensive experience in equity investment and principally engaged in apparel e-commerce | 60,000,000                    |
| 19. Subscriber S  | A company which is principally engaged in cloud computing business and its ultimate beneficial owner is an individual with extensive experience in equity investment                                         | 9,090,000                     |
| 20. Subscriber T  | Individual investor familiar with the securities investment sector                                                                                                                                           | 4,545,000                     |
| 21. Subscriber U  | Individual investor familiar with banking sector and a merchant engaging in fintech business                                                                                                                 | 4,545,000                     |
| 22. Subscriber V  | Individual investor familiar with the construction business                                                                                                                                                  | 2,909,000                     |
| 23. Subscriber W  | Individual investor familiar with the real estate business                                                                                                                                                   | 24,000,000                    |
| 24. Subscriber X  | Individual investor and a merchant engaging in the information technology business                                                                                                                           | 27,272,000                    |
| 25. Subscriber Y  | Individual investor familiar with the financial sector                                                                                                                                                       | 5,090,000                     |
| 26. Subscriber Z  | Individual investor and a merchant engaging in trading business                                                                                                                                              | 3,996,000                     |
| 27. Subscriber AA | Individual investor and a merchant engaging in medical aesthetics business                                                                                                                                   | 47,952,000                    |
| 28. Subscriber AB | Individual investor familiar with the financial sector                                                                                                                                                       | 92,297,000                    |
| 29. Subscriber AC | Individual investor familiar with the financial sector                                                                                                                                                       | 14,545,000                    |
| 30. Subscriber AD | Individual investor familiar with the securities investment sector                                                                                                                                           | 10,000,000                    |
| 31. Subscriber AE | Individual investor familiar with the brand management business                                                                                                                                              | 9,090,000                     |
| <b>Total</b>      |                                                                                                                                                                                                              | <b>524,431,000</b>            |

# Management Discussion and Analysis

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the subscribers and its ultimate beneficial owner(s) (for corporate entities) were independent of the Company and its connected persons.

The subscriptions were completed and 524,431,000 new Shares in aggregate were allotted and issued to the subscribers on 6 January 2026. The net proceeds from the subscriptions (the “**Net Proceeds**”) amounted to approximately HK\$288.2 million (equivalent to approximately RMB260.3 million). The Group originally intended to utilise the Net Proceeds of approximately HK\$122.0 million, HK\$74.0 million and HK\$92.2 million for business development, repayment of debts and general working capital, respectively.

The Directors consider that the subscriptions represent a good opportunity to raise additional funds to strengthen the financial position and liquidity of the Group and meet any future development and financial obligations at a reasonable cost. The Directors were of the view that, apart from debt financing, the subscriptions helped to broaden the Company’s funding channels.

For details of the subscriptions, please refer to the announcements of the Company dated 12 December 2025, 22 December 2025 and 6 January 2026.

## Change in the use of Net Proceeds

Having carefully considered the current operational status, immediate financial requirements and overall market conditions of the Group, the Board has resolved to reallocate and change the intended use of the remaining unutilised Net Proceeds. The utilisation of the Net Proceeds up to the date of this report and the revised use of Net Proceeds after the change in the use of Net Proceeds are set forth below:

|                                                                                                                                                                                                                   | Original<br>intended uses<br>HK\$ million | Revised<br>intended uses<br>HK\$ million | Utilised<br>HK\$ million | Unutilised<br>HK\$ million |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|--------------------------|----------------------------|
| <b>Business development</b>                                                                                                                                                                                       |                                           |                                          |                          |                            |
| — Capital expenditure for expanding production capacity of the energy storage battery segment                                                                                                                     | 45.0                                      | —                                        | —                        | —                          |
| — Investment in potential related renewable energy projects                                                                                                                                                       | 77.0                                      | 26.6                                     | (26.6)                   | —                          |
|                                                                                                                                                                                                                   | 122.0                                     | 26.6                                     | (26.6)                   | —                          |
| <b>Repayment of debts, including bank borrowings, corporate bonds and loans from a Shareholder</b>                                                                                                                |                                           |                                          |                          |                            |
|                                                                                                                                                                                                                   | 74.0                                      | 74.0                                     | (64.4)                   | 9.6                        |
| <b>General working capital</b>                                                                                                                                                                                    |                                           |                                          |                          |                            |
| — Payment of trade and other payables                                                                                                                                                                             | 28.0                                      | 113.0                                    | (112.6)                  | 0.4                        |
| — Staff salaries and benefits                                                                                                                                                                                     | 28.0                                      | 28.0                                     | (19.1)                   | 8.9                        |
| — Professional service fee, including but not limited to audit fee, legal advisor fee and consultancy fee                                                                                                         | 6.0                                       | 14.0                                     | (12.0)                   | 2.0                        |
| — Other operational expenses, including but not limited to rental expenses, water and electricity charges, replacement of existing factory and office equipment and expenses in relation to governance compliance | 30.2                                      | 32.6                                     | (30.2)                   | 2.4                        |
|                                                                                                                                                                                                                   | 92.2                                      | 187.6                                    | (173.9)                  | 13.7                       |
| <b>Total</b>                                                                                                                                                                                                      | <b>288.2</b>                              | <b>288.2</b>                             | <b>(264.9)</b>           | <b>23.3</b>                |

Unutilised Net Proceeds are expected to be fully utilised within 12 months from the date of this report.

# Management Discussion and Analysis

## Reasons for the change in the use of Net Proceeds

The allocation of the Net Proceeds originally intended for business development was to be used for capital expenditure to expand production capacity of the energy storage battery segment and investment in potential related renewable energy projects.

Regarding the allocation of the Net Proceeds originally proposed to be used for capital expenditure to expand the production capacity of the energy storage battery business, having considered the energy storage market, national policies and the demands of potential customers, the Board considers that expanding the production capacity of the energy storage battery business remains one of the options that are in the best interests of the Company and its shareholders. However, the Board is of the view that the current production capacity of the energy storage battery business is sufficient at this stage to meet the trial operations relating to the current production lines optimisation plan and the orders from existing customers.

In addition, regarding the allocation of the Net Proceeds originally proposed to be used for investment in potential related renewable energy projects, as at the date of this report, the Group has been actively engaging in discussions, negotiations and feasibility assessments with various partners and potential partners to explore various potential investment and business cooperation plans. On 26 January 2026, the Group (as the purchaser) and independent third parties entered into an equity transfer agreement (the “**Agreement**”), pursuant to which the Group proposed to acquire a company principally engaged in energy storage power station projects in the PRC (the “**Acquisition**”). Completion of the Acquisition is subject to the fulfillment of various conditions precedent (the “**Conditions Precedent**”) as set out in the Equity Transfer Agreement. However, as at the date of this report, the parties are still working to fulfill the Conditions Precedent. For details of the Acquisition, please refer to the announcement of the Company dated 26 January 2026.

In view of the reasons above and taking into account the changes in the operating conditions of the Group during the Period, particularly the resumption of operations of the Group’s industrial products segment, the Board has reallocated the unutilised portion of the Net Proceeds originally allocated for business development to general working capital to settle those trade and other payables due, professional fees and other operational expenses.

As mentioned above, the Group has been continuously exploring potential investment and business cooperation opportunities. Engaging in negotiations, assessing project feasibility and compliance reviews have incurred various professional fees, including but not limited to financial advisory fees and legal fees. In addition, technical advisory fees were incurred to support the trial operations of the Group’s energy storage battery segment. Having considered the above factors, the Board believes that reallocating part of the unutilised Net Proceeds to various professional service fees aligns with the current needs of the Company.

The industrial products segment operated at a minimal level for most of 2025 due to the business environment. Following a series of discussions between the Group, its customers and suppliers regarding the resumption of operations, limited operations were resumed during late 2025 and the Period, and revenue from this segment further increased during the Period. During the initial stage of the resumption of operations, the demand for capital was relatively high, which was mainly used to settle trade payables due of this segment. The overdue trade payables put pressure on the commercial relationship between the Group and its major suppliers, and even affected the normal supply of goods from certain suppliers to the Group. In previous years, geopolitical issues resulted in extended shipping times and delayed delivery to customers, which in turn led to the Group’s inability to collect trade receivables on time, significantly impacting the cash flow position of the Group. Therefore, the Board considers that making relevant payments to suppliers to prompt the full resumption of supply, thereby enabling the daily operations of this segment to swiftly recover to a smooth and proper normal level, is the top priority of the Group at present. The Group also requires additional liquidity as a standby cash flow to meet necessary daily operating expenses.

The Board confirms that there are no material changes in the nature of the business of the Group. The Board considers that the change in the use of the Net Proceeds allowed the Company to deploy its financial resources more effectively and is in the interests of the Company and its shareholders as a whole and did not have any material adverse effect on the existing business and operations of the Group.

# Management Discussion and Analysis

## Subscriptions of 59,574,000 Shares

On 23 December 2024, the Company entered into subscription agreements with Mr. Chen Chuzhan and Mr. Chen Hao Jun, pursuant to which (i) Mr. Chen Chuzhan had agreed to subscribe for 48,936,000 new ordinary Shares at the subscription price of HK\$0.50 per subscription Share; and (ii) Mr. Chen Hao Jun had agreed to subscribe for 10,638,000 new ordinary Shares at the subscription price of HK\$0.50 per subscription Share. The net issue price was HK\$0.499 per subscription share. The closing price was HK\$0.20 per Share as quoted on the Stock Exchange on the date of the subscription agreements. The aggregate nominal value of the subscription Shares was HK\$148,935.

Mr. Chen Chuzhan is an individual investor with extensive equity investment experience in new energy, trading and pharmaceutical business. Mr. Chen Hao Jun is an individual investor with extensive experience in equity investment mainly engages in e-commerce business in the PRC. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, they were independent of the Company and its connected persons.

The subscriptions were completed and 48,936,000 new Shares were allotted and issued to Mr. Chen Chuzhan and 10,638,000 new Shares were allotted and issued to Mr. Chen Hao Jun under general mandate on 15 January 2025. The net proceeds from the subscriptions amounted to approximately HK\$29.7 million (approximately RMB27.5 million), which were intended to be utilised for general working capital of the Group and were fully utilised for the same. The Directors consider that the subscriptions represented a good opportunity to raise additional funds to strengthen the financial position and liquidity of the Group and meet any financial obligations at a reasonable cost. The Directors were of the view that, apart from debt financing, the subscriptions helped to broaden the Company's funding channels.

For details of the subscriptions, please refer to the announcements of the Company dated 23 December 2024 and 15 January 2025.

## PROSPECTS

Looking ahead to the second half of 2026 and 2027, the global economic landscape remains complex and challenging. On one hand, while inflationary pressures across major economies have shown signs of easing following continuous monetary policy adjustments, ongoing geopolitical conflicts, rising trade barriers, and uncertainties in global shipping and logistics networks continue to cast a shadow over global commercial recovery. On the other hand, economy of the PRC is in a critical phase of structural adjustment and upgrading. The pace of domestic consumer market recovery remains fragmented, with overall consumer sentiment remaining cautious. However, guided by the national "Dual Carbon" strategic goals (peaking carbon emissions and achieving carbon neutrality), policy support for green, low-carbon development and the new energy storage industry remains steadfast, laying a solid foundation for the long-term growth of the new energy sector.

In light of the business operations that remain to be enhanced and an outlook fraught with challenges, the Board and management maintain a cautious yet optimistic stance. We believe the current challenges are an inevitable phase in the process of economic transformation and industrial upgrading. In the second half of the year, the Group will adopt a prudent operational strategy. For the industrial products segment and the menswear apparel segment, the Group will implement strict cost controls, optimise supply chain management, mitigate inventory risks, and closely monitor market liquidity. Meanwhile, the Group will accelerate the optimisation of the commercial operations of its high-tech and high-value-added energy storage battery segment, while actively pursuing strategic cooperation, joint ventures, and investment opportunities for energy storage projects both domestically and overseas. We firmly believe that through our commitment to green energy and prudent yet flexible asset allocation, the Group will ultimately overcome short-term volatility, achieve sustainable long-term business growth, and create enduring value for the Company and its shareholders.

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026 — unaudited  
(Expressed in Renminbi)

|                                                                                           | Notes | Six months ended 30 June |                 |
|-------------------------------------------------------------------------------------------|-------|--------------------------|-----------------|
|                                                                                           |       | 2026<br>RMB'000          | 2025<br>RMB'000 |
| <b>Revenue</b>                                                                            | 4     | <b>115,030</b>           | 40,412          |
| Cost of sales                                                                             |       | (98,977)                 | (30,512)        |
| <b>Gross profit</b>                                                                       |       | <b>16,053</b>            | 9,900           |
| Other income and other gains or losses, net                                               | 5     | 8,422                    | 15,058          |
| Impairment losses under expected credit losses ("ECL") model, net of reversal             |       | (62,353)                 | (66,719)        |
| Fair value change on financial liabilities at fair value through profit or loss ("FVTPL") |       | (969)                    | —               |
| Selling and distribution expenses                                                         |       | (8,648)                  | (2,398)         |
| Administrative and other operating expenses                                               |       | (85,407)                 | (48,548)        |
| <b>Loss from operations</b>                                                               |       | <b>(132,902)</b>         | (92,707)        |
| Share of results of an associate                                                          |       | (492)                    | —               |
| Finance costs                                                                             | 6(a)  | (11,188)                 | (12,037)        |
| <b>Loss before taxation</b>                                                               | 6     | <b>(144,582)</b>         | (104,744)       |
| Income tax credit                                                                         | 7     | 3,910                    | 5,299           |
| <b>Loss for the period</b>                                                                |       | <b>(140,672)</b>         | (99,445)        |

The notes on pages 26 to 46 form part of this interim report.

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026 — unaudited  
(Expressed in Renminbi)

|                                                                                                                                                | Notes | Six months ended 30 June |                 |
|------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------------------------|-----------------|
|                                                                                                                                                |       | 2026<br>RMB'000          | 2025<br>RMB'000 |
| <b>Other comprehensive (loss)/income for the period</b>                                                                                        |       |                          |                 |
| Item that may be reclassified subsequently to profit or loss:                                                                                  |       |                          |                 |
| Exchange differences on translation of financial statements of subsidiaries outside the mainland of the People's Republic of China (the "PRC") |       | 7,427                    | 1,766           |
| <b>Total comprehensive loss for the period</b>                                                                                                 |       | <b>(133,245)</b>         | (97,679)        |
| Loss attributable to:                                                                                                                          |       |                          |                 |
| Equity owners of the Company                                                                                                                   |       | (128,711)                | (85,244)        |
| Non-controlling interest                                                                                                                       |       | (11,961)                 | (14,201)        |
|                                                                                                                                                |       | <b>(140,672)</b>         | (99,445)        |
| Total comprehensive loss attributable to:                                                                                                      |       |                          |                 |
| Equity owners of the Company                                                                                                                   |       | (121,655)                | (84,271)        |
| Non-controlling interest                                                                                                                       |       | (11,590)                 | (13,408)        |
|                                                                                                                                                |       | <b>(133,245)</b>         | (97,679)        |
| <b>Loss per share attributable to equity owners of the Company (RMB cents)</b>                                                                 |       |                          |                 |
| Basic and diluted                                                                                                                              | 8     | (3.62)                   | (2.80)          |

# Condensed Consolidated Statement of Financial Position

As at 30 June 2026 — unaudited  
(Expressed in Renminbi)

|                                                             | Notes | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------------|-------|----------------------------------------------------|------------------------------------------------------|
| <b>Non-current assets</b>                                   |       |                                                    |                                                      |
| Property, plant and equipment                               | 9     | 19,836                                             | 21,010                                               |
| Investment properties                                       |       | 356,163                                            | 362,000                                              |
| Right-of-use assets                                         |       | 189,483                                            | 194,536                                              |
| Intangible assets                                           |       | 28,724                                             | 31,042                                               |
| Investment in an associate                                  |       | 9,508                                              | —                                                    |
| Prepayment for acquisition of property, plant and equipment | 10    | 19,327                                             | 19,327                                               |
| Deferred tax assets                                         |       | 98,491                                             | 93,879                                               |
|                                                             |       | 721,532                                            | 721,794                                              |
| <b>Current assets</b>                                       |       |                                                    |                                                      |
| Inventories                                                 |       | 46,246                                             | 33,258                                               |
| Trade and other receivables                                 | 10    | 411,329                                            | 389,644                                              |
| Cash and cash equivalents                                   |       | 38,864                                             | 157,066                                              |
|                                                             |       | 496,439                                            | 579,968                                              |
| <b>Current liabilities</b>                                  |       |                                                    |                                                      |
| Trade and other payables                                    | 11    | 366,739                                            | 395,286                                              |
| Bank borrowings                                             | 12    | 390,960                                            | 388,420                                              |
| Lease liabilities                                           |       | 2,857                                              | 3,366                                                |
| Corporate bonds                                             | 13    | 25,024                                             | 19,266                                               |
| Loans from a shareholder                                    | 14    | 66,746                                             | 56,346                                               |
| Tax payable                                                 |       | 35,768                                             | 45,466                                               |
|                                                             |       | 888,094                                            | 908,150                                              |
| <b>Net current liabilities</b>                              |       | (391,655)                                          | (328,182)                                            |
| <b>Total assets less current liabilities</b>                |       | 329,877                                            | 393,612                                              |

The notes on pages 26 to 46 form part of this interim report.

# Condensed Consolidated Statement of Financial Position

As at 30 June 2026 — unaudited  
(Expressed in Renminbi)

|                                                            | Notes | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|------------------------------------------------------------|-------|----------------------------------------------------|------------------------------------------------------|
| <b>Non-current liabilities</b>                             |       |                                                    |                                                      |
| Bank borrowings                                            | 12    | –                                                  | 9,950                                                |
| Loans from a shareholder                                   | 14    | 6,000                                              | 15,000                                               |
| Deferred tax liabilities                                   |       | 37,740                                             | 37,740                                               |
| Lease liabilities                                          |       | –                                                  | 1,220                                                |
| Corporate bonds                                            | 13    | –                                                  | 8,403                                                |
| Financial liabilities at FVTPL                             | 15    | 31,000                                             | 30,031                                               |
|                                                            |       | 74,740                                             | 102,344                                              |
| <b>Net assets</b>                                          |       | 255,137                                            | 291,268                                              |
| <b>Capital and reserves</b>                                |       |                                                    |                                                      |
| Share capital                                              | 17(b) | 7,459                                              | 6,321                                                |
| Reserves                                                   |       | 288,818                                            | 314,497                                              |
| <b>Equity attributable to equity owners of the Company</b> |       | 296,277                                            | 320,818                                              |
| Non-controlling interest                                   |       | (41,140)                                           | (29,550)                                             |
| <b>Total equity</b>                                        |       | 255,137                                            | 291,268                                              |

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 — unaudited  
(Expressed in Renminbi)

|                                                                         | Attributable to equity owners of the Company |                          |                           |                            |                           |                          |                                 |                            |                                    |                        |           |                                 | Total<br>RMB'000 |
|-------------------------------------------------------------------------|----------------------------------------------|--------------------------|---------------------------|----------------------------|---------------------------|--------------------------|---------------------------------|----------------------------|------------------------------------|------------------------|-----------|---------------------------------|------------------|
|                                                                         | Share<br>capital                             | Share<br>premium*        | Statutory<br>reserve*     | Capital<br>reserve*        | Special<br>reserve*       | Other<br>reserve*        | Convertible<br>bond<br>reserve* | Exchange<br>reserve*       | Share-based<br>payment<br>reserve* | Accumulated<br>losses* | Sub-total | Non-<br>controlling<br>interest |                  |
|                                                                         | RMB'000<br>Note 17(b)                        | RMB'000<br>Note 17(c)(i) | RMB'000<br>Note 17(c)(ii) | RMB'000<br>Note 17(c)(iii) | RMB'000<br>Note 17(c)(iv) | RMB'000<br>Note 17(c)(v) | RMB'000<br>Note 17(c)(vi)       | RMB'000<br>Note 17(c)(vii) | RMB'000<br>Note 17(c)(viii)        | RMB'000                | RMB'000   | RMB'000                         |                  |
| <b>Balance at 1 January 2025</b><br><b>(Audited)</b>                    | 6,183                                        | 599,037                  | 128,898                   | 39,023                     | –                         | 6,462                    | 793                             | (2,119)                    | 45,726                             | (432,358)              | 391,645   | 3,140                           | 394,785          |
| <b>Changes in equity for the<br/>six months ended<br/>30 June 2025:</b> |                                              |                          |                           |                            |                           |                          |                                 |                            |                                    |                        |           |                                 |                  |
| Loss for the period                                                     | –                                            | –                        | –                         | –                          | –                         | –                        | –                               | –                          | –                                  | (85,244)               | (85,244)  | (14,201)                        | (99,445)         |
| Other comprehensive income<br>for the period                            |                                              |                          |                           |                            |                           |                          |                                 |                            |                                    |                        |           |                                 |                  |
| Exchange differences on translation<br>of foreign operations            | –                                            | –                        | –                         | –                          | –                         | –                        | –                               | 973                        | –                                  | –                      | 973       | 793                             | 1,766            |
| Total comprehensive<br>income/(loss)                                    | –                                            | –                        | –                         | –                          | –                         | –                        | –                               | 973                        | –                                  | (85,244)               | (84,271)  | (13,408)                        | (97,679)         |
| Issuance of shares                                                      | 138                                          | 27,360                   | –                         | –                          | –                         | –                        | –                               | –                          | –                                  | –                      | 27,498    | –                               | 27,498           |
| Equity-settled share-based payments                                     | –                                            | –                        | –                         | –                          | –                         | –                        | –                               | –                          | 2,711                              | –                      | 2,711     | –                               | 2,711            |
| Redemption of convertible bond                                          | –                                            | –                        | –                         | –                          | –                         | –                        | (793)                           | –                          | –                                  | 793                    | –         | –                               | –                |
| Changes in ownership interests in<br>subsidiary without losing control  | –                                            | –                        | –                         | –                          | –                         | 21,353                   | –                               | –                          | –                                  | –                      | 21,353    | 6,084                           | 27,437           |
| Lapse of share options                                                  | –                                            | –                        | –                         | –                          | –                         | –                        | –                               | –                          | (12,647)                           | 12,647                 | –         | –                               | –                |
| <b>Balance at 30 June 2025</b><br><b>(Unaudited)</b>                    | 6,321                                        | 626,397                  | 128,898                   | 39,023                     | –                         | 27,815                   | –                               | (1,146)                    | 35,790                             | (504,162)              | 358,936   | (4,184)                         | 354,752          |
| <b>Balance at 1 January 2026</b><br><b>(Audited)</b>                    | 6,321                                        | 626,397                  | 128,898                   | 39,023                     | 186,107                   | 12,582                   | –                               | (7,603)                    | 36,027                             | (706,934)              | 320,818   | (29,550)                        | 291,268          |
| <b>Changes in equity for the<br/>six months ended<br/>30 June 2026:</b> |                                              |                          |                           |                            |                           |                          |                                 |                            |                                    |                        |           |                                 |                  |
| Loss for the period                                                     | –                                            | –                        | –                         | –                          | –                         | –                        | –                               | –                          | –                                  | (128,711)              | (128,711) | (11,961)                        | (140,672)        |
| Other comprehensive income<br>for the period                            |                                              |                          |                           |                            |                           |                          |                                 |                            |                                    |                        |           |                                 |                  |
| Exchange differences on translation<br>of foreign operations            | –                                            | –                        | –                         | –                          | –                         | –                        | –                               | 7,056                      | –                                  | –                      | 7,056     | 371                             | 7,427            |
| Total comprehensive<br>income/(loss)                                    | –                                            | –                        | –                         | –                          | –                         | –                        | –                               | 7,056                      | –                                  | (128,711)              | (121,655) | (11,590)                        | (133,245)        |
| Issuance of shares                                                      | 1,138                                        | 249,383                  | –                         | –                          | (186,107)                 | –                        | –                               | –                          | –                                  | –                      | 64,414    | –                               | 64,414           |
| Equity-settled share-based payments                                     | –                                            | –                        | –                         | –                          | –                         | –                        | –                               | –                          | 32,700                             | –                      | 32,700    | –                               | 32,700           |
| <b>Balance at 30 June 2026</b><br><b>(Unaudited)</b>                    | 7,459                                        | 875,780                  | 128,898                   | 39,023                     | –                         | 12,582                   | –                               | (547)                      | 68,727                             | (835,645)              | 296,277   | (41,140)                        | 255,137          |

\* These reserve accounts comprise the consolidated reserves of RMB288,818,000 (30 June 2025: RMB352,615,000) in the consolidated statement of financial position.

The notes on pages 26 to 46 form part of this interim report.

# Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2026 — unaudited  
(Expressed in Renminbi)

|                                                                                  | Six months ended 30 June |                 |
|----------------------------------------------------------------------------------|--------------------------|-----------------|
|                                                                                  | 2026<br>RMB'000          | 2025<br>RMB'000 |
| <b>Operating activities</b>                                                      |                          |                 |
| Cash generated used in operations                                                | (156,478)                | (45,738)        |
| Income tax paid                                                                  | (10,584)                 | (744)           |
| Net cash used in operating activities                                            | (167,062)                | (46,482)        |
| <b>Investing activities</b>                                                      |                          |                 |
| Payments for the purchase of property, plant and equipment and intangible assets | (552)                    | (1,583)         |
| Payments of construction in progress                                             | —                        | (3,933)         |
| Capital injection on investment in an associate                                  | (9,016)                  | —               |
| Interest received                                                                | 12                       | 355             |
| Net cash used in investing activities                                            | (9,556)                  | (5,161)         |
| <b>Financing activities</b>                                                      |                          |                 |
| Proceeds from borrowings                                                         | 195,700                  | 198,500         |
| Repayments of borrowings                                                         | (203,110)                | (221,510)       |
| Proceeds from loans from a shareholder                                           | 18,390                   | 6,000           |
| Repayments of loans from a shareholder                                           | (16,990)                 | —               |
| Capital injection from non-controlling interest                                  | —                        | 27,437          |
| Redemption of convertible bond                                                   | —                        | (3,153)         |
| Interest paid                                                                    | (10,144)                 | (10,931)        |
| Repayments of corporate bonds                                                    | (2,646)                  | —               |
| Payments of lease liabilities                                                    | (1,713)                  | (1,772)         |
| Proceeds from subscription of shares                                             | 64,414                   | 27,498          |
| Net cash generated from financing activities                                     | 43,901                   | 22,069          |
| Net decrease in cash and cash equivalents                                        | (132,717)                | (29,574)        |
| Effect of changes in foreign exchange rates                                      | 14,515                   | —               |
| Cash and cash equivalents as at 1 January                                        | 157,066                  | 45,978          |
| Cash and cash equivalents as at 30 June                                          | 38,864                   | 16,404          |

The notes on pages 26 to 46 form part of this interim report.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 1 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 28 August 2025.

The interim financial information has been prepared in accordance with the same accounting policies adopted in 2025 annual financial statements, except for the application of new and amendment to International Financial Reporting Standards (“IFRS Accounting Standards”) in note 2 and the adoption of new accounting policies that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial information in conformity with IAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and the Group since the 2025 annual consolidated financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of consolidated financial statements prepared in accordance with IFRS Accounting Standards. The interim financial information is unaudited, but has been reviewed by the Company's audit committee.

In preparing these condensed consolidated interim financial statements, the Directors have considered the future liquidity of the Group. As at 30 June 2026, the Group has net current liabilities of approximately RMB391,655,000. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the aforesaid conditions, these condensed consolidated interim financial statements have been prepared on a going concern basis on the assumption that the Group will be able to operate as a going concern for the foreseeable future. In the opinion of the Directors, the Group can meet its financial obligations as and when they fall due within the next year from the date of approval of the condensed consolidated interim financial statements, after taking into consideration of the following measures and arrangements made subsequent to the reporting date:

- (i) The Group has obtained certain banking facilities with certain banks to obtain maximum credit amounts of RMB465,800,000 by secured certain asset of the Group and financial guarantee from the shareholder of the Company. As at 30 June 2026, the unutilised facilities amount in respect of bank borrowings was approximately RMB89,840,000.
- (ii) As at 30 June 2026, the Group has bank borrowings of RMB390,960,000 and among which bank borrowings of RMB360,960,000 (the “**Secured Bank Borrowings**”) were secured by the Group's non-current assets including property, plant and equipment, investment properties and right-of-use assets (the “**Pledged Non-current Assets**”) with an aggregate carrying value of approximately RMB564,576,000 as at 30 June 2026. In the opinion of the Directors, should the Group failed to settle the Secured Bank Borrowings when they fall due, after considering that the carrying value of the Pledged Non-current Assets were sufficient to cover the carrying value of the Secured Bank Borrowings by realisation of those assets by the Group or the banks.
- (iii) The Group is taking measures to tighten cost controls over various costs and expenses and to seek new investments and business opportunities with an aim to attain profitable and positive cash flow operations.

On the basis of the foregoing, and after assessing the Group's current and forecasted cash positions, the Directors are satisfied that the Group will be able to meet in full the Group's financial obligations as they fall due for the period of twelve months from the date of approval of the condensed consolidated interim financial statements. Accordingly, the condensed consolidated interim financial statements of the Group have been prepared on the going concern basis.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted and methods of computation used in the condensed consolidated interim financial statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

In the current interim period, the Group has adopted all the new and amendment to IFRS Accounting Standards issued by the IASB that are relevant to its operations and effective for its accounting period beginning on 1 January 2026. The adoption of these new and amendment to IFRS Accounting Standards did not result in significant changes to the Group's accounting policies and amounts reported for the current and prior accounting period.

Amendments to IFRS 9 and IFRS 7

Amendments to IFRS 9 and IFRS 7

*Annual Improvements to IFRS*

*Accounting Standards — Volume 11*

Amendments to the Classification and Measurement of Financial Instruments

Contracts Referencing Nature-dependent Electricity

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The Group has not applied any new and amendment to IFRS Accounting Standards that are not yet effective for the current period in advance.

## 3 SEGMENT INFORMATION

Operating segments and the amounts of each segment item reported in the condensed consolidated interim financial statements are identified from the condensed consolidated interim financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Operating segments which are individually material are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they meet a majority of these criteria.

The main operations of the Group are sales of industrial products to customers located in Saudi Arabia ("**Industrial Products**"), sales of menswear apparel, brand licensing ("**Menswear Apparel**") and sales of energy storage battery ("**Energy Storage Battery**") in the PRC.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 3 SEGMENT INFORMATION (Continued)

### (a) Segment revenue and results

For the six months ended 30 June 2026

|                                                        | Menswear<br>Apparel<br>RMB'000<br>(Unaudited) | Industrial<br>Products<br>RMB'000<br>(Unaudited) | Energy<br>Storage<br>Battery<br>RMB'000<br>(Unaudited) | Unallocated<br>RMB'000<br>(Unaudited) | Consolidated<br>RMB'000<br>(Unaudited) |
|--------------------------------------------------------|-----------------------------------------------|--------------------------------------------------|--------------------------------------------------------|---------------------------------------|----------------------------------------|
| Revenue                                                | 22,592                                        | 90,542                                           | 1,896                                                  | –                                     | 115,030                                |
| Segment result before the<br>following items           | (4,100)                                       | 4,667                                            | (22,723)                                               | –                                     | (22,156)                               |
| Impairment losses under ECL model,<br>net of reversal  | 3,142                                         | (64,950)                                         | (545)                                                  | –                                     | (62,353)                               |
| Depreciation and amortisation                          | (9,172)                                       | (294)                                            | (5,353)                                                | –                                     | (14,819)                               |
| Fair value change on financial<br>liabilities at FVTPL | –                                             | –                                                | (969)                                                  | –                                     | (969)                                  |
| Segment result                                         | (10,130)                                      | (60,577)                                         | (29,590)                                               | –                                     | (100,297)                              |
| Other revenue and unallocated gains                    |                                               |                                                  |                                                        | –                                     | –                                      |
| Corporate and other unallocated<br>expenses            |                                               |                                                  |                                                        | (44,285)                              | (44,285)                               |
| Loss before taxation                                   |                                               |                                                  |                                                        |                                       | (144,582)                              |
| Income tax credit/(expenses)                           | –                                             | 3,923                                            | (13)                                                   | –                                     | 3,910                                  |
| Loss for the period                                    |                                               |                                                  |                                                        |                                       | (140,672)                              |

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 3 SEGMENT INFORMATION (Continued)

### (a) Segment revenue and results (Continued)

For the six months ended 30 June 2025

|                                                       | Menswear<br>Apparel<br>RMB'000<br>(Unaudited) | Industrial<br>Products<br>RMB'000<br>(Unaudited) | Energy<br>Storage<br>Battery<br>RMB'000<br>(Unaudited) | Unallocated<br>RMB'000<br>(Unaudited) | Consolidated<br>RMB'000<br>(Unaudited) |
|-------------------------------------------------------|-----------------------------------------------|--------------------------------------------------|--------------------------------------------------------|---------------------------------------|----------------------------------------|
| Revenue                                               | 38,569                                        | –                                                | 1,843                                                  | –                                     | 40,412                                 |
| Segment result before the<br>following items          | 8,160                                         | (1,765)                                          | (18,258)                                               | –                                     | (11,863)                               |
| Impairment losses under ECL model,<br>net of reversal | 6,738                                         | (73,125)                                         | (332)                                                  | –                                     | (66,719)                               |
| Depreciation and amortisation                         | (12,124)                                      | (308)                                            | (5,385)                                                | –                                     | (17,817)                               |
| Segment result                                        | 2,774                                         | (75,198)                                         | (23,975)                                               | –                                     | (96,399)                               |
| Other revenue and unallocated gains                   |                                               |                                                  |                                                        | 325                                   | 325                                    |
| Corporate and other unallocated<br>expenses           |                                               |                                                  |                                                        | (8,670)                               | (8,670)                                |
| Loss before taxation                                  |                                               |                                                  |                                                        |                                       | (104,744)                              |
| Income tax (expenses)/credit                          | (1,968)                                       | 6,991                                            | (1)                                                    | 277                                   | 5,299                                  |
| Loss for the period                                   |                                               |                                                  |                                                        |                                       | (99,445)                               |

### (b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segments:

|                     | Menswear Apparel                                   |                                                      | Industrial Products                                |                                                      | Energy Storage Battery                             |                                                      | Unallocated                                        |                                                      | Consolidated                                       |                                                      |
|---------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
|                     | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
| Segment assets      | 643,209                                            | 654,737                                              | 159,335                                            | 140,206                                              | 193,626                                            | 210,449                                              | 221,801                                            | 296,370                                              | 1,217,971                                          | 1,301,762                                            |
| Segment liabilities | 439,151                                            | 440,842                                              | 263,019                                            | 292,647                                              | 104,528                                            | 94,893                                               | 156,136                                            | 182,112                                              | 962,834                                            | 1,010,494                                            |

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 3 SEGMENT INFORMATION (Continued)

### (c) Geographical Information

#### (a) Revenue

The following table presents the Group's geographical information in terms of revenue for the six months ended 30 June 2026 and 2025:

|              | Six months<br>ended<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | Six months<br>ended<br>30 June<br>2025<br>RMB'000<br>(Unaudited) |
|--------------|------------------------------------------------------------------|------------------------------------------------------------------|
| China        | 24,488                                                           | 40,412                                                           |
| Saudi Arabia | 90,542                                                           | —                                                                |
|              | 115,030                                                          | 40,412                                                           |

#### (b) Non-current assets

The principal place of the Group's operation is in PRC. For the purpose of segment information disclosures under IFRS 8, the Group regards PRC as its country of domicile. Over 90% of the Group's non-current assets are located in the PRC.

### (d) Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the Group's total revenue are as follows:

|                                  | Six months<br>ended<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | Six months<br>ended<br>30 June<br>2025<br>RMB'000<br>(Unaudited) |
|----------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Customer A (Industrial Products) | 90,542                                                           | —                                                                |
| Customer B (Menswear Apparel)    | N/A*                                                             | 5,953                                                            |
| Customer C (Menswear Apparel)    | N/A*                                                             | 4,571                                                            |
| Customer D (Menswear Apparel)    | N/A*                                                             | 4,401                                                            |

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

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 4 REVENUE

The principal activities of the Group are sales of industrial products to customers located in Saudi Arabia, sales of menswear apparel, brand licensing and sales of energy storage battery in the PRC. Revenue represents the sales value of goods sold less discounts and Value Added Tax.

Revenue by segment is as follows:

|                                      | Six months ended 30 June |                        |
|--------------------------------------|--------------------------|------------------------|
|                                      | 2026                     | 2025                   |
|                                      | RMB'000<br>(Unaudited)   | RMB'000<br>(Unaudited) |
| Sales of industrial products         | 90,542                   | –                      |
| Sales of menswear apparel            | 20,865                   | 32,725                 |
| Menswear apparel brand licensing     | 1,727                    | 5,844                  |
| Sales of energy storage battery      | 1,896                    | 1,843                  |
|                                      | 115,030                  | 40,412                 |
| <b>Timing of revenue recognition</b> |                          |                        |
| At a point of time                   | 115,030                  | 40,412                 |

## 5 OTHER INCOME AND OTHER GAINS OR LOSSES, NET

|                                                                | Six months ended 30 June |                        |
|----------------------------------------------------------------|--------------------------|------------------------|
|                                                                | 2026                     | 2025                   |
|                                                                | RMB'000<br>(Unaudited)   | RMB'000<br>(Unaudited) |
| Interest income                                                | 12                       | 355                    |
| Rental income from investment properties less direct outgoings | 6,234                    | 7,305                  |
| Government grants (note (i))                                   | 1,560                    | 240                    |
| Net foreign exchange loss                                      | (11)                     | (5)                    |
| Gain on deregistration of a subsidiary                         | –                        | 4,829                  |
| Sales of scrap materials                                       | 383                      | 1,939                  |
| Others                                                         | 244                      | 395                    |
|                                                                | 8,422                    | 15,058                 |

Note:

- (i) Government grants were received from several local government authorities, of which the entitlements were under the discretion of the relevant authorities.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

|                                                                                                 | Six months ended 30 June       |                                |
|-------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                                                                 | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| <b>(a) Finance costs:</b>                                                                       |                                |                                |
| Interest on bank borrowings                                                                     | 8,625                          | 9,218                          |
| Interest on corporate bonds                                                                     | 1,044                          | 1,197                          |
| Interest on convertible bond                                                                    | –                              | 308                            |
| Interest on loans from a shareholder                                                            | 1,455                          | 1,277                          |
| Interest on lease liabilities                                                                   | 64                             | 37                             |
|                                                                                                 | <b>11,188</b>                  | 12,037                         |
| <b>(b) Staff costs:</b>                                                                         |                                |                                |
| Contributions to defined contribution retirement plans                                          | 1,174                          | 1,932                          |
| Salaries, wages and other benefits                                                              | 10,600                         | 14,043                         |
| Equity-settled share based payment expenses                                                     | 33,100                         | 2,711                          |
|                                                                                                 | <b>44,874</b>                  | 18,686                         |
| <b>(c) Other items:</b>                                                                         |                                |                                |
| Amortisation of intangible assets                                                               | 2,318                          | 2,314                          |
| Depreciation of property, plant and equipment                                                   | 1,682                          | 2,780                          |
| Depreciation of investment properties                                                           | 5,837                          | 7,574                          |
| Depreciation of right-of-use assets                                                             | 5,031                          | 5,335                          |
| Research and developments expenses<br>(included in administrative and other operating expenses) | 9,823                          | 6,544                          |
| Cost of inventories                                                                             | 98,977                         | 30,512                         |
| Impairment losses under ECL model, net of reversal                                              | 62,353                         | 66,719                         |

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 7 INCOME TAX CREDIT

|                                                       | Six months ended 30 June       |                                |
|-------------------------------------------------------|--------------------------------|--------------------------------|
|                                                       | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| <b>Current tax</b>                                    |                                |                                |
| Provision for PRC corporate income tax for the period | –                              | –                              |
| Provision for Hong Kong profits tax for the period    | (702)                          | –                              |
| Tax penalties                                         | –                              | (3,286)                        |
|                                                       | (702)                          | (3,286)                        |
| Deferred tax credit                                   | 4,612                          | 8,585                          |
|                                                       | 3,910                          | 5,299                          |

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.
- (iii) Pursuant to the income tax rules and regulations of the PRC, provision for PRC corporate income tax is calculated based on the statutory rate of 25% of the assessable profits of the subsidiaries incorporated in the PRC.
- (iv) According to the Corporate Income Tax law and its implementation rules, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. Deferred tax liabilities have been provided for in this regard based on the expected dividends to be distributed from these subsidiaries in the foreseeable future in respect of the profits generated since 1 January 2008.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 8 LOSS PER SHARE ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

### (a) Basic loss per share

The calculation of the basic loss per share attributable to equity owners of the Company is based on the following data:

|                                                                                                                         | Six months ended 30 June |                        |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------|
|                                                                                                                         | 2026                     | 2025                   |
|                                                                                                                         | RMB'000<br>(Unaudited)   | RMB'000<br>(Unaudited) |
| <b>Loss attributable to equity owners of the Company</b>                                                                |                          |                        |
| Loss for the period for the purpose of computation of basic loss per share attributable to equity owners of the Company | (128,711)                | (85,244)               |
|                                                                                                                         |                          |                        |
|                                                                                                                         | Number of shares         |                        |
|                                                                                                                         | '000                     | '000                   |
|                                                                                                                         |                          |                        |
| <b>Number of shares</b>                                                                                                 |                          |                        |
| Weighted average number of ordinary shares in issue                                                                     | 3,556,907                | 3,042,660              |

### (b) Diluted loss per share

The computation of diluted loss per share attributable to equity owners of the Company for the six months ended 30 June 2026 did not assume the exercise of outstanding share options of the Company since their assumed exercise would result in a decrease in loss per share attributable to equity owners of the Company.

The computation of diluted loss per share attributable to equity owners of the Company for the six months ended 30 June 2025 did not assume the conversion of the Company's outstanding convertible bonds and exercise of outstanding share options of the Company since their assumed conversion and exercise would result in a decrease in loss per share attributable to equity owners of the Company.

## 9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of approximately RMB552,000 (six months ended 30 June 2025: RMB140,000).

Items of property, plant and equipment with a net book value of approximately RMB38,000 (six months ended 30 June 2025: RMB24,000) were disposed of during the six months ended 30 June 2026.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 10 TRADE AND OTHER RECEIVABLES

|                                                              | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Trade receivables                                            | 1,005,220                                          | 952,393                                              |
| Less: allowance for ECL                                      | (818,484)                                          | (765,220)                                            |
| Trade receivables                                            | 186,736                                            | 187,173                                              |
| Prepayments for acquisition of property, plant and equipment | 19,519                                             | 19,519                                               |
| Prepayments to suppliers                                     | 169,496                                            | 171,680                                              |
| Other receivables, deposits and prepayments (note (i))       | 58,108                                             | 36,802                                               |
| Less: allowance for ECL                                      | (3,203)                                            | (3,203)                                              |
| Written-off                                                  | –                                                  | (3,000)                                              |
| Total trade and other receivables                            | 430,656                                            | 408,971                                              |
| Less: Non-current portion                                    | (19,327)                                           | (19,327)                                             |
| Current portion                                              | 411,329                                            | 389,644                                              |

### Aging analysis

At the end of the reporting period, the aging analysis of trade receivables with net of allowance for ECL, based on invoice date, is as follows:

|                                        | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|----------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Within 3 months                        | 64,729                                             | 22,774                                               |
| More than 3 months but within 6 months | 10,558                                             | 1,603                                                |
| More than 6 months but within 1 year   | 8,765                                              | 926                                                  |
| Over 1 year                            | 102,684                                            | 161,870                                              |
|                                        | 186,736                                            | 187,173                                              |

Trade receivables are normally due for settlement within 90–180 days (31 December 2025: 90–180 days) from the invoice date.

Note:

- (i) A deposit of HK\$14,464,000 (equivalent to approximately RMB12.8 million) paid for an acquisition of a company was included in the other receivables, deposits and prepayments as at 30 June 2026. For details of the acquisition, please refer to the announcement of the Company dated 26 January 2026.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 11 TRADE AND OTHER PAYABLES

|                | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|----------------|----------------------------------------------------|------------------------------------------------------|
| Trade payables | 239,431                                            | 261,731                                              |
| Other payables | 73,804                                             | 85,880                                               |
| Accruals       | 53,504                                             | 47,675                                               |
|                | 366,739                                            | 395,286                                              |

As at the end of the reporting period, the aging analysis of the trade payables, based on relevant invoice date, is as follows:

|                                   | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|-----------------------------------|----------------------------------------------------|------------------------------------------------------|
| Within 1 month                    | 13,829                                             | 12,832                                               |
| After 1 month but within 3 months | 66,449                                             | 7,746                                                |
| Over 3 months but within 6 months | 14,816                                             | 3,298                                                |
| Over 6 months but within 1 year   | 5,015                                              | 159                                                  |
| Over 1 year                       | 139,322                                            | 237,696                                              |
|                                   | 239,431                                            | 261,731                                              |

## 12 BANK BORROWINGS

(a) The bank borrowings were repayable as follow:

|                                 | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|---------------------------------|----------------------------------------------------|------------------------------------------------------|
| <b>Floating-rate borrowings</b> |                                                    |                                                      |
| Within 1 year or on demand      | 5,000                                              | 9,000                                                |
| <b>Fixed-rate borrowings</b>    |                                                    |                                                      |
| Within 1 year or on demand      | 385,960                                            | 379,420                                              |
| Over 1 year but within 2 years  | —                                                  | 9,950                                                |
|                                 | 390,960                                            | 398,370                                              |

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 12 BANK BORROWINGS (Continued)

(b) The bank borrowings were secured as follows:

|                 | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|-----------------|----------------------------------------------------|------------------------------------------------------|
| Bank borrowings |                                                    |                                                      |
| — secured       | 360,960                                            | 352,970                                              |
| — unsecured     | 30,000                                             | 45,400                                               |
|                 | 390,960                                            | 398,370                                              |

(c) Certain bank borrowings were secured by assets of the Group, the carrying amounts of these assets are as follows:

|                               | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------|----------------------------------------------------|------------------------------------------------------|
| Property, plant and equipment | 16,579                                             | 17,380                                               |
| Investment properties         | 356,163                                            | 362,000                                              |
| Right-of-use assets           | 189,483                                            | 189,578                                              |
| Intangible assets             | 2,351                                              | 2,669                                                |
|                               | 564,576                                            | 571,627                                              |

(d) Unsecured bank borrowings were guaranteed by:

As at 30 June 2026 and 31 December 2025, certain bank borrowings were guaranteed by directors of the Group.

(e) The amounts of banking facilities and the utilisation at the end of the reporting period are set out as follows:

|                                                          | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|----------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Facility amount                                          | 465,800                                            | 487,800                                              |
| Utilised facilities amount in respect of bank borrowings | 375,960                                            | 393,370                                              |

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 13 CORPORATE BONDS

|                           | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|---------------------------|----------------------------------------------------|------------------------------------------------------|
| Unsecured corporate bonds | 25,024                                             | 27,669                                               |

The Group's corporate bonds are repayable as follows:

|                                 | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|---------------------------------|----------------------------------------------------|------------------------------------------------------|
| Within 1 year                   | 25,024                                             | 19,266                                               |
| After 1 year but within 2 years | –                                                  | 8,403                                                |
|                                 | 25,024                                             | 27,669                                               |
| Analysed as:                    |                                                    |                                                      |
| — Current                       | 25,024                                             | 19,266                                               |
| — Non-current                   | –                                                  | 8,403                                                |
|                                 | 25,024                                             | 27,669                                               |

As at 30 June 2026, the Group issued bonds with carried interest at 0.1%–5% (31 December 2025: 0.1%–5%) per annum. The bonds are unsecured with maturity date falling on 8 years (31 December 2025: 7.5–8 years) of the issue date.

The effective interest rate of the bonds ranges from 6.73% to 10.72% (31 December 2025: 6.73% to 12.53%) per annum.

## 14 LOANS FROM A SHAREHOLDER

Loans from a shareholder of the Company, Mr. Kwok Kin Sun, are unsecured, interest bearing at 4% per annum and repayable within one to two years.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 15 FINANCIAL LIABILITIES AT FVTPL

On 30 December 2024, the Company and 3 subsidiaries of the Company, Jiangsu HengAn Energy Technology Co., Ltd.\* (江蘇恆安儲能科技有限公司) (“**Jiangsu HengAn**”), Oriental Richway Limited (“**Oriental Richway**”) and Yulin Anchu Richway Energy Technology Co., Ltd.\* (榆林安儲富利能源科技有限公司) (“**Yulin Anchu**”) (Oriental Richway and Yulin Anchu together held 100% equity interest in Jiangsu HengAn as at the date of the Capital Contribution Agreements (defined below), collectively as the “**Existing Shareholders**”), has entered into capital contribution agreements with certain independent third parties (the “**Investor(s)**”) separately in respect of the capital contributions (the “**Capital Contributions**”) by each of the Investors (the “**Capital Contribution Agreements**”).

Pursuant to the Capital Contribution Agreements, the Investors have agreed to contribute RMB28,000,000 in aggregate into Jiangsu HengAn, of which approximately RMB6,545,000 was contributed towards the registered capital of Jiangsu HengAn, which accounts for approximately 2.34% of the enlarged equity interest in Jiangsu HengAn, and the remaining was contributed towards the capital reserve of Jiangsu HengAn.

Upon completion of the Capital Contributions, the Investors were interested in approximately 2.34% of the enlarged equity interest in Jiangsu HengAn in aggregate, and the Group’s interest in Jiangsu HengAn was diluted from 100% to approximately 97.66%. Accordingly, Jiangsu HengAn remains as a subsidiary of the Company and the financial results of Jiangsu HengAn and its subsidiaries continue to be consolidated in the financial statements of the Group.

Each of the Investors has the right (the “**Repurchase Right(s)**”) to require Jiangsu HengAn and/or the Company, to jointly repurchase all or part of its equity interest in Jiangsu HengAn within 1 month upon receipt of written notice from the Investor, after occurrence of any of the following trigger events within the five (5) years period upon the date of full payment of the Capital Contributions:

- (1) Jiangsu HengAn fails to consummate a qualified initial public offering on the stock exchange recognised by the Investor, and the Investor fails to exit through other means such as mergers and acquisitions;
- (2) any of Jiangsu HengAn, the Existing Shareholders or the Company is in breach of their representations, warranties, statements, undertakings or there are major issues such as fraud;
- (3) there are other circumstances that have a material adverse impact on Jiangsu HengAn’s operations, such as changes in the controlling shareholder or actual controller of Jiangsu HengAn;
- (4) if more than one-third of Jiangsu HengAn’s key employees change or the Company loses control on Jiangsu HengAn;
- (5) an accounting firm recognised by the Investors and Jiangsu HengAn conducts audits on Jiangsu HengAn and issues a qualified audit report other than standard unqualified opinion;
- (6) other shareholders of Jiangsu HengAn request to exercise their repurchase or redemption rights; and
- (7) other repurchase circumstances stipulated in the Capital Contribution Agreements.

The Repurchase Rights were classified as financial liabilities at FVTPL on initial recognition and are measured at fair value with changes in fair value recognised in profit or loss.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 15 FINANCIAL LIABILITIES AT FVTPL (Continued)

Details of movement is set out below:

|                                                     | RMB'000       |
|-----------------------------------------------------|---------------|
| As at 1 January 2025 (Audited)                      | –             |
| At initial recognition                              | 21,880        |
| Change in fair value recognised in profit or loss   | 8,151         |
| As at 31 December 2025 and 1 January 2026 (Audited) | 30,031        |
| Change in fair value recognised in profit or loss   | 969           |
| <b>As at 30 June 2026 (Unaudited)</b>               | <b>31,000</b> |

The fair values of the Repurchase Rights determined at date of completion of the Capital Contributions, i.e. 14 January 2025, as at 31 December 2025 and as at 30 June 2026 measured by an independent valuer engaged by the Group, based on binomial option pricing model. Key valuation assumptions used to determine the fair values of the Repurchase Rights are as follows:

|                | 14 January<br>2025 | 31 December<br>2025 | 30 June<br>2026 |
|----------------|--------------------|---------------------|-----------------|
| Volatility     | 68.16%             | 67.00%              | 63.86%          |
| Risk-free rate | 3.55%              | 2.49%               | 1.33%           |
| Risky rate     | 11.66%             | 6.28%               | 6.28%           |
| Dividend yield | 0%                 | 0%                  | 0%              |

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 16 EQUITY-SETTLED SHARE-BASED PAYMENTS FOR EMPLOYEES

The Company has adopted a share option scheme on 9 June 2014 whereby the directors of the Company are authorised, at their discretion, to invite certain employees of the Group, including certain directors of the Group, to take up share options at consideration of HK\$1 for each option holder (equivalent to RMB0.821 at the date of grant). Each option gives the holder the right to subscribe for one ordinary share in the Company and will be settled in shares. The share option scheme has expired on 8 June 2024.

On 23 October 2025, the shareholders of the Company has approved the adoption of a new share option scheme at the extraordinary general meeting of the Company. Pursuant to the terms of the new share option scheme, the Company may grant options at its discretion, to any eligible person (including directors and employees of the Group).

No options may be granted under the share option scheme after 10 years since the adoption. Subject to the requirements of the Listing Rules, the vesting periods, exercise periods and vesting conditions may be specified by the Company at the time of the grant, and the options expire no later than 10 years from the relevant date of grant.

### (a) Details of share options granted are as follows:

#### Options granted on 23 January 2024 ("2024 Options")

| Date of grant                                                     | Exercise price | Number of options granted | Vesting periods                 | Exercisable period                         |
|-------------------------------------------------------------------|----------------|---------------------------|---------------------------------|--------------------------------------------|
| Options granted to the Directors:<br>23 January 2024              | HK\$0.91       | 25,000,000                | one year from the date of grant | From 23 January 2025 to<br>22 January 2029 |
| Options granted to the employees of the Group:<br>23 January 2024 | HK\$0.91       | 145,000,000               | one year from the date of grant | From 23 January 2025 to<br>22 January 2029 |

#### Options granted on 25 November 2025 ("2025 Options")

| Date of grant                                                      | Exercise price | Number of options granted | Vesting periods                 | Exercisable period                           |
|--------------------------------------------------------------------|----------------|---------------------------|---------------------------------|----------------------------------------------|
| Options granted to the Directors:<br>25 November 2025              | HK\$0.61       | 52,000,000                | one year from the date of grant | From 25 November 2026 to<br>24 November 2035 |
| Options granted to the employees of the Group:<br>25 November 2025 | HK\$0.61       | 252,690,000               | one year from the date of grant | From 25 November 2026 to<br>24 November 2035 |

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 16 EQUITY-SETTLED SHARE-BASED PAYMENTS FOR EMPLOYEES (Continued)

### (b) The number and weighted average exercise prices of share options

|                                    | As at 30 June 2026<br>(Unaudited)  |                      | As at 31 December 2025<br>(Audited) |                      |
|------------------------------------|------------------------------------|----------------------|-------------------------------------|----------------------|
|                                    | Weighted average<br>Exercise price | Number of<br>options | Weighted average<br>exercise price  | Number of<br>options |
| Outstanding at the 1 January       | HK\$0.68                           | 395,690,000          | HK\$0.91                            | 157,000,000          |
| Granted during the period/year     | N/A                                | –                    | HK\$0.61                            | 304,690,000          |
| Lapsed during the period/year      | N/A                                | –                    | HK\$0.91                            | (66,000,000)         |
| Outstanding at 30 June/31 December | HK\$0.68                           | 395,690,000          | HK\$0.68                            | 395,690,000          |
| Exercisable at 30 June/31 December | HK\$0.91                           | 91,000,000           | HK\$0.91                            | 91,000,000           |

During the six months ended 30 June 2026, no (31 December 2025: 304,690,000) share options were granted and 91,000,000 (31 December 2025: 91,000,000) of share options became exercisable as at 30 June 2026.

The shares options outstanding as at 30 June 2026 had a weighted average exercise price of HK\$0.68 (31 December 2025: HK\$0.68) and a weighted average remaining contractual life of 7.8 years (31 December 2025: 8.3).

During the six months ended 30 June 2026, no (31 December 2025: 66,000,000) share options have lapsed and 395,690,000 (31 December 2025: 395,690,000) share options remained outstanding as at 30 June 2026.

### (c) Fair value of share options and assumptions

The fair value of the share options determined at date of grant is measured based on binomial model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial model.

| Fair value of share options at the date of grant and assumptions                                 | 2025<br>Options | 2024<br>Options |
|--------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Fair value at measurement date (HK\$)                                                            | 0.25–0.27       | 0.32–0.40       |
| Share price (HK\$)                                                                               | 0.60            | 0.82            |
| Exercise price (HK\$)                                                                            | 0.61            | 0.91            |
| Expected volatility (expressed as average volatility used in the modelling under binomial model) | 68.86%          | 72.79%          |
| Option life                                                                                      | 10 years        | 5 years         |
| Expected dividends                                                                               | 0%              | 0%              |
| Risk-free interest rate (based on Hong Kong Government Bond yield)                               | 3.00%           | 3.13%           |

The expected volatility is based on the historical volatilities of the share prices of the comparable companies. Expected dividends were estimated by the Company based on its expected dividend policy over the expected terms of the options. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted with a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the grants of the share options.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 17 CAPITAL, RESERVES AND DIVIDENDS

### (a) Dividends

The Board does not recommend the payment of dividend for the six months ended 30 June 2026 (30 June 2025: Nil).

### (b) Share capital

#### Authorised and issued share capital

|                                                                     | Number of<br>ordinary shares<br>of HK\$0.0025 | Amount<br>HK\$'000 |
|---------------------------------------------------------------------|-----------------------------------------------|--------------------|
| <b>Authorised:</b>                                                  |                                               |                    |
| As at 1 January 2025, 31 December 2025 and 1 January 2026 (Audited) | 4,000,000,000                                 | 10,000             |
| Increase in authorised share capital                                | 4,000,000,000                                 | 10,000             |
| <b>As at 30 June 2026 (Unaudited)</b>                               | <b>8,000,000,000</b>                          | <b>20,000</b>      |

|                                                     | Number of<br>ordinary<br>shares of<br>HK\$0.0025 | Amount<br>HK\$'000 | Amount<br>RMB'000 |
|-----------------------------------------------------|--------------------------------------------------|--------------------|-------------------|
| <b>Issued and fully paid:</b>                       |                                                  |                    |                   |
| As at 1 January 2025 (Audited)                      | 2,987,389,000                                    | 7,468              | 6,183             |
| Issuance of shares under subscriptions (note (i))   | 59,574,000                                       | 149                | 138               |
| As at 31 December 2025 and 1 January 2026 (Audited) | 3,046,963,000                                    | 7,617              | 6,321             |
| Issuance of shares under subscriptions (note (ii))  | 524,431,000                                      | 1,311              | 1,138             |
| <b>As at 30 June 2026 (Unaudited)</b>               | <b>3,571,394,000</b>                             | <b>8,928</b>       | <b>7,459</b>      |

Notes:

- (i) On 23 December 2024, the Company entered into subscription agreements with independent third parties, as the subscribers, pursuant to which the subscribers had agreed to subscribe for 59,574,000 new shares in aggregate at the subscription price of HK\$0.5 per subscription share. The subscriptions were completed and 59,574,000 new shares in aggregate were allotted and issued to the subscribers on 15 January 2025.
- (ii) On 12 December 2025, the Company entered into subscription agreements with independent third parties, as the subscribers, pursuant to which, the subscribers have agreed to subscribe for 524,431,000 new shares in aggregate at the subscription price of HK\$0.55 per subscription share. The subscriptions were completed and 524,431,000 new shares in aggregate were allotted and issued to the subscribers on 6 January 2026.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 17 CAPITAL, RESERVES AND DIVIDENDS (Continued)

### (c) Nature and purpose of reserves

#### (i) Share premium

The share premium represents the difference between the par value of the shares of the Company (the “Shares”) and proceeds received from the issuance of the Shares.

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to the Shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

#### (ii) Statutory reserve

As stipulated by regulations in the PRC, the Company's subsidiaries established and operated in the mainland China are required to appropriate 10% of their after-tax-profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of profits to parent companies.

The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

#### (iii) Capital reserve

On 30 April 2014, an amount payable of RMB39,023,000 had been waived by the shareholder, Mr. Kwok Kin Sun, and capitalised in capital reserve.

#### (iv) Special reserve

The special reserve represents the reserve relating to the proceeds received according to the share subscription agreements dated 12 December 2025, pursuant to which the subscribers have agreed to subscribe for 524,431,000 subscription shares in aggregate at the subscription price of HK\$0.55 per subscription share. The subscriptions were completed on 6 January 2026.

#### (v) Other reserve

The other reserve represents the reserve relating to changes in ownership interests in subsidiaries without losing control and the amount represents the difference between consideration paid or received and changes in the carrying amount of the ownership interests attributable to non-controlling shareholders.

#### (vi) Convertible bond reserve

Convertible bond reserve represents the amount allocated to the equity component of convertible bond issued by the Company.

#### (vii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statement of operations outside the PRC.

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 17 CAPITAL, RESERVES AND DIVIDENDS (Continued)

### (c) Nature and purpose of reserves (Continued)

#### (viii) Share-based payment reserve

Share-based payment reserve comprises the following:

- The fair value of services provided by parties other than employees to the Group in connection with the listing of the Company and the services were settled by equity instrument of the Company. The relevant services are recognised in accordance with IFRS 2, *Share-based payment*. Share-based payment was vested pursuant to the listing of the Company on 16 July 2014. No transfer from the share-based payment reserve to the share premium account during the Period.
- The portion of the grant date fair value of share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for the share-based payments.

## 18 COMMITMENTS

### Capital commitments

Capital commitments of the Group in respect of construction in progress outstanding at 30 June 2026 that were not provided for in the interim financial information were as follows:

|                | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|----------------|----------------------------------------------------|------------------------------------------------------|
| Contracted for | 177,231                                            | 177,859                                              |

### Operating leases arrangements

#### As lessor

At the end of the reporting period, the Group had total future minimum lease receivable, in respect of land and buildings, under non-cancellable operating lease with its tenants falling due as follows:

|                                             | As at<br>30 June<br>2026<br>RMB'000<br>(Unaudited) | As at<br>31 December<br>2025<br>RMB'000<br>(Audited) |
|---------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Within one year                             | 11,769                                             | 12,866                                               |
| In the second year to fifth year, inclusive | 24,511                                             | 29,218                                               |
|                                             | 36,280                                             | 42,084                                               |

# Notes to the Condensed Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 19 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following material related party transactions.

### Key management personnel compensation

Remuneration for key management personnel of the Group for the period, including amounts paid to the Directors, is as follows:

|                                             | Six months ended 30 June       |                                |
|---------------------------------------------|--------------------------------|--------------------------------|
|                                             | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Short-term employee benefits                | 1,252                          | 1,370                          |
| Contributions to retirement benefit scheme  | 67                             | 52                             |
| Equity-settled share based payment expenses | 6,084                          | 552                            |
|                                             | 7,403                          | 1,974                          |

The total remuneration is included in "staff costs" (see note 6(b)).

# Other Information

## Disclosure of Interests

### Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company or any associated corporations

As at 30 June 2026, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules, were as follows:

Interests in Shares, underlying Shares and debentures and associated corporations:

| Name                             | Nature of interest                      | Number of issued ordinary Shares held | Number of underlying Shares under the share options held <sup>(3)</sup> | Total       | Approximate percentage of shareholding |
|----------------------------------|-----------------------------------------|---------------------------------------|-------------------------------------------------------------------------|-------------|----------------------------------------|
| Mr. Kwok Kin Sun <sup>(1)</sup>  | Interest in a controlled corporation    | 23,742,000                            | –                                                                       | 23,742,000  | 0.66%                                  |
| Mr. Kwok Hon Fung <sup>(2)</sup> | Interest in a controlled corporation    | 185,677,000                           | –                                                                       | 185,677,000 | 5.20%                                  |
| Mr. Lu Ke <sup>(3,4)</sup>       | Beneficial owner                        | 103,090,000                           | 10,000,000                                                              | 113,090,000 | 3.17%                                  |
| Mr. Duan Huiyuan <sup>(4)</sup>  | Beneficial owner                        | –                                     | 37,000,000                                                              | 37,000,000  | 1.04%                                  |
| Ms. Ma Xiaoling <sup>(4,5)</sup> | Beneficial owner and interest of spouse | 60,858,000                            | 30,000,000                                                              | 90,858,000  | 2.54%                                  |

Notes:

- (1) Mr. Kwok Kin Sun, the chairman of the Board and an executive Director, is deemed to be interested in all the Shares held by Everkept Limited ("Everkept") by reason of his 70% interest in the share capital of Everkept.
- (2) Mr. Kwok Hon Fung, an executive Director, the chief executive officer of the Group and the son of Mr. Kwok Kin Sun, is deemed to be interested in all the Shares held by Equal Plus Limited ("Equal Plus") by reason of his 100% interest in the share capital of Equal Plus.  
  
Equal Plus is an associated corporation of the Company pursuant to the SFO. Mr. Kwok Hon Fung, an executive Director, in the capacity as a beneficial owner, held the entire issued share capital of Equal Plus (i.e. number of share held: one).
- (3) Mr. Lu Ke is an executive Director and the general manager of Jiangsu HengAn, an indirect non wholly-owned subsidiary of the Company.
- (4) These are share options granted by the Company under the 2014 Share Option Scheme on 23 January 2024 and the 2025 Share Option Scheme on 25 November 2025. Details of the share option schemes are set out in the section headed "Share Option Schemes" below.
- (5) Ms. Ma Xiaoling, an executive Director, was the beneficial owner of 46,480,000 Shares and is deemed to be interested in all the 14,378,000 Shares, in which her spouse, Mr. Yu Jiliang, was interested by virtual of the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executive of the Company had or were deemed to have any interests or a short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### Directors' Rights to Acquire Shares or Debentures

Save as disclosed in the paragraph headed "Share Option Scheme" below, during the Period, no rights to acquire benefits by means of acquisition of Shares or debentures of the Company were granted to any Directors or their respective spouse or minor children, neither were there any such rights exercised by them; nor was the Company, or any of its subsidiaries a party to any arrangement which enabled the Directors to acquire such rights in another body corporate.

# Other Information

## Substantial Shareholders' and Other Persons' Interests and short positions in the Shares and Underlying Shares of the Company

As at 30 June 2026, so far as the Directors are aware, having made all reasonable enquiries, the following interest of 5% or more of the issued share capital of the Company (other than the interests of the Directors and chief executives as disclosed above) were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

| Name                            | Position | Nature of interest                      | Number of Shares | Approximate percentage of shareholding |
|---------------------------------|----------|-----------------------------------------|------------------|----------------------------------------|
| Ms. Wang Xiu Hua <sup>(1)</sup> | Long     | Beneficial owner                        | 568,584,000      | 15.92%                                 |
| Equal Plus                      | Long     | Beneficial owner                        | 185,677,000      | 5.20%                                  |
| Mr. Zhou Jun <sup>(2)</sup>     | Long     | Beneficial owner and interest of spouse | 242,683,000      | 6.80%                                  |
| Ms. Xu Tingting <sup>(2)</sup>  | Long     | Beneficial owner and interest of spouse | 242,683,000      | 6.80%                                  |

Note:

(1) Ms. Wang Xiu Hua is the mother of Mr. Wang Yan, a non-executive Director.

(2) Mr. Zhou Jun was the beneficial owner of 110,181,000 Shares and was deemed to be interested in all the 132,418,000 Shares, in which his spouse, Ms. Xu Tingting, was interested by virtue of the SFO, and vice versa.

Save as disclosed above, as at 30 June 2026, the Company was not aware of any person or corporation having an interest or a short position in the Shares and underlying Shares which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required under section 336 of Part XV of the SFO.

## Sufficiency of Public Float

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

## Review of Interim Results

The Company has an audit committee (the "**Audit Committee**") which comprises three independent non-executive Directors, namely Mr. Poon Yick Pang Philip (Chairman of the Audit Committee), Mr. Cheung Chiu Tung and Mr. Ma Yu-heng. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company and discussed auditing, financial reporting, internal control and risk management systems, and has reviewed the unaudited interim financial report for the Period.

## Share Option Schemes

### 2014 Share Option Scheme

The Company adopted a share option scheme on 9 June 2014 (the "**2014 Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants (the "**Eligible Persons**") who contribute to the Group. On 23 January 2024, the Company granted options to subscribe for an aggregate of 170,000,000 ordinary Shares of HK\$0.0025 each in the share capital of the Company to Eligible Persons under the 2014 Share Option Scheme at an exercise price of HK\$0.91 per Share. The closing price of the Shares immediately before the date on which the options were granted was HK\$0.89. For details of the grant of share options, please refer to the announcement of the Company dated 23 January 2024.

The 2014 Share Option Scheme has expired on 8 June 2024 and no further share option will be granted thereunder, provided that all outstanding options granted shall still be subject to the terms of the scheme.

# Other Information

## 2025 Share Option Scheme

The Company adopted a share option scheme on 23 October 2025 (the “**2025 Share Option Scheme**”) for the purpose of providing incentives and rewards to Eligible Persons who contribute to the Group. The 2025 Share Option Scheme is valid and effective for a period of 10 years from 23 October 2025. On 25 November 2025, the Company granted options to subscribe for an aggregate of 304,690,000 ordinary Shares of HK\$0.0025 each in the share capital of the Company to Eligible Persons under the 2025 Share Option Scheme at an exercise price of HK\$0.61 per Share. The closing price of the Shares immediately before the date on which the options were granted was HK\$0.60. For the details of the grant of share options, please refer to the announcements of the Company dated 25 November 2025 and 1 December 2025.

As at 1 January 2026 and 30 June 2026, the number of options available for grant under the 2025 Share Option Scheme was 6,300.

Details of movements of the share options during the six months ended 30 June 2026 are set out below:

| Category                        | Date of grant    | Exercise price (HK\$) | Exercisable period                   | As at 1 January 2026 | Number of Share Options |           |           |        | As at 30 June 2026 |
|---------------------------------|------------------|-----------------------|--------------------------------------|----------------------|-------------------------|-----------|-----------|--------|--------------------|
|                                 |                  |                       |                                      |                      | Granted                 | Exercised | Cancelled | Lapsed |                    |
| 2014 Share Option Scheme        |                  |                       |                                      |                      |                         |           |           |        |                    |
| Director                        |                  |                       |                                      |                      |                         |           |           |        |                    |
| Mr. Duan Huiyuan                | 23 January 2024  | 0.91                  | 23 January 2025 to 22 January 2029   | 15,000,000           | –                       | –         | –         | –      | 15,000,000         |
| Mr. Lu Ke                       | 23 January 2024  | 0.91                  | 23 January 2025 to 22 January 2029   | 10,000,000           | –                       | –         | –         | –      | 10,000,000         |
| Employee                        |                  |                       |                                      |                      |                         |           |           |        |                    |
| Other 13 employees of the Group | 23 January 2024  | 0.91                  | 23 January 2025 to 22 January 2029   | 66,000,000           | –                       | –         | –         | –      | 66,000,000         |
| Total                           |                  |                       |                                      | 91,000,000           | –                       | –         | –         | –      | 91,000,000         |
| 2025 Share Option Scheme        |                  |                       |                                      |                      |                         |           |           |        |                    |
| Director                        |                  |                       |                                      |                      |                         |           |           |        |                    |
| Mr. Duan Huiyuan                | 25 November 2025 | 0.61                  | 25 November 2026 to 24 November 2035 | 22,000,000           | –                       | –         | –         | –      | 22,000,000         |
| Ms. Ma Xiaoling                 | 25 November 2025 | 0.61                  | 25 November 2026 to 24 November 2035 | 30,000,000           | –                       | –         | –         | –      | 30,000,000         |
| Employee                        |                  |                       |                                      |                      |                         |           |           |        |                    |
| Other 15 employees of the Group | 25 November 2025 | 0.61                  | 25 November 2026 to 24 November 2035 | 252,690,000          | –                       | –         | –         | –      | 252,690,000        |
| Total                           |                  |                       |                                      | 304,690,000          | –                       | –         | –         | –      | 304,690,000        |

Upon exercise of (i) all outstanding share options which have been granted and (ii) share options which were not yet granted, the total number of Shares available for issue under the share option schemes of the Company are 395,696,300 Shares, representing approximately 11.1% of the total issued Shares (excluding treasury Shares) as at the date of this report.

The number of Shares that may be issued during the Period in respect of options granted under all share schemes of the Company (i.e. 395,690,000 Shares) divided by the weighted average number of Shares in issue for the Period (i.e. 3,556,907,000 Shares) was approximately 11.1%. Save for the 2014 Share Option Scheme and 2025 Share Option Scheme, the Company has not adopted any other share scheme.

# Other Information

## Purchase, Sale or Redemption of The Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

## Compliance with the Corporate Governance Code

The Company has complied with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**") during the Period.

The Board currently comprises five executive Directors, one non-executive Director and three independent non-executive Directors, with independent non-executive Directors representing one-third of the Board, which fulfills the requirement of the Listing Rules. Such proportion of independent non-executive Directors on the Board can ensure their views would carry significant weight and enhance independence of the Board. On the above basis, the Board considers that the current structure will not impair the balance of power and the authority of the Board. The Board shall nevertheless review the structure and composition of the Board from time to time in light of the prevailing circumstances and to maintain a high standard of corporate governance practices of the Company.

## Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the Company's code of conduct regarding Directors' securities transactions.

The senior management personnel who, because of their office in the Company, are likely to be in possession of inside information, have also been requested to comply with the provisions of the Model Code.

Upon specific enquiries, all Directors and the senior management personnel of the Company confirmed that they have complied with the relevant requirements under the Model Code throughout the Period.

## LEGAL PROCEEDINGS

Our Directors are not aware of any legal, arbitration or administrative proceedings against us that will have a material adverse effect on our business, financial condition or results of operations.

## CHANGES IN INFORMATION OF DIRECTORS

Save as disclosed in this report, there has been no change in information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## EVENTS AFTER REPORTING PERIOD

Save as otherwise disclosed in this report, no important events affecting the Company have occurred since 30 June 2026 and up to the date of this report.

On behalf of the Board

**Kwok Kin Sun**

*Chairman and Executive Director*

Hong Kong

27 August 2026