

Fibocom 广和通

深圳市廣和通無線股份有限公司 Fibocom Wireless Inc.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 0638

2026

INTERIM REPORT



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This interim report is prepared in both Chinese and English. In case of any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

Definitions

Term	Definition
the Company, Fibocom	Fibocom Wireless Inc., a PRC company established on November 11, 1999, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300638), and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0638)
A Shares	domestic ordinary shares of the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi
H Shares	overseas listed foreign ordinary shares of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
Share(s)	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Shares and H Shares
Shareholder(s)	holder(s) of the Share(s)
RMB or Renminbi	Renminbi, the lawful currency of the PRC
Listing Date	October 22, 2025, the date on which the H Shares of the Company were listed and commenced trading on the Main Board of the Hong Kong Stock Exchange
Independent Directors	independent non-executive Directors
Audit Committee	the audit committee under the Board
Board or Board of Directors	the board of Directors of the Company
Director(s)	the director(s) of the Company
Treasury Shares	has the meaning under the Hong Kong Listing Rules
Controlling shareholder, actual controller	Zhang Tianyu, the Company's largest shareholder, who directly holds 281,512,495 shares of the Company, representing 31.30% of the Company's total share capital
the Group or our Group	the Company and its consolidated subsidiaries
Articles of Association	the articles of association of the Company

Term	Definition
CG Code	the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
Prospectus	the prospectus of the Company dated October 14, 2025 in relation to the Global Offering
CASBE	China Accounting Standards for Business Enterprises
Global Offering	the offer of H Shares by the Company for subscription, as detailed in the Prospectus
CSRC	the China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
Hong Kong Stock Exchange or Stock Exchange	The Stock Exchange of Hong Kong Limited
Domestic China or Chinese mainland	Chinese mainland, for the purpose of this report only, excluding Hong Kong, Macau and Taiwan of China
China or the PRC	the People's Republic of China
HK or Hong Kong	the Hong Kong Special Administrative Region of the PRC
IoT	Internet of Things, a network that connects any item to the Internet via information sensing devices, in accordance with agreed protocols, to enable information exchange and communication, thereby achieving intelligent identification, localization, tracking, monitoring, and management

Definitions

Term	Definition
IoV	Internet of Vehicles, a vehicle-centric form of the IoT, that uses wireless communication or radio frequency technologies to enable connectivity between vehicles and information network platforms, among vehicles, between vehicles and other devices, and between vehicles and people, thereby supporting various services such as vehicle monitoring, shared big data analytics, and even autonomous driving
Smart Grid	a next-generation power system formed through the deep integration of the traditional power grid with modern sensing and measurement, communication, computer, control, and new material technologies
Mobile Payment	an electronic system based on wireless communication technology, widely used in retail, food service, hotels, and other industries to aggregate point-of-sale sales information and record the movement of funds and goods, and is connected to the transaction platform's settlement system
FWA	Fixed Wireless Access, a method of providing wireless connectivity through a radio link between two fixed points. It does not require laying fiber-optic or cable lines for last-mile connectivity and provides broadband access services for businesses and households
2G	second-generation mobile communication technology, including technologies such as GSM, GPRS, and EDGE
3G	third-generation mobile communication technology, including technologies such as WCDMA, CDMA 2000, TDSCDMA, HSPA, and HSPA+
4G	fourth-generation mobile communication technology, including technologies such as TDD-LTE, FDD-LTE, WIMAX, and UMB
5G	fifth-generation mobile communications technology and standards, an extension of 4G technology, with key technologies including massive antenna arrays, ultra-dense networking, new multiple access schemes, full-spectrum access, and new network architectures
NB-IoT	Narrow Band Internet of Things, a cellular-based narrowband IoT
LPWAN	Low-Power Wide-Area Network, a communication technology optimized for IoT applications. It features a low data rate, ultra-low power consumption, and a low duty cycle, supporting long-distance cellular aggregation gateways for remote wireless network communication

Term	Definition
eMTC	enhanced Machine Type Communications, an IoT application scenario characterized by ultra-reliable, low-latency performance, with its primary focus on communication between devices
LTE	Long Term Evolution, a fourth-generation mobile communications technology that offers higher data rates, lower network latency, wider coverage, and backward compatibility compared to 3G technology
V2X	Vehicle-to-Everything, i.e. direct communication between vehicles, and between vehicles and other traffic elements, representing a key technology for future intelligent transportation systems. It enables communication between vehicles, between vehicles and base stations, and between base stations. This enables the acquisition of a range of real-time traffic data – such as road conditions, traffic information, and pedestrian information – thereby improving driving safety, reducing congestion, enhancing traffic efficiency, and providing in-vehicle infotainment information
AI	Artificial Intelligence, a field of technical science dedicated to researching and developing theories, methods, technologies, and application systems that simulate, extend, and augment human Intelligence
year-on-year	compared with the same period last year
%	percent
Reporting Period, first half of the Year or the Period	six months ended from January 1, 2026 to June 30, 2026

Company Profile

I. COMPANY INFORMATION

H Share Stock Abbreviation	Fibocom	H Share Stock Code	0638
A Share Stock Abbreviation	Fibocom	A Share Stock Code	300638
Chinese Name	深圳市廣和通無線股份有限公司		
Chinese Name Abbreviation	廣和通		
English Name (if any)	FIBOCOM WIRELESS INC.		
English Name Abbreviation (if any)	FIBOCOM		
Legal Representative	Zhang Tianyu		
Authorized Representatives	Zhang Tianyu Chen Shijiang		
Joint Company Secretaries	Chen Shijiang Yung Mei Yee		
Registered Address	Room 1101, Tower A, Building 6, Shenzhen International Innovation Valley, Dashi 1st Road, Xili Community, Xili Subdistrict, Nanshan District, Shenzhen		
Postal Code of the Registered Address	518055		
Headquarters and Principal Place of Business in the PRC	Floor 10-14, Tower A, Building 6, Shenzhen International Innovation Valley, Dashi 1st Road, Xili Community, Xili Subdistrict, Nanshan District, Shenzhen		
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong		
Company Website	www.fibocom.com		
Email	zqb@fibocom.com		

Company Profile

Legal Advisor to our
Company (Hong Kong law)

Paul Hastings (Hong Kong) LLP
22/F, Bank of China Tower
1 Garden Road
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Compliance Advisor

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Hong Kong

Hong Kong H Share
Registrar

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

Auditor

Grant Thornton Zhitong Certified Public Accountants LLP
5/F, Scitech Plaza, No. 22 Jianguomenwai Avenue
Chaoyang District, Beijing
Signing CPA: Zhao Juanjuan, Zhou Yilan

Key Financial Indicators

For the six months ended June 30,

	2026 RMB (Unaudited)	2025 RMB (Unaudited)	Increase/ decrease for the Reporting Period compared with the corresponding period last year
Operating revenue (RMB)	3,778,175,398.47	3,706,976,517.27	1.92%
Total profit	72,796,051.07	229,388,206.09	-68.27%
Net profit attributable to shareholders of the listed company (RMB)	61,824,266.04	217,901,677.71	-71.63%
Net profit attributable to shareholders of the listed company, net of non- recurring profit and loss (RMB)	39,117,729.50	202,306,266.74	-80.66%
Net cash flow from operating activities (RMB)	-1,702,238,837.17	-18,771,726.22	-8,968.10%
Basic earnings per share (RMB/share)	0.07	0.29	-75.86%
Diluted earnings per share (RMB/share)	0.07	0.28	-75.00%
Weighted average return on net assets	0.99%	5.92%	Decreased by 4.93 percentage points

	June 30, 2026 RMB (Unaudited)	December 31, 2025 RMB (Audited)	Increase/ decrease at the end of the Reporting Period compared with the end of last year
Total assets (RMB)	10,649,851,676.15	9,689,464,050.15	9.91%
Total liabilities (RMB)	4,557,566,134.97	3,421,973,821.49	33.19%
Net assets attributable to shareholders of the listed company (RMB)	6,073,560,795.02	6,259,682,361.11	-2.97%
Total share capital at the end of the period (RMB)	899,265,844.00	899,265,844.00	0.00%

Management Discussion and Analysis

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(I) Principal Business Activities and Product Overview

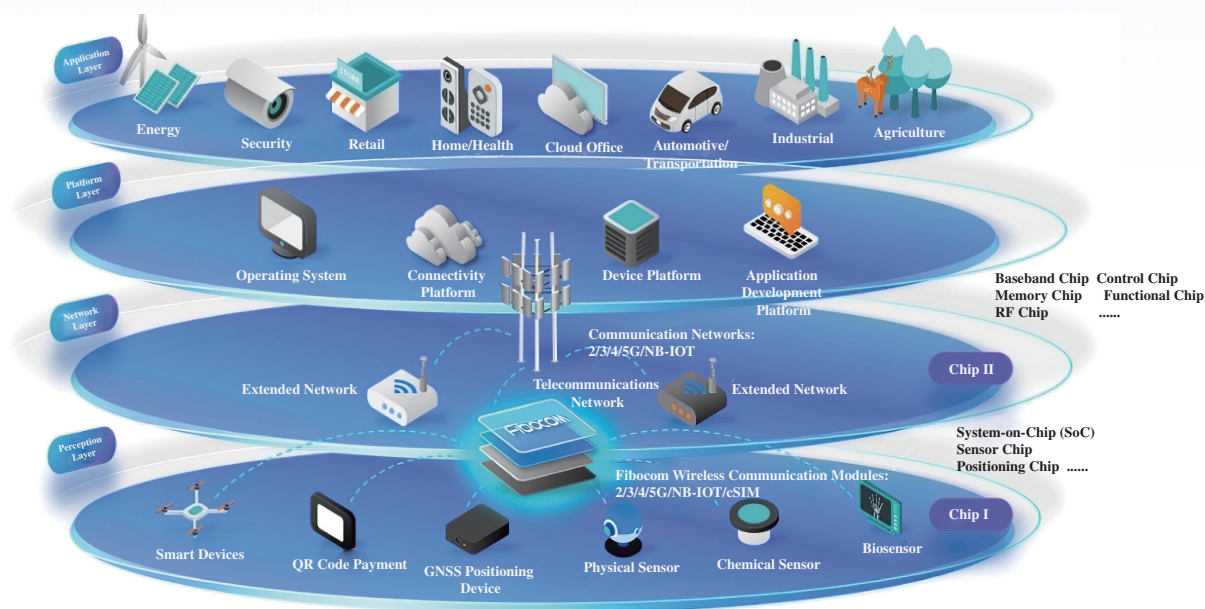


Figure 1: IoT Industry Chain and Architecture

Since its establishment, the Company has been committed to promoting wireless communication technologies and applications in the Internet of Things (“IoT”) and mobile Internet sectors, as well as expanding the application of related solutions. It has developed strong research and development capabilities in communication technology, radio frequency technology, data transmission technology and signal processing technology, and is a professional provider of products and solutions with proprietary intellectual property rights in the field of wireless communication technology. Within the IoT industry chain, the Company is positioned at the network layer and is also involved in areas overlapping with the perception layer. It is principally engaged in the design, research and development, and sales services of wireless communication modules and communication solutions for their application industries.

Management Discussion and Analysis



Figure 2: Matrix of the Company's Principal Products

Leveraging wireless communication and artificial intelligence as its core technological foundation, the Company provides full-stack solutions integrating software and hardware to empower industry applications. The Company's module products include data transmission modules, smart modules and AI modules. At the same time, building on its module products and drawing on its deep understanding of downstream application scenarios, the Company provides customers with customized solutions, including edge AI solutions, robotics solutions and other solutions. The Company's module products and solutions are widely applied in industries undergoing digital and intelligent upgrading, including automotive electronics, smart homes, consumer electronics, smart retail, the low-altitude economy and robotics. Over the past two years, there has been no material change in the Company's principal business.

(II) Key Performance Drivers

During the Reporting Period, the Company recorded operating revenue of RMB3,778,175,398.47, representing a year-on-year increase of 1.92%. By business segment, revenue from the Company's module products amounted to RMB3,467,690,424.42, representing a year-on-year increase of 0.62%, while revenue from solutions amounted to RMB238,504,137.28, representing a year-on-year increase of 11.01%, mainly attributable to the increase in revenue from smart retail solutions. By geographical contribution, the Company recorded domestic revenue of RMB1,846,375,585.59, representing a year-on-year increase of 34.69%, mainly attributable to the growth of its automotive electronics and smart home businesses; overseas revenue amounted to RMB1,931,799,812.88, representing a year-on-year decrease of 17.31%, mainly attributable to the decline in its smart home and consumer electronics businesses. During the Reporting Period, the Company achieved a net profit attributable to shareholders of listed companies of RMB61,824,266.04, representing a year-on-year decrease of 71.63%, mainly attributable to the decrease in gross profit resulting from changes in product shipment structure and increases in raw material procurement prices, as well as the increase in R&D investment and an increase in foreign exchange losses during the period. During the Reporting Period, the Company remained committed to R&D investment, continuously optimized and enriched its product matrix, further strengthened close cooperation with upstream and downstream industry partners, enhanced the breadth and depth of market expansion, and maintained relatively stable operating revenue. The key drivers of the Company's performance during the Reporting Period were as follows:

Management Discussion and Analysis

1. *Continuing to adhere to R&D investment to enhance core competitiveness*

During the Reporting Period, the Company adhered to independent research and development, continuously optimized and enriched its product lines, and further improved its presence in emerging fields such as AI, edge computing power and intelligent robotics. The Company's R&D investment in the first half of 2026 amounted to RMB286 million, accounting for 7.58% of its operating revenue. As of the end of the Reporting Period, the Company had 414 valid authorised invention patents and 170 utility model patents, mainly relating to cellular wireless communication modules and their application technologies, including system upgrades, RF technology, data transmission, system testing and hardware design. The Company has fully leveraged its intellectual property strengths, established a sustainable innovation mechanism, and enhanced its core competitiveness.

2. *Continuously Optimising and Enriching the Product Matrix*

During the Reporting Period, the Company continued to focus on vertical sectors within the Internet of Things industry, and launched a number of new products and solutions, thereby enriching its product matrix to meet the IoT needs of different customers and market regions around the world. The Company launched a series of new products and solutions, including the global version of the LTE Cat.1 bis module LE271-GL, a storage-optimized version of the 5G module FG550-EAU based on the Samsung Exynos Modem platform, a CPE solution jointly developed with MediaTek based on the next-generation 5G module FG390 and the Filogic 8800 Wi-Fi 8 chipset, a home converged CPE solution jointly released with operator Du, a series of 5G SoC Dongle solutions and next-generation 5G Dongle solutions, modules and solutions for unmanned intelligent control scenarios based on the Qualcomm X85 5G-Advanced platform, Fibot, a new-generation desktop dual-arm embodied intelligence development platform, a next-generation AI Electronic Cash Register (ECR) solution for unattended and automated retail scenarios, and an AI conference machine solution. Shenzhen Favalon Technology Co., Ltd. ("**Favalon Technology**") launched the new-generation automotive-grade 5G communication modules AN778 and AN976 series based on the 3GPP Release 17 standard, as well as the 5G Redcap communication module AN931, and introduced new-generation intelligent cockpit module products including the AN806S, AN803S and AN752S.

Management Discussion and Analysis

3. *Strengthening close cooperation with industry ecosystem partners*

The Company actively promoted strategic cooperation with leading enterprises in segmented market and worked with industry partners on joint research and co-creation to optimize product performance and accelerate the innovation and development of new products. It also made strategic investments in a number of high-quality edge AI companies to explore synergies in technology R&D, product collaboration and application. In addition, the Company launched a new channel management system, with detailed implementation rules defined across policies, processes and incentives, to pursue shared growth with its extensive distributor network. In the automotive business, Favalon Technology, a subsidiary, deepened collaboration with mainstream automakers and supply chain partners. During the Reporting Period, it secured multiple new vehicle project design wins, achieving a breakthrough with joint venture automakers while consolidating cooperation with domestic brands. Its Internet of Vehicles (“IoV”) and intelligent cockpit products and solutions were accelerated into projects of mainstream domestic and international automakers. Favalon Technology also worked closely with upstream chip vendors to jointly drive technological innovation and rapid deployment of intelligent connected SIP solutions, and partnered with industry ecosystem partners to integrate AI large model capabilities into 5G and intelligent cockpit products, continuously deepening its technological accumulation in areas such as 5G signal optimization and AI multimodal application scenarios.

4. *Enhancing the Breadth and Depth of Market Expansion and Building a Global Marketing System*

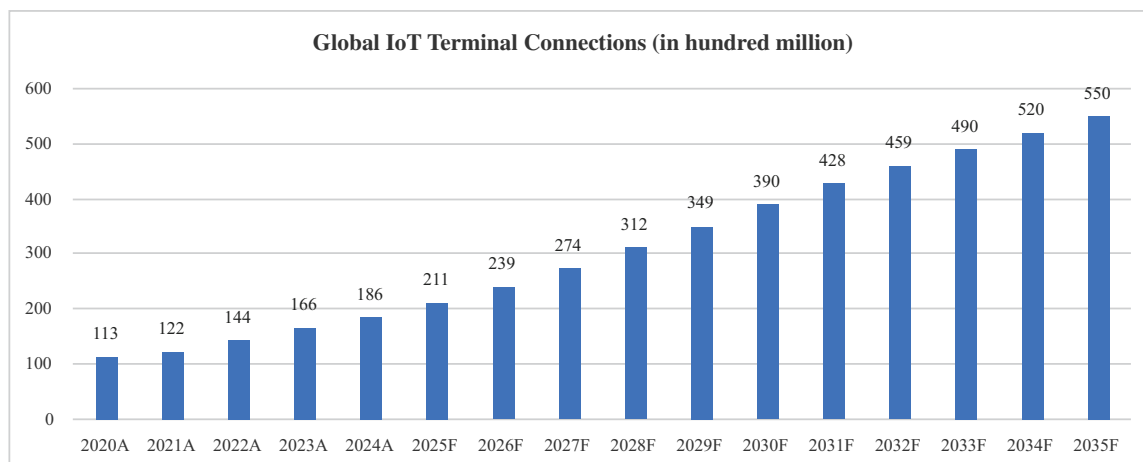
The Company continued to allocate resources to deepen its expansion into key industries and achieved favourable market results in multiple sectors, including FWA for smart homes, smart retail and domestic IoT vertical industries, while continuing to explore applications in edge AI and embodied intelligence industries. The Company strengthened the development of its marketing organisation and continuously improved its globally covering marketing management system. Targeting communications professionals, it created in-depth live-streaming programmes covering the entire chain from technology to products, and from products to industry applications, with a focus on accelerating the broader adoption and implementation of wireless communication modules in the IoT market, while systematically building sales capabilities for the edge AI and embodied intelligence sectors. In addition, the Company made frequent appearances at major global IoT and communications conferences to discuss industry development trends and how 5G + AI can promote high-quality industrial development. The Company also actively carried out various marketing and promotional activities, jointly organised technology open day events with industry partners, and strengthened the promotion of its products through its official website and WeChat official account.

Management Discussion and Analysis

INDUSTRY CONDITIONS OF THE COMPANY

(I) Continuous growth in global IoT connections

Driven by the rapid advancement of communication technologies, the IoT is witnessing global growth. According to a statistical report released by IoT Analytic in October 2025, the number of global IoT endpoints is projected to reach 21.1 billion in 2025, representing a 13% year-on-year increase, and is expected to hit 55.0 billion by 2035, indicating sustained growth in global IoT connectivity demand. Among these, cellular IoT connections (including 2G, 3G, 4G, 5G, LTE-M and NB-IoT) account for 22% of total global IoT connections. According to the 2025 Statistical Bulletin on the Communications Industry issued by the Ministry of Industry and Information Technology (the “MIIT”), by the end of 2025, the total number of mobile network terminal connections in China reached approximately 4.7 billion. Of this total, mobile IoT terminal users numbered 2.888 billion, accounting for about 61.3% of all mobile terminal connections, an 8.7% year-on-year increase, signaling that the sector remains in a phase of rapid, large-scale expansion. Mobile IoT terminals are widely used in fields such as public services, the IoV, smart retail, and smart homes, with user bases reaching 1.164 billion, 529 million, 365 million, and 323 million, respectively. Among them, the IoV and public services have demonstrated robust growth, achieving double-digit increases in user scale and becoming major drivers of development.

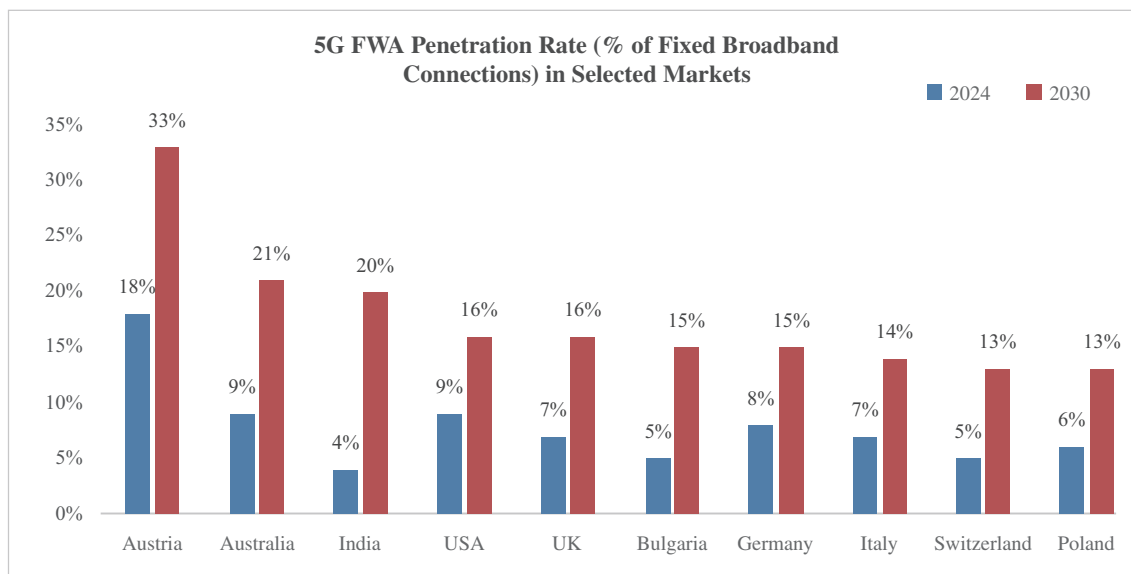


Source: IoT Analytic

Management Discussion and Analysis

(II) Accelerated Industrialization of 5G Technology

Global 5G connections continue to rise steadily. As the foundation of the Internet of Everything, communication modules, along with technologies such as 5G, are accelerating the process of universal connectivity. Countries worldwide are actively promoting the construction and deployment of 5G networks. By the end of 2025, the total number of global 5G base stations reached approximately 7.8 million, up 22% year on year. According to the Mobile Economy Report 2026 released by the Global System for Mobile Communications Association (the “GSMA”), global 5G connections surpassed 3.05 billion in 2025, accounting for 38% of total connections. 5G is projected to surpass 4G as the mainstream technology by 2028 and is expected to account for 57% of total connections by 2030. 5G Fixed Wireless Access (FWA) has become an important use case in both consumer and enterprise sectors. By the end of 2025, the 5G FWA connections in the United States reached 15 million (a market penetration rate of 11%), making it the world’s largest 5G FWA market, followed by India with over 10 million connections (a penetration rate of 10%). The 5G FWA penetration rates in selected global markets are shown in the figure below:



Source: GSMA

Management Discussion and Analysis

5G integration with industries is deepening and delivering tangible outcomes. 5G and gigabit optical networks are extensively empowering digital transformation across sectors, with the penetration of applications in key areas continuing to advance. According to the 2025 Statistical Bulletin on the Communications Industry released by the MIIT, a total of 75,000 5G virtual private networks for industries have been built, including 19,000 newly added in 2025. 5G applications have been integrated into 91 major categories of the national economy, and the industrial Internet covers all 41 major industrial categories, acting as a key engine driving digital transformation and intelligent upgrading across all industries. Innovative applications have been deployed on a large scale, accelerating digital progress in the industrial sector. The number of “5G + Industrial Internet” projects has exceeded 23,000, and the number of connected devices on key industrial Internet platforms has surpassed 100 million, with its enabling effect becoming increasingly evident. New models and business forms such as “unmanned mines”, “lights-out factories” and “smart ports” are booming, showing strong vitality in the deep integration of digital and real economies.

Commercial deployment of 5G RedCap networks is accelerating. At the end of 2022, China's IMT-2020 (5G) Promotion Group completed trials of key 5G RedCap technologies. Since 2023, various industry stakeholders have actively promoted the launch of 5G RedCap chips, modules, and terminals, and jointly completed pilot commercial field verifications with enterprises in key sectors including electric power, industrial manufacturing, and video surveillance. According to the 2025 Statistical Bulletin on the Communications Industry released by the MIIT, by the end of 2025, the number of base stations with 5G RedCap access capability in China reached 2.064 million, accounting for 42.7% of the total 5G base stations (4.838 million). This marks China's official entry into a new stage of large-scale commercial deployment for 5G RedCap, far exceeding previous industry expectations.

(III) Smart Modules and AI Modules have become New Growth Directions

Compared to traditional cellular communication modules, smart modules feature built-in main control chips and memory, capable of running operating systems such as Android and Linux. They have powerful real-time data processing capabilities and a rich array of interfaces. As edge-side products that integrate computing and communication functions, smart modules have become a new carrier of edge computing needs and are already applied in various fields such as the IoV and consumer electronics. Their high cost-effectiveness and highly customizable features are expected to become the core force driving edge computing of smart terminals, representing a new growth direction for the industry. According to the Frost & Sullivan Report, the global smart module market segment is expected to grow from RMB8.4 billion in 2024 to RMB14.5 billion in 2029, representing a CAGR of 10.9%, fueled by advancements in secure transaction technologies and IoT-enabled payment solutions.

Management Discussion and Analysis

As we enter the AI era, demand for low-latency and efficient on-device inference surged, leading to the emergence of the “cloud-edge-device” architecture. AI modules, the next evolution of smart modules, integrate NPUs and advanced computing units to deliver powerful heterogeneous computing for local AI inference in industrial, urban, and home scenarios. Combining communication and AI processing, AI modules are ideal drivers of Edge AI, with significant potential across AIoT applications — such as real-time image recognition in smart homes or ADAS in vehicles. Their high integration and adaptability position them as a cornerstone of future Edge AI. According to the Frost & Sullivan Report, as an emerging high-growth segment, AI modules are poised for explosive expansion amid accelerated AI technology commercialization. The market is expected to surge to RMB8.1 billion by 2029, delivering a remarkable CAGR of 49.3% from 2025 to 2029, driven by AI-powered edge computing, intelligent automation, and industrial digitization applications.

(IV) Edge AI Brings New Development Opportunities to the Industry

Through deep learning and big data analysis, AI technology enables IoT terminals to collect and process large amounts of data in real time, thereby providing precise decision-making support for the industry. The combination of AI and IoT allows downstream industries to offer more personalized services and experiences. The integration of wireless communication with Edge AI applications presents significant opportunities. As a key application terminal, Edge AI is expected to see robust demand. According to the Frost & Sullivan Report, the global Edge AI market has demonstrated explosive growth, expanding from RMB90.2 billion in 2020 to RMB251.7 billion in 2024, achieving a CAGR of 29.3%. This momentum is projected to accelerate further, with the market size expected to surge from RMB321.9 billion in 2025 to RMB1,223.0 billion by 2029, reflecting an even higher CAGR of 39.6%. To seize the new industry opportunities brought by Edge AI, the Company established a dedicated business department focusing on the commercialization of AI hardware solutions. Since its inception, the business department has successively launched AI buddy solutions and AI meeting solutions. In terms of product forms, besides providing wireless communication modules, the Company also delivers PCBAs and end products to customers. Downstream applications cover consumer electronics, automotive electronics, smart retail, and industrial inspection, and other fields.

Robotics is a crucial application direction for Edge AI. To capture development opportunities in the robotics industry, the Company established a Robotics Product Line in 2023. Taking the smart lawn mower niche as a breakthrough point, we focus on R&D of technologies related to “perception mechanisms” and “decision mechanisms.” We provide visual perception positioning modules, decision algorithms, and edge computing modules with integrated communication capabilities. By highly integrating technologies such as AI, autonomous driving, machine vision, and high-precision differential GPS positioning (RTK), we offer full-stack solutions for the smart lawn mower industry, enabling comprehensive functions including environmental perception, positioning, mapping, path planning, obstacle avoidance, navigation, and application. During the Reporting Period, the Company maintained continuous shipments to leading domestic and overseas customers in the lawn mower robot sector and expanded its range of solutions, achieving mass production and delivery of flagship binocular solutions. Furthermore, the Company continues to explore the embodied intelligence segment. The embodied intelligence development platform, Fibot, has successfully deployed a customer’s next-generation robotic large model for Edge AI applications, enabling dual-arm manipulation of flexible objects. In the field of low-speed autonomous driving for robots, the Company’s newly developed AI Vision + RTK integrated positioning box has achieved batch shipments to leading customers in the quadruped robot industry.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The table below sets forth the absolute amounts and percentages of the Group's revenue from principal activities by business segment:

	Six months ended June 30,					
	2026		2025			
	RMB	% of Revenue	RMB	% of Revenue	Change	
Module products	3,467,690,424.42	91.78%	3,446,371,246.25	92.97%	0.62%	
Solutions	238,504,137.28	6.31%	214,839,886.86	5.80%	11.01%	
Others ⁽¹⁾	71,980,836.77	1.91%	45,765,384.16	1.23%	57.28%	
Total	3,778,175,398.47	100.00%	3,706,976,517.27	100.00%	1.92%	

Note:

- (1) Others: primarily include (i) sales of complementary electronic components and (ii) IoT data connection services, which refer to the provision of supplementary cellular data connection plans to customers at comparable market prices.

For the six months ended June 30, 2026, the Group achieved revenue of RMB3,778,175,398.47, representing a year-on-year increase of 1.92%.

From a business segment perspective, revenue from module products amounted to RMB3,467,690,424.42, representing a year-on-year increase of 0.62%. Revenue from solutions amounted to RMB238,504,137.28, representing a year-on-year increase of 11.01%, mainly due to the increase in revenue from solutions in the smart retail industries.

From a regional contribution perspective, for the six months ended June 30, 2026, revenue from the domestic market amounted to RMB1,846,375,585.59, representing a year-on-year increase of 34.69%, which was primarily attributable to the growth of the automotive electronics and smart home business. Revenue from the overseas market amounted to RMB1,931,799,812.88, representing a year-on-year decrease of 17.31%, mainly due to the decrease of smart home and consumer electronics businesses. The table below sets forth a breakdown of revenue by geographic region of the place of registration of counter-parties to our sales contracts, in absolute amounts and as percentages of the revenue:

	Six months ended June 30,					
	2026		2025			
	Amount RMB	% of total revenue	Amount RMB	% of total revenue	Change	
Domestic	1,846,375,585.59	48.87%	1,370,850,061.74	36.98%	34.69%	
Overseas	1,931,799,812.88	51.13%	2,336,126,455.53	63.02%	-17.31%	
Total	3,778,175,398.47	100.00%	3,706,976,517.27	100.00%	1.92%	

Management Discussion and Analysis

GROSS PROFIT AND GROSS PROFIT MARGIN

The table below sets forth the absolute gross profit amounts and gross profit margins of the Group by business segment:

Main products type	Six months ended June 30,			
	2026		2025	
	Gross profit RMB	Gross profit margin	Gross profit RMB	Gross profit margin
Module products	521,575,950.06	15.04%	562,145,235.38	16.31%
Solutions	31,301,169.83	13.12%	42,723,391.59	19.89%
Others ⁽¹⁾	18,921,000.30	26.29%	3,942,550.47	8.61%
Total	571,798,120.19	15.13%	608,811,177.44	16.42%

Note:

(1) Others: primarily include (i) sales of complementary electronic components and (ii) IoT data connection services

For the six months ended June 30, 2026, the Group's gross profit margin was 15.13%, representing a year-on-year decrease of 1.29 percentage points, mainly due to changes in the product mix of sales and increases in material procurement costs during the Reporting Period.

Other Income, Net

The Group's other income decreased from RMB27,821,240.35 for the six months ended June 30, 2025 to RMB10,341,443.33 for the six months ended June 30, 2026, primarily attributable to a decrease in the benefits from the VAT refund policy for software businesses upon collection during the Reporting Period.

Finance Expenses, Net

The Group's net finance expenses increased from RMB-3,139,051.36 for the six months ended June 30, 2025 to RMB24,337,469.53 for the six months ended June 30, 2026, including (1) finance income increased from RMB10,383,911.47 for the six months ended June 30, 2025 to RMB23,712,201.92 for the six months ended June 30, 2026, primarily attributable to an increase in interest income from deposits arising from the growth of monetary funds, as well as an increase in interest income from time deposits. (2) Interest expense decreased from RMB16,341,000.47 for the six months ended June 30, 2025 to RMB13,377,916.23 for the six months ended June 30, 2026, mainly due to a decline in interest rates. (3) Exchange gain/loss increased from RMB-9,638,456.38 for the six months ended June 30, 2025 to RMB33,859,771.52 for the six months ended June 30, 2026, mainly due to the movements of the US dollar exchange rate.

Net Profit

The Group's net profit during the Reporting Period decreased from RMB218,481,277.35 for the six months ended June 30, 2025 to RMB72,741,144.65 for the six months ended June 30, 2026, representing a year-on-year decrease of 66.71%, mainly due to a change in product mix and an increase in material procurement costs, resulting in a decline in gross profit, as well as the increase in R&D investment and an increase in foreign exchange losses for the current period.

Management Discussion and Analysis

Financial position

The table below sets forth the absolute amounts from the Group's consolidated statement of financial position as of June 30, 2026 and December 31, 2025:

	June 30, 2026 RMB	December 31, 2025 RMB
Total non-current assets	1,510,440,631.30	1,447,046,797.07
Total current assets	9,139,411,044.85	8,242,417,253.08
Total assets	10,649,851,676.15	9,689,464,050.15
Total non-current liabilities	509,570,761.60	166,345,620.29
Total current liabilities	4,047,995,373.37	3,255,628,201.20
Total liabilities	4,557,566,134.97	3,421,973,821.49
Equity attributable to owners of the Company	6,073,560,795.02	6,259,682,361.11
Net assets	6,092,285,541.18	6,267,490,228.66

The Group's total non-current assets increased from RMB1,447,046,797.07 as at December 31, 2025 to RMB1,510,440,631.30 as at June 30, 2026, primarily attributable to the construction of Shenzhen Longhua intelligent manufacturing base in 2026 and the new investments in other equity instruments during the Reporting Period.

The Group's total current assets increased from RMB8,242,417,253.08 as at December 31, 2025 to RMB9,139,411,044.85 as at June 30, 2026, primarily attributable to an increase in inventories and prepayments to suppliers arising from strategic raw material reserves, as well as an increase in trade receivables from customers driven by the expansion of business scale.

The Group's total non-current liabilities increased from RMB166,345,620.29 as at December 31, 2025 to RMB509,570,761.60 as at June 30, 2026, primarily attributable to an increase in long-term borrowings.

The Group's total current liabilities increased from RMB3,255,628,201.20 as at December 31, 2025 to RMB4,047,995,373.37 as at June 30, 2026, primarily attributable to an increase in accounts payable resulting from strategic raw material reserves, as well as an increase in short-term borrowings.

The Group's net assets decreased from RMB6,267,490,228.66 as at December 31, 2025 to RMB6,092,285,541.18 as at June 30, 2026, primarily attributable to a decrease in retained profits resulting from the 2025 dividend distribution during the Reporting Period.

Management Discussion and Analysis

Cash Flow

The table below sets forth the absolute amounts from the Group's consolidated statement of cash flows.

	Six months ended June 30,	
	2026 RMB	2025 RMB
Net cash generated from operating activities	-1,702,238,837.17	-18,771,726.22
Net cash used in investing activities	1,183,465,727.12	-11,790,530.01
Net cash generated from/(used in) financing activities	415,799,880.00	107,102,268.14
Net (decrease)/increase in cash and cash equivalents	-137,030,632.34	78,636,349.88
Cash and cash equivalents at beginning of period	1,282,115,632.59	709,835,674.68
Exchange losses on cash and cash equivalents	-34,057,402.29	2,096,337.97
Cash and cash equivalents at end of period	1,145,085,000.25	788,472,024.56

For the six months ended June 30, 2026, the Group's net cash generated from operating activities amounted to RMB-1,702,238,837.17. The difference between net cash generated from operating activities and the profit before income tax of RMB1,775,034,888.24 was primarily attributable to depreciation and amortisation of non-current assets and changes in working capital.

For the six months ended June 30, 2026, the Group's net cash used in investing activities amounted to RMB1,183,465,727.12, primarily due to the recovery of principal of time deposits and wealth management products as well as investment income.

For the six months ended June 30, 2026, the Group's net cash generated from financing activities amounted to RMB415,799,880.00, primarily attributable to the acquisition of bank borrowings and bill discounting exceeding the repayment of borrowings.

Liquidity and Financial Resources

The Group maintains sufficient cash and cash equivalents to ensure capital flexibility. The Company's cash and cash equivalents mainly comprise cash at banks, cash in hand, and short-term bank deposits with initial terms within three months. The table below sets forth the absolute amounts of cash and cash equivalents of the Group as of June 30, 2026 and December 31, 2025:

	June 30, 2026 RMB	December 31, 2025 RMB
Cash at bank and in hand	1,144,975,208.43	1,282,115,632.59
Short-term bank deposits with initial terms within three months	—	—
Other deposits at financial institutions	109,791.82	—
Total	1,145,085,000.25	1,282,115,632.59

Management Discussion and Analysis

The Group's cash and cash equivalents decreased from RMB1,282,115,632.59 as at December 31, 2025 to RMB1,145,085,000.25 as at June 30, 2026, primarily due to the increase in payments made for strategic raw material reserves.

The Group obtains financing based on market interest rates and its capital operation plans. The Group's bank loans and bonds are sourced from commercial banks in Chinese mainland and overseas. The table below sets forth the absolute amounts of bank loans and bonds of the Group as of June 30, 2026 and December 31, 2025:

	June 30, 2026 RMB	December 31, 2025 RMB
Long-term borrowings	400,000,000.00	48,750,000.00
Bonds	—	—
Subtotal of non-current	400,000,000.00	48,750,000.00
Short-term borrowings	975,487,190.07	622,289,392.88
Long-term borrowings due within one year	47,705,088.89	190,113,003.56
Subtotal of current	1,023,192,278.96	812,402,396.44
Total	1,423,192,278.96	861,152,396.44

The Group's non-current borrowings increased from RMB48,750,000.00 as at December 31, 2025 to RMB400,000,000.00 as at June 30, 2026, mainly due to new long-term borrowings.

The Group's current borrowings increased from RMB812,402,396.44 as at December 31, 2025 to RMB1,023,192,278.96 as at June 30, 2026, mainly due to the addition of short-term borrowings.

As at June 30, 2026, the total borrowings of the Group amounted to RMB1,423,192,278.96 (as at December 31, 2025: RMB861,152,396.44), of which RMB1,023,192,278.96 was repayable within one year (as at December 31, 2025: RMB812,402,396.44). As at June 30, 2026, the Group's outstanding loans were all RMB-denominated loans. Approximately 56.61% of such outstanding loans bore interest at fixed rates, with the remainder bearing interest at floating rates.

The Group expects that there will be no material changes in the financing available to support its operations in the future.

Management Discussion and Analysis

The Group maintains a prudent capital ratio to support its business and manages its asset structure through asset-liability ratio. The table below sets forth the absolute amounts of total assets, total liabilities, and the asset-liability ratio of the Group as of June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
Total assets (RMB)	10,649,851,676.15	9,689,464,050.15
Total liabilities (RMB)	4,557,566,134.97	3,421,973,821.49
Asset-liability ratio	42.79%	35.32%

The Company's asset-liability ratio, defined as the proportion of total liabilities to total assets, increased from 35.32% as of December 31, 2025 to 42.79% as of June 30, 2026. This increase was primarily due to an increase in accounts payable arising from advance stock-up in response to rising raw material prices during the Reporting Period.

The Group maintains a healthy cash flow level. For the six months ended June 30, 2026, the Group's operating cash conversion ratio (defined as net cash generated from operating activities divided by profit for the period) was -23.40 times. The cash generated from operating activities of the Group was used to support business operations. As of June 30, 2026, monetary assets accounted for more than 60% of the Group's total current assets. Considering the Group's available financial resources, including cash and cash equivalents, available bank financing, cash flows from operating activities, and net proceeds from Global Offerings of H Shares, the Group has sufficient working capital to operate for at least the next 12 months.

Funding and Financial Policies

The goal of the Group is to maintain a balance between the sustainability and flexibility of funds. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure the maintenance of sufficient cash reserves to meet short-term and long-term liquidity needs. The financing activities of the Group include bank and financial institution deposits and other financial instruments.

Capital Commitment

The table below sets forth the amount of the Group's capital commitments as of June 30, 2026 and December 31, 2025:

Capital commitments contracted for but not yet provided for in the financial statements	Closing balance (RMB0'000)	Balance at the end of last year (RMB0'000)
Commitments for the acquisition of long-term assets	25,189.72	23,370.52
Commitments for external investments	9,965.42	8,786.19

Management Discussion and Analysis

Capital Expenditure

The table below sets forth the amounts of the Group's capital expenditure for the six months ended June 30, 2026 and 2025:

	Six months ended June 30,	
	2026 RMB0'000	2025 RMB0'000
Capital expenditure	12,179.45	9,938.48

During the Reporting Period, the Group's capital expenditure amounted to RMB121.79 million, which primarily comprised the acquisition of equipment, construction of the Shenzhen office building and base facilities, and purchase of long-term assets. The Group primarily funded its capital expenditure with cash generated from operating activities. The Group intends to finance its future capital expenditure and long-term investments using its existing cash balances, bank and other borrowings, and the net proceeds from the Global Offering of H Shares. The Group may reallocate the funding for capital expenditure and long-term investments in accordance with ongoing business needs.

Contingent Matters

(1) Contingent matters arising from pending litigation and arbitration and their financial impact

- ① Panasonic Automotive Systems America, LLC ("**Panasonic**") filed a lawsuit on January 13, 2026 against the Company's subsidiary, Shenzhen Link Future Wireless Technology Co., Ltd. (深圳市創聯未來無線技術有限公司) ("**Link Future**"), in the Newnan Division of the United States District Court for the Northern District of Georgia. Panasonic alleges that Link Future breached the indemnification provisions under the "Panasonic Agreement" entered into between the parties (which forms part of the assets acquired by Link Future from Sierra Wireless, Inc. ("**Sierra**") and subsequently sold to Europasolar S.à r.l.), and seeks indemnification from Link Future for up to USD10,000,000 in liabilities arising from a settled lawsuit between Panasonic and FCA US LLC ("**FCA**"), a third party not involved in this case. Panasonic asserts in this case that the products provided by Sierra and Link Future, as third-party defendants in this case, were the subject matter alleged to be "infringing" in the above settlement claimed by FCA. Link Future submitted its statement of defence on January 20, 2026. On February 3, 2026, Panasonic, based on the contract between Link Future and Sierra, filed a third-party complaint against Sierra as a third-party defendant in this case, seeking compensation for actual losses. At the same time, based on the contract between Link Future and Europasolar S.à r.l., Panasonic filed a third-party complaint against Europasolar S.à r.l. as a third-party defendant, seeking compensation for actual losses. On May 28, 2026, the court ruled to reject the application for transfer to the federal court, and the case is being heard in state court. On July 16, 2026, a request for evidence disclosure was received from Panasonic, and the case entered the evidence disclosure stage. As of the date of this report, there has been no further progress in the case.

(2) As at June 30, 2026, the Company had no other contingent matters requiring disclosure.

Management Discussion and Analysis

Foreign Exchange Risk

Foreign exchange risk primarily arises from the impact of fluctuations in foreign currency exchange rates on the Group's financial position and cash flows. In addition to the assets held by the subsidiaries established in Hong Kong, the United States and Germany, which are denominated in Hong Kong dollars, US dollars and Euros, the Group also has foreign currency assets and liabilities denominated in US dollars for its transactions. As a result, the Company is exposed to foreign exchange risk.

As at the end of the Reporting Period, the amounts of the Group's foreign currency financial assets and liabilities, translated into Renminbi, are set out below:

Unit: RMB0'000

Item	Foreign currency assets		Foreign currency liabilities	
	Closing balance	Balance at the end of last year	Closing balance	Balance at the end of last year
USD	207,896.19	385,552.23	183,538.91	143,151.84
HKD	2,309.26	2,885.72	2,122.60	2,210.83
EUR	199.32	202.13	276.78	33.90
NTD	72.38	116.37	26.20	26.70
AUD	0.00	0.00	0.00	9.00
JPY	0.00	0.00	18.50	0.55
KRW	0.00	0.05	10.15	0.08
INR	0.00	0.98	3.02	0.71
GBP	0.00	0.00	30.57	32.00
VND	0.00	0.00	2.46	0.00
Total	210,477.15	388,757.48	186,029.19	145,465.61

The Group closely monitors the impact of exchange rate fluctuations on its foreign exchange risk. The Group utilizes foreign exchange forward contracts and other instruments for the purpose of hedging against exchange rate fluctuations. Furthermore, in its daily operations, management maintains ongoing monitoring of exchange rate risks and will, where considered appropriate, hedge material currency exposures as and when required.

As at the end of the Reporting Period, assuming that the Renminbi appreciates or depreciates by 10% against foreign currencies, with all other variables held constant, the Group's cash and cash equivalents, financial assets held for trading, accounts receivable, other receivables, accounts payable and other payables denominated in foreign currencies would result in an increase or decrease of approximately RMB20.78 million (as at the end of the last year: approximately RMB206.80 million) in the Group's Shareholders' equity and net profit.

Pledged Assets

As of June 30, 2026, the Group had no significant assets pledged and no material contingent liabilities.

Management Discussion and Analysis

Off-Balance Sheet Arrangements

As of June 30, 2026, the Group had no material off-balance sheet arrangements.

OUTLOOK FOR FUTURE DEVELOPMENT

Looking ahead, the Company will remain committed to long-termism, anchoring its strategy in three core tracks: communications, edge AI (including robotics), and intelligent vehicles. We will continue to deliver high-value solutions to global customers. Adhering to a customer-centric philosophy, the Company will deepen technological innovation and product breakthroughs. We will comprehensively advance our full-stack layout of AI technologies, steadily expand our global market presence, and continuously optimize internal controls, governance, and operational synergy. By fortifying our core competitive advantages through a dual-engine drive of “internal competence enhancement + systematic innovation,” we aim to achieve high-quality, sustainable performance growth. Key focus areas are as follows:

1. Continue to deepen our footprint in the wireless communications sector and strengthen our market leading position

Driven by artificial intelligence, ongoing digital transformation, and the growing adoption of next-generation wireless communication modules such as 5G RedCap, the global wireless communication module market is expected to maintain steady growth. As a leading global provider of wireless communication modules, the Company will follow industry trends, continue to conduct research on cutting-edge technologies including 5G RedCap, satellite communications, and vehicle-road coordination, and work closely with telecom operators, chip suppliers, and downstream customers to foster the development of a new technology ecosystem. The Company also plans to iterate and upgrade its existing technologies to further enhance product performance and reduce power consumption. This will enable the Company to provide more cost-effective, secure, and reliable wireless communication module products to customers across a wide range of sectors, including automotive electronics, smart home, consumer electronics, smart retail, the low-altitude economy, and robotics, thereby strengthening its leading position in the wireless communication module industry.

2. Step up investment in edge AI and robotics to seize development opportunities driven by the trend of ubiquitous intelligent connectivity

Amidst the trends of ubiquitous intelligent connectivity and AI advancement, the Company has launched a suite of products including AI modules, edge AI and robotic lawn mower solutions, the Fibot embodied intelligent robot development platform, and RTK visual fusion positioning solutions. Looking ahead, the Company will intensify its R&D efforts in edge AI and robotics to enhance its competitiveness. In the realm of edge AI, the Company will optimize architectures and enablement platforms, utilizing a one-stop toolchain to streamline end-to-end model operations and cross-platform inference. It will develop scenario-specific AI models and agents, integrate them into modules and cloud platforms, and expand applications in smart terminals. The Company will also build a cloud-side AI platform to provide “brain” services for intelligent hardware. In the robotics sector, leveraging core technologies, the Company will develop low-speed intelligent robot solutions and launch robot solutions for various scenarios. It will step up R&D in embodied robots, research key models and algorithms, develop general intelligent systems, build a “perception-decision-execution” ecosystem, and launch embodied robots for multiple scenarios. Meanwhile, the Company will develop AI computing all-in-one machines, achieve data collaboration and algorithm upgrades through reinforcement learning, and build an ecosystem of “Robot Body + AI All-in-One Machine + Industry Cloud Platform”.

Management Discussion and Analysis

3. Focus on the intelligent vehicle sector to build core competitive strengths

Intelligent connected vehicles represent the core direction of the transformation and upgrading of the global automotive industry. With continuously rising industry penetration and accelerated rollout of high-level intelligent driving, the sector boasts broad development prospects. Looking ahead, the Company will continue to deepen its presence in the core intelligent vehicle segment. Leveraging its strengths in automotive-grade communication technologies, full-stack AI capabilities, and a globalized automotive platform, the Company will focus on 5G, C-V2X, and intelligent cockpits, and further deepen cooperation with leading domestic and international automakers and Tier 1 customers. It will continuously enhance the per-vehicle value and market share, support the evolution of software-defined vehicles and intelligent driving, and build the intelligent vehicle business into a core engine for the Company's long-term growth.

4. Continuously deepen our global presence across the entire value chain

The Company has always adhered to a global development strategy. It has currently established a sales system covering over 30 countries and regions and maintains deep cooperation with multiple Fortune Global 500 enterprises. In the future, relying on its branches established in the United States, France, Germany, India, and other countries, the Company will continue to build sales and service teams composed mainly of local employees and adapted to local cultures, further expanding its global sales network. In addition, regarding production layout, besides building self-owned production bases domestically, the Company will further leverage the EMS contract manufacturing supply chain to accelerate expansion into South America, Southeast Asia, South Asia, and other regions. This will help build overseas production capacity, enhance overseas delivery capabilities, and form a global manufacturing layout with flexible supply capabilities. In the future, the Company will also establish R&D centers overseas, introduce top global talent, and carry out localized innovative R&D targeting global markets and customers to meet the needs of various global market regions and customers. By building a full-chain international layout covering R&D, production, and sales, the Company continuously provides high value-added products and solutions to world-class customers to seize huge global growth opportunities.

5. Continuously strengthen organizational capabilities to enhance management and operational efficiency

Efficient management and operational efficiency are key factors in our continued success in business expansion, and this efficiency depends on a robust organizational construction system and a dynamic management team. In the future, taking "talent as the foundation, culture for cohesion, and mechanisms for empowerment" as the core, we will further optimize organizational and talent development mechanisms, establish a long-term incentive system, and inject strong momentum into sustainable development. In addition, we will continue to advance the development strategy of systematic, process-oriented, digital, and intelligent management. We will connect the full-process data chains across R&D, sales, supply chain, finance, and human resources to achieve full-process visibility of cash flow, product flow, and information flow. We will also leverage our leading AI technology to empower production, operations, and management decision-making, thereby enhancing management and operational efficiency.

Management Discussion and Analysis

RISKS FACED BY THE COMPANY AND COUNTERMEASURES

1. Risk of Intensified Market Competition

In recent years, the IoT industry has experienced continuous growth, attracting an increasing number of competitors into the sector. As wireless communication modules serve as the bridge enabling machine-to-machine (M2M) connectivity, the level of market competition is expected to intensify further. The Company's product prices, gross profit margins and market share may be adversely affected, leading to a decline in its operating results. In response to the evolving market landscape, the Company will, on one hand, accelerate its expansion into new industries to create additional revenue sources; on the other hand, it will expedite the research and development progress of new products and their market penetration, gradually increasing their industry coverage. At the same time, the Company will continue to invest in research and development to rapidly achieve generational technology upgrades and enhance product competitiveness.

2. Risk of Integrated Chips Being Promoted and Mass-Produced as Substitutes for the Company's Core Product, Wireless Communication Modules

With the rapid advancement of semiconductor chip manufacturing processes, the performance of integrated circuits has significantly improved, enabling a single microprocessor to perform an increasing number of functions. Consequently, the integration level and functionality of intelligent terminal devices have also been increasing. However, some semiconductor chip manufacturers have already launched integrated chips with wireless communication capabilities. If such integrated chips are widely adopted in IoT end devices, the Company may suffer adverse impact on its existing core business product sales, wireless communication modules. In response to the above risks, the Company introduced a series of SoC solutions based on platforms such as Qualcomm and MTK, and developed smart modules to better meet customer needs and fully tap into the significant potential of the edge computing market, thereby effectively mitigating potential risks.

3. Risk of Loss of Key Technical Personnel and Disclosure of Core Technology

The research, development, design, and upgrades of wireless communication modules place high demands on key technical personnel. The stability of such personnel has a significant impact on the Company's normal operations and sustainable development. In addition, the Company's products are manufactured by outsourced manufacturers. Although the Company has entered into Confidentiality Agreements with its key technical personnel and contract manufacturers, it still faces risks such as the loss of key technical personnel and the leakage of core technology. If a significant loss of key technical personnel or leakage of core technology occurs in the future, it could adversely affect the Company's product research and development progress, leading position in technology, and production operations. In response to the above risks, the Company has implemented a series of measures. First, since 2013, the Company has granted share incentives to key technical personnel on multiple occasions. Following the Company's listing, such share incentives will continue to be effectively implemented for key employees. Second, all existing key technical personnel have signed Confidentiality Agreements and Non-compete Agreements, which not only strictly stipulate their confidentiality obligations but also impose strict non-competition restrictions following their resignation from the Company. In addition, the Company continuously optimizes its IT technical measures and strengthens the communication of confidentiality policies and day-to-day confidentiality management to effectively mitigate the risk of technology leakage. At the same time, the Company promptly files patent applications to strengthen intellectual property protection.

Management Discussion and Analysis

4. Risk of Outsourced Manufacturing

The Company's products are primarily manufactured through outsourcing arrangements. If there is a significant change in the supply quality or price of outsourced manufacturers, particularly if they fail to deliver products on time and in full, the Company's production plans may be disrupted. In the event of disputes with outsourced manufacturers in the future, the Company may face risks of production reduction or suspension, which would adversely affect its continuous operations. In response to the above risks, the Company has taken the following measures: on the one hand, it has strengthened the management of outsourced manufacturers, deepened cooperation, advanced systematic management and enhanced process control; on the other hand, it has strengthened its production capacity and mitigated the risks associated with outsourced manufacturing by expanding the self-operated production lines through leasing and constructing its own manufacturing base.

5. Risk of Foreign Exchange Fluctuation

As China further opens up its financial market, the floating range of the Renminbi exchange rate has widened. With the expansion of the Company's business, particularly the rapid growth of its overseas operations, the Company will adopt a multi-currency settlement method involving various foreign currencies. Fluctuations in the Renminbi exchange rate may have certain impact on the Company's operating results.

6. Risk of Accounts Receivable

As at the end of the Reporting Period, the Book Value of the Company's accounts receivable was RMB2,041,094,210.95, accounting for 19.17% of total assets. In recent years, the Company has adhered to a large customer strategy, and with bulk shipments to such customers, the balance of accounts receivable will continue to increase as the Company's operating revenue grows rapidly. In response to the above risks, the Company has established a comprehensive accounts receivable management system and collection control measures. In addition, the Company's major customers are primarily reputable leading enterprises in domestic and overseas. Therefore, the overall accounts receivable risk is considered manageable. However, given the significant amount of accounts receivable, the Company's financial condition could be materially affected if any of its customers encounter solvency issues.

Management Discussion and Analysis

7. Risk Arising from International Trade Frictions

The Company is subject to the effects of deteriorating political and economic relations between nations, sanctions, export controls and other geopolitical challenges, including but not limited to economic conditions, tariffs and other cost increases, and political instability. The United States government has imposed economic and trade sanctions that directly or indirectly affect Chinese technology companies. Changes in the Sino-US trade situation and US policies regarding economic and trade sanctions against China may have impacts on the Company. If the Company exports its products and solutions to other countries or regions that are currently or may in the future be subject to sanctions or export controls, or if the export sales of the final-end products and solutions of its downstream customers are restricted, prohibited or subject to any trade conditions due to any international policies, international export controls or economic sanctions imposed by any jurisdiction, the Company's business, financial condition and results of operations could be affected. In response to the risks arising from international trade frictions, the Company will closely monitor changes in the situation, strengthen risk early warning and assessment, and adopt a series of measures to address these risks to ensure the Company's steady development.

8. Risk of Fluctuations in Prices of Key Raw Materials

The Company's wireless communication modules require the procurement of key components such as memory chips. The prices of raw materials are subject to significant fluctuations due to factors such as industry cycles and market supply and demand. If the prices of relevant raw materials increase significantly and the Company fails to effectively pass on the cost pressure in a timely manner, it could lead to a decrease in the Company's gross profit margin and adversely affect its operating results.

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high standards of corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency.

The Company has adopted the code provisions set out in Part 2 of the CG Code contained in Appendix C1 to the Hong Kong Listing Rules as the basis of the Company's corporate governance practices.

The Board is of the view that for the six months ended June 30, 2026, the Company has complied with all the applicable code provisions set out in Part 2 of the CG Code.

AUDIT COMMITTEE

The Company has established an Audit Committee in accordance with the Corporate Governance Code 《企業管治守則》, and its terms of reference have been clearly defined in writing. The Audit Committee comprises three independent non-executive Directors of the Company. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed financial reporting matters, including the review of the Group's unaudited condensed consolidated financial statements for the six months ended June 30, 2026. There was no objection to such matters.

SCOPE OF WORK OF THE AUDITOR, GRANT THORNTON ZHITONG CERTIFIED PUBLIC ACCOUNTANTS LLP

The Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the six months ended June 30, 2026 have been reviewed by the Group's auditor, Grant Thornton Zhitong Certified Public Accountants LLP. Grant Thornton Zhitong Certified Public Accountants LLP performed a review engagement in this regard, and therefore did not express an audit opinion on the interim report.

DIRECTORS AND SENIOR MANAGEMENT

1. Changes in Information of Directors and Senior Management of the Company

On February 26, 2026, Mr. Wu Chenggang, an independent non-executive Director of the Company, was appointed as the General Manager of Shenzhen Zhiyu Guangnian Digital Technology Co., Ltd.

Save as disclosed above, there were no changes in the information of the Directors and senior management of the Company which were required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period.

Corporate Governance and Other Information

2. Interests and Short Positions of Directors and Chief Executive

As at June 30, 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests or short positions which they were taken or deemed to have under such provisions of the Securities and Futures Ordinance); or (b) were required to be entered in the register referred to therein pursuant to Section 352 of the Securities and Futures Ordinance; or (c) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

(i) Interests in the Company

Name of Director or Chief Executive	Position	Nature of Interest ⁽¹⁾	Number and Class of Shares/Underlying Shares Held	Percentage of Class of Shares/Underlying Shares Held	Percentage of Total Issued Share Capital ⁽²⁾
Zhang Tianyu ⁽³⁾	Executive Director and Chairman	Beneficial owner	281,512,495 A Shares	36.84%	31.30%
		Interest in controlled corporation	2,627,960 A Shares	0.34%	0.29%
Ying Lingpeng ⁽⁴⁾	Executive Director and General Manager	Beneficial owner	25,526,106 A Shares	3.34%	2.84%
		Interest in controlled corporation	19,281,816 A Shares	2.52%	2.14%
Xu Ning ⁽⁵⁾	Executive Director and Deputy General Manager	Beneficial owner	149,881 A Shares	0.02%	0.02%

(1) All interests stated are long positions.

(2) The calculation is based on a total of 135,080,200 H Shares and 764,185,644 A Shares in issue as of June 30, 2026 (including 2,627,960 treasury A Shares).

(3) As of June 30, 2026, (i) Mr. Zhang directly held 281,512,495 A Shares; and (ii) by virtue of his control over the Company, he was deemed under the Securities and Futures Ordinance to be interested in 2,627,960 treasury shares held by the Company. As of June 30, 2026, an aggregate of 55,849,300 A Shares held by Mr. Zhang Tianyu had been pledged. Among these, 31,669,300 A Shares were pledged to an investment institution as security for certain cooperative investment obligations with Mr. Zhang and will mature in three tranches in 2027, 2028 and 2029, respectively, while 24,180,000 A Shares were pledged to a PRC securities company regulated by the China Securities Regulatory Commission and will mature on December 8, 2026.

(4) As of June 30, 2026, (i) Mr. Ying directly held 25,526,106 A Shares; and (ii) Xinyu Guanghe Chuanghong Venture Capital Partnership (Limited Partnership) ("**Guanghe Chuanghong**") directly held 19,281,816 A Shares. Under the Securities and Futures Ordinance, Mr. Ying, as the general partner of Guanghe Chuanghong, is deemed to be interested in the A Shares held by it.

(5) As of June 30, 2026, Mr. Xu directly held 149,881 A Shares, including 53,880 A Shares that had been issued and granted but were subject to lock-up under the 2023 Restricted Share Incentive Plan.

Corporate Governance and Other Information

(ii) *Interests in Associated Corporations*

Save as disclosed in the table below, so far as the Directors are aware, as of June 30, 2026, none of the Directors or the chief executive of the Company had any direct or indirect interests in the shares or underlying shares of the associated corporations of the Company.

Name of Director or Chief Executive	Nature of Interest	Member Company of the Group	Approximate Shareholding Percentage
Mr. Ying Lingpeng	Beneficial owner	Shenzhen Favalon Technology Co., Ltd.	4.5%
	Beneficial owner	Shenzhen FAIOT Gongying Enterprise Management Partnership (Limited Partnership)	5.0%

Save as disclosed above, as at June 30, 2026, none of the Directors and the chief executive of the Company, or any of their associates, had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance) which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance, or which were required to be recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

None of the Directors or the chief executive of the Company, nor their spouses or children under the age of 18, had any rights to subscribe for shares, underlying shares or debentures of the Company, or had exercised any such rights.

Save as disclosed in this report, at no time during the Reporting Period was the Company or its holding company or any of its subsidiaries a party to any arrangement that would enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company or any other body corporate.

Corporate Governance and Other Information

OTHER INFORMATION

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules.

On August 10, 2026, Mr. Zhang Tianyu (“**Mr. Zhang**”), an executive Director, pledged 12,450,000 A shares of the Company, representing approximately 1.38% of the Company’s total issued share capital (the “**Pledge**”), which took place during the black-out period (the “**Incident**”). Mr. Zhang confirmed that the Incident was inadvertent and unintentional, and that no inside information of the Company was used in connection with the Pledge. For further details, please refer to the Company’s overseas regulatory announcement dated August 11, 2026.

Upon specific enquiry made to all the Directors, except for the aforementioned, all of them have confirmed that they have complied with the Model Code during the Reporting Period and up to the date of this report.

The Company has also established Measures on Registration of Insiders 《内幕信息知情人登記管理制度》 no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. To the best knowledge of the Company, no incident of non-compliance of the regulations on information disclosure by the employees was noted by the Company during the Reporting Period.

Punishments by securities regulatory authorities on current directors and senior management, and those who left office during the Reporting Period, in the past three years

☐ Applicable ☒ Not applicable

EMPLOYEES

As of June 30, 2026, the Group had a total of 1,936 regular employees. The Company strictly complies with national labor laws and regulations as well as relevant local rules and policies. The Company enters into labor contracts with employees, and arranges for the registration and makes contributions to social insurance and housing provident fund. Based on its job and grading structure and benchmarked against market compensation in the high-tech industry, the Company has established a diversified compensation policy that reflects the principles of “more pay for more work, more pay for more contribution, and more pay for long-term commitment”. Employee compensation comprises fixed salaries, variable bonuses, and other employee benefits. In addition, the Company has implemented equity incentive plans for key backbone personnel in light of actual circumstances. Furthermore, the Company provides employees with abundant training resources covering various aspects essential for talent growth and business development, thereby supporting the synchronous advancement of talent and business. For the six months ended June 30, 2026, the Company’s staff costs amounted to RMB348,547,498.04.

Corporate Governance and Other Information

IMPLEMENTATION OF EQUITY INCENTIVE PLANS, EMPLOYEE SHARE OWNERSHIP PLANS, OR OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY

During the Reporting Period, the Company did not grant or agree to grant any share options and/or restricted shares to any of its Directors, chief executive, substantial Shareholders or their associates or employees of the Company or its subsidiaries.

As of June 30, 2026, the Company had two share incentive schemes, namely the 2023 Restricted Share Incentive Plan and the 2026 Employee Share Ownership Plan. As of June 30, 2026, as the 2023 Restricted Share Incentive Plan did not involve any grant of restricted shares by the Company after its H Share listing, its terms are not subject to the provisions of Chapter 17 of the Listing Rules. The 2026 Employee Share Ownership Plan was terminated early on July 6, 2026.

(1) 2023 Restricted Share Incentive Plan

The Company adopted the 2023 Restricted Share Incentive Plan on July 31, 2023. According to the 2023 Restricted Share Incentive Plan, directors, senior management, middle management, and core technical (business) personnel of the Company could be granted up to 2,100,000 A-share restricted shares. A summary of the principal terms of the 2023 Restricted Share Incentive Plan which remains in force as of June 30, 2026 is set out in the section headed “D. Share Incentive Plan” in Appendix IV to the Prospectus. As of June 30, 2026, the Company actually granted 2,061,600 Restricted A Shares to 241 incentive participants under the 2023 Restricted Share Incentive Plan on September 20, 2023 and completed the registration of the relevant share certificates. As of June 30, 2026, there were no restricted share certificates outstanding under the Restricted Share Incentive Plans.

As of the disclosure date of this report, all the restricted shares under the 2023 Restricted Share Incentive Plan have been unlocked or repurchased and cancelled by the Company and the 2023 Restricted Share Incentive Plan has ceased to be effective.

(2) 2026 Employee Share Ownership Plan

The Company adopted the 2026 Employee Share Ownership Plan on March 5, 2026. Pursuant to the 2026 Employee Share Ownership Plan, Directors (excluding independent Directors), senior management, middle management and key technical and business staff of the Company (not exceeding 269 participants in aggregate) may be granted up to 2,627,960 A shares. As of June 30, 2026, the Company had not granted any interests under the 2026 Employee Share Ownership Plan. The Board resolved on July 6, 2026 to early terminate the implementation of the 2026 Employee Share Ownership Plan. For details, please refer to the circular of the Company dated February 9, 2026 in respect of the 2026 first extraordinary general meeting, the poll results announcement dated March 5, 2026 and the announcement dated July 6, 2026 in relation to the termination of the implementation of the 2026 Employee Share Ownership Plan.

Corporate Governance and Other Information

Unit: shares

Name and Category of Participants	Number of Restricted Shares Held at Beginning of the Period (shares)	Grant Price of Restricted Shares/ Transfer Price under the Employee Share Ownership Plan (RMB/share)	Number of Restricted Shares held at End of the Period	Date of Grant (Completion)	Validity Period
Directors					
Xu Ning — 2023 Restricted Share Incentive Plan	53,880	RMB11.13/share	53,880	September 20, 2023	From September 20, 2023 to September 19, 2028, or the date of completion of the repurchase and cancellation of the remaining restricted shares, whichever is earlier
Non-director Employees					
2023 Restricted Share Incentive Plan	628,920	RMB11.13/share	628,920	September 20, 2023	From September 20, 2023 to September 19, 2028, or the date of completion of the repurchase and cancellation of the remaining restricted shares, whichever is earlier
Five highest paid individuals (in aggregate) during the Reporting Period					
2023 Restricted Share Incentive Plan	89,800	RMB11.13/share	89,800	September 20, 2023	From September 20, 2023 to September 19, 2028, or the date of completion of the repurchase and cancellation of the remaining restricted shares, whichever is earlier

Note: The five individuals with the highest remuneration from January to June 2026 were different from those for 2025, and therefore the number of shares held at the beginning of the period has changed.

No restricted shares were granted, vested, cancelled and lapsed during the Reporting Period.

Corporate Governance and Other Information

USE OF RAISED FUNDS

(I) Use of Raised Funds of A Share

1. Overall Use of Raised Funds

☒ Applicable ☐ Not applicable

Unit: RMB10,000

Year of Raising	Method of Raising	Securities Listing Date	Total Raised Funds	Net Raised Funds (1)	Amount of		Proportion of Raised Funds Used by Reporting Period End (3)=(2)/(1)	Amount of Raised Funds with Changed Purpose during Reporting Period	Cumulative Amount of Raised Funds with Changed Purpose	Proportion of Cumulative Amount of Raised Funds with Changed Purpose	Amount of Unused Raised Funds	Purpose and Destination of Unused Raised Funds	Amount of Raised Funds Idle for Over Two Years
					Raised Funds Used in Current Period	Raised Funds Used (2)							
2019	Issuance of shares to specific investors	November 29, 2019	69,999.99	69,393.2	0.00	65,600.3	94.53%	0.00	4,210.57	6.07%	3,664.99	Used for temporarily supplementing working capital or being deposited in the special account for raised funds.	0.00
Total	—	—	69,999.99	69,393.2	0.00	65,600.3	94.53%	0.00	4,210.57	6.07%	3,664.99	—	0.00

Explanation of the overall use of raised funds:

- Use of raised funds from the private placement of shares to specific investors during the Reporting Period: As of June 30, 2026, a cumulative amount of RMB656.003 million of the raised funds has been invested, RMB1.2791 million has been permanently used to supplement working capital, and the remaining unutilized amount is RMB36.6499 million.

Corporate Governance and Other Information

2. Details of Committed Projects for Raised Funds

☒ Applicable ☐ Not applicable

Unit: RMB10,000

Financing Project Name	Securities Listing Date	Committed Investment Project and Over-allocated Fund Investment Direction	Whether the Project		Project Nature	Whether the Project Has Been Changed (including partial changes)				Total Committed Investment Amount of Raised Funds	Adjusted Total Investment Amount (1)	Investment Amount in This Reporting Period	Cumulative Investment Amount as of the End of the Period (2)	Investment Progress as of the End of the Period (3) = (2)/(1)	Expected Date for the Project to Reach the Intended Usable State	Benefits Realized in This Reporting Period	Cumulative Benefits Realized as of the End of the Reporting Period	Whether the Expected Benefits Have Been Achieved	Whether There Has Been a Significant Change in Project Feasibility
			Has Been Changed	Has Been Changed		Has Been Changed	Has Been Changed												
Committed Investment Projects																			
Headquarters Base Construction Project	November 29, 2019	Headquarters Base Construction Project	No		Production construction	No	18,348.55	23,507.96	0.00	19,842.97	84.41%	December 31, 2026	0.00	0.00	0.00	0.00	Not applicable	No	
Ultra-high-speed Wireless Communication Module	November 29, 2019	Ultra-high-speed Wireless Communication Module	Yes		R&D project	Yes	4,210.57	0.00	0.00	0.00	0.00%		0.00	0.00	0.00	0.00	Not applicable	Yes	
Industrialization Project		Communication Module Industrialization Project																	
5G Communication Technology Industrialization Project																			
5G Communication Technology Industrialization Project	November 29, 2019	5G Communication Technology Industrialization Project	No		R&D project	No	22,887.9	21,939.06	0.00	21,939.06	100.00%	December 31, 2022	6,230.84	49,049.34	Yes	No			
Informationization Construction Project																			
Informationization Construction Project	November 29, 2019	Informationization Construction Project	No		Operation management	No	4,036.2	4,036.2	0.00	3,908.29	96.83%	December 31, 2021	0.00	0.00	0.00	0.00	Not applicable	No	
Working Capital Supplementation	November 29, 2019	Working Capital Supplementation	No		Working capital supplementation	No	19,909.98	19,909.98	0.00	19,909.98	100.00%		0.00	0.00	0.00	0.00	Not applicable	No	
Subtotal of Committed Investment Projects			-			-	69,393.2	69,393.2	0.00	65,600.3	-	-	6,230.84	49,049.34	-	-	-	-	
Over-allocated Fund Investment Direction							0.00	0.00	0.00	0.00			0.00						
Total			-			-	69,393.2	69,393.2	0.00	65,600.3	-	-	6,230.84	49,049.34	-	-	-	-	

Corporate Governance and Other Information

Financing Project Name	Securities Listing Date	Committed Investment Project and Over-allocated Fund Investment Direction	Whether the Project Has Been Changed (including partial changes)	Total Committed Investment Amount of Raised Funds	Project Nature	Whether There Has Been a Significant Change in Project Feasibility			
						Investment Amount in This Reporting Period	Adjusted Total Investment Amount (1)	Cumulative Investment Amount as of the End of the Reporting Period	Expected Date for the Project to Reach the Intended Usable State
						Investment Amount in This Reporting Period	Adjusted Total Investment Amount (1)	Cumulative Investment Amount as of the End of the Reporting Period	Expected Date for the Project to Reach the Intended Usable State

Explanation of the situations where the project progress and expected benefits do not meet the plan (including the reasons for selecting "Not applicable" for "Whether the Expected Benefits Have Been Achieved")

The Company's Ultra-high-speed Wireless Communication Module Industrialization Project had already used its own funds for investment and completed product research and development in 2019 before the raised funds from the private placement of shares were in place. Meanwhile, during the implementation of the project, the external environment of the communication industry has undergone significant changes. The development speed of 5G communication technology has been higher than expected, and the downstream market environment has changed greatly, resulting in changes in the market demand for 4G ultra-high-speed products. The project originally planned to invest RMB42.1057 million of raised funds, but as of March 31, 2021, the actual investment amount of raised funds was RMB0.

The Company's 5G Communication Technology Industrialization Project was determined based on industry development trends and the Company's business operations. The main implementation contents of the project include site investment, equipment and software investment, product R&D expenses, reserve funds, and initial working capital. However, due to the influence of various factors such as the market environment, the progress of the Company's 5G Communication Technology Industrialization Project has been slower than expected. In combination with industry development trends and the actual construction situation of the project, after careful research, the Company plans to extend the date for the "5G Communication Technology Industrialization Project" to reach the intended usable state to December 31, 2022. The project was concluded in May 2023.

The overall construction of the Company's raised fund project "Headquarters Base Construction Project" has been delayed due to factors such as the external environment and construction control, and the construction progress has been extended compared with the original plan. In order to strictly control the overall quality of the project, and safeguard the interests of all shareholders and the Company, in combination with the actual construction situation and investment progress of the Company's raised fund investment projects at present, as well as to ensure the construction quality of the project, after careful research, the Company plans to postpone the date for the project to reach the intended usable state from December 31, 2024, to December 31, 2026.

Occurred in prior years

Corporate Governance and Other Information

Financing Project Name	Securities Listing Date	Committed Investment	Whether the Project Has Been Changed (including partial changes)	Project Nature	Whether There Has Been a Significant Change in Project Feasibility							
					Total Committed Investment Amount of Raised Funds	Adjusted Total Investment Amount (1)	This Reporting Period	Cumulative Investment Amount as of the End of the Reporting Period (2)	Expected Date for the Project to Reach the Intended Usable State	Cumulative Benefits Realized as of the End of the Reporting Period	Whether the Expected Benefits Have Been Achieved	Whether There Has Been a Significant Change in Project Feasibility

In order to quickly respond to market changes and improve the efficiency of the use of raised funds, the Company held the 30th meeting of the second session of the Board of Directors and the 25th meeting of the second session of the Board of Supervisors on April 15, 2021. The meetings reviewed and approved the Proposal on Terminating the Ultra-high-speed Wireless Communication Module Industrialization Project and Adjusting the Use Plan of Raised Funds. The Company agreed to adjust the RMB42.1057 million of raised funds originally planned to be invested in the Ultra-high-speed Wireless Communication Module Industrialization Project to the 5G Communication Technology Industrialization Project to supplement the initial working capital required for the 5G Communication Technology Industrialization Project.

On April 20, 2023, the 29th meeting of the third session of the Company's Board of Directors reviewed and approved the Proposal on Concluding Some Raised Fund Investment Projects and Adjusting the Remaining Raised Funds to the Headquarters Base Construction Project (關於部分募資金投資項目結項並終結募資金調整至總部基地建設項目的議案), agreeing that the Company may conclude the "5G Communication Technology Industrialization Project" and adjust the remaining raised funds (including interest, with the specific amount to be determined on the transfer date) to the "Headquarters Base Construction Project". The Company planned to adjust RMB51.5941 million (excluding the interest and wealth management income) of the remaining raised funds from the 5G Communication Technology Industrialization Project to the Headquarters Base Construction Project. The total investment amount of the Headquarters Base Construction Project was adjusted to RMB244.2539 million, of which the investment amount of raised funds was adjusted to RMB235.0796 million. (The relevant interest and wealth management income generated from the raised funds of the original 5G Communication Technology Industrialization Project were also adjusted to the Headquarters Base Construction Project)

Advance Investment and Replacement Situations of Raised Fund Investment Projects

Applicable

The Company held the 16th meeting of the second session of the Board of Directors on January 10, 2020, and reviewed and approved the Proposal on Replacing the Self-raised Funds Pre-invested in Raised Fund Projects with Raised Funds from the Private Placement of Shares (關於以非公開發行股票募資金置換預先投入專項項目自籌資金的議案). The Company agreed to use the raised funds from the private placement of shares to replace the self-raised funds totaling RMB74.5830 million pre-invested in the raised fund projects as of December 20, 2019. This fund replacement has been audited by the special audit report (Zhongtong Zhuan Zi (2020) No. 441 ZAO063) issued by Grant Thornton (Special General Partnership) on January 10, 2020. The Company completed the replacement of RMB37.0116 million of funds for the Headquarters Base Construction Project on January 14, 2020, the replacement of RMB32.6147 million of funds for the 6G Communication Technology Industrialization Project at the headquarters, and the replacement of RMB4.9567 million of funds for the Informatization Construction Project on January 15, 2020.

Situations Where Idle Raised Funds Are Temporarily Used to Supplement Working Capital

Applicable

Corporate Governance and Other Information

Financing Project Name	Securities Listing Date	Committed Investment Project and Over-allocated Fund Investment Direction	Whether the Project Has Been Changed (including partial changes)	Project Nature	Total Committed Investment Amount of Raised Funds	Adjusted Total Investment Amount (1)	Investment Amount in This Reporting Period	Cumulative Investment Amount as of the End of the Period (2)	Investment Progress as of the End of the Period (3) = (2)/(1)	Expected Date for the Project to Reach the Intended Usable State	Benefits Realized in This Reporting Period	Cumulative Benefits Realized as of the End of the Reporting Period	Whether the Expected Benefits Have Been Achieved	Whether There Has Been a Significant Change in Project Feasibility

On June 9, 2020, the 19th meeting of the second session of the Company's Board of Directors reviewed and approved the Proposal on Using Some Idle Raised Funds from the Private Placement of Shares to Temporarily Supplement Working Capital (《關於使用非公開發行股票部分閒置募投資金暫時補充流動資金的議案》), agreeing that the Company may use no more than RMB200 million (including RMB200 million) of the idle raised funds from the private placement of shares to temporarily supplement working capital on the premise of ensuring the construction of raised fund investment projects and the use plan of raised funds. The use period shall not exceed 12 months from the date of approval by the Company's Board of Directors, and the funds shall be returned to the special account for raised funds upon expiration.

On May 25, 2021, the 33rd meeting of the Board of Directors reviewed and approved the Proposal on Postponing the Return of Idle Raised Funds and Continuing to Use Them to Temporarily Supplement Working Capital (《關於延期歸還閒置募投資金並繼續用於暫時補充流動資金的議案》), agreeing that the Company may postpone the return of the raised funds and continue to use no more than RMB200 million (including RMB200 million) of some idle raised funds to temporarily supplement the Company's working capital. The use period shall not exceed 12 months from the original expiration date, that is, not exceeding June 8, 2022. As of April 6, 2022, the above-mentioned raised funds used for temporarily supplementing working capital have all been returned to the special account for raised funds.

On April 12, 2022, the 11th meeting of the third session of the Board of Directors reviewed and approved the Proposal on Using Part of the Idle Raised Funds to Temporarily Supplement Working Capital (《關於使用部分閒置募投資金暫時補充流動資金的議案》), agreeing that the Company may use no more than RMB200 million (including RMB200 million) of some idle raised funds to temporarily supplement the Company's funds. The use period shall not exceed 12 months from the date of approval by the Board of Directors.

On April 17, 2023, the 30th meeting of the Board of Directors reviewed and approved the Proposal on Using Part of the Idle Raised Funds to Temporarily Supplement Working Capital, agreeing that the Company may use no more than RMB120 million (including RMB120 million) of idle raised funds to temporarily supplement working capital. The supplementation period of working capital shall not exceed 12 months from the date of approval by the Board of Directors.

On April 3, 2024, the 44th meeting of the third session of the Board of Directors reviewed and approved the Proposal on Using Part of the Idle Raised Funds to Temporarily Supplement Working Capital, agreeing that the Company may use no more than RMB108 million (including RMB108 million) of idle raised funds to temporarily supplement working capital. The supplementation period of working capital shall not exceed 12 months from the date of approval by the Board of Directors.

On April 3, 2025, the 12th meeting of the fourth session of the Board of Directors reviewed and approved the Proposal on Using Part of the Idle Raised Funds to Temporarily Supplement Working Capital, agreeing that the Company may use no more than RMB80 million (including RMB80 million) of idle raised funds to temporarily supplement working capital. The supplementation period of working capital shall not exceed 12 months from the date of approval by the Board of Directors.

Amount and Reasons for the Remaining Raised Funds in Project Implementation

Corporate Governance and Other Information

Financing Project Name	Securities Listing Date	Committed Investment Project and Over-allocated Fund Investment Direction	Whether the Project Has Been Changed (including partial changes)				Whether There Has Been a Significant Change in Project Feasibility			
			Project Nature	Total Committed Investment Amount of Raised Funds	Adjusted Total Investment Amount (1)	Cumulative Investment Amount in This Reporting Period	Cumulative Investment Amount as of the End of the Reporting Period (2)	Expected Date for the Project to Reach the Intended Usable State	Cumulative Benefits Realized as of the End of the Reporting Period	Whether the Expected Benefits Have Been Achieved

On April 12, 2022, the 11th meeting of the third session of the Company's Board of Directors reviewed and approved the Proposal on Concluding Some Raised Fund Investment Projects and Using the Remaining Raised Funds for Permanent Supplementation of Working Capital (《關於部分募集中途結算並將結算資金用於永久補充流動資金的議案》). The Company's raised fund investment projects "Informatization Construction Project" and "Working Capital Supplementation" have been completed. The Company planned to permanently supplement RMB2.3103 million (the specific amount to be determined on the transfer date) of the interest and wealth management income of the remaining raised funds to the working capital for the Company's daily production and operation. During the implementation of the raised fund investment projects, the Company has carefully used the funds in strict accordance with the relevant regulations on the management of raised funds. In accordance with the relevant regulations, the Company has legally conducted cash management on the idle raised funds and obtained certain wealth management income and interest income during the storage period, improving the efficiency of the use of idle raised funds.

On April 20, 2023, the 29th meeting of the third session of the Company's Board of Directors reviewed and approved the Proposal on Concluding Some Raised Fund Investment Projects and Adjusting the Remaining Raised Funds to the Headquarters Base Construction Project (《關於部分募集中途結算並將結算資金調整至總部基地建設項目的議案》), agreeing that the Company may conclude the "5G Communication Technology Industrialization Project" and adjust the remaining raised funds (including interest, with the specific amount to be determined on the transfer date) to the "Headquarters Base Construction Project". During the implementation of the raised fund investment projects, the Company has carefully used the funds in strict accordance with the regulations on the management of raised funds. While ensuring project construction, in accordance with the relevant regulations, the Company has legally conducted cash management on the idle raised funds and obtained certain wealth management income and interest income during the storage period, improving the efficiency of the use of idle raised funds. Meanwhile, since the Company's Headquarters Base Construction Project was initiated in 2018 and the initiation time was relatively early, with the rapid development of the Company's business and scale in recent years, the originally planned project investment amount can no longer fully meet the actual capital needs. The Company planned to adjust RMB51.5941 million (excluding the interest and wealth management income) of the remaining funds from the 5G Communication Technology Industrialization Project to the Headquarters Base Construction Project. The total investment amount of the Headquarters Base Construction Project was adjusted to RMB244.2539 million, of which the investment amount of raised funds was adjusted to RMB235.0796 million. (The relevant interest and wealth management income generated from the raised funds of the original 5G Communication Technology Industrialization Project were also adjusted to the Headquarters Base Construction Project)

Purpose and Whereabouts of the Unused Raised Funds

As of June 30, 2026, the remaining funds are deposited in the special account for raised funds.

Problems or Other Situations in the Use and Disclosure of Raised Funds

Not applicable

Corporate Governance and Other Information

3. *Changes to Raised Funds Investment Projects*

☐ Applicable ☒ Not applicable

(II) **Use of proceeds from the Global Offering**

The Company issued 135,080,200 H shares on October 22, 2025 and listed them on the Main Board of the Hong Kong Stock Exchange at an offer price of HK\$21.50 per share. The gross proceeds from the global offering amounted to HK\$2,904,224,300.00 (approximately RMB2,651,643,912.63). After deducting listing expenses directly attributable to the global offering, the net proceeds amounted to HK\$2,806,953,697.42 (approximately RMB2,562,832,934.35) (representing net proceeds per share of approximately RMB18.97) (the “**Net Proceeds**”).

The Company passed a Board resolution on April 23, 2026. Specifically, taking into account the sharp increase in the prices of memory chips, being the raw material procured by the Company, and the continued supply shortage in the market, the Company is required to increase its inventory to ensure a stable supply of goods and timely delivery to customers, so as to meet future production demand. Therefore, the Company intends to utilize part of the idle Net Proceeds that were originally scheduled, pursuant to the Prospectus, to be deployed in 2028 and 2029 to temporarily replenish working capital of the Group, in an amount not exceeding RMB500 million (or its equivalent) for a period not exceeding 12 months. The temporary utilization of a portion of the idle Net Proceeds to replenish working capital is not expected to affect the intended use of Proceeds and the expected implementation timetable thereof as disclosed in the Prospectus. Such unutilized Net Proceeds shall continue to be deployed in 2028 and 2029 in accordance with the uses, plans and implementation timetable as set out in the Prospectus. For details, please refer to the announcement entitled UTILIZATION OF CERTAIN IDLE PROCEEDS FROM THE H SHARE GLOBAL OFFERING FOR TEMPORARY REPLENISHMENT OF WORKING CAPITAL disclosed by the Company on April 23, 2026.

As of the date of this report, there has been no change to the intended use of the Net Proceeds and expected time table as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. To the extent that Net Proceeds are not immediately used for the intended use, save as disclosed above, the Company will place the Net Proceeds as short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), or applicable laws and regulations in other jurisdictions).

Corporate Governance and Other Information

Details of the utilisation of the Net Proceeds are set out below:

	Total Net Proceeds Raised from the Listing Approximate (%)	Net Proceeds Raised from the Listing Approximate (HK\$ million)	Unutilised Net Proceeds as at December 31, 2025 Approximate (HK\$ million)	Actual Use of Proceeds for the Six Months Ended June 30, 2026 Approximate (HK\$ million)	Unutilised Net Proceeds as at June 30, 2026 Approximate (HK\$ million)	Expected Timeline for Utilisation of the Remaining Unutilised Net Proceeds
(I) for R&D purposes, primarily including technical innovation and product development related to AI and robotics technologies	55.0%	1,543.82	1,521.27	99.05	1,422.22	2029
(II) for the construction of manufacturing facilities in Shenzhen, China, primarily for the production of (i) module products and (ii) end products as part of integrated solutions (the "Shenzhen Facility")	15.0%	421.04	407.81	67.79	340.02	2029
(A) for the construction of the Shenzhen Facility	13.8%	386.91	373.67	67.79	305.88	2029
(B) for the recruitment of 168 personnel in connection with the Shenzhen Facility, primarily engaged in (i) production, (ii) quality control and (iii) administrative support	1.2%	34.14	34.14	–	34.14	2029
(III) for the repayment of certain interest-bearing bank borrowings	10.0%	280.70	171.05	165.82	5.23	2026
(A) repayment of a bank loan with principal amount of RMB100.0 million provided by the Export-Import Bank of China (中國進出口銀行) ("EIBC Loan I")	4.1%	114.31	4.66	–	4.66	2026
(B) repayment of a bank loan with principal amount of RMB100.0 million provided by the Export-Import Bank of China ("EIBC Loan II")	4.1%	114.31	114.31	113.74	0.57	2026
(C) repayment of a bank loan with principal amount of RMB100.0 million provided by China Merchants Bank (the "CMB Loan")	1.9%	52.08	52.08	52.08	–	2026
(IV) for strategic investments and/or acquisitions	10.0%	280.70	280.70	44.90	235.80	2026
(V) for working capital and other general corporate purposes	10.0%	280.70	14.48	–	14.48	2026
Total	100%	2,806.96	2,395.31	377.56	2,017.75	

- Notes: 1. The proceeds under the fifth item in the above table, which are intended for working capital and other general corporate purposes, will be fully utilised by 2026.
2. The slight discrepancies between the amounts under the individual uses of the proceeds and the corresponding totals in the above data are due to rounding.

Corporate Governance and Other Information

The Company had no circumstances involving changes to raised funds investment projects during the Reporting Period.

The Company did not issue any shares during the Reporting Period.

REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company and its subsidiaries did not repurchase, redeem or sell any listed securities (including any sale of Treasury Shares) of the Company. Save for the 2,627,960 A Shares held by the Company as Treasury Shares during the Reporting Period, the Company did not hold any other Treasury Shares as at June 30, 2026. These 2,627,960 treasury A Shares are held by the Company for use in connection with employee share ownership plan(s) or employee share incentives of our Company or for the issuance of convertible bonds by our Company. Such A Shares were repurchased by the Company during the period from August 29, 2023 to November 30, 2023.

MATERIAL INVESTMENTS, AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

Reference is made to the announcement of the Company dated June 29, 2026 in relation to acquisition of the 37.16% equity interests in Shenzhen Hangsheng Electronics Co., Ltd. (“**Hangsheng Electronics**”). On June 29, 2026, the Company entered into the share purchase agreements with each of the sellers for the purchase of 37.16% of the equity interests in Hangsheng Electronics, pursuant to which the Company, as the buyer, has conditionally agreed to acquire the equity interests in Hangsheng Electronics from each of the sellers for a total consideration of RMB1,427.99 million (equivalent to approximately HK\$1,642.90 million). Assuming there are no other changes in the share capital of Hangsheng Electronics, the Company will be interested in approximately 37.16% of the share capital of Hangsheng Electronics upon acquisition completion. Meanwhile, the Company has entered into the acting in concert agreement with each of the concert parties (for details, please refer to the Company’s announcement dated June 29, 2026), stipulating that following the acquisition, such concert parties, as shareholders of Hangsheng Electronics, will act in concert with the Company. The Company and such concert parties will collectively hold 51.40% of the share capital of Hangsheng Electronics. Hangsheng Electronics (together with its subsidiaries) will become a controlled subsidiary of the Company and the financial results of the Hangsheng Electronics Group will be consolidated into the Group’s consolidated financial statements. The Company will pay the consideration for this transaction using its internal resources or self-raised funds. As of the date of this report, matters in relation to this transaction have not yet been considered by the general meeting.

Save for disclosed above, the Company did not have any material investments, and material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Period. Save for the disclosures above, as of June 30, 2026, the Company had no plans for any future material investments or acquisition of capital assets.

Corporate Governance and Other Information

DIVIDEND

During the Reporting Period, the final dividend for the year ended December 31, 2025 of RMB2.34 per 10 shares (tax inclusive), amounting to a total of RMB209,816,881.81, was approved by the shareholders at the annual general meeting of the Company held on May 18, 2026. For the dividend payable on H Shares, the Hong Kong dollar amount was translated into Renminbi for accounting purposes at the spot exchange rate prevailing on the date of the annual general meeting. (For the six months ended June 30, 2025: the final dividend for the year ended December 31, 2024 of RMB3.50 per 10 shares, amounting to a total of RMB266,988,953.70.)

The Company does not declare any interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: Nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

1. The Company held the 29th meeting of the 4th session of the Board of Directors on August 20, 2026, at which it reviewed and approved the “Resolution on the Increase in Capital of a Controlling Subsidiary by Way of Debt-to-Equity Swap, Termination of Its Equity Incentive Plan and Sale of Its Equity Interests”. The Company will make a capital contribution to Faiot Co., Ltd (hereinafter referred to as “**Shanghai Faiot**”) by way of debt-to-equity swap, terminate the implementation of its equity incentive plan, and dispose of all equity interests held by the Company and the employee shareholding platform in it. Upon completion of this transaction, the Company will no longer hold any equity interests in Shanghai Faiot, and Shanghai Faiot and its subsidiaries will no longer be included in the Company’s consolidated financial statements. Please refer to the announcement and the overseas regulatory announcement of the Company dated August 21, 2026 for details.
2. On September 4, 2026, the Company convened the 30th meeting of the fourth session of the Board, at which the resolutions in relation to, among others, the 2026 A-Share Restricted Share Incentive Plan (Draft) and its summary and the 2026 H-Share Share Award Plan were considered and approved. The Company proposes to implement the 2026 A-Share Restricted Share Incentive Plan and the 2026 H-Share Share Award Plan. The aforesaid matters are subject to approval by the shareholders of the Company before they can be implemented. For details, please refer to the circular and the announcements of the Company dated September 4, 2026 in relation to the 2026 A-Share Restricted Share Incentive Plan and the 2026 H-Share Share Award Plan.

Save for disclosed above, there are no significant events since the end of the Reporting Period.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the Company had made amendments to its Articles of Association. Please refer to the announcement of the Company dated March 31, 2026 and the circular of the Company dated April 23, 2026 for details. The amended Articles of Association is available on the website of Hong Kong Stock Exchange and the Company’s website.

Corporate Governance and Other Information

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, to the knowledge of the Directors, the following persons (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance are as below:

Name of substantial shareholder	Capacity/ nature of interest	Number and class of shares ⁽¹⁾	Proportion of class of shares or relevant shares held	Proportion of total issued share capital ⁽²⁾
Wang Zhini ⁽³⁾	Interest in controlled corporations	25,065,800 H Shares (L)	18.56%	2.79%
CITIC Securities Company Limited ⁽⁴⁾	Interest in controlled corporations	6,682,600 H Shares (L)	4.95%	0.74%
		6,624,200 H Shares (S)	4.90%	0.74%
	Beneficial owner	2,243,400 H Shares (L)	1.66%	0.25%
Guotai Junan Financial Holdings Limited ⁽⁵⁾	Interest in controlled corporations	7,672,000 H Shares (L)	5.68%	0.85%
		7,672,000 H Shares (S)	5.68%	0.85%
CLSA B.V. ⁽⁶⁾	Interest in controlled corporations	22,283,600 H Shares (L)	16.50%	2.48%
		20,262,000 H Shares (S)	15.00%	2.25%

(1) The letter “L” denotes a long position, while the letter “S” denotes a short position.

(2) The calculation is based on a total of 135,080,200 H shares and 764,185,644 A shares in issue as at June 30, 2026, including 2,627,960 treasury A shares.

(3) Wang Zhini is deemed to be interested in 25,065,800 H shares (L) held by Hong Kong Qindao Gantong Co., Ltd., a corporation controlled by her.

(4) CITIC Securities Company Limited holds 2,243,400 H shares. It is also deemed to be interested in 6,624,200 H shares (L) and 6,624,200 H shares (S) held separately by CITIC Securities International Capital Management Limited, as well as 58,400 H shares (L) held by CITIC Securities Asset Management Company Limited, all of which are corporations controlled by it.

(5) Guotai Junan Financial Holdings Limited is deemed to be interested in the 7,672,000 H shares (L) and 7,672,000 H shares (S) held by its controlled corporation, Guotai Junan Investments (Hong Kong) Limited.

(6) CLSA B.V. is deemed to be interested in 22,283,600 H shares (L) and 20,262,000 H shares (S) held by CLSA Limited, a corporation controlled by it.

Save as disclosed above, as at June 30, 2026, other than the Directors and chief executives of the Company whose interests are set out in the section headed “Interests and Short Positions of Directors and Chief Executive”, no other person had any interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance.

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

I. INDEPENDENT REVIEW REPORT

Zhi Tong Shen Zi (2026) No. 441A034322

To all shareholders of Fibocom Wireless Inc.:

We have reviewed the accompanying financial statements of Fibocom Wireless Inc. (hereinafter referred to as “Fibocom”), which comprise the consolidated and company balance sheets as at 30 June 2026, the consolidated and company income statements, consolidated and company cash flow statements and consolidated and company statements of changes in shareholders’ equity for January to June 2026, and the notes to the financial statements. Management of Fibocom is responsible for the preparation of these financial statements in accordance with China Accounting Standards for Business Enterprises. Our responsibility is to issue a review report on these financial statements based on our review.

We conducted our review in accordance with China Standard on Review Engagements No. 2101 – Review of Financial Statements. This standard requires us to plan and perform the review to obtain limited assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared in accordance with China Accounting Standards for Business Enterprises or do not present fairly, in all material respects, the financial position, results of operations and cash flows of Fibocom.

Grant Thornton China
(Special General Partnership)
Beijing, China

Chinese Certified Public Accountant
Chinese Certified Public Accountant

26 August 2026

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

II. FINANCIAL STATEMENTS

The unit of the statements in the financial notes is: RMB

1. Consolidated Balance Sheet

Prepared by: Fibocom Wireless Inc.

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	2,000,207,357.66	3,423,803,670.00
Financial assets held for trading	279,231,669.94	316,102,632.97
Notes receivable	56,277,277.08	86,450,296.71
Accounts receivable	2,041,094,210.95	1,662,676,569.07
Receivables financing	114,248,860.11	82,589,635.78
Prepayments	262,861,486.77	21,422,754.17
Other receivables	83,816,640.75	58,184,183.78
Including: Interest receivable	—	—
Dividends receivable	—	—
Inventories	3,232,525,823.12	1,347,574,914.21
Including: Data resources	—	—
Contract assets	—	—
Assets held for sale	—	—
Non-current assets due within one year	120,342,177.43	107,137,163.98
Other current assets	948,805,541.04	1,136,475,432.41
Total current assets	9,139,411,044.85	8,242,417,253.08
Non-current assets:		
Debt investments	—	—
Other debt investments	—	—
Long-term receivables	—	—
Long-term equity investments	74,983,839.39	59,468,608.32
Investments in other equity instruments	395,976,021.38	355,976,021.38
Other non-current financial assets	—	—
Investment properties	—	—
Fixed assets	72,089,363.88	71,793,771.55
Construction in progress	303,710,489.14	211,487,187.73
Productive biological assets	—	—
Oil and gas assets	—	—
Right-of-use assets	54,146,123.36	86,995,197.29
Intangible assets	379,679,102.18	399,375,030.95
Including: Data resources	—	—
Development expenditure	9,336,833.44	11,365,687.76
Including: Data resources	—	—
Goodwill	12,902,093.27	12,902,093.27
Long-term prepaid expenses	48,421,586.44	53,388,666.00
Deferred tax assets	147,711,031.47	140,795,419.72
Other non-current assets	11,484,147.35	43,499,113.10
Total non-current assets	1,510,440,631.30	1,447,046,797.07
Total assets	10,649,851,676.15	9,689,464,050.15

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	975,487,190.07	622,289,392.88
Financial liabilities held for trading	—	6,537,931.64
Notes payable	305,705,627.50	384,032,973.27
Accounts payable	2,301,495,134.74	1,672,403,303.69
Advances from customers	—	—
Contract liabilities	74,910,115.48	50,996,166.99
Employee benefits payable	54,192,719.35	76,117,368.65
Taxes payable	21,172,808.09	47,599,392.56
Other payables	186,751,169.36	119,226,414.61
Including: Interest payable	—	—
Dividends payable	31,458,712.84	—
Liabilities held for sale	—	—
Non-current liabilities due within one year	102,023,448.14	269,017,859.04
Other current liabilities	26,257,160.64	7,407,397.87
Total current liabilities	4,047,995,373.37	3,255,628,201.20
Non-current liabilities:		
Long-term borrowings	400,000,000.00	48,750,000.00
Bonds payable	—	—
Lease liabilities	15,234,094.73	23,964,548.59
Long-term payables	—	—
Provisions	612,899.93	—
Deferred income	6,697,860.80	6,597,747.67
Deferred tax liabilities	87,025,906.14	87,033,324.03
Other non-current liabilities	—	—
Total non-current liabilities	509,570,761.60	166,345,620.29
Total liabilities	4,557,566,134.97	3,421,973,821.49
Shareholders' equity:		
Share capital	899,265,844.00	899,265,844.00
Capital reserve	3,119,778,501.69	3,119,230,724.72
Less: Treasury shares	57,942,447.54	58,099,491.54
Other comprehensive income	127,135,072.56	165,968,843.85
Special reserve	—	—
Surplus reserve	244,193,309.27	244,193,309.27
Retained earnings	1,741,130,515.04	1,889,123,130.81
Total equity attributable to shareholders of the parent company	6,073,560,795.02	6,259,682,361.11
Non-controlling interests	18,724,746.16	7,807,867.55
Total shareholders' equity	6,092,285,541.18	6,267,490,228.66
Total liabilities and shareholders' equity	10,649,851,676.15	9,689,464,050.15

Legal Representative:
Zhang Tianyu

Person in Charge of Accounting:
Wang Hongyan

Head of Accounting Department:
Wang Hongyan

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

2. Balance Sheet of Parent

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	1,675,063,286.84	2,788,226,950.57
Financial assets held for trading	3,902,889.26	—
Notes receivable	185,368,465.38	22,242,637.79
Accounts receivable	3,716,345,934.98	3,813,683,003.49
Receivables financing	34,777,387.85	17,141,723.73
Prepayments	112,541,483.46	16,606,320.54
Other receivables	763,684,265.14	724,027,195.26
Including: Interest receivable	—	—
Dividends receivable	—	—
Inventories	1,151,575,758.61	774,876,481.95
Including: Data resources	—	—
Contract assets	—	—
Assets held for sale	—	—
Non-current assets due within one year	120,342,177.43	107,137,163.98
Other current assets	644,444,576.08	614,680,559.95
Total current assets	8,408,046,225.03	8,878,622,037.26
Non-current assets:		
Debt investments	—	—
Other debt investments	—	—
Long-term receivables	—	—
Long-term equity investments	1,079,441,987.52	1,075,814,251.05
Investments in other equity instruments	—	—
Other non-current financial assets	—	—
Investment properties	—	—
Fixed assets	40,332,358.72	41,592,247.13
Construction in progress	153,787,131.80	148,082,896.66
Productive biological assets	—	—
Oil and gas assets	—	—
Right-of-use assets	32,138,956.46	56,132,366.97
Intangible assets	189,446,272.65	199,356,493.37
Including: Data resources	—	—
Development expenditure	6,439,083.92	6,867,191.41
Including: Data resources	—	—
Goodwill	—	—
Long-term prepaid expenses	38,612,098.81	45,682,721.34
Deferred tax assets	38,483,183.89	35,348,790.67
Other non-current assets	6,356,027.33	35,251,350.47
Total non-current assets	1,585,037,101.10	1,644,128,309.07
Total assets	9,993,083,326.13	10,522,750,346.33

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	400,679,096.76	496,290,458.44
Financial liabilities held for trading	—	—
Notes payable	748,352,554.40	431,349,485.52
Accounts payable	843,072,156.18	1,606,295,893.48
Advances from customers	—	—
Contract liabilities	1,579,399,261.81	1,599,136,784.73
Employee benefits payable	19,154,991.00	33,831,818.90
Taxes payable	3,732,581.71	4,489,456.95
Other payables	542,755,055.84	559,969,066.53
Including: Interest payable	—	—
Dividends payable	31,458,712.84	—
Liabilities held for sale	—	—
Non-current liabilities due within one year	82,019,675.40	243,942,133.19
Other current liabilities	24,249,243.93	8,364,584.27
Total current liabilities	4,243,414,617.03	4,983,669,682.01
Non-current liabilities:		
Long-term borrowings	400,000,000.00	48,750,000.00
Bonds payable	—	—
Lease liabilities	8,443,733.45	14,194,835.67
Long-term payables	—	—
Provisions	306,315.41	—
Deferred income	5,285,360.80	6,497,747.67
Deferred tax liabilities	585,433.39	—
Other non-current liabilities	—	—
Total non-current liabilities	414,620,843.05	69,442,583.34
Total liabilities	4,658,035,460.08	5,053,112,265.35
Shareholders' equity:		
Share capital	899,265,844.00	899,265,844.00
Capital reserve	3,086,082,525.84	3,086,082,525.84
Less: Treasury shares	57,942,447.54	58,099,491.54
Other comprehensive income	6,688,874.04	6,688,874.04
Special reserve	—	—
Surplus reserve	244,193,309.27	244,193,309.27
Retained earnings	1,156,759,760.44	1,291,507,019.37
Total equity attributable to shareholders of the parent company	5,335,047,866.05	5,469,638,080.98
Non-controlling interests	—	—
Total shareholders' equity	5,335,047,866.05	5,469,638,080.98
Total liabilities and shareholders' equity	9,993,083,326.13	10,522,750,346.33

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

3. Consolidated Statement of Profit

Unit: RMB

Item	January to June 2026 Consolidated	January to June 2025 Consolidated
I. Operating revenue	3,778,175,398.47	3,706,976,517.27
Less: Operating costs	3,206,377,278.28	3,098,165,339.83
Taxes and surcharges	7,201,218.60	7,633,748.17
Selling expenses	88,617,191.71	82,069,507.09
General and administrative expenses	83,017,825.89	72,085,503.45
Research and development expenses	288,771,122.85	239,240,963.93
Finance costs	24,337,469.53	-3,139,051.36
Including: Interest expenses	13,377,916.23	16,341,000.47
Interest income	23,712,201.92	10,383,911.47
Add: Other income	10,341,443.33	27,821,240.35
Investment income (losses to be presented with "-")	7,180,017.15	2,867,308.92
Including: Share of profit of associates and joint ventures	-3,334,768.93	-2,881,942.88
Gains on derecognition of financial assets at amortised cost (losses to be presented with "-")	—	—
Gains from net exposure hedges (losses to be presented with "-")	—	—
Gains from changes in fair value (losses to be presented with "-")	14,941,312.56	3,523,188.11
Credit impairment losses (losses to be presented with "-")	-6,825,800.50	-5,809,121.54
Asset impairment losses (losses to be presented with "-")	-28,049,798.22	-9,558,675.34
Gains on disposal of assets (losses to be presented with "-")	-37,251.58	-18,528.00
II. Operating profit (losses to be presented with "-")	77,403,214.35	229,745,918.66
Add: Non-operating income	191.03	—
Less: Non-operating expenses	4,607,354.31	357,712.57
III. Total profit (total losses to be presented with "-")	72,796,051.07	229,388,206.09
Less: Income tax expense	54,906.42	10,906,928.74

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Item	January to June 2026 Consolidated	January to June 2025 Consolidated
IV. Net profit (net losses to be presented with “-”)	72,741,144.65	218,481,277.35
(I) Classified by continuity of operations:		
Including: Net profit from continuing operations (net losses to be presented with “-”)	72,741,144.65	218,481,277.35
Net profit from discontinued operations (net losses to be presented with “-”)	—	—
(II) Classified by ownership:		
Including: Net profit attributable to shareholders of the parent company (net losses to be presented with “-”)	61,824,266.04	217,901,677.71
Profit or loss attributable to non-controlling interests (net losses to be presented with “-”)	10,916,878.61	579,599.64
V. Other comprehensive income, net of tax	-38,833,771.29	-1,042,920.93
Other comprehensive income attributable to shareholders of the parent company, net of tax	-38,833,771.29	-1,042,920.93
(I) Other comprehensive income that will not be reclassified to profit or loss	—	17,386,970.10
1. Changes arising from remeasurement of defined benefit plans	—	—
2. Other comprehensive income under the equity method that will not be reclassified to profit or loss	—	—
3. Changes in fair value of investments in other equity instruments	—	17,386,970.10
4. Changes in fair value attributable to changes in the entity’s own credit risk	—	—
5. Others	—	—
(II) Other comprehensive income that will be reclassified to profit or loss	-38,833,771.29	-18,429,891.03
1. Share of other comprehensive income of investees accounted for using the equity method that will be reclassified to profit or loss	—	—
2. Changes in fair value of other debt investments	—	—
3. Amount recognised in other comprehensive income upon reclassification of financial assets	—	—
4. Credit impairment allowance for other debt investments	—	—
5. Cash flow hedge reserve	—	—
6. Exchange differences on translation of foreign financial statements	-38,833,771.29	-18,429,891.03

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Item	January to June 2026 Consolidated	January to June 2025 Consolidated
7. Excess of fair value over carrying amount on the date of transfer of owner-occupied property or property held as inventory to investment property measured at fair value	—	—
8. Difference between the consideration for each disposal and the corresponding share of the carrying amount of net assets before loss of control where a series of disposals of a subsidiary constitutes a single transaction	—	—
9. Others	—	—
Other comprehensive income attributable to non-controlling interests, net of tax	—	—
VI. Total comprehensive income	33,907,373.36	217,438,356.42
Total comprehensive income attributable to shareholders of the parent company	22,990,494.75	216,858,756.78
Total comprehensive income attributable to non-controlling interests	10,916,878.61	579,599.64
VII. Earnings per share		
(I) Basic earnings per share	0.07	0.29
(II) Diluted earnings per share	0.07	0.28

Legal Representative:
Zhang Tianyu

Person in Charge of Accounting:
Wang Hongyan

Head of Accounting Department:
Wang Hongyan

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

4. Income Statement of the Parent

Unit: RMB

Item	January to June 2026	January to June 2025
I. Operating revenue	2,116,179,449.09	2,800,993,727.59
Less: Operating costs	1,898,045,622.95	2,547,900,173.17
Taxes and surcharges	1,700,110.28	979,086.26
Selling expenses	38,103,845.71	29,747,255.57
General and administrative expenses	49,105,425.59	40,977,465.50
Research and development expenses	101,644,074.59	83,610,810.49
Finance costs	-37,321,682.78	-8,802,005.44
Including: Interest expenses	9,190,430.97	15,025,305.31
Interest income	31,636,589.86	17,357,315.40
Add: Other income	5,661,729.03	7,023,908.95
Investment income (losses to be presented with "-")	10,347,270.57	4,908,889.17
Including: Share of profit of associates and joint ventures	74,317.33	-114,259.06
Gains on derecognition of financial assets at amortised cost (losses to be presented with "-")	-	-
Gains from net exposure hedges (losses to be presented with "-")	-	-
Gains from changes in fair value (losses to be presented with "-")	3,902,889.26	-
Credit impairment losses (losses to be presented with "-")	-606,188.69	-262,611.72
Asset impairment losses (losses to be presented with "-")	-11,285,229.99	-7,275,242.21
Gains on disposal of assets (losses to be presented with "-")	-27,166.96	-17,808.24
II. Operating profit (losses to be presented with "-")	72,895,355.97	110,958,077.99
Add: Non-operating income	-	-
Less: Non-operating expenses	374,692.92	82,019.58
III. Total profit (total losses to be presented with "-")	72,520,663.05	110,876,058.41
Less: Income tax expense	-2,548,959.83	4,011,283.89
IV. Net profit (net losses to be presented with "-")	75,069,622.88	106,864,774.52
(I) Classified by continuity of operations:		
Including: Net profit from continuing operations (net losses to be presented with "-")	75,069,622.88	106,864,774.52
Net profit from discontinued operations (net losses to be presented with "-")	-	-

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Item	January to June 2026	January to June 2025
(II) Classified by ownership:		
Including: Net profit attributable to shareholders of the parent company (net losses to be presented with "-")	75,069,622.88	106,864,774.52
Profit or loss attributable to non-controlling interests (net losses to be presented with "-")		
V. Other comprehensive income, net of tax	-	-
Other comprehensive income attributable to shareholders of the parent company, net of tax	-	-
(I) Other comprehensive income that will not be reclassified to profit or loss	-	-
1. Changes arising from remeasurement of defined benefit plans	-	-
2. Other comprehensive income under the equity method that will not be reclassified to profit or loss	-	-
3. Changes in fair value of investments in other equity instruments	-	-
4. Changes in fair value attributable to changes in the entity's own credit risk	-	-
5. Others	-	-
(II) Other comprehensive income that will be reclassified to profit or loss	-	-
1. Share of other comprehensive income of investees accounted for using the equity method that will be reclassified to profit or loss	-	-
2. Changes in fair value of other debt investments	-	-
3. Amount recognised in other comprehensive income upon reclassification of financial assets	-	-
4. Credit impairment allowance for other debt investments	-	-
5. Cash flow hedge reserve	-	-
6. Exchange differences on translation of foreign financial statements	-	-
7. Excess of fair value over carrying amount on the date of transfer of owner-occupied property or property held as inventory to investment property measured at fair value	-	-

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Item		January to June 2026	January to June 2025
8.	Difference between the consideration for each disposal and the corresponding share of the carrying amount of net assets before loss of control where a series of disposals of a subsidiary constitutes a single transaction	-	-
9.	Others	-	-
	Other comprehensive income attributable to non-controlling interests, net of tax	-	-
VI.	Total comprehensive income	75,069,622.88	106,864,774.52
	Total comprehensive income attributable to shareholders of the parent company	75,069,622.88	106,864,774.52
	Total comprehensive income attributable to non-controlling interests	-	-
VII.	Earnings per share		
(I)	Basic earnings per share		
(II)	Diluted earnings per share		

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

5. Consolidated Cash Flow Statement

Unit: RMB

Item	January to June 2026	January to June 2025
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	3,510,995,741.87	3,771,389,367.12
Refunds of taxes and surcharges received	224,600,645.25	210,728,648.52
Other cash received relating to operating activities	56,400,167.27	154,991,593.44
Sub-total of cash inflows from operating activities	3,791,996,554.39	4,137,109,609.08
Cash paid for goods purchased and services received	4,954,919,413.46	3,500,038,876.56
Cash paid to and on behalf of employees	365,747,721.22	370,721,253.27
Payments of taxes and surcharges	48,732,954.50	196,164,883.31
Other cash paid relating to operating activities	124,835,302.38	88,956,322.16
Sub-total of cash outflows from operating activities	5,494,235,391.56	4,155,881,335.30
Net cash flows from operating activities	-1,702,238,837.17	-18,771,726.22
II. Cash flows from investing activities:		
Cash received from disposal of investments	2,624,460,921.67	1,062,461,212.28
Cash received from investment income	2,355,024.64	4,229,573.10
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	103,613.90	5,604.38
Net cash received from disposal of subsidiaries and other business units	68,167,013.83	71,578,880.95
Other cash received relating to investing activities	—	—
Sub-total of cash inflows from investing activities	2,695,086,574.04	1,138,275,270.71
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	121,794,499.53	99,384,812.42
Cash paid for investments	1,383,429,997.90	1,045,566,379.45
Net cash paid for acquisition of subsidiaries and other business units	—	—
Other cash paid relating to investing activities	6,396,349.49	5,114,608.85
Sub-total of cash outflows from investing activities	1,511,620,846.92	1,150,065,800.72
Net cash flows from investing activities	1,183,465,727.12	-11,790,530.01

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Item	January to June 2026	January to June 2025
III. Cash flows from financing activities:		
Cash received from capital contributions	—	7,826,780.20
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries	—	—
Cash received from borrowings	1,242,327,522.84	633,103,500.00
Cash received from issue of bonds	—	—
Other cash received relating to financing activities	30,506,552.43	94,036,359.44
Sub-total of cash inflows from financing activities	1,272,834,075.27	734,966,639.64
Cash repayments of borrowings	658,104,200.00	581,358,136.37
Cash paid for distribution of dividends, profits or interest	191,112,987.21	18,525,346.33
Including: Dividends and profits paid to non-controlling shareholders by subsidiaries	—	—
Other cash paid relating to financing activities	7,817,008.06	27,980,888.80
Sub-total of cash outflows from financing activities	857,034,195.27	627,864,371.50
Net cash flows from financing activities	415,799,880.00	107,102,268.14
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-34,057,402.29	2,096,337.97
V. Net increase in cash and cash equivalents	-137,030,632.34	78,636,349.88
Add: Cash and cash equivalents at the beginning of the year	1,282,115,632.59	709,835,674.68
VI. Cash and cash equivalents at the end of the year	1,145,085,000.25	788,472,024.56

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

6. Cash Flow Statement of the Parent

Unit: RMB

Item	January to June 2026	January to June 2025
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	2,175,575,398.74	2,928,747,861.73
Refunds of taxes and surcharges received	25,455,610.98	188,616,788.23
Other cash received relating to operating activities	1,293,888,901.53	319,182,452.77
Sub-total of cash inflows from operating activities	3,494,919,911.25	3,436,547,102.73
Cash paid for goods purchased and services received	3,072,610,796.92	3,243,238,910.28
Cash paid to and on behalf of employees	139,615,642.64	131,143,811.75
Payments of taxes and surcharges	3,306,116.20	2,643,841.01
Other cash paid relating to operating activities	1,350,776,288.76	283,433,810.34
Sub-total of cash outflows from operating activities	4,566,308,844.52	3,660,460,373.38
Net cash flows from operating activities	-1,071,388,933.27	-223,913,270.65
II. Cash flows from investing activities:		
Cash received from disposal of investments	2,384,571,221.67	1,015,942,000.00
Cash received from investment income	2,113,191.80	202,767,689.51
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	840,268.42	205,079.77
Net cash received from disposal of subsidiaries and other business units	—	—
Other cash received relating to investing activities	—	—
Sub-total of cash inflows from investing activities	2,387,524,681.89	1,218,914,769.28
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	20,870,647.26	48,646,583.00
Cash paid for investments	1,102,324,419.14	982,141,479.45
Net cash paid for acquisition of subsidiaries and other business units	—	—
Other cash paid relating to investing activities	—	—
Sub-total of cash outflows from investing activities	1,123,195,066.40	1,030,788,062.45
Net cash flows from investing activities	1,264,329,615.49	188,126,706.83

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Item	January to June 2026	January to June 2025
III. Cash flows from financing activities:		
Cash received from capital contributions	—	7,826,780.20
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries	—	—
Cash received from borrowings	721,358,049.74	573,103,500.00
Cash received from issue of bonds	—	—
Other cash received relating to financing activities	24,613,662.32	30,281,432.08
Sub-total of cash inflows from financing activities	745,971,712.06	611,211,712.28
Cash repayments of borrowings	606,104,200.00	354,327,800.00
Cash paid for distribution of dividends, profits or interest	185,903,741.81	14,658,949.00
Including: Dividends and profits paid to non-controlling shareholders by subsidiaries	—	—
Other cash paid relating to financing activities	2,960,296.43	22,480,713.34
Sub-total of cash outflows from financing activities	794,968,238.24	391,467,462.34
Net cash flows from financing activities	-48,996,526.18	219,744,249.94
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-27,829,129.01	-638,031.83
V. Net increase in cash and cash equivalents	116,115,027.03	183,319,654.29
Add: Cash and cash equivalents at the beginning of the year	703,929,007.90	562,285,427.28
VI. Cash and cash equivalents at the end of the year	820,044,034.93	745,605,081.57

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

7. Consolidated Statement of Changes in Shareholders' Equity Current period amounts

Unit : RMB

January to June 2026 (Unaudited)										
Item	Equity attributable to shareholders of the parent company									Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interests		
I. Balance at the end of prior year	899,265,844.00	3,119,230,724.72	58,099,491.54	165,968,843.85	-	244,193,309.27	1,889,123,130.81	7,807,867.55	6,267,490,228.66	
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	
Corrections of prior-period errors	-	-	-	-	-	-	-	-	-	
Business combinations under common control	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
II. Balance at the beginning of the year	899,265,844.00	3,119,230,724.72	58,099,491.54	165,968,843.85	-	244,193,309.27	1,889,123,130.81	7,807,867.55	6,267,490,228.66	
III. Changes for the year (decreases to be presented with "-")	-	547,776.97	-157,044.00	-38,833,771.29	-	-	-147,992,615.77	10,916,878.61	-175,204,687.48	
(I) Total comprehensive income	-	-	-	-38,833,771.29	-	-	61,824,266.04	10,916,878.61	33,907,373.36	
(II) Capital contributed and reduced by shareholders	-	547,776.97	-157,044.00	-	-	-	-	-	704,820.97	
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	
3. Amount of share-based payments recognised in shareholders' equity	-	547,776.97	-	-	-	-	-	-	547,776.97	
4. Others	-	-	-157,044.00	-	-	-	-	-	157,044.00	
(III) Profit distribution	-	-	-	-	-	-	-209,816,881.81	-	-209,816,881.81	
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-	-	
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	-	
3. Distributions to shareholders	-	-	-	-	-	-	-209,816,881.81	-	-209,816,881.81	
4. Others	-	-	-	-	-	-	-	-	-	

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

January to June 2026 (Unaudited)								
Item	Equity attributable to shareholders of the parent company							
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interests
Total shareholders' equity								
(IV) Internal transfers within shareholders' equity	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-
2. Capitalisation of surplus reserve into share capital	-	-	-	-	-	-	-	-
3. Making up losses	-	-	-	-	-	-	-	-
4. Transfer of changes in defined benefit plans to retained earnings	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-
1. Appropriation for the current period	-	-	-	-	-	-	-	-
2. Utilisation in the current period	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-
IV. Balance at the end of the year	899,265,844.00	3,119,778,501.69	57,942,447.54	127,135,072.56	-	244,193,309.27	1,741,130,515.04	18,724,746.16
								6,092,285,541.18

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Prior period amounts

January to June 2025 (Unaudited)											Unit : RMB
Item	Equity attributable to shareholders of the parent company										
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interests	Total shareholders' equity		
I. Balance at the end of prior year	765,564,863.00	689,995,046.39	76,758,475.44	172,268,988.82	-	194,659,622.54	1,858,605,130.73	8,625,714.88	3,612,960,890.92		
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-		
Corrections of prior-period errors	-	-	-	-	-	-	-	-	-		
Business combinations under common control	-	-	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-	-	-		
II. Balance at the beginning of the year	765,564,863.00	689,995,046.39	76,758,475.44	172,268,988.82	-	194,659,622.54	1,858,605,130.73	8,625,714.88	3,612,960,890.92		
III. Changes for the year (decreases to be presented with "-")	-111,321.00	11,856,826.97	-5,683,948.88	-1,042,920.93	-	-	-49,087,275.99	579,599.64	-32,121,242.43		
(I) Total comprehensive income	-	-	-	-1,042,920.93	-	-	217,901,677.71	579,599.64	217,438,356.42		
(II) Capital contributed and reduced by shareholders	-111,321.00	11,856,826.97	-5,683,948.88	-	-	-	-	-	17,429,354.85		
1. Ordinary shares contributed by shareholders	481,263.00	7,345,517.20	-	-	-	-	-	-	7,826,780.20		
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-		
3. Amount of share-based payments recognised in shareholders' equity	-	2,109,893.15	-	-	-	-	-	-	2,109,893.15		
4. Others	-592,584.00	2,401,416.62	-5,683,948.88	-	-	-	-	-	7,492,681.50		
(III) Profit distribution	-	-	-	-	-	-	-266,988,953.70	-	-266,988,953.70		
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-	-		
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	-		
3. Distributions to shareholders	-	-	-	-	-	-	-266,988,953.70	-	-266,988,953.70		
4. Others	-	-	-	-	-	-	-	-	-		

Notes to the Financial Statements

January to June 2025 (Unaudited)									
Equity attributable to shareholders of the parent company									
Item	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interests	Total shareholders' equity
(IV) Internal transfers within shareholders' equity									
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-
2. Capitalisation of surplus reserve into share capital	-	-	-	-	-	-	-	-	-
3. Making up losses	-	-	-	-	-	-	-	-	-
4. Transfer of changes in defined benefit plans to retained earnings	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-
(V) Special reserve									
1. Appropriation for the current period	-	-	-	-	-	-	-	-	-
2. Utilisation in the current period	-	-	-	-	-	-	-	-	-
(VI) Others									
IV. Balance at the end of the year	765,453,542.00	701,851,873.36	71,074,626.56	171,226,067.89	-	194,659,622.54	1,809,517,854.74	9,205,314.52	3,580,839,648.49

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

8. Company Statement of Changes in Shareholders' Equity

Current period amounts

Unit : RMB

Item	January to June 2026 (Unaudited)							Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. Balance at the end of prior year	899,265,844.00	3,086,082,525.84	58,099,491.54	6,888,874.04	-	244,193,309.27	1,291,507,019.37	5,469,638,080.98
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Corrections of prior-period errors	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	899,265,844.00	3,086,082,525.84	58,099,491.54	6,888,874.04	-	244,193,309.27	1,291,507,019.37	5,469,638,080.98
III. Changes for the year (decreases to be presented with "-")	-	-	-157,044.00	-	-	-	-134,747,258.93	-134,590,214.93
(I) Total comprehensive income	-	-	-	-	-	-	75,069,622.88	75,069,622.88
(II) Capital contributed and reduced by shareholders	-	-	-157,044.00	-	-	-	-	157,044.00
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-
3. Amount of share-based payments recognised in shareholders' equity	-	-	-	-	-	-	-	-
4. Others	-	-	-157,044.00	-	-	-	-	157,044.00
(III) Profit distribution	-	-	-	-	-	-	-209,816,881.81	-209,816,881.81
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-209,816,881.81	-209,816,881.81
4. Others	-	-	-	-	-	-	-	-

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Item	January to June 2026 (Unaudited)							Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	comprehensive income	Special reserve	Surplus reserve	Retained earnings	
(IV) Internal transfers within shareholders' equity								
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-
2. Capitalisation of surplus reserve into share capital	-	-	-	-	-	-	-	-
3. Making up losses	-	-	-	-	-	-	-	-
4. Transfer of changes in defined benefit plans to retained earnings	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-
(V) Special reserve								
1. Appropriation for the current period	-	-	-	-	-	-	-	-
2. Utilisation in the current period	-	-	-	-	-	-	-	-
(VI) Others								
IV. Balance at the end of the year	899,265,944.00	3,086,082,525.84	57,942,447.54	6,689,874.04	-	244,193,309.27	1,156,759,760.44	5,335,047,866.05

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Prior period amounts

Unit : RMB

Item	January to June 2025 (Unaudited)							Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	comprehensive income	Other income	Special reserve	Surplus reserve	
I. Balance at the end of prior year	765,564,863.00	665,984,710.56	76,758,475.44	6,688,874.04	-	-	194,659,622.54	2,668,832,387.21
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Corrections of prior-period errors	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	765,564,863.00	665,984,710.56	76,758,475.44	6,688,874.04	-	-	194,659,622.54	2,668,832,387.21
III. Changes for the year (decreases to be presented with "-")	-111,321.00	3,656,085.94	-5,683,848.88	-	-	-	-160,124,179.18	-150,895,565.36
(I) Total comprehensive income	-	-	-	-	-	-	106,864,774.52	106,864,774.52
(II) Capital contributed and reduced by shareholders	-111,321.00	3,656,085.94	-5,683,848.88	-	-	-	-	9,228,613.82
1. Ordinary shares contributed by shareholders	481,263.00	7,345,517.20	-	-	-	-	-	7,826,780.20
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-
3. Amount of share-based payments recognised in shareholders' equity	-	1,401,833.62	-	-	-	-	-	1,401,833.62
4. Others	-592,584.00	-5,091,264.88	-5,683,848.88	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-266,988,953.70	-266,988,953.70
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-
2. Appropriation to general risk reserve	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-266,988,953.70	-266,988,953.70
4. Others	-	-	-	-	-	-	-	-

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

Item	January to June 2025 (Unaudited)						Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	comprehensive income	Other	Special reserve	
(IV) Internal transfers within shareholders' equity	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-
2. Capitalisation of surplus reserve into share capital	-	-	-	-	-	-	-
3. Making up losses	-	-	-	-	-	-	-
4. Transfer of changes in defined benefit plans to retained earnings	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-
1. Appropriation for the current period	-	-	-	-	-	-	-
2. Utilisation in the current period	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
IV. Balance at the end of the year	765,453,542.00	669,640,796.50	71,074,626.56	6,688,874.04	194,659,622.54	952,568,613.33	2,517,936,821.85

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

III. GENERAL INFORMATION OF THE COMPANY

Fibocom Wireless Inc. (hereinafter referred to as the “Company”) was formerly known as Shenzhen G&T Industrial Development Co., Ltd. and was established on 11 November 1999. It was registered with the Shenzhen Administration for Market Regulation under unified social credit code 9144030071524640XY and was restructured as a joint stock company in December 2014. In March 2017, with the approval of the China Securities Regulatory Commission under the “Reply on Approving the Initial Public Offering of Shares by Fibocom Wireless Inc.” (ZJXK [2017] No. 366), the Company issued 20,000,000 ordinary A shares to the public at an issue price of RMB10.45 per share and was listed on the ChiNext Market of the Shenzhen Stock Exchange. With the approval of The Stock Exchange of Hong Kong Limited, 135,080,200 H shares issued by the Company were listed and commenced trading on the Main Board of the Hong Kong Stock Exchange on 22 October 2025.

As at 30 June 2026, the Company had total share capital of 899,265,844 shares. The legal representative of the Company is Zhang Tianyu, and its headquarters is located at Room 1101, Block A, Building 6, Shenzhen International Innovation Valley, Dashi 1st Road, Nanshan District, Shenzhen.

The Company has established a corporate governance structure comprising the general meeting of shareholders, the board of directors and the supervisory board, and has set up departments including sales, procurement, research and development, and finance.

Nature of business and principal operating activities of the Company and its subsidiaries (collectively, the “Group”): the Group is principally engaged in the design, research and development, and sale of wireless communication modules and communication solutions for related application industries. With wireless communications and artificial intelligence as its technology foundation, the Group provides full-stack solutions integrating hardware and software to empower industry applications. Its module products include data transmission modules, smart modules and AI modules. Building on these module products and its in-depth understanding of downstream application scenarios, the Group also provides customised solutions, including edge AI solutions, robotics solutions and other solutions. The Group’s module products and solutions are widely used in industries undergoing digital and intelligent transformation, including automotive electronics, smart homes, consumer electronics, smart retail, the low-altitude economy and robotics.

These financial statements and the notes thereto were approved by the twenty-eighth meeting of the fourth session of the Board of Directors of the Company on 26 August 2026.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

IV. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and the related application guidance, interpretations and other relevant regulations issued by the Ministry of Finance (collectively, “China Accounting Standards for Business Enterprises”). The related financial information is also disclosed in accordance with the “Rules for the Compilation and Submission of Information Disclosures by Companies that Offer Securities to the Public No. 15 – General Provisions on Financial Reports (2023 Revision)” issued by the China Securities Regulatory Commission and the applicable disclosure requirements of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

These financial statements have been presented on a going concern basis.

The Company’s accounting is based on the accrual basis. Except for certain financial instruments, these financial statements have been prepared on the historical cost basis of measurement. Where an asset is impaired, a corresponding provision for impairment is made in accordance with the relevant requirements.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Company determines its policies for depreciation of fixed assets, amortisation of intangible assets, capitalisation criteria for research and development expenditure and revenue recognition in the light of its own characteristics of production and operation. For the specific accounting policies, please refer to Note V.15, Note V.18, Note V.19 and Note V.25.

1. Statement of compliance with the Accounting Standards for Business Enterprises

These financial statements comply with the requirements of China Accounting Standards for Business Enterprises and present truthfully and completely the consolidated and Company financial position as at 30 June 2026, and the consolidated and Company results of operations and cash flows for January to June 2026.

2. Accounting period

The accounting period of the Company is the calendar year, i.e. from 1 January to 31 December each year.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

3. Operating cycle

The operating cycle of the Company is 12 months.

4. Functional currency

The Company and its domestic subsidiaries adopt Renminbi (RMB) as their functional currency. The Company's overseas subsidiaries determine their functional currencies on the basis of the primary economic environment in which they operate, and their financial statements are translated into RMB when the financial statements are prepared. The currency adopted by the Company in preparing these financial statements is RMB.

5. Method for determining the materiality criteria and the basis of selection

Item	Materiality criterion
Material receivables and payables for which bad debt provision is made on an individual basis	The amount of a receivable or payable for which bad debt provision is made on an individual basis accounts for $\geq 0.5\%$ of the Company's consolidated net assets
Material construction in progress	The amount of an individual construction in progress project accounts for $\geq 1\%$ of the Company's consolidated net assets
Material investing activity items	The amount of an individual investing activity accounts for $\geq 1\%$ of the Company's consolidated net assets
Material research and development projects	The closing balance of an individual project accounts for $\geq 1\%$ of the Company's consolidated net assets
Material joint ventures or associates	The investment income recognised in respect of an individual entity accounts for $\geq 10\%$ of the Company's consolidated profit before tax

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

6. Accounting treatment of business combinations involving entities under common control and business combinations not involving entities under common control

(1) *Business combinations involving entities under common control*

For a business combination involving entities under common control, the assets and liabilities of the combined party acquired by the combining party in the combination are measured at their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the consideration for the combination and the carrying amount of the net assets acquired in the combination is adjusted against capital reserve; where the capital reserve is insufficient to absorb the difference, the excess is adjusted against retained earnings.

Business combinations involving entities under common control achieved in stages through multiple transactions

The assets and liabilities of the combined party acquired by the combining party in the combination are measured at their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date; the difference between the sum of the carrying amount of the investment held before the combination and the carrying amount of the consideration newly paid at the combination date and the carrying amount of the net assets acquired in the combination is adjusted against capital reserve, and where the capital reserve is insufficient to absorb the difference, the excess is adjusted against retained earnings. For the long-term equity investment held by the combining party before it obtained control over the combined party, the related profit or loss, other comprehensive income and other changes in owners' equity that have been recognised during the period from the later of the date on which the original equity interest was acquired and the date on which the combining party and the combined party came under the common ultimate control of the same party to the combination date are respectively offset against the opening retained earnings of the comparative reporting period or profit or loss for the current period.

(2) *Business combinations not involving entities under common control*

For a business combination not involving entities under common control, the cost of combination is the fair value, at the acquisition date, of the assets paid, the liabilities incurred or assumed and the equity securities issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the assets, liabilities and contingent liabilities of the acquiree acquired are recognised at fair value.

The excess of the cost of combination over the acquirer's share of the fair value of the identifiable net assets of the acquiree acquired in the combination is recognised as goodwill, which is subsequently measured at cost less accumulated impairment losses; the excess of the acquirer's share of the fair value of the identifiable net assets of the acquiree acquired in the combination over the cost of combination is recognised in profit or loss for the current period after reassessment.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

6. Accounting treatment of business combinations involving entities under common control and business combinations not involving entities under common control *(Continued)*

(2) **Business combinations not involving entities under common control** *(Continued)*

Business combinations not involving entities under common control achieved in stages through multiple transactions

The cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the equity interest in the acquiree held immediately before the acquisition date. The equity interest in the acquiree held immediately before the acquisition date is remeasured at its fair value at the acquisition date, and the difference between the fair value and its carrying amount is recognised in investment income for the current period; other comprehensive income and changes in other owners' equity relating to the equity interest in the acquiree held before the acquisition date are transferred to profit or loss for the period in which the acquisition date falls, except for other comprehensive income arising from changes in the net liabilities or net assets of a defined benefit plan remeasured by the investee and other comprehensive income relating to investments in non-trading equity instruments previously designated as at fair value through other comprehensive income.

(3) **Treatment of transaction costs relating to business combinations**

Intermediary fees, such as fees for auditing, legal services and valuation and advisory services, and other related administrative expenses incurred for a business combination are recognised in profit or loss for the current period when incurred. Transaction costs of the equity securities or debt securities issued as consideration for the combination are included in the initially recognised amount of the equity securities or debt securities.

7. Criteria for determining control and method of preparing the consolidated financial statements

(1) **Criteria for determining control**

The scope of consolidation of the consolidated financial statements is determined on the basis of control. Control means that the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement in the relevant activities of the investee, and has the ability to affect the amount of those returns through its power over the investee. Where changes in the relevant facts and circumstances give rise to changes in the relevant elements involved in the definition of control, the Company will perform a reassessment.

In determining whether a structured entity should be included in the scope of consolidation, the Company assesses whether it controls the structured entity on the basis of all relevant facts and circumstances, including assessing the purpose and design of the structured entity, identifying the types of variable returns, and determining whether it bears part or all of the variability of returns through its involvement in the relevant activities of the structured entity.

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

7. Criteria for determining control and method of preparing the consolidated financial statements *(Continued)*

(2) Method of preparing the consolidated financial statements

The consolidated financial statements are prepared by the Company on the basis of the financial statements of the Company and its subsidiaries and other relevant information. In preparing the consolidated financial statements, the accounting policies and accounting periods of the Company and its subsidiaries are required to be consistent, and significant transactions and balances between the companies within the Group are eliminated.

For a subsidiary or business acquired through a business combination involving entities under common control during the reporting period, it is deemed to have been included in the scope of consolidation of the Company from the date on which it came under the control of the ultimate controlling party, and its results of operations and cash flows from the date on which it came under the control of the ultimate controlling party are included in the consolidated income statement and the consolidated cash flow statement respectively.

For a subsidiary or business acquired through a business combination not involving entities under common control during the reporting period, the income, expenses and profits of such subsidiary or business from the acquisition date to the end of the reporting period are included in the consolidated income statement, and its cash flows are included in the consolidated cash flow statement.

The portion of the shareholders' equity of a subsidiary that is not attributable to the Company is presented separately as non-controlling interests under shareholders' equity in the consolidated balance sheet; the portion of the net profit or loss of a subsidiary for the current period attributable to non-controlling interests is presented as "Profit or loss attributable to non-controlling interests" under the net profit item in the consolidated income statement. Where the losses of a subsidiary borne by non-controlling shareholders exceed the non-controlling shareholders' share of the opening balance of owners' equity of that subsidiary, the excess is still offset against non-controlling interests.

(3) Acquisition of equity interests held by non-controlling shareholders of subsidiaries

The difference between the cost of the long-term equity investment newly acquired as a result of the acquisition of a non-controlling interest and the share of the net assets of the subsidiary calculated continuously from the acquisition date or the combination date in proportion to the additional shareholding acquired, and the difference between the consideration received from the partial disposal of an equity investment in a subsidiary without loss of control and the corresponding share of the net assets of the subsidiary calculated continuously from the acquisition date or the combination date attributable to the disposed long-term equity investment, are both adjusted against capital reserve in the consolidated balance sheet; where the capital reserve is insufficient to absorb such difference, the excess is adjusted against retained earnings.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

7. Criteria for determining control and method of preparing the consolidated financial statements *(Continued)*

(4) Treatment of loss of control over a subsidiary

Where control over a former subsidiary is lost as a result of the disposal of part of an equity investment or for other reasons, the remaining equity interest is remeasured at its fair value at the date on which control is lost; the difference between the sum of the consideration received from the disposal of the equity interest and the fair value of the remaining equity interest, less the sum of the share of the carrying amount of the net assets of the former subsidiary calculated continuously from the acquisition date in proportion to the original shareholding and goodwill, is recognised in investment income for the period in which control is lost.

Other comprehensive income relating to the equity investment in the former subsidiary shall, upon the loss of control, be accounted for on the same basis as would have been required if the former subsidiary had directly disposed of the related assets or liabilities, and changes in other owners' equity relating to the former subsidiary accounted for under the equity method shall be transferred to profit or loss for the current period upon the loss of control.

8. Classification of joint arrangements and accounting treatment of joint operations

A joint arrangement is an arrangement of which two or more parties have joint control. The joint arrangements of the Company are classified into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the Company has rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognises the following items in relation to its interest in a joint operation, and accounts for them in accordance with the requirements of the relevant Accounting Standards for Business Enterprises:

- A. its assets, including its share of any assets held jointly;
- B. its liabilities, including its share of any liabilities incurred jointly;
- C. its revenue from the sale of its share of the output arising from the joint operation;
- D. its share of the revenue from the sale of the output by the joint operation;
- E. its expenses, including its share of any expenses incurred jointly by the joint operation.

(2) Joint ventures

A joint venture is a joint arrangement whereby the Company has rights only to the net assets of the arrangement.

The Company accounts for its investments in joint ventures in accordance with the requirements applicable to the equity method of accounting for long-term equity investments.

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

9. Criteria for determining cash and cash equivalents

Cash comprises cash on hand and deposits that are readily available for payment. Cash equivalents are investments held by the Company that are short-term, highly liquid, readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

10. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions of the Company are translated into the functional currency at the spot exchange rate prevailing at the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated at the spot exchange rate at the balance sheet date. Exchange differences arising from differences between the spot exchange rate at the balance sheet date and the spot exchange rate at the date of initial recognition or at the previous balance sheet date are recognised in profit or loss for the current period; foreign currency non-monetary items measured at historical cost continue to be translated at the spot exchange rate prevailing at the date of the transaction; foreign currency non-monetary items measured at fair value are translated at the spot exchange rate prevailing at the date on which the fair value is determined, and the difference between the translated amount in the functional currency and the original amount in the functional currency is recognised in profit or loss for the current period or in other comprehensive income according to the nature of the non-monetary item.

(2) Translation of foreign currency financial statements

At the balance sheet date, when the foreign currency financial statements of overseas subsidiaries are translated, the asset and liability items in the balance sheet are translated at the spot exchange rate at the balance sheet date, and the shareholders' equity items, other than "Undistributed profits", are translated at the spot exchange rates prevailing at the dates on which they arose.

The income and expense items in the income statement are translated at the spot exchange rates prevailing at the dates of the transactions.

All items in the cash flow statement are translated at the spot exchange rates prevailing at the dates of the cash flows. The effect of exchange rate changes on cash is presented separately as a reconciling item in the cash flow statement under the item "Effect of foreign exchange rate changes on cash and cash equivalents".

The differences arising from the translation of the financial statements are presented under the item "Other comprehensive income" within the shareholders' equity items in the balance sheet.

On disposal of a foreign operation resulting in the loss of control, the exchange differences on translation of foreign currency financial statements relating to that foreign operation presented under the shareholders' equity items in the balance sheet are transferred, in full or in proportion to the interest in the foreign operation disposed of, to profit or loss for the period in which the disposal takes place.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

(1) *Recognition and derecognition of financial instruments*

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

A financial asset is derecognised when one of the following conditions is met:

- (1) the contractual rights to receive the cash flows from the financial asset expire;
- (2) the financial asset has been transferred and the transfer satisfies the conditions for derecognition of transfers of financial assets set out below.

A financial liability, or part of it, is derecognised when the present obligation of the financial liability has been discharged in whole or in part. Where the Company (as debtor) and a creditor enter into an agreement to replace an existing financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are substantially different from those of the existing financial liability, the existing financial liability is derecognised and the new financial liability is recognised at the same time.

Financial assets bought or sold in a regular way are recognised and derecognised on a trade date basis.

(2) *Classification and measurement of financial assets*

On initial recognition, the Company classifies financial assets into the following three categories on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition. For financial assets at fair value through profit or loss, the related transaction costs are recognised directly in profit or loss for the current period; for financial assets of other categories, the related transaction costs are included in the initially recognised amount. For receivables arising from the sale of products or the rendering of services that do not contain, or do not take into account, a significant financing component, the Company takes the amount of consideration to which it expects to be entitled as the initially recognised amount.

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(2) *Classification and measurement of financial assets (Continued)*

Financial assets at amortised cost

The Company classifies a financial asset that meets both of the following conditions and has not been designated as at fair value through profit or loss as a financial asset at amortised cost:

- the Company's business model for managing the financial asset is to hold the financial asset in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets are measured at amortised cost using the effective interest method. Gains or losses arising from a financial asset measured at amortised cost that is not part of any hedging relationship are recognised in profit or loss for the current period upon derecognition, amortisation using the effective interest method or recognition of impairment.

Financial assets at fair value through other comprehensive income

The Company classifies a financial asset that meets both of the following conditions and has not been designated as at fair value through profit or loss as a financial asset at fair value through other comprehensive income:

- the Company's business model for managing the financial asset is achieved both by collecting contractual cash flows and by selling the financial asset;
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and exchange gains or losses are recognised in profit or loss for the current period, and other gains or losses are recognised in other comprehensive income. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is transferred out of other comprehensive income and recognised in profit or loss for the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(2) *Classification and measurement of financial assets (Continued)*

Financial assets at fair value through profit or loss

Apart from the financial assets measured at amortised cost and the financial assets at fair value through other comprehensive income described above, the Company classifies all other financial assets as financial assets at fair value through profit or loss. On initial recognition, in order to eliminate or significantly reduce an accounting mismatch, the Company irrevocably designates certain financial assets that would otherwise be measured at amortised cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss.

After initial recognition, such financial assets are subsequently measured at fair value, and the resulting gains or losses (including interest and dividend income) are recognised in profit or loss for the current period, unless the financial asset is part of a hedging relationship.

However, for investments in non-trading equity instruments, the Company irrevocably designates them, on initial recognition, as financial assets at fair value through other comprehensive income. Such designation is made on an investment-by-investment basis, and the relevant investments meet the definition of an equity instrument from the perspective of the issuer.

After initial recognition, such financial assets are subsequently measured at fair value. Dividend income that satisfies the relevant conditions is recognised in profit or loss, and other gains or losses and changes in fair value are recognised in other comprehensive income. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is transferred out of other comprehensive income and recognised in retained earnings.

The business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. The business model determines whether the source of the cash flows of the financial assets managed by the Company is the collection of contractual cash flows, the sale of financial assets, or both. The Company determines the business model for managing financial assets on the basis of objective facts and the specific business objectives for managing the financial assets determined by key management personnel.

The Company assesses the contractual cash flow characteristics of its financial assets in order to determine whether the contractual cash flows arising from the relevant financial assets on specified dates are solely payments of principal and interest on the principal amount outstanding. Principal refers to the fair value of the financial asset at initial recognition; interest comprises consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period, and for other basic lending risks, costs and profit. In addition, the Company assesses contractual terms that may change the timing or amount of the contractual cash flows of a financial asset in order to determine whether they meet the requirements of the above contractual cash flow characteristics.

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(2) **Classification and measurement of financial assets** *(Continued)*

Financial assets at fair value through profit or loss (Continued)

Only when the Company changes its business model for managing financial assets are all affected financial assets reclassified on the first day of the first reporting period following the change in the business model; otherwise, financial assets shall not be reclassified after initial recognition.

(3) **Classification and measurement of financial liabilities**

On initial recognition, the financial liabilities of the Company are classified into: financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. For financial liabilities that are not classified as at fair value through profit or loss, the related transaction costs are included in their initially recognised amounts.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise held-for-trading financial liabilities and financial liabilities designated, on initial recognition, as at fair value through profit or loss. Such financial liabilities are subsequently measured at fair value, and gains or losses arising from changes in fair value, together with dividends and interest expenses relating to such financial liabilities, are recognised in profit or loss for the current period.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, and gains or losses arising from derecognition or amortisation are recognised in profit or loss for the current period.

Distinction between financial liabilities and equity instruments

A financial liability is a liability that meets any of the following conditions:

- (1) a contractual obligation to deliver cash or another financial asset to another party.
- (2) a contractual obligation to exchange financial assets or financial liabilities with another party under potentially unfavourable conditions.
- (3) a non-derivative contract that will or may be settled in the enterprise's own equity instruments, under which the enterprise will deliver a variable number of its own equity instruments.
- (4) a derivative contract that will or may be settled in the enterprise's own equity instruments, other than a derivative contract that will be settled by exchanging a fixed amount of cash or another financial asset for a fixed number of the enterprise's own equity instruments.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(3) **Classification and measurement of financial liabilities** *(Continued)*

Distinction between financial liabilities and equity instruments (Continued)

An equity instrument is a contract that evidences a residual interest in the assets of an enterprise after deducting all of its liabilities.

If the Company cannot unconditionally avoid settling a contractual obligation by delivering cash or another financial asset, that contractual obligation meets the definition of a financial liability.

If a financial instrument will or may be settled in the Company's own equity instruments, it is necessary to consider whether the Company's own equity instruments used to settle the instrument serve as a substitute for cash or another financial asset, or serve to entitle the holder of the instrument to a residual interest in the assets of the issuer after deducting all of its liabilities. In the former case, the instrument is a financial liability of the Company; in the latter case, the instrument is an equity instrument of the Company.

(4) **Derivative financial instruments and embedded derivatives**

Derivative financial instruments are initially measured at fair value on the date on which the derivative transaction contract is entered into, and are subsequently measured at fair value. A derivative financial instrument with a positive fair value is recognised as an asset, and one with a negative fair value is recognised as a liability. Any gain or loss arising from changes in fair value that does not qualify for hedge accounting is recognised directly in profit or loss for the current period.

For a hybrid instrument that contains an embedded derivative, where the host contract is a financial asset, the hybrid instrument as a whole is subject to the relevant requirements for the classification of financial assets. Where the host contract is not a financial asset, the hybrid instrument is not accounted for at fair value through profit or loss, the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract, and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, the embedded derivative is separated from the hybrid instrument and accounted for as a stand-alone derivative financial instrument. Where the embedded derivative cannot be measured separately either at acquisition or at a subsequent balance sheet date, the hybrid instrument as a whole is designated as a financial asset or financial liability at fair value through profit or loss.

(5) **Fair value of financial instruments**

The methods for determining the fair values of financial assets and financial liabilities are set out in Note V.12.

Financial Report

Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(6) Impairment of financial assets

The Company accounts for impairment and recognises a loss allowance for the following items on the basis of expected credit losses:

- financial assets at amortised cost;
- receivables and debt instrument investments at fair value through other comprehensive income;
- contract assets as defined in “Accounting Standard for Business Enterprises No. 14 — Revenue”;
- lease receivables;
- financial guarantee contracts (other than those measured at fair value through profit or loss, those arising from transfers of financial assets that do not qualify for derecognition, and those arising from continuing involvement in transferred financial assets).

Measurement of expected credit losses

Expected credit losses are the weighted average of credit losses on financial instruments, with the respective risks of a default occurring as the weights. Credit losses are the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, i.e. the present value of all cash shortfalls.

The Company recognises expected credit losses by taking into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, and by calculating, with the respective risks of a default occurring as the weights, the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the cash flows expected to be received.

The Company measures expected credit losses separately for financial instruments at different stages. Where the credit risk of a financial instrument has not increased significantly since initial recognition, the financial instrument is at Stage 1 and the Company measures the loss allowance at an amount equal to the expected credit losses within the next 12 months; where the credit risk of a financial instrument has increased significantly since initial recognition but the financial instrument is not yet credit-impaired, the financial instrument is at Stage 2 and the Company measures the loss allowance at an amount equal to the lifetime expected credit losses of the instrument; where a financial instrument has become credit-impaired since initial recognition, the financial instrument is at Stage 3 and the Company measures the loss allowance at an amount equal to the lifetime expected credit losses of the instrument.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(6) *Impairment of financial assets (Continued)*

Measurement of expected credit losses (Continued)

For financial instruments with low credit risk at the balance sheet date, the Company assumes that their credit risk has not increased significantly since initial recognition and measures the loss allowance at an amount equal to the expected credit losses within the next 12 months.

Lifetime expected credit losses are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. Expected credit losses within the next 12 months are the expected credit losses resulting from default events on a financial instrument that are possible within the 12 months after the balance sheet date (or, if the expected life of the financial instrument is less than 12 months, over its expected life), and represent a portion of the lifetime expected credit losses.

In measuring expected credit losses, the maximum period the Company considers is the maximum contractual period over which the enterprise is exposed to credit risk (including consideration of extension options).

For financial instruments at Stage 1 and Stage 2 and those with low credit risk, the Company calculates interest income on the basis of the gross carrying amount before deducting the impairment allowance and the effective interest rate. For financial instruments at Stage 3, the Company calculates interest income on the basis of the amortised cost, being the gross carrying amount less the impairment allowance recognised, and the effective interest rate.

For receivables such as notes receivable, accounts receivable, receivables financing and other receivables, where the credit risk characteristics of a particular customer are significantly different from those of the other customers in the portfolio, or where the credit risk characteristics of that customer have changed significantly, the Company makes bad debt provision for that receivable on an individual basis. Apart from receivables for which bad debt provision is made on an individual basis, the Company groups receivables into portfolios based on credit risk characteristics and calculates bad debt provision on a portfolio basis.

Notes receivable and accounts receivable

For notes receivable and accounts receivable, whether or not they contain a significant financing component, the Company always measures the loss allowance at an amount equal to the lifetime expected credit losses.

Where the information about expected credit losses on an individual financial asset cannot be assessed at a reasonable cost, the Company groups notes receivable and accounts receivable into portfolios based on credit risk characteristics and calculates expected credit losses on a portfolio basis. The bases for determining the portfolios are as follows:

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(6) **Impairment of financial assets** *(Continued)*

Notes receivable and accounts receivable (Continued)

A. Notes receivable

- Notes receivable portfolio 1: Bank acceptance bills
- Notes receivable portfolio 2: Commercial acceptance bills

B. Accounts receivable

- Accounts receivable portfolio 1: Portfolio of balances with related parties within the scope of consolidation
- Accounts receivable portfolio 2: Receivables from other customers

For notes receivable grouped into portfolios, the Company calculates expected credit losses by reference to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, and by using the exposure at default and the lifetime expected credit loss rate.

For accounts receivable grouped into portfolios, the Company calculates expected credit losses by reference to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, and by preparing a comparison table of the ageing of accounts receivable and the lifetime expected credit loss rates. The ageing of accounts receivable is calculated from the date of recognition.

Other receivables

The Company groups other receivables into a number of portfolios based on credit risk characteristics and calculates expected credit losses on a portfolio basis. The bases for determining the portfolios are as follows:

- Other receivables portfolio 1: Portfolio of balances with related parties within the scope of consolidation
- Other receivables portfolio 2: Portfolio of export tax refunds receivable
- Other receivables portfolio 3: Portfolio of deposits and guarantee deposits receivable
- Other receivables portfolio 4: Portfolio of receivables from related parties and other investments
- Other receivables portfolio 5: Portfolio of current account balances and other characteristics

For other receivables grouped into portfolios, the Company calculates expected credit losses by using the exposure at default and the expected credit loss rate for the next 12 months or the lifetime. For other receivables grouped into portfolios by ageing, the ageing is calculated from the date of recognition.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(6) **Impairment of financial assets** *(Continued)*

Debt investments and other debt investments

For debt investments and other debt investments, the Company calculates expected credit losses, according to the nature of the investments and based on the various types of counterparties and risk exposures, by using the exposure at default and the expected credit loss rate for the next 12 months or the lifetime.

Assessment of significant increases in credit risk

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument at the balance sheet date with the risk of a default occurring at the date of initial recognition, so as to determine the relative change in the risk of a default occurring over the expected life of the financial instrument.

In determining whether credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, including forward-looking information, that is available without undue additional cost or effort. The information considered by the Company includes:

- failure of the debtor to pay principal and interest by the contractual due dates;
- an actual or expected significant deterioration in the external or internal credit rating (if any) of the financial instrument;
- an actual or expected significant deterioration in the operating results of the debtor;
- existing or expected changes in the technological, market, economic or legal environment that will have a significant adverse effect on the debtor's ability to repay the Company.

Depending on the nature of the financial instruments, the Company assesses whether credit risk has increased significantly on an individual financial instrument basis or on a portfolio basis. Where the assessment is performed on a portfolio basis, the Company may classify financial instruments on the basis of common credit risk characteristics, such as past due information and credit risk ratings.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(6) **Impairment of financial assets** *(Continued)*

Credit-impaired financial assets

The Company assesses at the balance sheet date whether financial assets measured at amortised cost and debt investments at fair value through other comprehensive income are credit-impaired. A financial asset becomes credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable information:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract by the debtor, such as a default or delinquency in the payment of interest or principal;
- the Company, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that would not otherwise be granted under any other circumstances;
- it is probable that the debtor will enter bankruptcy or undergo other financial reorganisation;
- the disappearance of an active market for that financial asset because of the financial difficulty of the issuer or the debtor.

Presentation of the allowance for expected credit losses

In order to reflect changes in the credit risk of financial instruments since initial recognition, the Company remeasures expected credit losses at each balance sheet date, and the resulting increase in, or reversal of, the loss allowance shall be recognised in profit or loss for the current period as an impairment loss or gain. For financial assets measured at amortised cost, the loss allowance reduces the carrying amount of the financial asset presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Company recognises the loss allowance in other comprehensive income without reducing the carrying amount of the financial asset.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(6) **Impairment of financial assets** *(Continued)*

Write-off

If the Company no longer reasonably expects that the contractual cash flows of a financial asset will be recovered in whole or in part, it directly writes down the gross carrying amount of that financial asset. Such a write-down constitutes a derecognition of the relevant financial asset. This normally occurs when the Company determines that the debtor has no assets or sources of income capable of generating sufficient cash flows to repay the amount to be written down. However, financial assets that have been written down may still be subject to enforcement activities in accordance with the Company's procedures for recovering amounts due.

Where a financial asset previously written down is subsequently recovered, the recovery is accounted for as a reversal of impairment loss and recognised in profit or loss for the period in which the recovery occurs.

(7) **Transfer of financial assets**

A transfer of financial assets refers to the assignment or delivery of a financial asset to a party other than the issuer of that financial asset (the transferee).

Where the Company has transferred substantially all the risks and rewards of ownership of a financial asset to the transferee, it derecognises the financial asset; where the Company has retained substantially all the risks and rewards of ownership of the financial asset, it does not derecognise the financial asset.

Where the Company has neither transferred nor retained substantially all the risks and rewards of ownership of a financial asset, it is accounted for as follows: where the Company has given up control of the financial asset, it derecognises the financial asset and recognises the assets and liabilities arising therefrom; where the Company has not given up control of the financial asset, it recognises the relevant financial asset to the extent of its continuing involvement in the transferred financial asset and recognises the related liability accordingly.

(8) **Offsetting of financial assets and financial liabilities**

Where the Company has a legal right to offset recognised financial assets and financial liabilities and such legal right is currently enforceable, and the Company intends either to settle on a net basis or to realise the financial asset and settle the financial liability simultaneously, the financial asset and the financial liability are presented in the balance sheet at the net amount after offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

12. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When the Company measures a relevant asset or liability at fair value, it assumes that the orderly transaction to sell the asset or transfer the liability takes place in the principal market for the relevant asset or liability; where there is no principal market, the Company assumes that the transaction takes place in the most advantageous market for the relevant asset or liability. The principal market (or the most advantageous market) is the market that the Company can access at the measurement date. The Company uses the assumptions that market participants would use when pricing the asset or liability with the objective of maximising their economic benefits.

For a financial asset or financial liability with an active market, the Company determines its fair value using the quoted price in the active market. Where a financial instrument has no active market, the Company determines its fair value using valuation techniques.

When a non-financial asset is measured at fair value, consideration is given to a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are applicable in the current circumstances and for which sufficient available data and other information exist to support them, giving priority to the use of relevant observable inputs, and uses unobservable inputs only where observable inputs are unavailable or impracticable to obtain.

Assets and liabilities measured or disclosed at fair value in the financial statements are categorised within the fair value hierarchy on the basis of the lowest level input that is significant to the fair value measurement as a whole: Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are obtainable at the measurement date; Level 2 inputs are inputs other than Level 1 inputs that are directly or indirectly observable for the relevant asset or liability; Level 3 inputs are unobservable inputs for the relevant asset or liability.

At each balance sheet date, the Company reassesses the assets and liabilities recognised in the financial statements that are measured at fair value on a recurring basis in order to determine whether any transfers between levels of the fair value hierarchy have occurred.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

13. Inventories

(1) *Classification of inventories*

The Company's inventories are classified into materials for consignment processing, finished goods, goods shipped, materials in transit, raw materials, contract fulfilment costs, etc.

(2) *Method of measuring inventories issued*

Inventories of the Company are measured at actual cost upon acquisition. Raw materials, finished goods and materials for consignment processing, etc. are measured using the moving weighted average method when issued.

(3) *Basis for determining and method of making provision for decline in value of inventories*

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. Where the net realisable value is lower than the cost, a provision for decline in value of inventories is made.

Net realisable value is the estimated selling price of inventories less the estimated costs to be incurred to completion, the estimated selling expenses and the related taxes and surcharges. In determining the net realisable value of inventories, the Company bases its determination on conclusive evidence obtained and also takes into consideration the purpose of holding the inventories and the effect of events after the balance sheet date.

The Company normally makes provision for decline in value of inventories on an individual inventory item basis. For inventories with large quantities and low unit prices, provision for decline in value of inventories is made by category of inventories.

At the balance sheet date, where the factors that previously caused inventories to be written down have ceased to exist, the provision for decline in value of inventories is reversed to the extent of the amount previously provided.

(4) *Inventory count system*

The Company adopts the perpetual inventory system.

(5) *Amortisation method for low-value consumables*

Low-value consumables of the Company are amortised using the one-off write-off method when issued for use.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

14. Long-term equity investments

Long-term equity investments comprise equity investments in subsidiaries, joint ventures and associates. An investee over which the Company is able to exercise significant influence is an associate of the Company.

(1) *Determination of initial investment cost*

Long-term equity investments arising from business combinations: for a long-term equity investment acquired through a business combination involving entities under common control, the share of the carrying amount of the owners' equity of the party being combined in the consolidated financial statements of the ultimate controlling party at the combination date is taken as the investment cost; for a long-term equity investment acquired through a business combination not involving entities under common control, the combination cost is taken as the investment cost of the long-term equity investment.

For long-term equity investments acquired by other means: for a long-term equity investment acquired by payment of cash, the purchase consideration actually paid is taken as the initial investment cost; for a long-term equity investment acquired by issuing equity securities, the fair value of the equity securities issued is taken as the initial investment cost.

(2) *Subsequent measurement and method of recognising profit or loss*

Investments in subsidiaries are accounted for using the cost method, unless the investment satisfies the conditions for classification as held for sale; investments in associates and joint ventures are accounted for using the equity method.

For a long-term equity investment accounted for using the cost method, cash dividends or profits declared by the investee are recognised as investment income and included in profit or loss for the period, other than cash dividends or profits declared but not yet distributed that are included in the consideration or price actually paid at the time the investment was acquired.

For a long-term equity investment accounted for using the equity method, where the initial investment cost exceeds the share of the fair value of the investee's identifiable net assets attributable to the Company at the time of investment, the investment cost of the long-term equity investment is not adjusted; where the initial investment cost is less than the share of the fair value of the investee's identifiable net assets attributable to the Company at the time of investment, the carrying amount of the long-term equity investment is adjusted and the difference is recognised in profit or loss for the period in which the investment is made.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

14. Long-term equity investments *(Continued)*

(2) *Subsequent measurement and method of recognising profit or loss (Continued)*

When the equity method is adopted, investment income and other comprehensive income are recognised respectively based on the share of the investee's net profit or loss and other comprehensive income to be enjoyed or borne, and the carrying amount of the long-term equity investment is adjusted accordingly; the carrying amount of the long-term equity investment is reduced correspondingly by the portion attributable to the Company calculated on the basis of the profits or cash dividends declared by the investee; for other changes in the owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution, the carrying amount of the long-term equity investment is adjusted and the amount is included in capital reserve (other capital reserve). In recognising the share of the investee's net profit or loss, such share is recognised after adjusting the investee's net profit on the basis of the fair values of the investee's identifiable assets, etc. at the time the investment was acquired and in accordance with the Company's accounting policies and accounting periods.

Where, as a result of additional investment or other reasons, the Company is able to exercise significant influence or joint control over, but not control of, an investee, the sum of the fair value of the previously held equity interest plus the cost of the additional investment is taken, at the date of conversion, as the initial investment cost under the equity method. Where the previously held equity interest was classified as a non-trading equity instrument investment measured at fair value through other comprehensive income, the accumulated changes in fair value relating thereto that were previously included in other comprehensive income are transferred to retained earnings upon the change to the equity method.

Where the Company loses joint control of or significant influence over an investee as a result of the disposal of part of an equity investment or other reasons, the remaining equity interest after the disposal is accounted for in accordance with "Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments" from the date on which joint control or significant influence is lost, and the difference between its fair value and its carrying amount is recognised in profit or loss for the period. Other comprehensive income recognised in respect of the original equity investment under the equity method is accounted for, upon discontinuation of the equity method, on the same basis as would have been applicable had the investee directly disposed of the related assets or liabilities; other changes in owners' equity relating to the original equity investment are transferred to profit or loss for the period.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

14. Long-term equity investments *(Continued)*

(2) *Subsequent measurement and method of recognising profit or loss (Continued)*

Where the Company loses control of an investee as a result of the disposal of part of an equity investment or other reasons and the remaining equity interest after the disposal enables the Company to exercise joint control or significant influence over the investee, the equity method is adopted and the remaining equity interest is adjusted as if it had been accounted for using the equity method from the date of acquisition; where the remaining equity interest after the disposal does not enable the Company to exercise joint control or significant influence over the investee, it is accounted for in accordance with the relevant provisions of “Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”, and the difference between its fair value and its carrying amount at the date on which control is lost is recognised in profit or loss for the period.

Where the Company’s shareholding percentage decreases as a result of a capital increase by other investors and, as a result, the Company loses control of the investee but is able to exercise joint control or significant influence over it, the Company recognises, based on the new shareholding percentage, its share of the increase in the investee’s net assets arising from the capital increase and share expansion, and the difference between such share and the original carrying amount of the long-term equity investment corresponding to the portion of the decrease in shareholding percentage to be transferred out is recognised in profit or loss for the period; thereafter, adjustments are made based on the new shareholding percentage as if the equity method had been adopted from the date the investment was acquired.

Unrealised gains or losses on internal transactions between the Company and its associates and joint ventures are recognised as investment income or loss on an offsetting basis, to the extent of the portion attributable to the Company calculated according to the shareholding percentage. However, unrealised losses on internal transactions between the Company and the investee that represent impairment losses on the assets transferred are not offset.

(3) *Basis for determining joint control of or significant influence over an investee*

Joint control refers to the sharing of control over an arrangement in accordance with the relevant agreement, whereby decisions on the relevant activities of the arrangement require the unanimous consent of the parties sharing control. In determining whether joint control exists, it is first determined whether the arrangement is collectively controlled by all the parties or by a group of the parties, and then whether decisions on the relevant activities of the arrangement require the unanimous consent of those parties that collectively control the arrangement. Where all the parties or a group of the parties must act in concert in order to decide on the relevant activities of an arrangement, all the parties or that group of parties are regarded as collectively controlling the arrangement; where two or more combinations of parties are able to collectively control an arrangement, joint control does not exist. Protective rights held are not taken into account in determining whether joint control exists.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

14. Long-term equity investments *(Continued)*

(3) ***Basis for determining joint control of or significant influence over an investee*** *(Continued)*

Significant influence refers to the power of an investor to participate in the decision-making on the financial and operating policies of an investee, but not to control, or jointly control with other parties, the formulation of such policies. In determining whether significant influence can be exercised over an investee, consideration is given to the voting shares of the investee held directly or indirectly by the investor, as well as to the effect of currently exercisable potential voting rights held by the investor and other parties assuming their conversion into equity interests in the investee, including the effect of currently convertible warrants, share options and convertible corporate bonds, etc. issued by the investee.

Where the Company directly, or indirectly through its subsidiaries, holds 20% (inclusive of 20%) or more but less than 50% of the voting shares of an investee, it is generally considered to have significant influence over the investee, unless there is clear evidence that in such circumstances it cannot participate in the production and operating decisions of the investee and therefore does not have significant influence; where the Company holds less than 20% (exclusive) of the voting shares of an investee, it is generally not considered to have significant influence over the investee, unless there is clear evidence that in such circumstances it is able to participate in the production and operating decisions of the investee and therefore has significant influence.

(4) ***Method of impairment testing and method of making provision for impairment***

For investments in subsidiaries, associates and joint ventures, the method of making provision for impairment of assets is set out in Note V.20.

15. Fixed assets

(1) ***Conditions for recognition of fixed assets***

Fixed assets of the Company are tangible assets held for the production of goods, the rendering of services, rental or administrative purposes with a useful life exceeding one accounting year.

A fixed asset is recognised only when it is probable that the economic benefits associated with the fixed asset will flow into the enterprise and the cost of the fixed asset can be measured reliably.

Fixed assets of the Company are initially measured at the actual cost at the time of acquisition.

Subsequent expenditure relating to a fixed asset is included in the cost of the fixed asset when it is probable that the related economic benefits will flow into the Company and its cost can be measured reliably; day-to-day repair costs of fixed assets that do not satisfy the conditions for capitalisation of subsequent expenditure on fixed assets are recognised, when incurred, in profit or loss for the period or included in the cost of the related assets according to the beneficiary. The carrying amount of the replaced part is derecognised.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

15. Fixed assets *(Continued)*

(2) Depreciation methods for each class of fixed assets

The Company provides depreciation using the straight-line method. Depreciation of a fixed asset commences when it reaches its intended usable condition and ceases upon derecognition or upon classification as a non-current asset held for sale. Without taking into account provision for impairment, the Company determines the annual depreciation rates of each class of fixed assets by reference to the class of fixed assets, the estimated useful life and the estimated residual value as follows:

Category	Useful life (years)	Residual value rate %	Annual depreciation rate %
R&D and automated testing equipment	5	5.00	19.00
Motor vehicles	5	5.00	19.00
Office equipment and others	3-5	5.00	31.67-19.00
Machinery and equipment	3-10	5.00	31.67-9.50

For fixed assets in respect of which provision for impairment has been made, the depreciation rate is determined after further deducting the accumulated amount of provision for impairment of fixed assets already made.

(3) The method of impairment testing and the method of making provision for impairment of fixed assets are set out in Note V.20.

(4) At the end of each year, the Company reviews the useful lives, estimated net residual values and depreciation methods of fixed assets.

Where the estimated useful life differs from the previous estimate, the useful life of the fixed asset is adjusted; where the estimated net residual value differs from the previous estimate, the estimated net residual value is adjusted.

(5) Disposal of fixed assets

A fixed asset is derecognised when it is disposed of or when no economic benefits are expected to be generated from its use or disposal. The amount of the proceeds from the sale, transfer, retirement or damage of a fixed asset, net of its carrying amount and the related taxes and surcharges, is recognised in profit or loss for the period.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

16. Construction in progress

The cost of construction in progress of the Company is determined based on the actual construction expenditure, including all necessary construction expenditure incurred during the construction period, borrowing costs eligible for capitalisation before the construction reaches its intended usable condition, and other related expenses.

Construction in progress is transferred to fixed assets when it reaches its intended usable condition.

The method of making provision for impairment of construction in progress is set out in Note V.20.

17. Borrowing costs

(1) *Principles for recognition of capitalisation of borrowing costs*

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised and included in the cost of the related asset; other borrowing costs are recognised as expenses in the amount incurred and included in profit or loss for the period when incurred. Capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditure on the asset has been incurred, which includes expenditure incurred in the form of cash payments, transfers of non-cash assets or the assumption of interest-bearing debts for the acquisition, construction or production of a qualifying asset;
- (2) borrowing costs have been incurred;
- (3) the acquisition, construction or production activities necessary to bring the asset to its intended usable or saleable condition have commenced.

(2) *Capitalisation period of borrowing costs*

When a qualifying asset acquired, constructed or produced by the Company reaches its intended usable or saleable condition, capitalisation of borrowing costs ceases. Borrowing costs incurred after a qualifying asset reaches its intended usable or saleable condition are recognised as expenses in the amount incurred and included in profit or loss for the period when incurred.

Where the acquisition, construction or production of a qualifying asset is abnormally interrupted and the interruption lasts for more than 3 consecutive months, capitalisation of borrowing costs is suspended; borrowing costs incurred during normal interruptions continue to be capitalised.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

17. Borrowing costs *(Continued)*

(3) Capitalisation rate of borrowing costs and method of calculating the capitalised amount

The interest expense actually incurred on specific borrowings during the period, less any interest income earned on the unused borrowings deposited with banks or investment income obtained from temporary investments thereof, is capitalised; for general borrowings, the capitalised amount is determined by multiplying the weighted average of the excess of cumulative expenditure on the asset over the expenditure financed by specific borrowings by the capitalisation rate of the general borrowings utilised. The capitalisation rate is determined based on the weighted average interest rate of the general borrowings.

During the capitalisation period, exchange differences on foreign currency specific borrowings are capitalised in full; exchange differences on foreign currency general borrowings are recognised in profit or loss for the period.

18. Intangible assets

The Company's intangible assets include land use rights, development platforms, software, customer relationships and trademarks and patents, etc.

Intangible assets are initially measured at cost and their useful lives are analysed and determined upon acquisition. An intangible asset with a finite useful life is amortised over its estimated useful life from the date on which it is available for use, using an amortisation method that reflects the expected pattern of realisation of the economic benefits related to the asset; where the expected pattern of realisation cannot be determined reliably, the straight-line method is adopted. Intangible assets with indefinite useful lives are not amortised.

The amortisation methods for intangible assets with finite useful lives are as follows:

Category	Useful life (years)	Basis for determining the useful life	Amortisation method	Remarks
Development platforms	5-10	Benefit period	Straight-line method	
Software	3-10	Benefit period	Straight-line method	
Trademarks and patents, etc.	2-10	Benefit period	Straight-line method	
Land use rights	30	Land use period	Straight-line method	
Customer relationships	7	Benefit period	Straight-line method	

At the end of each year, the Company reviews the useful lives and amortisation methods of intangible assets with finite useful lives. Where they differ from previous estimates, the previous estimates are adjusted and the adjustment is accounted for as a change in accounting estimate.

Where it is expected at the balance sheet date that an intangible asset can no longer bring future economic benefits to the enterprise, the entire carrying amount of that intangible asset is transferred to profit or loss for the period.

The method of making provision for impairment of intangible assets is set out in Note V.20.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

19. Research and development expenditure

The Company's research and development expenditure comprises expenditure directly related to the Company's research and development activities, including employee benefits of research and development personnel, depreciation charges, outsourced research and development expenses, material costs and other expenses.

The Company classifies expenditure on internal research and development projects into research phase expenditure and development phase expenditure.

Research phase expenditure is recognised in profit or loss for the period when incurred.

Development phase expenditure may be capitalised only when all of the following conditions are satisfied, namely: it is technically feasible to complete the intangible asset so that it will be available for use or sale; there is the intention to complete the intangible asset and use or sell it; the manner in which the intangible asset will generate economic benefits, including the ability to demonstrate the existence of a market for the products produced using the intangible asset or for the intangible asset itself, and, where the intangible asset is to be used internally, the ability to demonstrate its usefulness; there are adequate technical, financial and other resources to support the completion of the development of the intangible asset, and the ability to use or sell the intangible asset exists; the expenditure attributable to the development phase of the intangible asset can be measured reliably. Development expenditure that does not satisfy the above conditions is recognised in profit or loss for the period.

The Company's research and development projects enter the development phase upon satisfaction of the above conditions and after technical and economic feasibility studies have been conducted and the projects have been formally approved.

Capitalised development phase expenditure is presented as development expenditure in the balance sheet and is transferred to intangible assets from the date on which the project reaches its intended use.

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

19. Research and development expenditure *(Continued)*

Capitalisation conditions for specific research and development projects:

- (1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;

The Company has established a dedicated research and development team to conduct research on the relevant technologies. Having been verified at the planning and conceptual design phase, the technical feasibility of the project has been fully demonstrated, and the project entered the development and verification phase after passing the final decision review of the Company's product committee. Accordingly, it can be fully demonstrated that the research and development investment is technically feasible.

- (2) There is the intention to complete the intangible asset and use or sell it;

Through the research and development of major projects, the Company further enriches its product lines. On the one hand, this enables the Company to provide corresponding products to different categories of customers in the market according to their needs and to satisfy the continuously growing market demand of downstream customers, thereby further expanding the application fields of the Company's products and enhancing its profitability. On the other hand, it is an inevitable measure for the Company to continue to consolidate its principal business, comprehensively enhance its technological research and development capabilities, further improve its market layout and market competitiveness, and gradually become a leading enterprise in the cellular wireless communication module industry. The Company needs to invest on an ongoing basis in order to seize business opportunities as the wave of the Internet of Everything is about to arrive. The Company therefore has the intention to complete and use the projects under research and development.

- (3) The manner in which the intangible asset will generate economic benefits, including the ability to demonstrate the existence of a market for the products produced using the intangible asset or for the intangible asset itself, and, where the intangible asset is to be used internally, its usefulness shall be demonstrated;

For each research and development project, the Company conducts a comprehensive and systematic market analysis of the project and, for each project, prepares profit forecast data for the project life cycle based on inputs and outputs. Only major projects that meet the Company's profitability requirements may proceed to the next stage of development work and be accounted for on a capitalised basis. Based on the profit forecasts, it is estimated that all capitalised research and development expenses can be recovered through future sales.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

19. Research and development expenditure *(Continued)*

- (4) There are adequate technical, financial and other resources to support the completion of the development of the intangible asset, and the ability to use or sell the intangible asset exists;

In terms of technology, since its establishment the Company has been committed to technological research and development, solution design and application promotion in the field of wireless communication for the Internet of Things and the mobile Internet. It has built strong research and development capabilities in communication technology, radio frequency technology, data transmission technology and signal processing technology, and possesses extensive experience in the development of wireless communication module products. Its current research and development team has established a well-developed technological innovation system with sustained innovation capability, providing reliable technical support for the implementation of the projects. In terms of finance, the Company currently has satisfactory operating results, a sound credit standing and smooth financing channels, and is able to provide adequate funding support for the implementation of the fundraising investment projects and the sale of the products. In terms of other resources, the Company has accumulated extensive sales channels and customer resources by virtue of its excellent product performance, and has at the same time cultivated a group of experienced management and research and development personnel, which can fully support the development of the fundraising investment projects and the sale of the products.

- (5) The expenditure attributable to the development phase of the intangible asset can be measured reliably;

Apart from employee benefits, research and development expenses can all be accumulated by department and by project. Each research and development staff member is required to complete a weekly timesheet, and the hours worked by each research and development staff member on a project are accumulated by project. After the finance department collects the weekly timesheets each month, employee benefits are reasonably allocated according to the project hours reported. Therefore, once the capitalisation date of a particular project has been determined, the expenses of that project incurred after the capitalisation date can be accumulated.

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

20. Impairment of assets

Impairment of long-term equity investments in subsidiaries and associates, fixed assets, construction in progress, right-of-use assets, intangible assets, goodwill, etc. (other than inventories, deferred tax assets and financial assets) is determined using the following methods:

At the balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. Where such an indication of impairment exists, the Company estimates the recoverable amount of the asset and performs an impairment test. Goodwill arising from a business combination, intangible assets with indefinite useful lives and intangible assets not yet ready for their intended use are tested for impairment annually, irrespective of whether there is any indication of impairment.

The recoverable amount is determined as the higher of the fair value of the asset less costs of disposal and the present value of the estimated future cash flows of the asset. The Company estimates the recoverable amount on an individual asset basis; where it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined on the basis of the asset group to which the asset belongs. An asset group is identified on the basis of whether the principal cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

Where the recoverable amount of an asset or asset group is lower than its carrying amount, the Company writes down its carrying amount to the recoverable amount, and the amount written down is recognised in profit or loss for the period, with a corresponding provision for impairment of assets being made.

For the purpose of goodwill impairment testing, the carrying amount of goodwill arising from a business combination is allocated, from the acquisition date, to the relevant asset groups on a reasonable basis; where it is difficult to allocate the goodwill to the relevant asset groups, it is allocated to the relevant sets of asset groups. The relevant asset group or set of asset groups is one that is able to benefit from the synergies of the business combination and is not larger than the reportable segment determined by the Company.

When performing the impairment test, where there is an indication of impairment of an asset group or set of asset groups related to goodwill, the asset group or set of asset groups excluding goodwill is first tested for impairment, its recoverable amount is calculated and the corresponding impairment loss is recognised. Thereafter, the asset group or set of asset groups including goodwill is tested for impairment by comparing its carrying amount with its recoverable amount; where the recoverable amount is lower than the carrying amount, an impairment loss on goodwill is recognised.

Once an impairment loss on an asset has been recognised, it is not reversed in subsequent accounting periods.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

21. Long-term prepaid expenses

Long-term prepaid expenses incurred by the Company are measured at actual cost and amortised evenly over the expected beneficial period. For long-term prepaid expense items that cannot benefit subsequent accounting periods, the entire unamortised value is recognised in profit or loss for the period.

22. Employee benefits

(1) *Scope of employee benefits*

Employee benefits refer to all forms of remuneration or compensation given by an enterprise in exchange for services rendered by employees or for the termination of employment relationships. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided by an enterprise to employees' spouses, children, dependants, family members of deceased employees and other beneficiaries also constitute employee benefits.

Based on liquidity, employee benefits are presented in the balance sheet under the items "Employee benefits payable" and "Long-term employee benefits payable" respectively.

(2) *Short-term employee benefits*

In the accounting period in which employees render services, the Company recognises as liabilities the employee wages and bonuses actually incurred, as well as the social insurance premiums such as medical insurance premiums, work injury insurance premiums and maternity insurance premiums and the housing provident fund contributions paid for employees in accordance with the prescribed bases and rates, and includes them in profit or loss for the period or in the cost of the related assets.

(3) *Post-employment benefits*

Post-employment benefit plans comprise defined contribution plans and defined benefit plans. A defined contribution plan is a post-employment benefit plan under which an enterprise, after paying fixed contributions into a separate fund, assumes no further payment obligation; a defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Defined contribution plans

Defined contribution plans comprise basic pension insurance and unemployment insurance, etc.

In the accounting period in which employees render services, the amount payable calculated in accordance with the defined contribution plan is recognised as a liability and included in profit or loss for the period or in the cost of the related assets.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

22. Employee benefits *(Continued)*

(3) **Post-employment benefits** *(Continued)*

Defined benefit plans

For defined benefit plans, actuarial valuations are performed by an independent actuary at the annual balance sheet date, and the cost of providing the benefits is determined using the projected unit credit method. The employee benefit costs arising from the Company's defined benefit plans comprise the following components:

- (1) Service cost, comprising current service cost, past service cost and gains or losses on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period; past service cost is the increase or decrease in the present value of the defined benefit plan obligation relating to employee service in prior periods resulting from an amendment to the defined benefit plan.
- (2) Net interest on the net defined benefit liability or net defined benefit asset, comprising interest income on plan assets, interest expense on the defined benefit plan obligation and interest on the effect of the asset ceiling.
- (3) Changes arising from the remeasurement of the net defined benefit liability or net defined benefit asset.

Unless another accounting standard requires or permits employee benefit costs to be included in the cost of an asset, the Company includes items (1) and (2) above in profit or loss for the period; item (3) is included in other comprehensive income and is not reclassified to profit or loss in subsequent accounting periods, and upon termination of the original defined benefit plan the amounts previously included in other comprehensive income are transferred in full to retained earnings within equity.

(4) **Termination benefits**

Where the Company provides termination benefits to employees, the employee benefit liability arising from the termination benefits is recognised, and included in profit or loss for the period, at the earlier of the following dates: when the Company can no longer unilaterally withdraw the termination benefits offered under a plan to terminate employment relationships or a redundancy proposal; and when the Company recognises the costs or expenses related to a restructuring that involves the payment of termination benefits.

Where an internal retirement plan for employees is implemented, the economic compensation prior to the formal retirement date constitutes termination benefits, and the wages and social insurance premiums, etc. proposed to be paid to the internally retired employees for the period from the date on which the employees cease to render services to the normal retirement date are recognised in profit or loss for the period on a one-off basis. Economic compensation after the formal retirement date (such as normal pension benefits) is accounted for as post-employment benefits.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

22. Employee benefits *(Continued)*

(5) Other long-term benefits

Where other long-term employee benefits provided by the Company to employees satisfy the conditions of a defined contribution plan, they are accounted for in accordance with the above provisions relating to defined contribution plans. Where they satisfy the conditions of a defined benefit plan, they are accounted for in accordance with the above provisions relating to defined benefit plans, except that the component of the related employee benefit costs representing “changes arising from the remeasurement of the net defined benefit liability or net defined benefit asset” is included in profit or loss for the period or in the cost of the related assets.

23. Provisions

Where an obligation related to a contingency satisfies all of the following conditions, the Company recognises it as a provision:

- (1) the obligation is a present obligation assumed by the Company;
- (2) the performance of the obligation is likely to result in an outflow of economic benefits from the Company;
- (3) the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to perform the related present obligation, taking into account comprehensively such factors as the risks, uncertainties and time value of money relating to the contingency. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. At the balance sheet date, the Company reviews the carrying amounts of provisions and adjusts the carrying amounts to reflect the current best estimates.

Where all or part of the expenditure required to settle a recognised provision is expected to be compensated by a third party or another party, the compensation amount is separately recognised as an asset only when it is virtually certain to be received. The amount of compensation recognised does not exceed the carrying amount of the liability recognised.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

24. Share-based payments and equity instruments

(1) *Types of share-based payments*

Share-based payments of the Company are classified into equity-settled share-based payments and cash-settled share-based payments.

(2) *Method for determining the fair value of equity instruments*

For the options and other equity instruments granted by the Company for which an active market exists, the Company determines their fair value at the quoted prices in the active market. For the options and other equity instruments granted for which no active market exists, the Company determines their fair value using an option pricing model or other methods. The option pricing model selected takes the following factors into consideration: A. the exercise price of the option; B. the term of the option; C. the current price of the underlying shares; D. the expected volatility of the share price; E. the expected dividends on the shares; F. the risk-free interest rate within the term of the option.

(3) *Basis for determining the best estimate of the number of equity instruments expected to vest*

At each balance sheet date during the vesting period, the Company makes the best estimate based on the latest available subsequent information, such as changes in the number of employees expected to satisfy the vesting conditions, and revises the estimated number of equity instruments expected to vest. On the vesting date, the final estimated number of equity instruments expected to vest shall be consistent with the actual number vested.

(4) *Accounting treatment relating to the implementation, modification and termination of share-based payment plans*

Equity-settled share-based payments are measured at the fair value of the equity instruments granted to employees. Where the equity instruments vest immediately after the grant, the fair value of the equity instruments is recognised in the relevant costs or expenses on the grant date, with a corresponding increase in capital reserve. Where the equity instruments vest only after the completion of services during the vesting period or upon the satisfaction of specified performance conditions, at each balance sheet date during the vesting period, the services received in the current period are recognised in the relevant costs or expenses and capital reserve based on the best estimate of the number of equity instruments expected to vest, at the fair value of the equity instruments at the grant date. After the vesting date, no adjustment is made to the relevant costs or expenses and total owners' equity already recognised.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

24. Share-based payments and equity instruments *(Continued)*

(4) *Accounting treatment relating to the implementation, modification and termination of share-based payment plans (Continued)*

Cash-settled share-based payments are measured at the fair value of the liability assumed by the Company that is determined based on shares or other equity instruments. Where the equity instruments vest immediately after the grant, the fair value of the liability assumed by the Company is recognised in the relevant costs or expenses on the grant date, with a corresponding increase in liabilities. For cash-settled share-based payments that vest only after the completion of services during the vesting period or upon the satisfaction of specified performance conditions, at each balance sheet date during the vesting period, the services received in the current period are recognised in costs or expenses and the corresponding liabilities, based on the best estimate of the vesting position and at the fair value of the liability assumed by the Company. At each balance sheet date prior to the settlement of the relevant liability, and at the settlement date, the fair value of the liability is remeasured, with the changes recognised in profit or loss for the current period.

Where the Company modifies a share-based payment plan, if the modification increases the fair value of the equity instruments granted, the Company recognises a corresponding increase in the services received based on the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the fair value of the additional equity instruments is recognised as a corresponding increase in the services received. The increase in the fair value of the equity instruments refers to the difference between the fair value at the modification date of the equity instruments before and after the modification. If the modification reduces the total fair value of the share-based payment or modifies the terms and conditions of the share-based payment plan in a manner that is otherwise unfavourable to the employees, the Company continues to account for the services received as if the modification had never occurred, unless the Company cancels part or all of the equity instruments granted.

If, during the vesting period, the equity instruments granted are cancelled (other than a cancellation resulting from the failure to satisfy a non-market vesting condition), the Company accounts for the cancellation of the equity instruments granted as an acceleration of vesting, and immediately recognises in profit or loss for the current period the amount that would otherwise have been recognised over the remainder of the vesting period, with a corresponding recognition in capital reserve. Where an employee or another party is able to choose to satisfy a non-vesting condition but fails to do so during the vesting period, the Company accounts for this as a cancellation of the equity instruments granted.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

24. Share-based payments and equity instruments *(Continued)*

(5) **Restricted shares**

Under the share incentive plan, the Company grants restricted shares to the incentive recipients, who first subscribe for the shares; if the unlocking conditions specified in the share incentive plan are not subsequently satisfied, the Company repurchases the shares at the pre-agreed price. Where the restricted shares issued to employees have completed the registration and other capital increase procedures in accordance with the relevant regulations, on the grant date the Company recognises share capital and capital reserve based on the subscription monies received from the employees, and at the same time recognises treasury shares and other payables in respect of the repurchase obligation.

25. Revenue

(1) **General principles**

The Company recognises revenue when it has satisfied the performance obligations in a contract, that is, when the customer obtains control of the relevant goods or services.

Where a contract contains two or more performance obligations, the Company allocates, at the inception of the contract, the transaction price to each single performance obligation in proportion to the relative stand-alone selling prices of the goods or services promised under each single performance obligation, and measures revenue at the transaction price allocated to each single performance obligation.

A performance obligation is satisfied over time if one of the following conditions is met; otherwise, the performance obligation is satisfied at a point in time:

- (1) The customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs.
- (2) The customer is able to control the goods under construction in the course of the Company's performance.
- (3) The goods produced in the course of the Company's performance have no alternative use, and the Company has an enforceable right to payment for performance completed to date throughout the contract term.

For a performance obligation satisfied over time, the Company recognises revenue over that period according to the progress towards complete satisfaction of the performance obligation. Where the progress of performance cannot be reasonably determined, the Company recognises revenue to the extent of the costs incurred that are expected to be recovered, until such time as the progress of performance can be reasonably determined.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

25. Revenue *(Continued)*

(1) General principles *(Continued)*

For a performance obligation satisfied at a point in time, the Company recognises revenue at the point in time when the customer obtains control of the relevant goods or services. In assessing whether the customer has obtained control of the goods or services, the Company considers the following indicators:

- (1) The Company has a present right to payment for the goods or services, that is, the customer has a present obligation to pay for the goods.
- (2) The Company has transferred legal title to the goods to the customer, that is, the customer has legal title to the goods.
- (3) The Company has transferred physical possession of the goods to the customer, that is, the customer has physical possession of the goods.
- (4) The Company has transferred the significant risks and rewards of ownership of the goods to the customer, that is, the customer has obtained the significant risks and rewards of ownership of the goods.
- (5) The customer has accepted the goods or services.
- (6) Other indicators that the customer has obtained control of the goods.

(2) Specific methods

The specific methods of revenue recognition adopted by the Company are as follows:

(1) Module products, solutions and others

Product sales are mainly divided into domestic sales and overseas sales, and the specific methods of revenue recognition are as follows:

Specific method of revenue recognition for domestic sales: revenue is recognised on the basis of the relevant documents when the products have been dispatched and the delivery note or consignment note signed by the buyer has been obtained;

Specific method for recognising revenue from overseas sales: overseas sales are mainly made on FOB terms. Under FOB terms, the Company recognises revenue upon completion of customs declaration and commodity inspection procedures.

(2) Service business

The Company provides IoT data connectivity services and aggregation management services, and recognises revenue based on the progress of the customer's usage of global data communication service traffic.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

26. Contract costs

Contract costs comprise the incremental costs of obtaining a contract and the costs to fulfil a contract.

The incremental costs of obtaining a contract refer to the costs that the Company would not have incurred had the contract not been obtained (such as sales commissions). Where such costs are expected to be recovered, the Company recognises them as an asset as costs of obtaining a contract. Expenditure incurred by the Company in obtaining a contract, other than incremental costs expected to be recovered, is recognised in profit or loss for the current period when incurred.

Costs incurred to fulfil a contract that do not fall within the scope of inventories or other accounting standards for business enterprises and that meet all of the following conditions are recognised by the Company as an asset as costs to fulfil a contract:

- (1) the costs relate directly to an existing or anticipated contract, including direct labour, direct materials, manufacturing overheads (or similar expenses), costs that are explicitly chargeable to the customer and other costs that are incurred only because of the contract;
- (2) the costs enhance the resources of the Company that will be used in satisfying performance obligations in the future;
- (3) the costs are expected to be recovered.

Assets recognised as costs of obtaining a contract and assets recognised as costs to fulfil a contract (hereinafter collectively referred to as “assets related to contract costs”) are amortised on the same basis as the recognition of revenue from the goods or services to which such assets relate, and are recognised in profit or loss for the current period.

Where the carrying amount of an asset related to contract costs exceeds the difference between the following two items, the Company makes a provision for impairment for the excess and recognises an asset impairment loss:

- (1) the remaining consideration that the Company expects to be entitled to receive in exchange for transferring the goods or services to which the asset relates;
- (2) the costs estimated to be incurred in transferring the related goods or services.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

27. Government grants

Government grants are recognised when the conditions attaching to the government grants are satisfied and the grants can be received.

Government grants in the form of monetary assets are measured at the amount received or receivable. Government grants in the form of non-monetary assets are measured at fair value; where the fair value cannot be obtained reliably, they are measured at a nominal amount of RMB1.

Government grants related to assets refer to government grants obtained by the Company for the purpose of acquiring, constructing or otherwise forming long-term assets; other government grants are classified as government grants related to income.

For a government grant for which the government document does not expressly specify the object of the grant, the portion of the government grant corresponding to the value of the long-term asset, where a long-term asset can be formed, is treated as a government grant related to assets, and the remaining portion is treated as a government grant related to income; where it is difficult to distinguish between them, the government grant is treated as a whole as a government grant related to income.

Government grants related to assets are recognised as deferred income and are recognised in profit or loss on a reasonable and systematic basis over the useful life of the related asset. Government grants related to income that are used to compensate for related costs, expenses or losses already incurred are recognised in profit or loss for the current period; those used to compensate for related costs, expenses or losses of subsequent periods are recognised as deferred income and are recognised in profit or loss for the current period in the periods in which the related costs, expenses or losses are recognised. Government grants measured at a nominal amount are recognised directly in profit or loss for the current period. The Company applies a consistent method to the accounting treatment of identical or similar government grant transactions.

Government grants related to ordinary activities are recognised in other income according to the substance of the underlying transactions. Government grants unrelated to ordinary activities are recognised in non-operating income. Where a recognised government grant is required to be repaid, if the grant was initially recognised as a deduction from the carrying amount of the related asset, the carrying amount of that asset is adjusted; if a related deferred income balance exists, that balance is reduced and any excess is recognised in profit or loss for the current period; in other cases, the repayment is recognised directly in profit or loss for the current period.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

28. Deferred tax assets and deferred tax liabilities

Income tax comprises current tax and deferred tax. Except for goodwill adjustments arising from business combinations and deferred tax relating to transactions or events recognised directly in owners' equity, which is recognised in owners' equity, income tax is recognised as income tax expense in profit or loss for the current period.

The Company recognises deferred tax using the balance sheet liability method on the basis of the temporary differences between the carrying amounts of assets and liabilities at the balance sheet date and their tax bases.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the taxable temporary difference arises from the following transactions:

- (1) the initial recognition of goodwill, or the initial recognition of an asset or a liability in a transaction which has the following characteristics: the transaction is not a business combination, and at the time of the transaction it affects neither accounting profit nor taxable income (other than a single transaction in which the assets and liabilities initially recognised give rise to equal taxable and deductible temporary differences);
- (2) in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

For deductible temporary differences, deductible losses that can be carried forward to subsequent years and tax credits, the Company recognises the resulting deferred tax assets to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except where the deductible temporary difference arises from the following transactions:

- (1) the transaction is not a business combination, and at the time of the transaction it affects neither accounting profit nor taxable income (other than a single transaction in which the assets and liabilities initially recognised give rise to equal taxable and deductible temporary differences);
- (2) in respect of deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, the corresponding deferred tax assets are recognised when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future, and it is probable that taxable income will be available in the future against which the deductible temporary difference can be utilised.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

28. Deferred tax assets and deferred tax liabilities *(Continued)*

At the balance sheet date, the Company measures deferred tax assets and deferred tax liabilities at the tax rates applicable to the period in which the asset is expected to be recovered or the liability is expected to be settled, and reflects the income tax effect of the expected manner of recovery of the asset or settlement of the liability at the balance sheet date.

At the balance sheet date, the Company reviews the carrying amount of deferred tax assets. If it is no longer probable that sufficient taxable income will be available in future periods to allow the benefit of the deferred tax asset to be utilised, the carrying amount of the deferred tax asset is written down. Any amount written down is reversed when it becomes probable that sufficient taxable income will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented at the net amount after offsetting when all of the following conditions are satisfied:

- (1) the taxable entity within the Company has a legally enforceable right to settle current tax assets and current tax liabilities on a net basis;
- (2) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax administration authority on the same taxable entity within the Company.

29. Leases

(1) Identification of a lease

At the inception of a contract, the Company, whether as lessee or as lessor, assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use and has the right to direct the use of the identified asset throughout that period of use. Where one party to a contract conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration, the Company determines that the contract is, or contains, a lease.

(2) The Company as lessee

At the commencement date of a lease, the Company recognises a right-of-use asset and a lease liability for all leases, except for short-term leases and leases of low-value assets to which the practical expedient is applied.

For the accounting policy for right-of-use assets, please refer to Note V.30.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

29. Leases *(Continued)*

(2) *The Company as lessee (Continued)*

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the lease, discounted using the interest rate implicit in the lease; where the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used as the discount rate. Lease payments comprise: fixed payments and in-substance fixed payments, less any amounts of lease incentives where lease incentives exist; variable lease payments that depend on an index or a rate; the exercise price of a purchase option, provided that the lessee is reasonably certain to exercise that option; amounts payable for exercising an option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; and amounts expected to be payable under residual value guarantees provided by the lessee. Subsequently, interest expense on the lease liability for each period during the lease term is calculated at a constant periodic rate of interest and is recognised in profit or loss for the current period. Variable lease payments not included in the measurement of the lease liability are recognised in profit or loss for the current period when actually incurred.

Short-term leases

A short-term lease is a lease that, at the commencement date of the lease, has a lease term of not more than 12 months, other than a lease that contains a purchase option.

The Company recognises the lease payments of short-term leases in the cost of the related asset or in profit or loss for the current period on a straight-line basis over the periods of the lease term.

For short-term leases, the Company elects, by class of underlying asset, to apply the above practical expedient to those of the following classes of asset that meet the criteria for short-term leases.

- Office equipment
- R&D testing equipment

Leases of low-value assets

A lease of a low-value asset is a lease for which the value of the single underlying asset, when it is new, is less than RMB40,000.

The Company recognises the lease payments of leases of low-value assets in the cost of the related asset or in profit or loss for the current period on a straight-line basis over the periods of the lease term.

For leases of low-value assets, the Company elects to apply the above practical expedient on a lease-by-lease basis according to the specific circumstances of each lease.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

29. Leases *(Continued)*

(2) The Company as lessee *(Continued)*

Lease modifications

Where a lease is modified and all of the following conditions are satisfied, the Company accounts for the lease modification as a separate lease: (1) the lease modification increases the scope of the lease by adding the right to use one or more underlying assets; (2) the increase in consideration is commensurate with the stand-alone price of the increase in the scope of the lease, as adjusted for the circumstances of the particular contract.

Where a lease modification is not accounted for as a separate lease, at the effective date of the lease modification the Company reallocates the consideration of the modified contract, redetermines the lease term, and remeasures the lease liability at the present value calculated using the revised lease payments and the revised discount rate.

Where a lease modification results in a decrease in the scope of the lease or a shortening of the lease term, the Company reduces the carrying amount of the right-of-use asset accordingly, and recognises the relevant gain or loss on the partial or full termination of the lease in profit or loss for the current period.

For other lease modifications resulting in a remeasurement of the lease liability, the Company adjusts the carrying amount of the right-of-use asset accordingly.

(3) The Company as lessor

When acting as lessor, the Company classifies a lease that transfers substantially all the risks and rewards incidental to ownership of an asset as a finance lease, and classifies leases other than finance leases as operating leases.

Finance leases

For a finance lease, at the commencement date of the lease the Company records the net investment in the lease as the carrying amount of the finance lease receivable. The net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease, discounted using the interest rate implicit in the lease. As lessor, the Company calculates and recognises interest income for each period during the lease term at a constant periodic rate of interest. Variable lease payments obtained by the Company as lessor that are not included in the measurement of the net investment in the lease are recognised in profit or loss for the current period when actually incurred.

The derecognition and impairment of finance lease receivables are accounted for in accordance with “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments” and “Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets”.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

29. Leases *(Continued)*

(3) *The Company as lessor (Continued)*

Operating leases

Rentals under operating leases are recognised by the Company in profit or loss for the current period on a straight-line basis over the periods of the lease term. Initial direct costs incurred in connection with an operating lease are capitalised and amortised over the lease term on the same basis as the recognition of rental income, and are recognised in profit or loss on a periodic basis. Variable lease payments obtained in connection with an operating lease that are not included in the lease receipts are recognised in profit or loss for the current period when actually incurred.

Lease modifications

Where an operating lease is modified, the Company accounts for the modification as a new lease from the effective date of the modification, and any lease receipts received in advance or receivable relating to the lease before the modification are regarded as receipts of the new lease.

Where a finance lease is modified and all of the following conditions are satisfied, the Company accounts for the modification as a separate lease: (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; (2) the increase in consideration is commensurate with the stand-alone price of the increase in the scope of the lease, as adjusted for the circumstances of the particular contract.

Where a modification of a finance lease is not accounted for as a separate lease, the Company accounts for the modified lease in the following circumstances respectively: (1) if the lease would have been classified as an operating lease had the modification been in effect at the inception date of the lease, the Company accounts for it as a new lease from the effective date of the lease modification, and takes the net investment in the lease immediately before the effective date of the lease modification as the carrying amount of the leased asset; (2) if the lease would have been classified as a finance lease had the modification been in effect at the inception date of the lease, the Company accounts for it in accordance with the provisions of “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments” regarding the modification or renegotiation of a contract.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

30. Right-of-use assets

(1) *Recognition criteria for right-of-use assets*

A right-of-use asset is the right of the Company, as lessee, to use the underlying asset during the lease term.

At the commencement date of the lease, a right-of-use asset is initially measured at cost. Such cost comprises: the amount of the initial measurement of the lease liability; lease payments made at or before the commencement date of the lease, less any lease incentives received; initial direct costs incurred by the Company as lessee; and the costs estimated to be incurred by the Company as lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms of the lease. The Company, as lessee, recognises and measures the costs of dismantling and restoration in accordance with “Accounting Standards for Business Enterprises No. 13 – Contingencies”. Subsequent adjustments are made for any remeasurement of the lease liability.

(2) *Depreciation method for right-of-use assets*

The Company provides depreciation using the straight-line method. Where the Company, as lessee, is reasonably certain to obtain ownership of the underlying asset by the end of the lease term, depreciation is provided over the remaining useful life of the underlying asset. Where it is not reasonably certain that ownership of the underlying asset will be obtained by the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life of the underlying asset.

(3) For the impairment testing method and the method of providing for impairment of right-of-use assets, please refer to Note V.20.

31. Repurchase of shares

Shares repurchased by the Company are accounted for as treasury shares before they are cancelled or transferred, and all expenditures on the repurchase of shares are transferred to the cost of treasury shares. The consideration paid and transaction costs incurred in a share repurchase reduce owners' equity, and no gain or loss is recognised upon the repurchase, transfer or cancellation of the Company's shares.

Upon the transfer of treasury shares, the difference between the amount actually received and the carrying amount of the treasury shares is recognised in capital reserve; where the capital reserve is insufficient to absorb the difference, the shortfall is offset against surplus reserve and retained earnings. Upon the cancellation of treasury shares, share capital is reduced by the par value per share multiplied by the number of shares cancelled, and the difference between the carrying amount of the treasury shares cancelled and their par value is offset against capital reserve; where the capital reserve is insufficient to absorb the difference, the shortfall is offset against surplus reserve and retained earnings.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

32. Debt restructuring

(1) *The Company as debtor*

A debt is derecognised when the present obligation in respect of the debt is discharged; specifically, the gains or losses relating to the debt restructuring are recognised when the uncertainties as to the process and outcome of the performance of the debt restructuring agreement have been eliminated.

Where a debt restructuring is effected by way of settlement of the debt with assets, the Company derecognises the relevant assets and the debt settled when the conditions for derecognition are satisfied, and the difference between the carrying amount of the debt settled and the carrying amount of the assets transferred is recognised in profit or loss for the current period.

Where a debt restructuring is effected by way of conversion of the debt into an equity instrument, the Company derecognises the debt settled when the conditions for derecognition are satisfied. The Company measures the equity instrument at its fair value on initial recognition; where the fair value of the equity instrument cannot be measured reliably, it is measured at the fair value of the debt settled. The difference between the carrying amount of the debt settled and the amount recognised for the equity instrument is recognised in profit or loss for the current period.

Where a debt restructuring is effected by way of modification of other terms, the Company recognises and measures the restructured debt in accordance with “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments” and “Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments”.

Where a debt restructuring is effected by way of settlement of the debt with multiple assets or by a combination of methods, the Company recognises and measures the equity instrument and the restructured debt in accordance with the methods described above, and the difference between the carrying amount of the debt settled and the sum of the carrying amount of the assets transferred and the amounts recognised for the equity instrument and the restructured debt is recognised in profit or loss for the current period.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

32. Debt restructuring *(Continued)*

(2) *The Company as creditor*

A receivable is derecognised when the contractual rights to the cash flows from the receivable expire. Specifically, the gains or losses relating to the debt restructuring are recognised when the uncertainties as to the process and outcome of the performance of the debt restructuring agreement have been eliminated.

Where a debt restructuring is effected by way of settlement of the debt with assets, the Company measures assets other than the financial assets received at cost on initial recognition. The cost of inventories comprises the fair value of the receivable waived and other costs directly attributable to the asset, such as taxes, transportation costs, loading and unloading costs and insurance premiums, incurred in bringing the asset to its present location and condition. The cost of an investment in an associate or a joint venture comprises the fair value of the receivable waived and other costs directly attributable to the asset, such as taxes. The cost of an investment property comprises the fair value of the receivable waived and other costs directly attributable to the asset, such as taxes. The cost of a fixed asset comprises the fair value of the receivable waived and other costs directly attributable to the asset, such as taxes, transportation costs, loading and unloading costs, installation costs and professional service fees, incurred before the asset is brought to the condition for its intended use. The cost of an intangible asset comprises the fair value of the receivable waived and other costs, such as taxes, directly attributable to bringing the asset to its intended use. The difference between the fair value and the carrying amount of the receivable waived is recognised in profit or loss for the current period.

Where a debt restructuring effected by way of conversion of the debt into an equity instrument results in the Company converting the receivable into an equity investment in an associate or a joint venture, the Company measures the initial investment cost at the fair value of the receivable waived plus other costs, such as taxes, directly attributable to the asset. The difference between the fair value and the carrying amount of the receivable waived is recognised in profit or loss for the current period.

Where a debt restructuring is effected by way of modification of other terms, the Company recognises and measures the restructured receivable in accordance with “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”.

Where a debt restructuring is effected by way of settlement of the debt with multiple assets or by a combination of methods, the Company first recognises and measures the financial assets received and the restructured receivable in accordance with “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”, and then allocates the net amount of the fair value of the receivable waived less the amounts recognised for the financial assets received and the restructured receivable in proportion to the fair values of the assets other than the financial assets received, and determines the cost of each asset on that basis in accordance with the methods described above. The difference between the fair value and the carrying amount of the receivable waived is recognised in profit or loss for the current period.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

33. Significant accounting judgements and estimates

The Company continually evaluates the significant accounting estimates and key assumptions adopted, based on historical experience and other factors, including reasonable expectations of future events. The significant accounting estimates and key assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next accounting year are set out below:

Classification of financial assets

The significant judgements involved in the Company's determination of the classification of financial assets include the analysis of the business model and the contractual cash flow characteristics.

The Company determines the business model for managing financial assets at the level of a portfolio of financial assets, taking into consideration factors such as the manner in which the performance of the financial assets is evaluated and reported to key management personnel, the risks affecting the performance of the financial assets and the manner in which such risks are managed, and the manner in which the relevant business managers are remunerated.

In assessing whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement, the Company makes the following principal judgements: whether the timing or amount of the principal may change over the life of the financial asset due to reasons such as early repayment; and whether interest includes only consideration for the time value of money, credit risk, other basic lending risks and costs, as well as a profit margin. For example, whether the prepayment amount reflects only the unpaid principal and interest based on the outstanding principal, together with reasonable compensation paid for the early termination of the contract.

Measurement of expected credit losses on accounts receivable

The Company calculates the expected credit losses on accounts receivable based on the exposure at default of accounts receivable and the expected credit loss rate, and determines the expected credit loss rate based on the probability of default and the loss given default. In determining the expected credit loss rate, the Company uses data such as its internal historical credit loss experience and adjusts the historical data in light of current conditions and forward-looking information. In considering forward-looking information, the indicators used by the Company include the risk of economic downturn, the external market environment, the technological environment and changes in the circumstances of customers. The Company regularly monitors and reviews the assumptions relating to the calculation of expected credit losses.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

33. Significant accounting judgements and estimates *(Continued)*

Goodwill impairment

The Company assesses at least annually whether goodwill has been impaired. This requires an estimation of the value in use of the asset group to which the goodwill has been allocated. In estimating the value in use, the Company is required to estimate the future cash flows from the asset group and to select an appropriate discount rate to calculate the present value of those future cash flows.

Development expenditure

In determining the amount to be capitalised, management is required to make assumptions regarding the generation of expected future cash flows from the asset, the discount rate to be applied and the expected period of benefit.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that sufficient taxable profit will be available against which the losses can be utilised. This requires management to exercise significant judgement in estimating the timing and amount of future taxable profits, together with tax planning strategies, in order to determine the amount of deferred tax assets to be recognised.

34. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

(1) Application of Interpretation No. 19 of the Accounting Standards for Business Enterprises

On 5 December 2025, the Ministry of Finance issued “Interpretation No. 19 of the Accounting Standards for Business Enterprises” (Cai Kuai [2025] No. 32) (hereinafter referred to as “Interpretation No. 19”), which clarifies the accounting treatment of compensatory assets in business combinations not under common control, the accounting treatment of the related capital reserve upon disposal of a subsidiary originally acquired in a business combination under common control, derecognition of financial liabilities settled through electronic payment systems, assessment of the contractual cash flow characteristics of financial assets and related disclosures, and disclosures relating to equity instruments designated at fair value through other comprehensive income. Interpretation No. 19 is effective from 1 January 2026. The Company applied Interpretation No. 19 from 1 January 2026. Its application had no impact on the Company’s financial statements for the reporting period.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

34. Changes in significant accounting policies and accounting estimates *(Continued)*

(1) *Changes in significant accounting policies* *(Continued)*

(2) *Application of Interpretation No. 20 of the Accounting Standards for Business Enterprises*

On 4 June 2026, the Ministry of Finance issued "Interpretation No. 20 of the Accounting Standards for Business Enterprises" (Cai Kuai [2026] No. 7) (hereinafter referred to as "Interpretation No. 20"), providing clarification on the assessment of the contractual cash flow characteristics of financial assets and the accounting treatment and related disclosures when a currency lacks exchangeability, among other matters. Interpretation No. 20 is effective from the date of issuance. The Company applied Interpretation No. 20 from 1 January 2026. Its application had no impact on the Company's financial statements for the reporting period.

(2) *Changes in significant accounting estimates*

The Company had no significant changes in accounting estimates during the current period.

VI. TAXATION

1. Major categories of taxes and tax rates

Tax type	Tax base	Statutory tax rate %
Value-added tax	Taxable value added (the tax payable is calculated as the balance of taxable sales multiplied by the applicable tax rate, less the input tax allowed to be deducted for the current period)	0, 6, 9, 13
Urban maintenance and construction tax	Value-added tax actually paid	7
Enterprise income tax	Taxable income	25, 21, 20, 16.5, 15.825, 15
Education surcharge	Value-added tax actually paid	3
Local education surcharge	Value-added tax actually paid	2

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VI. TAXATION (Continued)

1. Major categories of taxes and tax rates (Continued)

The enterprise income tax rates applicable to the companies for the current period are as follows:

Name of taxpaying entity	Abbreviation	Income tax rate %
Fibocom Wireless Inc.	the Company	15
Fibocom Wireless Software Inc.	Fibocom Software	15
Fibocom Wireless (H.K.) Limited	Hong Kong Fibocom	16.5
Fibocom Wireless Taiwan Co., Ltd	Taiwan Fibocom	20
Fibocom Wireless USA Inc.	U.S. Fibocom	21
Xi'an Fibocom Wireless Software Inc.	Xi'an Fibocom Software	12.5
Fibocom Investment Development Inc.	Fibocom Investment	25
FIA Inc.	FIA	25
Shenzhen Favalon Technology Co., Ltd.	Favalon Technology	15
FIBOCOM Wireless EU GmbH	EU Fibocom	15.825
Xi'an Fibocom Wireless Inc.	Xi'an Fibocom Wireless	25
Shenzhen Guangtong Yilian Technology Co., Ltd.	Guangtong Yilian	25
Faiot Co., Ltd	Shanghai Faiot	15
Shanghai Faiot Software Co., Ltd.	Shanghai Faiot Software	25
Shanghai Favalon Technology Co., Ltd.	Shanghai Favalon	25
Shenzhen Yaboda Technology Co., Ltd.	Yaboda	25
Fibocom Technology Co., Ltd.	Fibocom Technology	15
Fibocom Auto Software Inc.	Fibocom Auto	25
Shenzhen Link Future Wireless Technology Co., Ltd.	Shenzhen Link/Link Future	25
Shanghai Sevenfold Universe Digital Technology Co., Ltd.	Shanghai Sevenfold Universe	20
LINK FUTURE WIRELESS (H.K.) LIMITED	Hong Kong Link	16.5
Faiot PTE. LTD.	Faiot PTE. LTD.	17
Gingkgo Solution Inc.	Gingkgo Solution Inc.	21
Faiot Limited	Faiot Limited	0
Fibocom Technology (Jiangxi) Co., Ltd.	Jiangxi Fibocom	20
Fibocom Embodied Intelligence Technology (Suzhou) Co., Ltd.	Suzhou Juke	20

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VI. TAXATION *(Continued)*

2. Tax preferential treatments and approval documents

(1) **Value-added tax preferential treatment**

In accordance with the relevant provisions of the “Notice of the Ministry of Finance and the State Administration of Taxation on Value-added Tax Policies for Software Products” (Cai Shui [2011] No. 100), the Company’s subsidiaries Fibocom Software, Xi’an Fibocom Software, Favalon Technology and Fibocom Auto are entitled to the tax preferential treatment of immediate refund upon collection in respect of the portion of the actual value-added tax burden exceeding 3% after value-added tax is levied on their sales of self-developed and self-produced software products.

(2) **Enterprise income tax preferential treatment**

In 2024, the Company obtained the High and New Technology Enterprise Certificate jointly issued by the Shenzhen Municipal Bureau of Industry and Information Technology, the Shenzhen Municipal Finance Bureau and the Shenzhen Municipal Tax Service of the State Taxation Administration, with certificate number GR202444208676 and a validity period of three years. In accordance with Article 28 of the Enterprise Income Tax Law of the People’s Republic of China, high and new technology enterprises requiring key support from the State are subject to enterprise income tax at the reduced rate of 15%. The Company is entitled to the preferential enterprise income tax rate of 15%.

In 2025, Fibocom Software, a subsidiary of the Company, obtained the High and New Technology Enterprise Certificate jointly issued by the Shenzhen Municipal Bureau of Industry and Information Technology, the Shenzhen Municipal Finance Bureau and the Shenzhen Municipal Tax Service of the State Taxation Administration, with certificate number GR202544204434 and a validity period of three years. In accordance with Article 28 of the Enterprise Income Tax Law of the People’s Republic of China, high and new technology enterprises requiring key support from the State are subject to enterprise income tax at the reduced rate of 15%. Fibocom Software is entitled to the preferential enterprise income tax rate of 15%.

In 2025, Favalon Technology, a subsidiary of the Company, obtained the High and New Technology Enterprise Certificate jointly issued by the Shenzhen Municipal Bureau of Industry and Information Technology, the Shenzhen Municipal Finance Bureau and the Shenzhen Municipal Tax Service of the State Taxation Administration, with certificate number GR202544202509 and a validity period of three years. In accordance with Article 28 of the Enterprise Income Tax Law of the People’s Republic of China, high and new technology enterprises requiring key support from the State are subject to enterprise income tax at the reduced rate of 15%. Favalon Technology is entitled to the preferential enterprise income tax rate of 15%.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VI. TAXATION *(Continued)*

2. Tax preferential treatments and approval documents *(Continued)*

(2) **Enterprise income tax preferential treatment** *(Continued)*

In 2024, Shanghai Faiot, a subsidiary of the Company, obtained the High and New Technology Enterprise Certificate jointly issued by the Shanghai Municipal Science and Technology Commission, the Shanghai Municipal Finance Bureau and the Shanghai Municipal Tax Service of the State Taxation Administration, with certificate number GR202431000694 and a validity period of three years. In accordance with Article 28 of the Enterprise Income Tax Law of the People's Republic of China, high and new technology enterprises requiring key support from the State are subject to enterprise income tax at the reduced rate of 15%. Shanghai Faiot is entitled to the preferential enterprise income tax rate of 15%.

In 2024, the Company's subsidiary Fibocom Technology obtained the "High and New Technology Enterprise Certificate" jointly issued by the Shenzhen Municipal Bureau of Industry and Information Technology, the Shenzhen Municipal Finance Bureau and the Shenzhen Municipal Tax Service of the State Taxation Administration, with certificate number GR202444207754 and a validity period of three years. In accordance with Article 28 of the "Enterprise Income Tax Law of the People's Republic of China", high and new technology enterprises that require key support from the State are subject to enterprise income tax at the reduced rate of 15%. Fibocom Technology is entitled to the preferential enterprise income tax rate of 15%.

On 28 June 2025, Xi'an Fibocom Software obtained the "Software Enterprise Certificate" issued by the China Software Industry Association, with certificate number Shaan RQ-2022-0190 and a validity period of one year. Xi'an Software was established on 14 May 2018 and first became profitable in 2022. For January to June 2026, being the fifth year of the preferential enterprise income tax treatment for software enterprises of a two-year exemption followed by a three-year 50% reduction, Xi'an Fibocom Software was entitled to a 50% reduction in enterprise income tax.

In accordance with the Announcement of the State Taxation Administration on Administrative Matters Relating to the Implementation of Preferential Enterprise Income Tax Policies for Small and Low-Profit Enterprises (Announcement No. 6 of 2023), Shanghai Sevenfold Universe, Jiangxi Fibocom and Suzhou Juke, subsidiaries of the Company, were entitled during January to June 2026 under the preferential policy for small and low-profit enterprises, to include 25% of their income in taxable income and to pay enterprise income tax at a rate of 20%.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	2026.06.30	2025.12.31
Cash on hand	0.13	–
Bank deposits	1,144,975,208.30	1,282,115,632.59
Other cash and bank balances	855,232,149.23	2,141,688,037.41
Total	2,000,207,357.66	3,423,803,670.00
Including: Total amount deposited overseas	288,997,052.92	495,015,021.26

Note: Other cash and bank balances comprised RMB14,456,599.70 of deposits for notes; RMB531,250,200.00 of USD-denominated Cunliying deposits; RMB300,000,000.00 of time deposits; RMB8,389,085.49 of accrued interest on Cunliying deposits; RMB923,472.22 of accrued interest on time deposits; RMB103,000.00 of funds frozen by judicial order; and RMB109,791.82 of balances in third-party platform accounts.

2. Financial assets held for trading

Item	2026.06.30	2025.12.31
Financial assets at fair value through profit or loss	279,231,669.94	316,102,632.97
Including: foreign exchange contracts	3,902,889.26	–
Investments in equity instruments	57,450,706.44	32,578,512.16
Contingent consideration	217,878,074.24	283,524,120.81
Total	279,231,669.94	316,102,632.97

Note:

- (1) In December 2025, the Company acquired 238,395 A shares in the initial public offering of Beijing OnMicro Electronics Co., Ltd. through a strategic placement. The fair value at the end of the period was RMB30,207,107.04, and the shares are subject to a 12-month lock-up period under the relevant agreement.
- (2) In April 2026, the Company acquired an equity interest in Lingban Technology (Hangzhou) Co., Ltd. The fair value at the end of the period was RMB27,243,599.40.
- (3) In July 2024, the Company entered into an Asset Purchase Agreement with EUROPASOLAR S.à.r.l. and completed the closing of the disposal of the automotive front-installed wireless communication module business of Shenzhen Link (formerly known as Shenzhen Rolling Wireless Technology Co., Ltd.). The fair value of the contingent consideration at the end of the period was RMB217,878,074.24.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Notes receivable

Category of notes	2026.06.30			2025.12.31		
	Gross carrying amount	Provision for bad debts	Carrying amount	Gross carrying amount	Provision for bad debts	Carrying amount
Bank acceptance notes	50,507,376.59	—	50,507,376.59	38,862,615.66	—	38,862,615.66
Commercial acceptance notes	5,857,767.00	87,866.51	5,769,900.49	49,892,738.73	2,305,057.68	47,587,681.05
Total	56,365,143.59	87,866.51	56,277,277.08	88,755,354.39	2,305,057.68	86,450,296.71

(1) *Notes receivable endorsed or discounted by the Company but not yet due at the end of the period*

Category	Amount derecognised as at 30 June 2026	Amount not derecognised as at 30 June 2026
Bank acceptance notes	—	36,421,096.67
Commercial acceptance notes	—	—
Total	—	36,421,096.67

(2) *At the end of the period, the Company had no notes transferred to accounts receivable as a result of the drawers' failure to perform*

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Notes receivable (Continued)

(3) Classified by method of provision for bad debts

Category	Gross carrying amount		2026.06.30 Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts assessed individually	-	-	-	-	-
Provision for bad debts assessed by portfolio	56,365,143.59	100.00	87,866.51	0.16	56,277,277.08
Including:					
Commercial acceptance notes	5,857,767.00	10.39	87,866.51	1.50	5,769,900.49
Bank acceptance notes	50,507,376.59	89.61	-	-	50,507,376.59
Total	56,365,143.59	100.00	87,866.51	0.16	56,277,277.08

Category	Gross carrying amount		2025.12.31 Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts assessed individually	-	-	-	-	-
Provision for bad debts assessed by portfolio	88,755,354.39	100.00	2,305,057.68	2.60	86,450,296.71
Including:					
Commercial acceptance notes	49,892,738.73	56.21	2,305,057.68	4.62	47,587,681.05
Bank acceptance notes	38,862,615.66	43.79	-	-	38,862,615.66
Total	88,755,354.39	100.00	2,305,057.68	2.60	86,450,296.71

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Notes receivable (Continued)

(4) Provision, recovery or reversal of provision for bad debts for the period

	Amount of provision for bad debts
Balance as at 31 December 2025	2,305,057.68
Provision for the period	-2,217,191.17
Recovery or reversal for the period	–
Write-off for the period	–
Balance as at 30 June 2026	87,866.51

4. Accounts receivable

(1) Disclosure by ageing

Ageing	2026.06.30	2025.12.31
Within 1 year	2,043,904,568.76	1,662,508,319.75
1 to 2 years	31,258,731.54	34,733,080.78
2 to 3 years	12,152,662.23	3,313,690.79
3 to 4 years	1,485,404.50	2,209,603.46
4 to 5 years	349,535.35	–
Sub-total	2,089,150,902.38	1,702,764,694.78
Less: Provision for bad debts	48,056,691.43	40,088,125.71
Total	2,041,094,210.95	1,662,676,569.07

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Accounts receivable (Continued)

(2) Disclosure by method of provision for bad debts

Category	Gross carrying amount		2026.06.30		
			Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts assessed individually	7,087,911.87	0.34	7,087,911.87	100.00	–
Provision for bad debts assessed by portfolio	2,082,062,990.51	99.66	40,968,779.56	1.97	2,041,094,210.95
Including: Portfolio of receivables from other customers	2,082,062,990.51	99.66	40,968,779.56	1.97	2,041,094,210.95
Total	2,089,150,902.38	100.00	48,056,691.43	2.30	2,041,094,210.95

Category	Gross carrying amount		2025.12.31		
			Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts assessed individually	7,598,928.33	0.45	7,598,928.33	100.00	–
Provision for bad debts assessed by portfolio	1,695,165,766.45	99.55	32,489,197.38	1.92	1,662,676,569.07
Including: Portfolio of receivables from other customers	1,695,165,766.45	99.55	32,489,197.38	1.92	1,662,676,569.07
Total	1,702,764,694.78	100.00	40,088,125.71	2.35	1,662,676,569.07

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Accounts receivable (Continued)

(2) Disclosure by method of provision for bad debts (Continued)

Accounts receivable for which provision for bad debts is assessed individually

Name	Gross carrying amount	Provision for bad debts	2026.06.30 Expected credit loss rate (%)	Basis of provision
Customer 1	4,003,628.87	4,003,628.87	100.00	Expected to be irrecoverable
Customer 2	3,084,283.00	3,084,283.00	100.00	Expected to be irrecoverable
Total	7,087,911.87	7,087,911.87	100.00	/

Name	Gross carrying amount	Provision for bad debts	2025.12.31 Expected credit loss rate (%)	Basis of provision
Customer 1	4,514,645.33	4,514,645.33	100.00	Expected to be irrecoverable
Customer 2	3,084,283.00	3,084,283.00	100.00	Expected to be irrecoverable
Total	7,598,928.33	7,598,928.33	100.00	/

Accounts receivable for which provision for bad debts is assessed by portfolio

Portfolio item: receivables from other customers

	Gross carrying amount	2026.06.30 Provision for bad debts	Expected credit loss rate (%)	Gross carrying amount	2025.12.31 Provision for bad debts	Expected credit loss rate (%)
Within 1 year	2,043,205,229.96	35,667,758.05	1.75	1,662,503,137.50	28,322,370.15	1.70
1 to 2 years	31,258,731.54	3,125,873.15	10.00	30,285,795.79	3,028,579.56	10.00
2 to 3 years	5,764,089.16	1,152,817.83	20.00	167,229.70	33,445.94	20.00
3 to 4 years	1,485,404.50	742,702.25	50.00	2,209,603.46	1,104,801.73	50.00
4 to 5 years	349,535.35	279,628.28	80.00	-	-	-
Total	2,082,062,990.51	40,968,779.56	1.97	1,695,165,766.45	32,489,197.38	1.92

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Accounts receivable (Continued)

(3) Provision, recovery or reversal of provision for bad debts for the period

	Amount of provision for bad debts
Balance as at 31 December 2025	40,088,125.71
Provision for the period	8,467,969.22
Recovery or reversal for the period	—
Write-off for the period	—
Charged off for the period	—
Foreign currency translation	499,403.50
Balance as at 30 June 2026	48,056,691.43

(4) Top five closing balances of accounts receivable by debtor

The top five accounts receivable by debtor at the end of the period amounted to RMB1,032,294,549.99, representing 49.41% of the total closing balance of accounts receivable, and the aggregate closing balance of the related provision for bad debts was RMB17,311,226.93.

5. Receivables financing

Item	2026.06.30	2025.12.31
Notes receivable	114,248,860.11	81,691,329.11
Receivable claim certificates	—	898,306.67
Sub-total	114,248,860.11	82,589,635.78
Less: Other comprehensive income – changes in fair value	—	—
Fair value at the end of the period	114,248,860.11	82,589,635.78

Note:

Based on the needs of its daily fund management, the Company discounts and endorses part of its bank acceptance notes/receivable claim certificates, and therefore classifies such bank acceptance notes/receivable claim certificates as financial assets measured at fair value through other comprehensive income.

The Company has no bank acceptance notes/receivable claim certificates for which provision for impairment is assessed individually. At the end of the period, the Company considers that the bank acceptance notes/receivable claim certificates held do not bear significant credit risk and will not give rise to significant losses as a result of bank defaults.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Receivables financing (Continued)

- (1) *At the end of the period, the Company had no notes receivable pledged*
- (2) *Notes receivable endorsed or discounted by the Company but not yet due at the end of the period*

Category	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptance notes	275,544,002.58	–
Receivable claim certificates	–	–
Total	275,544,002.58	–

6. Prepayments

- (1) *Disclosure of prepayments by ageing*

Ageing	2026.06.30		2025.12.31	
	Amount	Percentage %	Amount	Percentage %
Within 1 year	260,319,800.66	99.03	17,528,903.68	81.83
1 to 2 years	2,356,192.45	0.90	3,381,423.42	15.78
2 to 3 years	184,903.46	0.07	512,427.07	2.39
3 to 4 years	590.20	–	–	–
Total	262,861,486.77	100.00	21,422,754.17	100.00

- (2) *At the end of the period, the Company had no significant prepayments with an ageing of over 1 year*
- (3) *Top five closing balances of prepayments by prepayment recipient*

The aggregate closing balance of the five largest prepayments, analysed by prepayment recipient, amounted to RMB220,675,120.22, accounting for 83.95% of the total closing balance of prepayments.

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Other receivables

Item	2026.06.30	2025.12.31
Interest receivable	—	—
Dividends receivable	—	—
Other receivables	83,816,640.75	58,184,183.78
Total	83,816,640.75	58,184,183.78

(1) Other receivables

① Disclosure by ageing

Ageing	2026.06.30	2025.12.31
Within 1 year	73,065,455.67	45,816,839.21
1 to 2 years	7,950,561.82	8,334,842.69
2 to 3 years	183,574.10	251,590.02
Over 3 years	3,615,301.44	4,207,652.30
Sub-total	84,814,893.03	58,610,924.22
Less: Provision for bad debts	998,252.28	426,740.44
Total	83,816,640.75	58,184,183.78

② Disclosure by nature of amount

Item	Gross carrying amount	2026.06.30 Provision for bad debts	Carrying amount	Gross carrying amount	2025.12.31 Provision for bad debts	Carrying amount
Current accounts with entities	34,816,639.36	415,517.17	34,401,122.19	29,344,190.83	90,962.14	29,253,228.69
Guarantee deposits and deposits	42,603,944.04	213,019.61	42,390,924.43	10,002,447.97	50,012.21	9,952,435.76
Export tax refunds receivable	—	—	—	13,548,964.88	—	13,548,964.88
Current accounts with employees	7,394,309.63	369,715.50	7,024,594.13	5,715,320.54	285,766.09	5,429,554.45
Total	84,814,893.03	998,252.28	83,816,640.75	58,610,924.22	426,740.44	58,184,183.78

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Other receivables (Continued)

(1) Other receivables (Continued)

③ Provision for bad debts

Provision for bad debts in Stage 1 as at 30 June 2026:

Category	Gross carrying amount	Expected credit loss rate for the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts assessed individually	26,506,296.13	—	—	26,506,296.13
Provision for bad debts assessed by portfolio	58,308,596.90	1.71	998,252.28	57,310,344.62
Portfolio of deposits and guarantee deposits receivable	42,603,944.04	0.50	213,019.61	42,390,924.43
Portfolio of export tax refunds receivable	—	—	—	—
Portfolio of receivables from related parties and other investments	—	—	—	—
Portfolio of current accounts and other characteristics	15,704,652.86	5.00	785,232.67	14,919,420.19
Total	84,814,893.03	1.18	998,252.28	83,816,640.75

As at 30 June 2026, the Company had no interest receivable, dividends receivable or other receivables in Stage 2 or Stage 3.

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

7. Other receivables *(Continued)*

(1) Other receivables *(Continued)*

③ Provision for bad debts *(Continued)*

Provision for bad debts in Stage 1 as at 31 December 2025

Category	Gross carrying amount	Expected credit loss rate for the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts assessed individually	27,524,947.95	-	-	27,524,947.95
Provision for bad debts assessed by portfolio	31,085,976.27	1.37	426,740.44	30,659,235.83
Portfolio of deposits and guarantee deposits receivable	10,002,447.97	0.50	50,012.21	9,952,435.76
Portfolio of export tax refunds receivable	13,548,964.88	-	-	13,548,964.88
Portfolio of receivables from related parties and other investments	-	-	-	-
Portfolio of current accounts and other characteristics	7,534,563.42	5.00	376,728.23	7,157,835.19
Total	58,610,924.22	0.73	426,740.44	58,184,183.78

As at 31 December 2025, the Company had no interest receivable, dividends receivable or other receivables in Stage 2 or Stage 3.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Other receivables (Continued)

(1) Other receivables (Continued)

④ Provision, recovery or reversal of provision for bad debts for the period

	Stage 1 Expected credit losses for the next 12 months	Stage 2 Lifetime expected credit losses (not credit-impaired)	Stage 3 Lifetime expected credit losses (credit- impaired)	Total
Provision for bad debts				
Balance as at 31 December 2025	426,740.44	–	–	426,740.44
Opening balance during the period				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Transferred back to Stage 2	–	–	–	–
– Transferred back to Stage 1	–	–	–	–
Provision for the period	575,022.45	–	–	575,022.45
Reversal for the period	–	–	–	–
Charged off for the period	–	–	–	–
Write-off for the period	–	–	–	–
Foreign currency translation	3,510.61	–	–	3,510.61
Balance as at 30 June 2026	998,252.28	–	–	998,252.28

⑤ Top five closing balances of other receivables by debtor

Name of entity	Nature of amount	Closing balance of other receivables	Ageing	Percentage of the total closing balance of other receivables (%)	Closing balance of provision for bad debts
Shangli Ganxiang Investment Promotion, Construction and Investment Co., Ltd.	Guarantee deposits and deposits	30,000,000.00	Within 1 year	35.37	150,000.00
EUROPASOLAR S.À R.L	Current accounts with entities	26,506,296.13	Within 1 year and 1-2 years	31.25	–
Spreadtrum Communications (Shanghai) Co., Ltd.	Guarantee deposits and deposits	2,372,457.60	Within 1 year	2.80	11,862.28
Middle East Gateway CO. Ltd for contracting	Guarantee deposits and deposits	1,478,198.03	1-2 years	1.74	7,390.99
Shenzhen Hi-Tech Industrial Park Comprehensive Service Centre	Guarantee deposits and deposits	1,149,542.40	Within 1 year, 3-4 years and 4-5 years	1.36	5,747.71
Total		61,506,494.16		72.52	175,000.98

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Inventories

(1) Category of inventories

Item	2026.06.30			2025.12.31		
	Gross carrying amount	Provision for decline in value/ provision for impairment of contract fulfilment costs	Carrying amount	Gross carrying amount	Provision for decline in value/ provision for impairment of contract fulfilment costs	Carrying amount
Materials for consignment processing	1,514,450,668.79	8,991,656.52	1,505,459,012.27	412,897,902.08	9,566,367.96	403,331,534.12
Finished goods	417,703,942.78	20,229,046.49	397,474,896.29	371,695,624.08	15,094,714.01	356,600,910.07
Goods shipped	59,799,754.38	164,025.66	59,635,728.72	22,309,443.50	120,735.36	22,188,708.14
Materials in transit	172,357,523.49	-	172,357,523.49	47,233,718.21	-	47,233,718.21
Raw materials	1,076,915,221.74	9,659,060.97	1,067,256,160.77	480,470,583.22	4,240,120.91	476,230,462.31
Contract fulfilment costs	5,272,758.82	-	5,272,758.82	5,240,899.37	-	5,240,899.37
Work in progress	25,069,742.76	-	25,069,742.76	36,748,681.99	-	36,748,681.99
Total	3,271,569,612.76	39,043,789.64	3,232,525,823.12	1,376,596,852.45	29,021,938.24	1,347,574,914.21

(2) Provision for decline in value of inventories and provision for impairment of contract fulfilment costs

Item	Increase for the period			Decrease for the period		2026.06.30
	2025.12.31	Provision	Other	Reversal or write-off	Foreign currency translation	
Materials for consignment processing	9,566,367.96	1,288,299.84	-	1,863,005.24	6.04	8,991,656.52
Finished goods	15,094,714.01	14,806,873.33	-	9,666,118.28	6,422.57	20,229,046.49
Goods shipped	120,735.36	164,025.66	-	120,735.36	-	164,025.66
Materials in transit	-	-	-	-	-	-
Raw materials	4,240,120.91	6,403,999.52	-	985,059.46	-	9,659,060.97
Contract fulfilment costs	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-
Total	29,021,938.24	22,663,198.35	-	12,634,918.34	6,428.61	39,043,789.64

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Inventories (Continued)

(2) Provision for decline in value of inventories and provision for impairment of contract fulfilment costs (Continued)

Item	Specific basis for determining net realisable value/residual consideration and the costs to be incurred	Reason for the reversal or write-off of the provision for decline in value of inventories/ provision for impairment of contract fulfilment costs during the period
Materials for consignment processing	The estimated selling price of the inventories less the estimated costs to be incurred to completion, the estimated selling expenses and the relevant taxes and surcharges	Issued for use
Finished goods	The estimated selling price of the inventories less the estimated selling expenses and the relevant taxes and surcharges	Sold externally
Goods shipped	The estimated selling price of the inventories less the estimated selling expenses and the relevant taxes and surcharges	Sold externally
Materials in transit	The estimated selling price of the inventories less the estimated costs to be incurred to completion, the estimated selling expenses and the relevant taxes and surcharges	–
Raw materials	The estimated selling price of the inventories less the estimated costs to be incurred to completion, the estimated selling expenses and the relevant taxes and surcharges	Issued for use
Contract fulfilment costs	The estimated selling price of the service projects less the estimated costs to be incurred until the performance obligations are satisfied, the estimated selling expenses and the relevant taxes and surcharges	–
Work in progress	The estimated selling price of the inventories less the estimated costs to be incurred to completion, the estimated selling expenses and the relevant taxes and surcharges	–

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Non-current assets due within one year

Item	2026.06.30	2025.12.31
Large-denomination certificates of deposit due within one year	120,342,177.43	107,137,163.98
Total	120,342,177.43	107,137,163.98

10. Other current assets

Item	2026.06.30	2025.12.31
Rebates receivable from suppliers	338,596,482.88	428,090,208.76
Input VAT to be deducted	600,448,623.90	610,080,137.78
Prepaid taxes	9,760,434.26	8,249,998.37
Reverse repurchase of government bonds	—	90,055,087.50
Total	948,805,541.04	1,136,475,432.41

11. Long-term equity investments

Investee	31 December 2025 (carrying amount)	Opening balance of provision for impairment	Additional/ new investments	Decrease in investments	Changes for the period						30 June 2026 (carrying amount)	Closing balance of provision for impairment
					Investment income or loss recognised under the equity method	Adjustment of other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Other		
(1) Associates												
Shenzhen Bogesi Communication Technology Co., Ltd.	2,915,905.67	—	—	—	74,317.33	—	—	150,000.00	—	—	2,840,223.00	—
Hubei Link Sci Intelligent Technology Co., Ltd.	24,890,314.70	—	40,000,000.00	—	-3,355,012.08	—	—	—	—	—	61,535,302.62	—
Shenzhen High-tech Investment Fibocom IoT Industry Private Equity Investment Fund Partnership (Limited Partnership)	31,662,387.95	—	—	21,000,000.00	-54,074.18	—	—	—	—	—	10,608,313.77	—
Total	59,468,608.32	—	40,000,000.00	21,000,000.00	-3,334,768.93	—	—	150,000.00	—	—	74,983,839.39	—

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Investments in other equity instruments

Item	2026.06.30	2025.12.31
Mytech IoT Technology (Anhui) Co., Ltd.	48,012,300.00	48,012,300.00
Allystar Technology (Shenzhen) Co., Ltd.	20,739,600.00	20,739,600.00
United Micro Technology (Shenzhen) Co., Ltd.	287,224,121.38	287,224,121.38
Shanghai Luobo Intelligent Technology Co., Ltd.	20,000,000.00	—
Shanghai Yeats AI Co., Ltd.	20,000,000.00	—
Total	395,976,021.38	355,976,021.38

Note: As at 30 June 2026, the Company held equity interests of 4.0082% in Mytech IoT Technology (Anhui) Co., Ltd. ("Mytech"), 0.6952% in Allystar Technology (Shenzhen) Co., Ltd. ("Allystar"), 13.0556% in United Micro Technology (Shenzhen) Co., Ltd. ("United Micro Technology"), 3.0321% in Shanghai Luobo Intelligent Technology Co., Ltd. ("Luobo Intelligent") and 3.0303% in Shanghai Yeats AI Co., Ltd. ("Yeats"). The Company intends to hold these equity investments for the long term and not for trading purposes. As the Company has no board seat in, and does not exercise significant influence over, any of these entities, the investments are accounted for as investments in other equity instruments in accordance with China Accounting Standards for Business Enterprises and are subsequently measured at fair value.

13. Fixed assets

Item	2026.06.30	2025.12.31
Fixed assets	72,089,363.88	71,793,771.55
Disposal of fixed assets	—	—
Total	72,089,363.88	71,793,771.55

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Fixed assets (Continued)

(1) Fixed assets

① Details of fixed assets

Item	R&D and automated testing equipment	Motor vehicles	Office equipment and others	Machinery and equipment	Total
I. Cost:					
1. 2025.12.31	169,203,562.15	4,358,988.40	45,714,829.35	20,294,279.77	239,571,659.67
2. Additions for the period	6,745,269.01	-	6,741,719.27	2,172,914.13	15,659,902.41
(1) Acquisition	6,913,570.06	-	6,772,097.00	2,196,058.51	15,881,725.57
(2) Translation of foreign currency financial statements	-168,301.05	-	-30,377.73	-23,144.38	-221,823.16
3. Decreases for the period	1,256,958.96	-	1,573,514.85	297,267.83	3,127,741.64
(1) Disposal or retirement	1,256,958.96	-	1,573,514.85	297,267.83	3,127,741.64
4. 2026.6.30	174,691,872.20	4,358,988.40	50,883,033.77	22,169,926.07	252,103,820.44
II. Accumulated depreciation					
1. 2025.12.31	123,086,897.05	3,736,536.38	31,070,356.68	9,884,098.01	167,777,888.12
2. Additions for the period	9,386,725.03	91,743.18	3,525,623.46	1,806,955.34	14,811,047.01
(1) Charge for the period	9,447,835.08	91,743.18	3,547,836.41	1,811,313.23	14,898,727.90
(2) Translation of foreign currency financial statements	-61,110.05	-	-22,212.95	-4,357.89	-87,680.89
3. Decreases for the period	811,588.42	-	1,466,536.54	296,353.61	2,574,478.57
(1) Disposal or retirement	811,588.42	-	1,466,536.54	296,353.61	2,574,478.57
4. 2026.06.30	131,662,033.66	3,828,279.56	33,129,443.60	11,394,699.74	180,014,456.56
III. Provision for impairment	-	-	-	-	-
IV. Carrying amount					
1. Carrying amount as at 30 June 2026	43,029,838.54	530,708.84	17,753,590.17	10,775,226.33	72,089,363.88
2. Carrying amount as at 31 December 2025	46,116,665.10	622,452.02	14,644,472.67	10,410,181.76	71,793,771.55

14. Construction in progress

Item	2026.06.30	2025.12.31
Construction in progress	303,710,489.14	211,487,187.73
Total	303,710,489.14	211,487,187.73

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Construction in progress (Continued)

(1) Construction in progress

① Details of construction in progress

Item	2026.06.30			2025.12.31		
	Gross carrying amount	Provision for impairment	Net carrying amount	Gross carrying amount	Provision for impairment	Net carrying amount
R&D office building of the Liuxiandong Headquarters Joint Construction Building	153,787,131.80	-	153,787,131.80	148,082,896.66	-	148,082,896.66
Longhua Intelligent Manufacturing Base	149,923,357.34	-	149,923,357.34	63,404,291.07	-	63,404,291.07
Total	303,710,489.14	-	303,710,489.14	211,487,187.73	-	211,487,187.73

② Movements in significant construction in progress projects

Project name	2025.12.31	Increase for the period	Transferred to fixed assets	Other decreases
R&D office building of the Liuxiandong Headquarters Joint Construction Building	148,082,896.66	5,704,235.14	-	-
Longhua Intelligent Manufacturing Base	63,404,291.07	86,519,066.27	-	-
Total	211,487,187.73	92,223,301.41	-	-

Project name	Accumulated amount of capitalised interest	Including: Amount of interest capitalised for the period	Capitalisation rate of interest for the period %	2026.06.30
Liuxiandong Headquarters Joint Development Building – R&D Office Building	-	-	-	153,787,131.80
Longhua Intelligent Manufacturing Base	-	-	-	149,923,357.34
Total	-	-	-	303,710,489.14

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Construction in progress (Continued)

(1) Construction in progress (Continued)

② Movements in significant construction in progress projects (Continued)

Project name	Budgeted amount	Percentage of accumulated investment to budget %	Progress of the project %	Source of funds
Liuxiandong Headquarters Joint Development Building – R&D Office Building	165,483,819.75	92.93	92.93	Raised funds, own funds
Longhua Intelligent Manufacturing Base	640,149,985.92	23.42	23.42	Raised funds, own funds
Total	805,633,805.67			

15. Right-of-use assets

Item	Buildings	Machinery and equipment	Total
I. Cost:			
1. 2025.12.31	52,157,131.85	103,524,800.00	155,681,931.85
2. Additions for the period	9,761,349.08	5,326,878.46	15,088,227.54
(1) New leases	9,828,158.13	5,326,878.46	15,155,036.59
(2) Translation of foreign currency financial statements	-66,809.05	–	-66,809.05
3. Decreases for the period	1,068,126.11	11,624,081.77	12,692,207.88
(1) Expiry of leases/termination of leases	279,494.62	–	279,494.62
(2) Other decreases	788,631.49	11,624,081.77	12,412,713.26
4. 2026.06.30	60,850,354.82	97,227,596.69	158,077,951.51
II. Accumulated depreciation			
1. 2025.12.31	21,630,007.29	47,056,727.27	68,686,734.56
2. Additions for the period	9,362,790.34	26,552,223.05	35,915,013.39
(1) Charge for the period	9,394,712.58	26,552,223.05	35,946,935.63
(2) Translation of foreign currency financial statements	-31,922.24	–	-31,922.24
3. Decreases for the period	669,919.80	–	669,919.80
(1) Expiry of leases/termination of leases	669,919.80	–	669,919.80
4. 2026.06.30	30,322,877.83	73,608,950.32	103,931,828.15
III. Provision for impairment	–	–	–
IV. Carrying amount			
1. Carrying amount as at 30 June 2026	30,527,476.99	23,618,646.37	54,146,123.36
2. Carrying amount as at 31 December 2025	30,527,124.56	56,468,072.73	86,995,197.29

The lease expenses recognised by the Company in relation to short-term leases and leases of low-value assets are set out in Note VII.61.

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Intangible assets

(1) Details of intangible assets

Item	Land use rights	Trademarks, patents, etc.	Development platforms	Software	Total
I. Cost					
1. 2025.12.31	127,853,979.27	152,231,910.51	239,246,184.99	44,491,300.42	563,823,375.19
2. Additions for the period	-	1,674,419.89	1,452,265.00	1,804,898.61	4,931,583.50
(1) Acquisition	-	-	1,452,265.00	1,804,898.61	3,257,163.61
(2) Internally developed	-	1,674,419.89	-	-	1,674,419.89
3. Decreases for the period	-	109,494.92	1,775,705.29	1,960,069.82	3,845,270.03
(1) Disposal	-	3,762.02	-	1,960,069.82	1,963,831.84
(2) Translation of foreign currency financial statements	-	105,732.9	1,775,705.29	-	1,881,438.19
4. 2026.06.30	127,853,979.27	153,796,835.48	238,922,744.70	44,336,129.21	564,909,688.66
II. Accumulated amortisation					
1. 2025.12.31	17,874,374.04	38,213,771.61	88,717,554.85	19,642,643.74	164,448,344.24
2. Additions for the period	2,188,038.24	7,615,168.36	10,962,355.96	2,501,829.86	23,267,392.42
(1) Charge for the period	2,188,038.24	7,615,168.36	10,962,355.96	2,501,829.86	23,267,392.42
3. Decreases for the period	-	94,902.31	587,099.57	1,803,148.30	2,485,150.18
(1) Disposal	-	245.61	-	1,803,148.30	1,803,393.91
(2) Translation of foreign currency financial statements	-	94,656.70	587,099.57	-	681,756.27
4. 2026.06.30	20,062,412.28	45,734,037.66	99,092,811.24	20,341,325.30	185,230,586.48
III. Provision for impairment	-	-	-	-	-
IV. Carrying amount					
1. Carrying amount as at 30 June 2026	107,791,566.99	108,062,797.82	139,829,933.46	23,994,803.91	379,679,102.18
2. Carrying amount as at 31 December 2025	109,979,605.23	114,018,138.90	150,528,630.14	24,848,656.68	399,375,030.95

Note:

Intangible assets arising from internal research and development during the period accounted for 0.30% of the closing balance of intangible assets.

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Development expenditure

Item	2025.12.31	Increase for the period	Decrease for the period	2026.06.30
5G series wireless communication modules	7,617,077.03	1,703,526.50	4,226,779.79	5,093,823.74
Robotics and other solutions	2,972,348.90	1,367,384.27	2,834,239.97	1,505,493.20
AI enablement and service platform	776,261.83	1,961,254.67	–	2,737,516.50
Total	11,365,687.76	5,032,165.44	7,061,019.76	9,336,833.44

For details, please refer to Note VIII. Research and development expenditure.

18. Goodwill

(1) Cost of goodwill

Name of investee or event giving rise to goodwill	2025.12.31	Increase for the period		Decrease for the period		2026.06.30
		Arising from business combinations	Other	Disposal	Other	
Security business asset group	22,970,110.91	–	–	–	–	22,970,110.91
Automotive electronics tariff business unit	4,815,887.47	–	–	–	–	4,815,887.47
Total	27,785,998.38	–	–	–	–	27,785,998.38

(2) Provision for impairment of goodwill

Name of investee or event giving rise to goodwill	2025.12.31	Increase for the period		Decrease for the period		2026.06.30
		Provision	Other	Disposal	Other	
Security business asset group	14,883,905.11	–	–	–	–	14,883,905.11
Automotive electronics tariff business unit	–	–	–	–	–	–
Total	14,883,905.11	–	–	–	–	14,883,905.11

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Long-term prepaid expenses

Item	2025.12.31	Increase for the period	Decrease for the period		2026.06.30
			Amortisation for the period	Other decreases	
Certification fees	43,095,057.85	7,915,689.89	11,126,161.49	–	39,884,586.25
Renovation costs	2,966,371.82	–	880,682.62	–	2,085,689.20
Other	7,327,236.33	187,542.43	1,063,467.77	–	6,451,310.99
Total	53,388,666.00	8,103,232.32	13,070,311.88	–	48,421,586.44

20. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities not offset

Item	2026.06.30		2025.12.31	
	Deductible/ taxable temporary differences	Deferred tax assets/liabilities	Deductible/ taxable temporary differences	Deferred tax assets/liabilities
Deferred tax assets:				
Unrealised profits from intra-group transactions	10,390,501.80	1,507,032.31	18,582,348.27	2,787,352.24
Provision for asset impairment	56,432,279.24	8,701,707.87	50,559,761.56	7,840,001.44
Deductible losses	755,673,925.12	134,349,515.78	682,049,993.01	127,836,062.95
Deferred income	5,285,360.80	792,804.12	6,497,747.67	974,662.15
Lease liabilities	65,757,947.50	9,907,800.45	90,964,029.40	13,711,975.41
Sub-total	893,540,014.46	155,258,860.53	848,653,879.91	153,150,054.19
Deferred tax liabilities:				
Changes in fair value of investments in other equity instruments	237,789,354.38	59,447,338.60	237,789,354.38	59,447,338.60
Investment income from disposal of businesses	162,610,863.73	24,391,629.56	162,610,863.73	24,391,629.56
Right-of-use assets	50,040,924.90	7,547,829.06	81,915,089.75	12,354,634.47
Changes in fair value of financial assets held for trading	14,308,907.60	3,186,937.98	12,777,423.46	3,194,355.87
Sub-total	464,750,050.61	94,573,735.20	495,092,731.32	99,387,958.50

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Deferred tax assets and deferred tax liabilities (Continued)

(2) Deferred tax assets or liabilities presented at the net amount after offsetting

Item	Amount of deferred tax assets and liabilities offset against each other at the end of the period	Closing balance of deferred tax assets or liabilities after offsetting	Amount of deferred tax assets and liabilities offset against each other at the end of prior year	Balance of deferred tax assets or liabilities after offsetting at the end of prior year
Deferred tax assets	7,547,829.06	147,711,031.47	12,354,634.47	140,795,419.72
Deferred tax liabilities	7,547,829.06	87,025,906.14	12,354,634.47	87,033,324.03

(3) Details of deductible temporary differences and deductible losses for which no deferred tax assets have been recognised

Item	2026.06.30	2025.12.31
Deductible temporary differences	33,469,028.57	21,282,100.51
Deductible losses	920,056,917.90	792,460,889.88
Total	953,525,946.47	813,742,990.39

(4) Deductible losses for which no deferred tax assets have been recognised will expire in the following years

Year	2026.06.30	2025.12.31	Remarks
2026	4,000,025.71	4,000,025.71	
2027	16,257,742.57	16,261,767.05	
2028	51,180,757.20	60,771,838.08	
2029	31,745,462.71	68,340,827.55	
2030	104,244,618.48	107,105,436.70	
2031	249,864,249.87	137,469,004.92	
2032	91,276,345.24	91,276,345.24	
2033	45,835,162.21	45,877,501.08	
2034	133,190,342.36	147,110,459.82	
2035	111,938,485.04	104,685,985.78	
2036	51,164,452.10	—	
No expiry date	29,359,274.41	9,561,697.95	
Total	920,056,917.90	792,460,889.88	

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Other non-current assets

Item	2026.06.30			2025.12.31		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Prepayments for equipment	10,042,667.33	-	10,042,667.33	9,049,081.22	-	9,049,081.22
Prepaid certification service fees	1,441,480.02	-	1,441,480.02	4,172,115.21	-	4,172,115.21
Certificates of deposit with a term of over one year	-	-	-	30,277,916.67	-	30,277,916.67
Total	11,484,147.35	-	11,484,147.35	43,499,113.10	-	43,499,113.10

22. Assets with restricted ownership or right of use

Item	2026.06.30		Type of restriction	Details of restriction
	Gross carrying amount	Carrying amount		
Cash and bank balances	14,456,599.70	14,456,599.70	Security deposits	Security deposits
Cash and bank balances	103,000.00	103,000.00	Frozen by judicial order	Frozen by judicial order
Financial assets held for trading	30,207,107.04	30,207,107.04	Share lock-up period	Share lock-up period
Total	44,766,706.74	44,766,706.74		

Item	2025.12.31		Type of restriction	Details of restriction
	Gross carrying amount	Carrying amount		
Cash and bank balances	44,963,152.13	44,963,152.13	Deposits for notes	Deposits for notes
Cash and bank balances	9,645,523.65	9,645,523.65	Frozen by judicial order	Frozen by judicial order
Cash and bank balances	245.03	245.03	Account subject to no-receipt/no-payment control	Account subject to no-receipt/no-payment control
Notes receivable	7,318,982.88	7,318,982.88	Pledge	Pledge of notes
Receivables financing	8,676,612.24	8,676,612.24	Pledge	Pledge of notes
Financial assets held for trading	32,578,512.16	32,578,512.16	Share lock-up period	Share lock-up period
Total	103,183,028.09	103,183,028.09		

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

23. Short-term borrowings

(1) Categories of short-term borrowings

Item	2026.06.30	2025.12.31
Credit borrowings	348,159,667.23	348,201,827.89
Borrowings secured by pledge	—	200,114,722.22
Discounted notes	627,327,522.84	73,972,842.77
Total	975,487,190.07	622,289,392.88

Note: As at the end of the period, the Company had no overdue borrowings.

24. Financial liabilities held for trading

Item	2026.06.30	2025.12.31
Financial liabilities held for trading	—	6,537,931.64
Including: Others	—	6,537,931.64
Total	—	6,537,931.64

25. Notes payable

Category	2026.06.30	2025.12.31
Bank acceptance notes	305,705,627.50	384,032,973.27
Total	305,705,627.50	384,032,973.27

Note: As at the end of the period, the Company had no notes payable that were due but unpaid.

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Accounts payable

Item	2026.06.30	2025.12.31
Payments for goods	2,217,755,509.05	1,598,473,503.68
Payables for engineering and equipment	73,795,937.45	70,864,197.66
Service fees, etc.	9,943,688.24	3,065,602.35
Total	2,301,495,134.74	1,672,403,303.69

Disclosure by aging

As at the end of the Reporting Period, the aging analysis of accounts payable based on transaction dates is as follows:

Unit: RMB

Aging	Closing balance	Balance at the end of last year
Within 1 year	2,265,927,228.80	1,668,705,391.85
1 – 2 years	34,184,723.71	3,329,244.69
2 – 3 years	1,134,067.34	168,667.15
Over 3 years	249,114.89	200,000.00
Total	2,301,495,134.74	1,672,403,303.69

27. Contract liabilities

Item	2026.06.30	2025.12.31
Advances received for goods	74,910,115.48	50,996,166.99
Total	74,910,115.48	50,996,166.99

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Employee benefits payable

Item	2025.12.31	Increase for the period	Decrease for the period	2026.06.30
Short-term employee benefits	75,785,835.43	324,647,001.71	346,261,484.66	54,171,352.48
Post-employment benefits – defined contribution plan	331,533.22	23,900,496.33	24,210,662.68	21,366.87
Total	76,117,368.65	348,547,498.04	370,472,147.34	54,192,719.35

(1) Short-term employee benefits

Item	2025.12.31	Increase for the period	Decrease for the period	2026.06.30
Salaries, bonuses, allowances and subsidies	75,444,784.08	301,580,201.37	323,098,694.40	53,926,291.05
Employee welfare benefits	–	4,490,696.35	4,490,696.35	–
Social insurance premiums	180,333.20	10,335,322.59	10,454,387.84	61,267.95
Including: 1. Medical insurance premiums	178,127.41	9,168,292.64	9,299,271.70	47,148.35
2. Work-related injury insurance premiums	1,380.29	750,640.49	737,901.18	14,119.60
3. Maternity insurance premiums	825.50	416,389.46	417,214.96	–
Housing provident fund	53,022.00	7,417,829.18	7,470,851.18	–
Labour union funds and employee education funds	107,696.15	822,952.22	746,854.89	183,793.48
Total	75,785,835.43	324,647,001.71	346,261,484.66	54,171,352.48

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Employee benefits payable (Continued)

(2) Defined contribution plans

Item	2025.12.31	Increase for the period	Decrease for the period	2026.06.30
Post-employment benefits	331,533.22	23,900,496.33	24,210,662.68	21,366.87
Including: Basic pension insurance premiums	279,734.44	22,852,188.96	23,110,556.53	21,366.87
Unemployment insurance premiums	51,798.78	1,048,307.37	1,100,106.15	-
Total	331,533.22	23,900,496.33	24,210,662.68	21,366.87

29. Taxes payable

Tax item	2026.06.30	2025.12.31
Value-added tax	11,681,787.65	35,461,733.92
Enterprise income tax	2,892,489.28	2,346,855.80
Individual income tax	4,142,466.04	5,755,317.07
Urban maintenance and construction tax	219,000.00	753,684.13
Education surcharge	150,700.00	538,345.79
Other	2,086,365.12	2,743,455.85
Total	21,172,808.09	47,599,392.56

30. Other payables

Item	2026.06.30	2025.12.31
Interest payable	-	-
Dividends payable	31,458,712.84	-
Other payables	155,292,456.52	119,226,414.61
Total	186,751,169.36	119,226,414.61

(1) Dividends payable

Item	Closing balance	Balance at the end of prior year
Dividends on ordinary shares	31,458,712.84	-
Total	31,458,712.84	-

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

30. Other payables *(Continued)*

(2) Other payables

Item	2026.06.30	2025.12.31
Current accounts	140,627,266.61	104,047,193.20
Obligation to repurchase restricted shares	14,652,501.18	15,166,532.68
Funds for exercise of share options	12,688.73	12,688.73
Total	155,292,456.52	119,226,414.61

31. Non-current liabilities due within one year

Item	2026.06.30	2025.12.31
Long-term borrowings due within one year	47,705,088.89	190,113,003.56
Lease liabilities due within one year	54,318,359.25	78,904,855.48
Total	102,023,448.14	269,017,859.04

(1) Long-term borrowings due within one year

Item	2026.06.30	2025.12.31
Credit borrowings	47,705,088.89	190,113,003.56
Total	47,705,088.89	190,113,003.56

(2) Lease liabilities due within one year

Item	2026.06.30	2025.12.31
Lease liabilities	54,318,359.25	78,904,855.48

32. Other current liabilities

Item	2026.06.30	2025.12.31
Notes receivable not derecognised	20,093,573.83	3,761,523.99
Output VAT to be transferred	6,163,586.81	3,645,873.88
Total	26,257,160.64	7,407,397.87

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33. Long-term borrowings

Item	2026.06.30	2025.12.31
Credit borrowings	447,705,088.89	238,863,003.56
Sub-total	447,705,088.89	238,863,003.56
Less: Long-term borrowings due within one year	47,705,088.89	190,113,003.56
Total	400,000,000.00	48,750,000.00

Note: As at 30 June 2026, the annual interest rates applicable to the above borrowings ranged from 2.14% to 2.19%.

34. Lease liabilities

Item	2026.06.30	2025.12.31
Lease liabilities	69,552,453.98	102,869,404.07
Less: Lease liabilities due within one year	54,318,359.25	78,904,855.48
Total	15,234,094.73	23,964,548.59

Note: The interest expense on lease liabilities included in finance costs – interest expense for January to June 2026 amounted to RMB671,400.

35. Provisions

Item	Closing balance	Balance at the end of prior year	Reason for recognition
Lease restoration costs	612,899.93	–	Lease restoration costs
Total	612,899.93	–	

36. Deferred income

Item	2025.12.31	Increase for the period	Decrease for the period	2026.06.30	Reason for recognition
Government grants	6,597,747.67	3,874,116.26	3,774,003.13	6,697,860.80	Related to assets/Related to income
Total	6,597,747.67	3,874,116.26	3,774,003.13	6,697,860.80	

For details of the government grants recognised in deferred income, please refer to Note X. Government grants.

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37. Share capital (in ten thousand shares)

Item	2025.12.31	Increase/decrease for the period (+, -)				Sub-total	2026.06.30
		Issue of new shares	Bonus shares	Transfer of reserves to share capital	Other		
Total number of shares	89,926.58	-	-	-	-	-	89,926.58

38. Capital reserve

Item	2025.12.31	Increase for the period	Decrease for the period	2026.06.30
Share premium	3,055,387,766.93	-	-	3,055,387,766.93
Other capital reserve	63,842,957.79	547,776.97	-	64,390,734.76
Total	3,119,230,724.72	547,776.97	-	3,119,778,501.69

Note:

(1) Other capital reserve

① Capital reserve of RMB547,776.97 was recognised in respect of share-based incentives of the Company's subsidiaries.

39. Treasury shares

Item	2025.12.31	Increase for the period	Decrease for the period	2026.06.30
Obligation to repurchase restricted shares	7,101,120.00	-	157,044.00	6,944,076.00
Repurchase of shares	50,998,371.54	-	-	50,998,371.54
Total	58,099,491.54	-	157,044.00	57,942,447.54

Note:

The decrease in treasury shares – obligation to repurchase restricted shares for the period represented the repurchase and cancellation of restricted shares and the unlocking of restricted shares.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Other comprehensive income

Other comprehensive income attributable to the parent company in the balance sheet:

Item	2025.12.31(1)	Attributable to the parent company, net of tax(2)	Current period amount		2026.06.30 (4) = (1) + (2) - (3)
			Less: Amounts previously recognised in other comprehensive income and transferred to retained earnings in the current period(3)		
I. Other comprehensive income that will not be reclassified to profit or loss	178,342,015.78	-	-		178,342,015.78
1. Changes in fair value of investments in other equity instruments	178,342,015.78	-	-		178,342,015.78
II. Other comprehensive income that will be reclassified to profit or loss	-12,373,171.93	-38,833,771.29	-		-51,206,943.22
1. Exchange differences on translation of foreign currency financial statements	-12,373,171.93	-38,833,771.29	-		-51,206,943.22
Total other comprehensive income	165,968,843.85	-38,833,771.29	-		127,135,072.56

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Other comprehensive income (Continued)

Other comprehensive income attributable to the parent company in the income statement:

Item	Current period amount				
	Amount before income tax for the current period(1)	Less: Amounts previously recognised in other comprehensive income and transferred to profit or loss in the current period(2)	Less: Income tax expense(3)	Less: Attributable to non-controlling shareholders, net of tax(4)	Attributable to the parent company, net of tax (5) = (1) - (2) - (3) - (4)
I. Other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-
1. Changes in fair value of investments in other equity instruments	-	-	-	-	-
II. Other comprehensive income that will be reclassified to profit or loss	-38,833,771.29	-	-	-	-38,833,771.29
1. Exchange differences on translation of foreign currency financial statements	-38,833,771.29	-	-	-	-38,833,771.29
Total other comprehensive income	-38,833,771.29	-	-	-	-38,833,771.29

41. Surplus reserve

Item	2025.12.31	Increase for the period	Decrease for the period	2026.06.30
Statutory surplus reserve	244,193,309.27	-	-	244,193,309.27
Total	244,193,309.27	-	-	244,193,309.27

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42. Retained earnings

Item	January to June 2026	For the year ended 31 December 2025	Appropriation or distribution ratio
Retained earnings at the end of the prior period before adjustment	1,889,123,130.81	1,858,605,130.73	—
Total adjustments to retained earnings at the beginning of the period (increases +, decreases -)	—	—	—
Retained earnings at the beginning of the period after adjustment	1,889,123,130.81	1,858,605,130.73	
Add: Net profit attributable to shareholders of the parent company for the period	61,824,266.04	347,040,640.51	—
Less: Appropriation to statutory surplus reserve	—	49,533,686.73	10%
Dividends payable on ordinary shares	209,816,881.81	266,988,953.70	
Retained earnings at the end of the period	1,741,130,515.04	1,889,123,130.81	

Dividend

During the Reporting Period, the final dividend for the year ended December 31, 2025 of RMB2.34 per 10 shares (tax inclusive), amounting to a total of RMB209,816,881.81, was approved by the shareholders at the annual general meeting of the Company held on May 18, 2026. For the dividend payable on H Shares, the Hong Kong dollar amount was translated into Renminbi for accounting purposes at the spot exchange rate prevailing on the date of the annual general meeting. (For the six months ended June 30, 2025: the final dividend for the year ended December 31, 2024 of RMB3.50 per 10 shares, amounting to a total of RMB266,988,953.70.)

No dividend was paid or declared by the Company in respect of the six months ended June 30, 2026 (six months ended June 30, 2025: Nil).

43. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	January to June 2026		January to June 2025	
	Revenue	Costs	Revenue	Costs
Principal operations	3,733,839,898.42	3,169,036,010.70	3,685,364,305.64	3,079,739,648.03
Other operations	44,335,500.05	37,341,267.58	21,612,211.63	18,425,691.80
Total	3,778,175,398.47	3,206,377,278.28	3,706,976,517.27	3,098,165,339.83

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Operating revenue and operating costs (Continued)

(2) Operating revenue and operating costs by product type

Major product types	January to June 2026		January to June 2025	
	Revenue	Costs	Revenue	Costs
Module products	3,467,690,424.42	2,946,114,474.36	3,446,371,246.25	2,884,226,010.87
Solutions	238,504,137.28	207,202,967.45	214,839,886.86	172,116,495.27
Other	71,980,836.77	53,059,836.47	45,765,384.16	41,822,833.69
Total	3,778,175,398.47	3,206,377,278.28	3,706,976,517.27	3,098,165,339.83

(3) Operating revenue and operating costs by geographical region

Major geographical areas of operation	January to June 2026		January to June 2025	
	Revenue	Costs	Revenue	Costs
Domestic	1,846,375,585.59	1,478,480,231.61	1,370,850,061.74	1,197,139,155.11
Overseas	1,931,799,812.88	1,727,897,046.67	2,336,126,455.53	1,901,026,184.72
Sub-total	3,778,175,398.47	3,206,377,278.28	3,706,976,517.27	3,098,165,339.83

(4) Operating revenue and operating costs by timing of transfer of goods

Item	January to June 2026	
	Revenue	Costs
Principal operations	3,733,839,898.42	3,169,036,010.70
Including: Recognised at a point in time	3,715,972,098.82	3,162,899,298.56
Recognised over a period of time	17,867,799.60	6,136,712.14
Other operations	44,335,500.05	37,341,267.58
Including: Recognised at a point in time	44,335,500.05	37,341,267.58
Total	3,778,175,398.47	3,206,377,278.28

44. Taxes and surcharges

Item	January to June 2026	January to June 2025
Urban maintenance and construction tax	1,487,107.90	3,384,564.98
Education surcharge	1,056,380.61	2,418,882.79
Stamp duty	4,655,334.33	1,812,039.25
Water conservancy fund and others	2,395.76	18,261.15
Total	7,201,218.60	7,633,748.17

For the basis of calculation and payment of taxes and surcharges, please refer to Note VI. Taxation.

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45. Selling expenses

Item	January to June 2026	January to June 2025
Employee benefits	61,832,770.67	63,188,824.46
Travel expenses	6,216,417.32	5,653,021.94
Advertising and publicity expenses	4,827,637.29	2,334,901.37
Entertainment expenses	3,789,763.19	5,233,516.49
Depreciation and amortisation	2,639,868.35	1,532,315.94
Lease expenses	956,586.28	528,062.76
Office expenses	5,100,367.32	1,360,827.94
Share-based incentives	31,552.28	339,289.48
Market development expenses	—	42,150.01
Other	3,222,229.01	1,856,596.70
Total	88,617,191.71	82,069,507.09

46. General and administrative expenses

Item	January to June 2026	January to June 2025
Employee benefits	51,269,478.46	46,504,630.18
Professional service fees	11,410,410.35	3,921,571.87
Depreciation and amortisation	7,824,180.78	7,663,854.67
Utilities and property management fees	3,237,792.23	3,853,867.66
Office expenses	2,895,738.86	2,398,446.64
Entertainment expenses	2,172,704.44	2,228,767.42
Travel expenses	1,130,320.77	1,550,663.18
Lease expenses	466,122.01	352,762.82
Share-based incentives	372,446.18	1,331,022.90
Motor vehicle expenses	235,987.82	284,660.64
Training expenses	68,937.80	—
Other	1,933,706.19	1,995,255.47
Total	83,017,825.89	72,085,503.45

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47. Research and development expenses

Item	January to June 2026	January to June 2025
Employee benefits	200,330,405.13	158,663,720.85
Depreciation and amortisation	45,448,787.59	47,332,213.65
Materials	18,249,632.31	9,408,628.70
Technical consultancy fees	5,957,946.82	2,158,016.57
Travel expenses	4,819,166.39	4,536,223.50
Testing and certification fees	4,090,159.56	10,399,037.10
Office expenses	3,053,995.44	388,606.39
Utilities and property management fees	1,320,406.58	847,775.12
Trademark and patent royalties	584,710.84	856,269.91
Lease expenses	202,834.24	327,632.97
Share-based incentives	152,428.70	131,597.03
Other	4,560,649.25	4,191,242.14
Total	288,771,122.85	239,240,963.93

48. Finance costs

Item	January to June 2026	January to June 2025
Interest expense	13,377,916.23	16,341,000.47
Less: Interest capitalised	—	—
Interest income	23,712,201.92	10,383,911.47
Exchange gains or losses	33,859,771.52	-9,638,456.38
Less: Exchange gains or losses capitalised	—	—
Handling charges and others	811,983.70	542,316.02
Total	24,337,469.53	-3,139,051.36

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. Other income

Item	January to June 2026	January to June 2025
Government grants	8,848,881.45	26,970,899.03
Refund of handling fees for withholding individual income tax	1,492,561.88	850,341.32
Total	10,341,443.33	27,821,240.35

Note:

(1) For details of the government grants, please refer to Note X. Government grants.

(2) For the reasons for classifying certain government grants as recurring profit or loss, please refer to Note XIX.1.

50. Investment income

Item	January to June 2026	January to June 2025
Income from long-term equity investments accounted for using the equity method	-3,334,768.93	-2,881,942.88
Investment income from wealth management products	10,514,786.08	5,749,251.80
Total	7,180,017.15	2,867,308.92

51. Gains from changes in fair value

Source of gains from changes in fair value	January to June 2026	January to June 2025
Financial assets held for trading	14,919,823.48	4,044,061.60
Including: investments in equity instruments	-2,358,514.87	-
Contingent consideration	13,375,449.09	4,044,061.60
Foreign exchange contracts	3,902,889.26	-
Financial liabilities held for trading	21,489.08	-520,873.49
Including: Others	21,489.08	-520,873.49
Total	14,941,312.56	3,523,188.11

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

52. Credit impairment losses (losses to be presented with “-”)

Item	January to June 2026	January to June 2025
Bad debt losses on notes receivable	2,217,191.17	-177,934.13
Bad debt losses on accounts receivable	-8,467,969.22	-5,659,185.57
Bad debt losses on other receivables	-575,022.45	27,998.16
Total	-6,825,800.50	-5,809,121.54

53. Asset impairment losses (losses to be presented with “-”)

Item	January to June 2026	January to June 2025
Loss on decline in value of inventories and impairment loss on contract fulfilment costs	-22,663,198.35	-9,558,675.34
Impairment loss on development expenditure	-5,386,599.87	-
Total	-28,049,798.22	-9,558,675.34

54. Gains on disposal of assets (losses to be presented with “-”)

Item	January to June 2026	January to June 2025
Gain on disposal of fixed assets (losses are indicated by “-”)	-37,251.58	-3,997.67
Gain on disposal of right-of-use assets (losses are indicated by “-”)	-	-14,530.33
Total	-37,251.58	-18,528.00

55. Non-operating income

Item	January to June 2026	January to June 2025	Amount recognised in non-recurring profit or loss for the period
Other	191.03	-	191.03
Total	191.03	-	191.03

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

56. Non-operating expenses

Item	January to June 2026	January to June 2025	Amount recognised in non-recurring profit or loss for the period
Public welfare donations	150,000.00	–	150,000.00
Losses on damage and retirement of non-current assets	592,735.84	355,957.18	592,735.84
Late payment charges	3,442,856.47	–	3,442,856.47
Other	421,762.00	1,755.39	421,762.00
Total	4,607,354.31	357,712.57	4,607,354.31

57. Income tax expense

(1) Details of income tax expense

Item	January to June 2026	January to June 2025
Current income tax calculated in accordance with tax laws and relevant regulations	8,016,041.77	4,332,572.54
Deferred income tax expense	-7,961,135.35	6,574,356.20
Total	54,906.42	10,906,928.74

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

57. Income tax expense *(Continued)*

(2) Reconciliation of income tax expense to total profit

Item	January to June 2026	January to June 2025
Total profit	72,796,051.07	229,388,206.09
Income tax expense calculated at the statutory (or applicable) tax rate (total profit * 15%)	10,919,407.66	34,408,230.91
Effect of different tax rates applicable to certain subsidiaries	-1,800,635.13	-4,158,594.02
Adjustments to current income tax of prior periods	7,153,481.03	-60,907.93
Share of profit or loss of joint ventures and associates accounted for using the equity method	691,045.80	709,059.82
Non-taxable income (indicated by "-")	-3,455,972.93	-1,796,614.35
Non-deductible costs, expenses and losses	1,000,152.01	780,476.07
Tax effect of utilisation of deductible losses and deductible temporary differences not recognised in prior years (to be presented with "-")	-11,710,911.55	-755,425.84
Tax effect of unrecognised deductible losses and deductible temporary differences	35,564,280.77	16,580,791.50
Tax effect of the additional deduction of research and development expenses (to be presented with "-")	-38,305,941.24	-34,800,087.42
Income tax expense	54,906.42	10,906,928.74

58. Notes to items of the cash flow statement

(1) Other cash received relating to operating activities

Item	January to June 2026	January to June 2025
Government grants	7,574,573.41	8,143,756.00
Interest income	32,927,734.30	14,820,729.98
Current account balances and others	15,897,859.56	132,027,107.46
Total	56,400,167.27	154,991,593.44

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

58. Notes to items of the cash flow statement (Continued)

(2) Other cash paid relating to operating activities

Item	January to June 2026	January to June 2025
Period expenses	80,709,889.94	78,321,179.03
Current accounts	43,313,428.74	10,092,827.11
Handling charges and others	811,983.70	542,316.02
Total	124,835,302.38	88,956,322.16

(3) Significant cash received relating to investing activities

Item	January to June 2026	January to June 2025
Wealth management products	2,603,460,921.67	1,062,461,212.28
Equity investments	21,000,000.00	–
Total	2,624,460,921.67	1,062,461,212.28

(4) Significant cash paid relating to investing activities

Item	January to June 2026	January to June 2025
Wealth management products	1,275,820,000.00	1,045,566,379.45
Equity investments	107,609,997.90	–
Total	1,383,429,997.90	1,045,566,379.45

(5) Other cash paid relating to investing activities

Item	January to June 2026	January to June 2025
Current accounts	6,396,349.49	5,114,608.85
Total	6,396,349.49	5,114,608.85

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

58. Notes to items of the cash flow statement (Continued)

(6) Other cash received relating to financing activities

Item	January to June 2026	January to June 2025
Deposits for bank acceptance notes	30,506,552.43	33,804,592.41
Receipt of principal and interest of loans assumed by EUROPASOLAR S.ÀR.L	—	60,231,767.03
Total	30,506,552.43	94,036,359.44

(7) Other cash paid relating to financing activities

Item	January to June 2026	January to June 2025
Lease liabilities	7,460,020.56	9,520,521.04
Repurchase of restricted shares	—	5,683,848.88
Issue expenses	—	12,673,668.88
Repurchase of employee incentives of subsidiaries and others	356,987.50	102,850.00
Total	7,817,008.06	27,980,888.80

(8) Changes in liabilities arising from financing activities

Item	2025.12.31	Cash changes		Non-cash changes			2026.06.30
		Cash inflows	Cash outflows	Interest accrued	Changes in fair value	Other	
Short-term borrowings	622,289,392.88	842,327,522.84	466,884,200.00	-264,082.88	—	-21,981,442.77	975,487,190.07
Long-term borrowings	238,863,003.56	400,000,000.00	191,220,000.00	62,085.33	—	—	447,705,088.89
Lease liabilities	102,869,404.07	—	7,460,020.56	—	—	-25,856,929.53	69,552,453.98
Total	964,021,800.51	1,242,327,522.84	665,564,220.56	-201,997.55	—	-47,838,372.30	1,492,744,732.94

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

59. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	January to June 2026	January to June 2025
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	72,741,144.65	218,481,277.35
Add: Asset impairment losses	28,049,798.22	9,558,675.34
Credit impairment losses	6,825,800.50	5,809,121.54
Depreciation of fixed assets	14,898,727.90	15,612,380.15
Depreciation of right-of-use assets	35,946,935.63	28,467,731.76
Amortisation of intangible assets	23,267,392.42	19,714,028.44
Amortisation of long-term prepaid expenses	13,070,311.88	15,318,917.55
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains to be presented with "-")	37,251.58	18,528.00
Losses on retirement of fixed assets (gains to be presented with "-")	592,735.84	355,957.18
Losses from changes in fair value (gains to be presented with "-")	-14,941,312.56	-3,523,188.11
Finance costs (gains to be presented with "-")	47,237,687.75	6,702,544.09
Investment losses (gains to be presented with "-")	-7,180,017.15	-2,867,308.92
Decrease in deferred tax assets (increases to be presented with "-")	-6,915,611.75	4,738,276.23
Increase in deferred tax liabilities (decreases to be presented with "-")	-7,417.89	5,752,597.58
Decrease in inventories (increases to be presented with "-")	-1,907,607,678.65	-230,939,189.70
Decrease in operating receivables (increases to be presented with "-")	-252,151,781.55	113,912,644.22
Increase in operating payables (decreases to be presented with "-")	243,349,419.04	-227,731,434.39
Share-based payments	547,776.97	1,846,715.47
Net cash flows from operating activities	-1,702,238,837.17	-18,771,726.22

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

59. Supplementary information to the cash flow statement (Continued)

(1) Supplementary information to the cash flow statement (Continued)

Supplementary information	January to June 2026	January to June 2025
2. Significant investing and financing activities not involving cash receipts and payments:		
Conversion of debt into capital	—	—
Convertible corporate bonds due within one year	—	—
Additions to right-of-use assets	15,155,036.59	117,733,865.91
3. Net changes in cash and cash equivalents:		
Cash at the end of the period	1,145,085,000.25	788,472,024.56
Less: Cash at the beginning of the period	1,282,115,632.59	709,835,674.68
Add: Cash equivalents at the end of the period	—	—
Less: Cash equivalents at the beginning of the period	—	—
Net increase in cash and cash equivalents	-137,030,632.34	78,636,349.88

Note: The amount of bank acceptance notes received by the Company from sales of goods and transferred by endorsement was RMB353,029,215.08.

(2) Composition of cash and cash equivalents

Item	2026.06.30	2025.06.30
I. Cash	1,145,085,000.25	788,472,024.56
Including: Cash on hand	0.13	—
Bank deposits available for payment on demand	1,144,975,208.30	788,472,024.56
Other cash available for payment on demand	109,791.82	—
II. Cash equivalents	—	—
III. Cash and cash equivalents at the end of the period	1,145,085,000.25	788,472,024.56

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

59. Supplementary information to the cash flow statement (Continued)

(3) Cash and bank balances not classified as cash and cash equivalents

Item	2026.06.30	2025.06.30	Reason for not being classified as cash and cash equivalents
Time deposits	300,000,000.00	284,196,341.98	Time deposits
Security deposits	14,456,599.70	32,545,478.43	Notes deposits, borrowing deposits
Cunliying	531,250,200.00	28,634,400.00	Wealth management products
Accrued interest on cash and bank balances	9,312,557.71	1,669,193.26	Not actually received
Funds frozen by judicial order	103,000.00	8,519,606.70	Funds frozen by judicial order
Total	855,122,357.41	355,565,020.37	

(4) Supplier finance arrangements

① Terms and conditions of the supplier finance arrangements

Supplier finance arrangement: reverse factoring. The Company conducts reverse factoring business through the “Zhongqi Yunlian Yunxin” supply chain finance service platform, providing services to the sellers of the electronic receivable certificates held on the “Zhongqi Yunlian Yunxin” platform that are payable by the Company at maturity. The Company assumes an unconditional payment obligation in respect of the Yunxin certificates issued through the “Zhongqi Yunlian Yunxin” platform, and shall pay the committed amount into the designated account before the committed payment date, and may not refuse to perform the payment obligations established by the Yunxin certificates on the grounds of any agreement, dispute or controversy between the Company and any third party.

② Presentation items and related information in the balance sheet

Line item presented	2026.06.30	2025.12.31
Accounts payable	8,605,536.34	12,143,346.52
Including: Amounts already received by suppliers	1,900,063.72	7,765,674.77

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VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

59. Supplementary information to the cash flow statement *(Continued)*

(4) **Supplier finance arrangements** *(Continued)*

③ *Range of payment due dates*

Item	2026.06.30	2025.12.31
Liabilities under the arrangement	Payment in accordance with the terms agreed in the contracts	Payment in accordance with the terms agreed in the contracts
Comparable accounts payable not under the arrangement	Payment in accordance with the terms agreed in the contracts	Payment in accordance with the terms agreed in the contracts

④ *Non-cash changes during the period*

There was no effect of business combinations or exchange rate changes on the above movements in the financial liabilities of the Company.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Foreign currency monetary items

(1) Foreign currency monetary items

Item	Balance in foreign currency as at 30 June 2026	Translation exchange rate	Balance translated into RMB as at 30 June 2026
Cash and bank balances			1,102,669,141.73
Including: KRW	30.00	0.0044	0.13
EUR	213,753.87	7.7671	1,660,247.68
HKD	1,439,384.96	0.8686	1,250,177.81
TWD	3,021,307.00	0.2136	645,351.18
USD	161,375,642.71	6.8109	1,099,113,364.93
Financial assets held for trading			27,243,600.00
Including: USD	4,000,000.00	6.8109	27,243,600.00
Accounts receivable			944,769,543.28
Including: EUR	35,615.00	7.7671	276,625.27
USD	138,673,731.52	6.8109	944,492,918.01
Other receivables			30,089,217.79
Including: EUR	7,252.32	7.7671	56,329.49
TWD	367,194.00	0.2136	78,432.64
USD	1,191,031.96	6.8109	8,111,999.58
HKD	25,148,185.00	0.8686	21,842,456.08
Accounts payable			1,765,268,160.53
Including: GBP	33,915.00	9.0145	305,726.77
EUR	48,388.00	7.7671	375,834.43
INR	418,580.14	0.0720	30,154.51
JPY	1,730,500.00	0.0420	72,758.87
USD	259,067,624.83	6.8109	1,764,483,685.95
Other payables			95,023,723.05
Including: EUR	307,954.90	7.7671	2,391,916.50
TWD	1,226,728.00	0.2136	262,029.10
JPY	2,670,623.00	0.0420	112,286.34
USD	10,410,585.03	6.8109	70,905,453.58
KRW	23,046,613.00	0.0044	101,474.24
HKD	24,438,432.91	0.8686	21,226,000.90
VND	94,470,734.00	0.0003	24,562.39

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Foreign currency monetary items (Continued)

(2) Foreign operations

No.	Abbreviation	Place of operation	Functional currency
1	Hong Kong Fibocom	Hong Kong	USD
2	Taiwan Fibocom	Taiwan	TWD
3	U.S. Fibocom	United States	USD
4	EU Fibocom	Germany	EUR
5	Hong Kong Link	Hong Kong	HKD
6	Faiot PTE. LTD.	Singapore	USD
7	Gingko Solution Inc.	United States	USD
8	Faiot Limited	Cayman Islands	USD

61. Leases

(1) As lessee

Item	January to June 2026	January to June 2025
Short-term lease expenses	1,807,777.67	1,118,300.08
Expenses for leases of low-value assets	759,970.36	161,449.05
Total	2,567,748.03	1,279,749.13

VIII. RESEARCH AND DEVELOPMENT EXPENDITURE

1. Research and development expenditure

Item	January to June 2026		January to June 2025	
	Amount expensed	Amount capitalised	Amount expensed	Amount capitalised
Employee benefits	200,330,405.13	4,722,125.69	158,663,720.85	19,021,676.44
Depreciation and amortisation	45,448,787.59	6,297.99	47,332,213.65	–
Materials	18,249,632.31	170,620.72	9,408,628.70	906,710.75
Technical consultancy fees	5,957,946.82	16,628.21	2,158,016.57	–
Travel expenses	4,819,166.39	31,422.94	4,536,223.50	122,444.21
Testing and certification fees	4,090,159.56	76,792.47	10,399,037.10	269,153.47
Office expenses	3,053,995.44	7,082.73	388,606.39	–
Utilities and property management fees	1,320,406.58	–	847,775.12	–
Trademark and patent royalties	584,710.84	–	856,269.91	–
Lease expenses	202,834.24	–	327,632.97	–
Share-based incentives	152,428.70	–	131,597.03	–
Other	4,560,649.25	1,194.69	4,191,242.14	124,815.61
Total	288,771,122.85	5,032,165.44	239,240,963.93	20,444,800.48

VIII. RESEARCH AND DEVELOPMENT EXPENDITURE (Continued)

2. Development expenditure

Item	2025.12.31	Increase for the period		Decrease for the period			2026.06.30
		Internal development expenditure	Other increases	Recognised as intangible assets	Recognised in profit or loss for the period	Other decreases	
5G series wireless communication modules	7,617,077.03	1,703,526.50	-	1,044,573.58	-	3,182,206.21	5,093,823.74
Robotics and other solutions	2,972,348.90	1,367,384.27	-	629,846.31	-	2,204,393.66	1,505,493.20
AI enablement and service platform	776,261.83	1,961,254.67	-	-	-	-	2,737,516.50
Total	11,365,687.76	5,032,165.44	-	1,674,419.89	-	5,386,599.87	9,336,833.44

(1) Provision for impairment of development expenditure

Item	Opening balance	Provision for the period	Decrease for the period	Closing balance
5G series wireless communication modules	-	3,182,206.21	3,182,206.21	-
Robotics and other solutions	-	2,204,393.66	2,204,393.66	-
AI enablement and service platform	-	-	-	-
Total	-	5,386,599.87	5,386,599.87	-

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IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the group

Abbreviation of subsidiary	Registered capital	Principal place of business	Legal entity type	Place of registration	Nature of business	Shareholding percentage (%)		Method of acquisition
						Direct	Indirect	
Fibocom Software	RMB 10,000,000	Mainland China	Limited liability company	Shenzhen	IT products	100.00	-	Establishment
Hong Kong Fibocom	HKD 1,000	Hong Kong	Limited company	Hong Kong	Trading	100.00	-	Business combination involving entities under common control
Taiwan Fibocom	TWD 45,000,000	Taiwan	Limited company	Taiwan	Trading	-	100.00	Establishment
U.S. Fibocom	USD 5,000,000	United States	Limited company	United States	Market development and trading	100.00	-	Establishment
Xi'an Fibocom Software	RMB 30,000,000	Mainland China	Limited liability company	Xi'an	IT products	100.00	-	Establishment
Fibocom Investment	RMB 250,000,000	Mainland China	Limited liability company	Shenzhen	Investment and trading	100.00	-	Establishment
FIA	RMB 20,000,000	Mainland China	Limited liability company	Shenzhen	Terminal products	100.00	-	Establishment
Favalon Technology	RMB 33,241,918	Mainland China	Limited liability company	Shenzhen	Automotive business	-	60.165	Establishment
EU Fibocom	EUR 3,000,000	Germany	Limited company	Germany	Market development and trading	100.00	-	Establishment
Xi'an Fibocom Wireless	RMB 30,000,000	Mainland China	Limited liability company	Xi'an	Trading	100.00	-	Establishment
Guangtong Yilian	RMB 10,000,000	Mainland China	Limited liability company	Shenzhen	Cloud services	-	100.00	Establishment
Shanghai Faiot	RMB 25,974,000	Mainland China	Limited liability company	Shanghai	IT products	77.0001	-	Establishment
Shanghai Favalon	RMB 2,000,000	Mainland China	Limited liability company	Shanghai	Automotive business	-	60.165	Establishment
Shanghai Faiot Software	RMB 2,000,000	Mainland China	Limited liability company	Shanghai	IT products	-	77.0001	Establishment
Yaboda	RMB 10,000,000	Mainland China	Limited liability company	Shenzhen	Technology development	100.00	-	Business combination not involving entities under common control
Fibocom Technology	RMB 100,000,000	Mainland China	Limited liability company	Shenzhen	Technology development	100.00	-	Establishment

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

IX. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of the group (Continued)

Abbreviation of subsidiary	Registered capital	Principal place of business	Legal entity type	Place of registration	Nature of business	Shareholding percentage (%)		Method of acquisition
						Direct	Indirect	
Favalon Software	RMB 10,000,000	Mainland China	Limited liability company	Shenzhen	Technology development	-	60.165	Establishment
Shenzhen Link	RMB 468,600,000	Mainland China	Limited liability company	Shenzhen	Investment and trading	100.00	-	Business combination not involving entities under common control
Hong Kong Link	USD 66,010,000	Hong Kong	Limited company	Hong Kong	Trading	-	100.00	Business combination not involving entities under common control
Shenzhen Chiyao	RMB 653,400	Mainland China	Limited liability company	Shenzhen	Favalon Technology employee incentive platform	-	29.8525	Establishment
Shenzhen Chishang	RMB 1,744,000	Mainland China	Limited liability company	Shenzhen	Favalon Technology employee incentive platform	-	42.2652	Establishment
Shenzhen Chisheng	RMB 3,861,429	Mainland China	Limited liability company	Shenzhen	Favalon Technology employee incentive platform	-	59.3959	Establishment
Shenzhen Chiqing	RMB 770,400	Mainland China	Limited liability company	Shenzhen	Favalon Technology employee incentive platform	-	69.4728	Establishment
Guangdong Chuangyuan	RMB 4,710,000	Mainland China	Limited liability company	Shenzhen	Favalon Technology employee incentive platform	-	26.2663	Establishment
Shenzhen Chijun	RMB 1,805,000	Mainland China	Limited liability company	Shenzhen	Favalon Technology employee incentive platform	-	0.277	Establishment
Ningbo Guangxing	RMB 2,718,200	Mainland China	Limited liability company	Ningbo	Shanghai Faiot employee incentive platform	-	24.7517	Establishment
Ningbo Faiot	RMB 3,255,800	Mainland China	Limited liability company	Ningbo	Shanghai Faiot employee incentive platform	-	60.0129	Establishment
Ningbo Guang Yi	RMB 2,045,400	Mainland China	Limited liability company	Ningbo	Shanghai Faiot employee incentive platform	-	99.9511	Establishment

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

IX. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of the group (Continued)

Abbreviation of subsidiary	Registered capital	Principal place of business	Legal entity type	Place of registration	Nature of business	Shareholding percentage (%)		Method of acquisition
						Direct	Indirect	
FAIOT Gongying	RMB 2,000,000	Mainland China	Limited liability company	Shenzhen	Shanghai Faiot employee incentive platform	-	95.00	Establishment
Shanghai Sevenfold Universe	RMB 10,000,000	Mainland China	Limited liability company	Shanghai	Technology development	-	45.90	Business combination not involving entities under common control
Faiot PTE. LTD.	USD 50,000	Singapore	Limited company	Singapore	Operations not yet commenced	-	77.0001	Establishment
Gingko Solution Inc.	USD 50,000	United States	Limited company	United States	Operations not yet commenced	-	77.0001	Establishment
Faiot Limited	USD 50,000	Cayman Islands	Limited company	Cayman Islands	Operations not yet commenced	-	77.0001	Establishment
Jiangxi Fibocom	RMB 50,000,000	Mainland China	Limited liability company	Jiangxi	Operations not yet commenced	100.00	-	Establishment
Suzhou Juke	RMB 30,000,000	Mainland China	Limited liability company	Jiangsu	Technology development	100.00	-	Establishment

Note:

In accordance with the contractual arrangements of Shenzhen Chiyao, Shenzhen Chishang, Shenzhen Chisheng, Guangtong Chuangyuan, Shenzhen Chiqing and Shenzhen Chijun, FIA, a subsidiary of the Company, acts as the general partner of each of these partnerships and holds exclusive rights in respect of the management, control, operation and decision-making of their investment business and day-to-day operations, and the limited partners shall not exercise control over the management and other activities of the limited partnerships through the partners' meeting. The Company has substantive control over the above partnerships and has included them in the scope of consolidation.

In accordance with the contractual arrangements of Ningbo Guangxing, Ningbo Faiot, Ningbo Guang Yi and FAIOT Gongying, Fibocom Investment, a subsidiary of the Company, acts as the general partner of each of these partnerships and holds exclusive rights in respect of the management, control, operation and decision-making of their investment business and day-to-day operations, and the limited partners shall not exercise control over the management and other activities of the limited partnerships through the partners' meeting. The Company has substantive control over the above partnerships and has included them in the scope of consolidation.

Favalon Technology, Shanghai Favalon, Fibocom Auto, Shanghai Faiot and Shanghai Faiot Software, subsidiaries of the Company, have established employee shareholding platforms and share incentive arrangements, and the relevant shares have not yet met the vesting conditions.

(4) In January 2024, Fibocom Investment Development Co., Ltd., a subsidiary of the Company, acquired a 45.90% equity interest in Shanghai Sevenfold Universe and entered into an acting-in-concert agreement with Zhu Tao, one of its shareholders. The parties jointly undertook to act in concert on significant matters at the general meeting of shareholders. Together, they hold a 51% equity interest in Shanghai Sevenfold Universe and control 51% of its voting rights.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

IX. INTERESTS IN OTHER ENTITIES (Continued)

2. Changes in the scope of consolidation arising from other reasons

(1) Subsidiaries established during January to June 2026

Abbreviation of subsidiary	Reason for change
Suzhou Juke	Established on 11 February 2026

3. Interests in associates

(1) Associates

Name of associate	Principal place of business	Place of registration	Nature of business	Shareholding percentage (%)		Accounting treatment for investments in joint ventures or associates
				Direct	Indirect	
I. Associates						
Shenzhen Bogesi Communication Technology Co., Ltd.	Shenzhen	Shenzhen	Wireless communication	15.00	—	Equity method
Hubei Link Sci Intelligent Technology Co., Ltd.	Hubei	Hubei	Wireless communication	—	29.4779	Equity method
Shenzhen High-tech Investment Fibocom IoT Industry Private Equity Investment Fund Partnership (Limited Partnership)	Shenzhen	Shenzhen	Investment	—	30.00	Equity method

Note: As at 30 June 2026, Fibocom Investment and Favalon Technology had subscribed for RMB30.53333 million of the registered capital of Hubei Link Sci Intelligent Technology Co., Ltd. and held a 29.4779% equity interest in Hubei Link Sci Intelligent Technology Co., Ltd.. As the employee shareholding platform established by Hubei Link Sci Intelligent Technology Co., Ltd. had not yet made actual grants to employees, Fibocom Investment effectively held a 31.0359% equity interest in Hubei Link Sci Intelligent Technology Co., Ltd.

(2) Summarised financial information of associates

Item	Closing balance/ Current period amount	Balance at the end of prior year/ Prior period amount
Associates:		
Total carrying amount of investments	74,983,839.39	59,468,608.32
Total of the following items calculated according to the shareholding percentage		
Net profit	-3,334,768.93	-5,147,619.83
Other comprehensive income	—	—
Total comprehensive income	-3,334,768.93	-5,147,619.83

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

X. GOVERNMENT GRANTS

1. Government grants recognised in deferred income

Category	2025.12.31	Increase for the period	Decrease for the period	2026.06.30
5G communication module technology engineering centre	6,522.18	–	6,522.18	–
Industrialisation project of 5G IoT wireless communication modules	1,026,163.44	–	625,243.97	400,919.47
2022 industrialisation technology upgrading and renovation funding project	1,264,785.89	–	613,912.32	650,873.57
2023 new-generation information technology industry payment subsidy	837,952.65	–	508,266.42	329,686.23
Industrialisation project of 5G industrial intelligent modules based on a domestic platform	699,200.39	–	309,999.06	389,201.33
Industrial internet development support plan project	975,043.05	–	82,508.18	892,534.87
Technology upgrading and renovation project for the industrialisation of 5G global version intelligent modules	517,047.45	–	101,523.78	415,523.67
Research, development and industrialisation of global 5G intelligent modules for industrial connectivity	1,171,032.62	–	370,808.03	800,224.59
Research on key technologies for 5G RedCap module software	100,000.00	–	–	100,000.00
Fibocom manufacturing collaborative automation industrial internet application project	–	2,436,616.26	1,155,219.19	1,281,397.07
Research on key technologies for 5G communication chips and modules for intelligent connected vehicles	–	1,437,500.00	–	1,437,500.00
Total	6,597,747.67	3,874,116.26	3,774,003.13	6,697,860.80

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

X. GOVERNMENT GRANTS (Continued)

1. Government grants recognised in deferred income (Continued)

(1) Government grants recognised in deferred income and subsequently measured using the gross method

Grant item	Category	2025.12.31	Grants received during the period	Amount transferred to profit or loss for the period	Other changes	2026.06.30	Line item in which the amount transferred to profit or loss for the period is presented	Related to assets/ Related to income
5G communication module technology engineering centre	Government appropriation	6,522.18	-	6,522.18	-	-	Other income	Related to assets
Industrialisation project of 5G IoT wireless communication modules	Government appropriation	1,026,163.44	-	625,243.97	-	400,919.47	Other income	Related to assets
2022 industrialisation technology upgrading and renovation funding project	Government appropriation	1,264,785.89	-	613,912.32	-	650,873.57	Other income	Related to assets
2023 new-generation information technology industry payment subsidy	Government appropriation	837,952.65	-	508,266.42	-	329,686.23	Other income	Related to assets
Industrialisation project of 5G industrial intelligent modules based on a domestic platform	Government appropriation	699,200.39	-	309,999.06	-	389,201.33	Other income	Related to assets
Industrial internet development support plan project	Government appropriation	975,043.05	-	82,508.18	-	892,534.87	Other income	Related to assets
Technology upgrading and renovation project for the industrialisation of 5G global version intelligent modules	Government appropriation	517,047.45	-	101,523.78	-	415,523.67	Other income	Related to assets
Research, development and industrialisation of global 5G intelligent modules for industrial connectivity	Government appropriation	1,171,032.62	-	370,808.03	-	800,224.59	Other income	Related to assets
Research on key technologies for 5G RedCap module software	Government appropriation	100,000.00	-	-	-	100,000.00	Other income	Related to income
Fibocom manufacturing collaborative automation industrial internet application project	Government appropriation	-	2,436,616.26	1,155,219.19	-	1,281,397.07	Other income	Related to assets
Research on key technologies for 5G communication chips and modules for intelligent connected vehicles	Government appropriation	-	1,437,500.00	-	-	1,437,500.00	Other income	Related to income
Total		6,597,747.67	3,874,116.26	3,774,003.13	-	6,697,860.80		

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

X. GOVERNMENT GRANTS *(Continued)*

1. Government grants recognised in deferred income *(Continued)*

(1) Government grants recognised in deferred income and subsequently measured using the gross method *(Continued)*

Note:

Significant government grants received during the period:

Fibocom Manufacturing Collaborative Automation Industrial Internet Application Project: Pursuant to the notice published by the Municipal Bureau of Industry and Information Technology on industrial internet projects proposed for funding under the 2025 enterprise technological transformation support plan, the Company received a grant of RMB2,480,000.00 from the Shenzhen Municipal Bureau of Industry and Information Technology in 2026, of which RMB2,436,616.26 was related to assets and RMB43,383.74 was related to income.

Research Project on Key Technologies for 5G Communication Chips and Modules for Intelligent Connected Vehicles: Pursuant to the 2025 key industry research and development programme of the Shenzhen Science and Technology Innovation Bureau, the Company received a grant of RMB1,437,500.00 from the Shenzhen Science and Technology Innovation Bureau in 2026.

2. Government grants recognised in profit or loss for the period using the gross method

Grant item	Category	Amount recognised in profit or loss from January to June 2026	Amount recognised in profit or loss from January to June 2025	Line item in which the amount recognised in profit or loss is presented	Related to assets/Related to income
VAT refund upon collection	Tax refund	2,956,536.78	17,277,449.70	Other income	Related to income
Fibocom manufacturing collaborative automation industrial internet application project	Government appropriation	1,198,602.93	-	Other income	Related to income, related to assets
2025 industrial stable-growth subsidy	Government appropriation	794,700.00	-	Other income	Related to income
2022 industrialisation technology upgrading and renovation funding project	Government appropriation	613,912.32	754,015.02	Other income	Related to assets
Industrialisation project of 5G IoT wireless communication modules	Government appropriation	625,243.97	1,114,779.18	Other income	Related to assets
2023 new-generation information technology industry payment subsidy	Government appropriation	508,266.42	613,788.30	Other income	Related to assets
Funding for enterprises participating in overseas exhibitions from January to June 2025	Government appropriation	290,000.00	-	Other income	Related to income
Industrialisation project of 5G industrial intelligent modules based on a domestic platform	Government appropriation	309,999.06	409,342.74	Other income	Related to assets
Research, development and industrialisation of global 5G intelligent modules for industrial connectivity	Government appropriation	370,808.03	61,801.34	Other income	Related to assets
2025 Hongqiao Town enterprise support	Tax refund	330,000.00	-	Other income	Related to income
Support project for the implementation of excellence performance management	Government appropriation	300,000.00	-	Other income	Related to income

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

X. GOVERNMENT GRANTS (Continued)

2. Government grants recognised in profit or loss for the period using the gross method (Continued)

Grant item	Category	Amount recognised in profit or loss from January to June 2026	Amount recognised in profit or loss from January to June 2025	Line item in which the amount recognised in profit or loss is presented	Related to assets/Related to income
2025 enterprise R&D investment award and subsidy project	Government appropriation	170,000.00	–	Other income	Related to income
Technology upgrading and renovation project for the industrialisation of 5G global version intelligent modules	Government appropriation	101,523.78	144,578.10	Other income	Related to assets
Foreign Trade Division – 2025 export credit insurance premium funding project	Government appropriation	110,000.00	–	Other income	Related to income
Grant under the industrial internet development support plan	Government appropriation	82,508.18	–	Other income	Related to assets
Post expansion subsidy	Government appropriation	65,000.00	–	Other income	Related to income
5G communication module technology engineering centre	Government appropriation	6,522.18	56,021.10	Other income	Related to assets
Industrial steady growth funding project	Government appropriation	–	2,116,600.00	Other income	Related to income
Research, development and industrialisation of global 5G intelligent modules for industrial connectivity	Government appropriation	–	1,506,358.00	Other income	Related to income
Key technologies and large-scale application of intelligent wireless communication modules for 4G/5G	Government appropriation	–	1,000,000.00	Other income	Related to income
Stable-growth funding project for the software and information services industry	Government appropriation	–	550,000.00	Other income	Related to income
Talent housing subsidy	Government appropriation	–	480,000.00	Other income	Related to income
2024 provincial high-quality development project for specialised, refined, distinctive and innovative SMEs	Government appropriation	–	400,000.00	Other income	Related to income
2023 export credit insurance premium funding project – second batch	Government appropriation	–	220,000.00	Other income	Related to income
Grant under the industrial internet development support plan	Government appropriation	–	99,009.56	Other income	Related to income
Shenzhen 2024 approved special funding project in the intellectual property field	Government appropriation	–	46,551.60	Other income	Related to income
Other	Government appropriation	15,257.80	120,604.39	Other income	Related to income
Total		8,848,881.45	26,970,899.03		

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XI. FINANCIAL INSTRUMENT RISK MANAGEMENT

The Company's principal financial instruments comprise cash and bank balances, notes receivable, accounts receivable, receivables financing, other receivables, other current assets, financial assets held for trading, investments in other equity instruments, notes payable, accounts payable, other payables, short-term borrowings, financial liabilities held for trading, non-current liabilities due within one year, long-term borrowings and lease liabilities. Details of these financial instruments have been disclosed in the relevant notes. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are set out below. The management of the Company manages and monitors these risk exposures to ensure that the above risks are kept within acceptable limits.

1. Risk management objectives and policies

The principal risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and commodity price risk).

The objective of the Company's risk management is to achieve an appropriate balance between risk and return, to minimise the adverse impact of risks on the Company's operating results and to maximise the interests of shareholders and other equity investors. Based on this risk management objective, the Company's basic risk management strategy is to identify and analyse the various risks faced by the Company, to establish appropriate risk tolerance thresholds and carry out risk management, and to monitor the various risks in a timely and reliable manner so as to keep the risks within acceptable limits.

The Board of Directors is responsible for planning and establishing the Company's risk management framework, formulating the Company's risk management policies and related guidelines, and overseeing the implementation of risk management measures. The Company has established risk management policies to identify and analyse the risks to which it is exposed. These policies specify the management of particular risks, including market risk, credit risk and liquidity risk. The Company regularly evaluates changes in the market environment and its operating activities to determine whether its risk management policies and systems should be updated. Risk management is carried out by the Risk Management Committee in accordance with policies approved by the Board. The Risk Management Committee works closely with the Company's other business departments to identify, evaluate and mitigate relevant risks. The Company's internal audit department periodically reviews risk management controls and procedures and reports the results to the Audit Committee.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XI. FINANCIAL INSTRUMENT RISK MANAGEMENT *(Continued)*

1. Risk management objectives and policies *(Continued)*

(1) Credit risk

Credit risk is the risk that a counterparty fails to perform its contractual obligations, thereby causing a financial loss to the Company.

The Company manages credit risk by portfolio classification. Credit risk mainly arises from bank deposits, notes receivable, accounts receivable and other receivables.

The Company's bank deposits are mainly placed with state-owned banks and other large and medium-sized listed banks. The Company does not expect any significant credit risk to exist in respect of its bank deposits.

For notes receivable, accounts receivable and other receivables, the Company has established relevant policies to control credit risk exposure. The Company assesses the credit standing of its customers and sets the corresponding credit periods based on the customers' financial position, credit records and other factors such as current market conditions. The Company regularly monitors the credit records of its customers. For customers with poor credit records, the Company adopts measures such as written demands for payment, shortening the credit period or cancelling the credit period, so as to ensure that the Company's overall credit risk remains within a controllable range.

The debtors of the Company's accounts receivable are customers distributed across different industries and regions. The Company continuously performs credit assessments of the financial position of the debtors of its accounts receivable and, where appropriate, purchases credit guarantee insurance.

The maximum credit risk exposure borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company has not provided any other guarantee that might expose the Company to credit risk.

Among the Company's accounts receivable, balances due from the five largest customers accounted for 49.41% of the Company's total accounts receivable (31 December 2025: 56.67%). Among the Company's other receivables, balances due from the five largest debtors accounted for 72.52% of the Company's total other receivables (31 December 2025: 76.98%).

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XI. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

1. Risk management objectives and policies (Continued)

(2) Liquidity risk

Liquidity risk is the risk that the Company will encounter a shortage of funds in performing its obligations that are settled by delivering cash or another financial asset.

In managing liquidity risk, the Company maintains and monitors cash and cash equivalents at a level considered adequate by the management to meet the Company's operating needs and to reduce the impact of fluctuations in cash flows. The management of the Company monitors the use of bank borrowings and ensures compliance with the borrowing agreements. At the same time, the Company obtains commitments from major financial institutions to provide sufficient standby funds to meet its short-term and long-term funding requirements.

The Company finances its working capital through funds generated from operations and bank and other borrowings. As at 30 June 2026, the Company had unutilised bank borrowing facilities of RMB3,573.9532 million (31 December 2025: RMB3,921.0597 million).

As at 30 June 2026, the maturity analysis of the financial liabilities and off-balance-sheet guarantee items held by the Company, based on undiscounted remaining contractual cash flows, was as follows (unit: RMB ten thousand):

Item	2026.06.30					Total
	Within six months	Within one year	1 to 2 years	2 to 3 years	Over three years	
Financial liabilities:						
Short-term borrowings	97,548.72	-	-	-	-	97,548.72
Notes payable	30,570.56	-	-	-	-	30,570.56
Accounts payable	230,149.51	-	-	-	-	230,149.51
Other payables	18,675.12	-	-	-	-	18,675.12
Non-current liabilities due within one year	3,629.48	6,572.86	-	-	-	10,202.34
Long-term borrowings	-	-	40,000.00	-	-	40,000.00
Lease liabilities	-	-	1,435.22	88.19	-	1,523.41
Total financial liabilities and contingent liabilities	380,573.39	6,572.86	41,435.22	88.19	-	428,669.66

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XI. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

1. Risk management objectives and policies (Continued)

(2) Liquidity risk (Continued)

As at 31 December 2025, the maturity analysis of the financial liabilities and off-balance-sheet guarantee items held by the Company, based on undiscounted remaining contractual cash flows, was as follows (unit: RMB ten thousand):

Item	2025.12.31					Total
	Within six months	Within one year	1 to 2 years	2 to 3 years	Over three years	
Financial liabilities:						
Short-term borrowings	41,197.26	21,031.68	-	-	-	62,228.94
Financial liabilities held for trading	653.79	-	-	-	-	653.79
Notes payable	38,403.30	-	-	-	-	38,403.30
Accounts payable	167,240.33	-	-	-	-	167,240.33
Other payables	11,922.64	-	-	-	-	11,922.64
Non-current liabilities due within one year	22,902.07	3,999.72	-	-	-	26,901.79
Long-term borrowings	-	-	4,875.00	-	-	4,875.00
Lease liabilities	-	-	2,054.40	342.05	-	2,396.45
Total financial liabilities and contingent liabilities	282,319.39	25,031.40	6,929.40	342.05	-	314,622.24

The amounts of financial liabilities disclosed in the above table are undiscounted contractual cash flows and may therefore differ from the carrying amounts in the balance sheet.

The maximum guarantee amount under the guarantee contracts that have been entered into does not represent the amount to be paid.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XI. FINANCIAL INSTRUMENT RISK MANAGEMENT *(Continued)*

1. Risk management objectives and policies *(Continued)*

(3) **Market risk**

Market risk of financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including interest rate risk, foreign exchange risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk may arise from recognised interest-bearing financial instruments and unrecognised financial instruments (such as certain loan commitments).

The Company's interest rate risk mainly arises from long-term interest-bearing debts such as long-term bank borrowings. Floating rate financial liabilities expose the Company to cash flow interest rate risk, while fixed rate financial liabilities expose the Company to fair value interest rate risk. The Company determines the relative proportions of fixed rate and floating rate contracts according to the prevailing market environment, and maintains an appropriate mix of fixed rate and floating rate instruments through regular review and monitoring.

The Company pays close attention to the impact of interest rate changes on its interest rate risk. The Company has not adopted any interest rate hedging policy at present. However, the management is responsible for monitoring interest rate risk and will consider hedging significant interest rate risk when necessary. An increase in interest rates would increase the cost of new interest-bearing debts and the interest expenses on the Company's outstanding interest-bearing debts that bear interest at floating rates, and would have a significant adverse impact on the Company's financial performance. The management will make timely adjustments in accordance with the latest market conditions, and such adjustments may include entering into interest rate swap arrangements to reduce interest rate risk.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XI. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

1. Risk management objectives and policies (Continued)

(3) Market risk (Continued)

Interest rate risk (Continued)

The interest-bearing financial instruments held by the Company are as follows (in ten thousand yuan):

Item	2026.06.30	2025.12.31
Fixed rate financial instruments		
Financial liabilities		
Including: Short-term borrowings	97,548.72	62,228.94
Long-term borrowings due within one year	4,770.51	19,011.30
Long-term borrowings	40,000.00	4,875.00
Total	142,319.23	86,115.24

As at 30 June 2026, if the interest rates on floating-rate borrowings had increased or decreased by 50 basis points while all other factors remained unchanged, the Company's net profit and shareholders' equity would have decreased or increased by approximately RMB85,300 (31 December 2025: RMB106,000).

For the financial instruments held at the balance sheet date that expose the Company to fair value interest rate risk, the impact on net profit and shareholders' equity in the above sensitivity analysis is the impact of remeasuring the above financial instruments at the new interest rates, assuming that the interest rates change at the balance sheet date. For the floating rate non-derivative instruments held at the balance sheet date that expose the Company to cash flow interest rate risk, the impact on net profit and shareholders' equity in the above sensitivity analysis is the impact of the above interest rate changes on the interest expenses or income estimated on an annual basis. The analysis for the prior year was based on the same assumptions and methods.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XI. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

1. Risk management objectives and policies (Continued)

(3) Market risk (Continued)

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk may arise from financial instruments denominated in currencies other than the functional currency.

Foreign exchange risk mainly refers to the impact of fluctuations in foreign exchange rates on the Company's financial position and cash flows. In addition to the assets denominated in Hong Kong dollars, US dollars and euros held by the subsidiaries established in Hong Kong, the United States and Germany, the Company also has foreign currency assets and liabilities denominated in US dollars as the transaction currency, and the Company is therefore exposed to foreign exchange risk.

As at 30 June 2026, the amounts of the Company's foreign-currency financial assets and financial liabilities translated into RMB were as follows (unit: RMB ten thousand):

Item	Foreign currency liabilities		Foreign currency assets	
	2026.06.30	2025.12.31	2026.06.30	2025.12.31
USD	183,538.91	143,151.84	207,896.19	385,552.23
EUR	276.78	33.90	199.32	202.13
HKD	2,122.60	2,210.83	2,309.26	2,885.72
TWD	26.20	26.70	72.38	116.37
AUD	—	9.00	—	—
JPY	18.50	0.55	—	—
KRW	10.15	0.08	—	0.05
INR	3.02	0.71	—	0.98
GBP	30.57	32.00	—	—
VND	2.46	—	—	—
Total	186,029.19	145,465.61	210,477.15	388,757.48

The Company closely monitors the impact of exchange rate movements on its foreign exchange risk and uses foreign exchange forward contracts and other arrangements to mitigate that risk. In the course of ordinary operations, management is responsible for monitoring foreign exchange risk and will consider hedging significant exposures when necessary.

As at 30 June 2026, for the Company's cash and bank balances, financial assets held for trading, accounts receivable, other receivables, accounts payable and other payables denominated in foreign currencies, assuming that the RMB appreciated or depreciated by 10% against the relevant foreign currencies while all other factors remained unchanged, the Company's shareholders' equity and net profit would each have increased or decreased by approximately RMB20.7808 million (31 December 2025: approximately RMB206.7981 million).

XI. FINANCIAL INSTRUMENT RISK MANAGEMENT *(Continued)*

2. Capital management

The objective of the Company's capital management policy is to safeguard the Company's ability to continue as a going concern so as to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure so as to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Company may adjust its financing methods, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments or dispose of assets to reduce debts.

The Company monitors its capital structure on the basis of the debt-to-asset ratio, calculated as total liabilities divided by total assets. As at 30 June 2026, the Company's debt-to-asset ratio was 42.79% (31 December 2025: 35.32%).

XII. FAIR VALUE

Based on the lowest level of input that is significant to the fair value measurement as a whole, the fair value hierarchy is classified as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

(1) Items and amounts measured at fair value

At the end of the period, assets and liabilities measured at fair value are presented in accordance with the above three levels as follows:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
(I) Financial assets held for trading	-	61,353,595.70	217,878,074.24	279,231,669.94
1. Foreign exchange contracts	-	3,902,889.26	-	3,902,889.26
2. Contingent consideration	-	-	217,878,074.24	217,878,074.24
Investments in other equity instruments	-	57,450,706.44	-	57,450,706.44
(II) Receivables financing	-	114,248,860.11	-	114,248,860.11
(III) Investments in other equity instruments	-	-	395,976,021.38	395,976,021.38
Total assets measured at fair value on a recurring basis	-	175,602,455.81	613,854,095.62	789,456,551.43
Total liabilities measured at fair value on a recurring basis	-	-	-	-

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XII. FAIR VALUE *(Continued)*

(2) Items and amounts not measured at fair value but for which fair value is disclosed

The Company's financial assets and financial liabilities measured at amortised cost mainly comprise cash and bank balances, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables.

XIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on the actual controller of the Company

Name	Relationship with the Company	Percentage of shares of the Company held directly %	Percentage of shares of the Company held indirectly %	Form of capital contribution
Zhang Tianyu	Actual controller	31.30	0.5718	Cash and conversion of net assets into shares

2. Information on subsidiaries

For details of the subsidiaries, see Note IX.1.

3. Information on associates

Details of the material joint ventures and associates are set out in Note IX.3.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

4. Other related parties of the Company

Name of related party	Relationship with the Company
Shenzhen Guangyu Communication Technology Co., Ltd.	Under the same actual controller
Shenzhen Guangsida Venture Capital Co., Ltd.	Under the same actual controller
Xinyu Guangtong Yuanxin Management Consulting Partnership (Limited Partnership)	A partnership in which Chen Shijiang, Secretary to the Board of Directors of the Company, serves as the executive partner
Fangde (Sanya) Private Fund Management Co., Ltd.	A company actually controlled by Chen Shijiang, Secretary to the Board of Directors of the Company
Yipige (Shanghai) Integrated Circuit Partnership (Limited Partnership)	Chen Shijiang, Secretary to the Board of Directors of the Company, is the actual controller
Shenzhen Gaoguang Gongying Investment Partnership (Limited Partnership)	A partnership in which Chen Shijiang, Secretary to the Board of Directors of the Company, serves as the executive partner
Shenzhen Lianke Technology Co., Ltd.	A company controlled by Chen Shijiang, Secretary to the Board of Directors of the Company
Xinyu Guanghe Chuanghong Venture Capital Partnership (Limited Partnership)	Ying Lingpeng, a shareholder of the Company, serves as the executive partner
Shenzhen Pengrui Zhiyuan Sports Development Co., Ltd.	A company controlled by Ying Lingpeng, a shareholder of the Company
Shenzhen Zhuozhiran Technology Co., Ltd.	A company controlled by Ying Lingpeng, a shareholder of the Company, and his spouse
Shenzhen Yongheshun Hardware Co., Ltd.	A company controlled by Xu Ning, a director of the Company
Yongheshun Technology Co., Ltd.	A company controlled by Xu Ning, a director of the Company
Shenzhen Xinqiao Investment Consulting Co., Ltd.	A company controlled by the mother of Chen Shijiang, Secretary to the Board of Directors of the Company

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

4. Other related parties of the Company *(Continued)*

Name of related party	Relationship with the Company
Shenzhen Smart Enterprise Management Consulting Co., Ltd.	Zhang Xuebin, a former independent director of the Company, holds a 50% equity interest
Shenzhen Financial Consulting Enterprise (General Partnership)	Zhang Xuebin, a former independent director of the Company, holds a 50% equity interest and serves as the executive partner
Shenzhen Zhiyu Guangnian Digital Technology Co., Ltd.	A company in which independent director Wu Chenggang holds more than 30% of the equity interests
Ying Lingpeng	Director, General Manager
Xu Ning	Deputy General Manager, Director
Wang Ning, Zhao Jing and Wu Chenggang	Independent directors
Chen Qihua	Employee representative director
Du Yingying and Sun Xiaojing	Former supervisor (resigned on 22 December 2025)
Chen Shijiang	Deputy General Manager, Secretary to the Board of Directors
Wang Hongyan	Deputy General Manager, Chief Financial Officer
Guan Ying	Close family member of the controlling shareholder

Note: Rolling Wireless S.à.r.l. and its subsidiaries ROLLING WIRELESS FRANCE, Rolling Wireless German GmbH, ROLLING WIRELESS TECHNOLOGY (H.K.) LIMITED, Rolling Wireless Communication Technology (Shenzhen) Co., Ltd., Rolling Wireless J.P. Limited, Rolling Wireless K.R. Limited, Rolling Wireless Hungary and ROLLING WIRELESS PTE. LTD. ceased to be included in the scope of consolidation of the Company on 26 July 2024. However, as the disposal had occurred less than 12 months earlier, the above companies remained related parties of the Company through 25 July 2025.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

5. Related party transactions

(1) *Related party purchases and sales*

① *Purchase of goods and receipt of services*

Related party	Nature of related party transaction	January to June 2026	January to June 2025
Shenzhen Bogesi Communication Technology Co., Ltd.	Purchase of goods	812,811.43	98,211.72

② *Sale of goods and rendering of services*

Related party	Nature of related party transaction	January to June 2026	January to June 2025
Hubei Link Sci Intelligent Technology Co., Ltd.	Sale of goods	29,127,955.30	6,035,832.68
Shenzhen Bogesi Communication Technology Co., Ltd.	Sale of goods	15,441.59	–
ROLLING WIRELESS PTE. LTD.	Sale of goods	–	75,995,842.62

Note: ROLLING WIRELESS PTE. LTD. ceased to be a related party of the Company after 26 July 2025. The transaction amounts above represent transactions from January to June 2025.

(2) *Key management personnel remuneration*

The Company had 9 key management personnel in the current period and 11 key management personnel in the prior period. The remuneration paid is set out in the table below:

Item	January to June 2026	January to June 2025
Key management personnel remuneration	4,553,833.81	7,330,726.92

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

6. Amounts due from and to related parties

(1) Amounts due from related parties

Item	Related party	2026.06.30		2025.12.31	
		Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Accounts receivable	Hubei Liancheng Intelligent Technology Co., Ltd.	83,439,791.96	5,301,269.28	53,414,940.30	3,345,340.70
Notes receivable	Hubei Liancheng Intelligent Technology Co., Ltd.	-	-	40,413,776.23	2,020,688.81

Note: ROLLING WIRELESS PTE. LTD. ceased to be a related party of the Company after 26 July 2025, and its closing balance is therefore no longer presented.

(2) Amounts due to related parties

Item	Related party	2026.06.30	2025.12.31
Accounts payable	Shenzhen Bogesi Communication Technology Co., Ltd.	1,911,590.67	1,479,047.02

XIV. SHARE-BASED PAYMENTS

1. Overview of share-based payments

Category of grantees	Granted for the period		Exercised for the period		Unlocked for the period		Lapsed for the period	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Sales personnel	-	-	-	-	-	-	-	-
Management personnel	-	-	-	-	-	-	-	-
Research and development personnel	-	-	-	-	-	-	-	-
Other personnel	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

2. Equity-settled share-based payments

Method for determining the fair value of equity instruments at the grant date	Share options: Black-Scholes-Merton option pricing model; Restricted shares: closing price on the grant date
Key parameters for determining the fair value of equity instruments at the grant date	Share price volatility
Basis for determining the number of exercisable equity instruments	Management's reasonable judgement on the performance targets and the vesting arrangements of the share incentive plan
Reasons for significant differences between the estimates for the current period and those for the prior period	No significant differences
Cumulative amount of equity-settled share-based payments recognised in capital reserve	RMB 48,297,800

3. Share-based payment expenses for the period

Category of grantees	Expenses of equity-settled share-based payments
Sales personnel	31,552.28
Management personnel	372,446.18
Research and development personnel	152,428.70
Other personnel	-8,650.19
Total	547,776.97

4. Modification and termination of share-based payments

Modification of share-based payments	None
Termination of share-based payments	None

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital commitments

Capital commitments contracted for but not yet recognised in the financial statements	30 June 2026 (RMB ten thousand)	31 December 2025 (RMB ten thousand)
Commitments for acquisition and construction of long-term assets	25,189.72	23,370.52
Commitments for external investments	9,965.42	8,786.19

As at 30 June 2026, the Company had no other commitments requiring disclosure.

2. Contingencies

(1) Contingent liabilities arising from pending litigation and arbitration and their financial effects

- (1) Panasonic Automotive Systems America, LLC (“Panasonic”) filed a lawsuit on January 13, 2026 against the Company’s subsidiary, Shenzhen Link Future Wireless Technology Co., Ltd. (深圳市創聯未來無線技術有限公司) (“Link Future”), in the Newnan Division of the United States District Court for the Northern District of Georgia. Panasonic alleges that Link Future breached the indemnification provisions under the “Panasonic Agreement” entered into between the parties (which forms part of the assets acquired by Link Future from Sierra Wireless, Inc. (“Sierra”) and subsequently sold to Europasolar S.à r.l.), and seeks indemnification from Link Future for up to USD10,000,000 in liabilities arising from a settled lawsuit between Panasonic and FCA US LLC (“FCA”), a third party not involved in this case. Panasonic asserts in this case that the products provided by Sierra and Link Future, as third-party defendants in this case, were the subject matter alleged to be “infringing” in the above settlement claimed by FCA. Link Future submitted its statement of defence on January 20, 2026. On February 3, 2026, Panasonic, based on the contract between Link Future and Sierra, filed a third-party complaint against Sierra as a third-party defendant in this case, seeking compensation for actual losses. At the same time, based on the contract between Link Future and Europasolar S.à r.l., Panasonic filed a third-party complaint against Europasolar S.à r.l. as a third-party defendant, seeking compensation for actual losses. On May 28, 2026, the court ruled to reject the application for transfer to the federal court, and the case is being heard in state court. On July 16, 2026, a request for evidence disclosure was received from Panasonic, and the case entered the evidence disclosure stage. As of the date of this announcement, there has been no further progress in the case.

(2) As at 30 June 2026, the Company had no other contingencies requiring disclosure.

XVI. EVENTS AFTER THE BALANCE SHEET DATE

The Company held the 29th meeting of the 4th session of the Board of Directors on August 20, 2026, at which it reviewed and approved the “Resolution on the Increase in Capital of a Controlling Subsidiary by Way of Debt-to-Equity Swap, Termination of Its Equity Incentive Plan and Sale of Its Equity Interests”. The Company will make a capital contribution to Faiot Co., Ltd (hereinafter referred to as “Shanghai Faiot”) by way of debt-to-equity swap, terminate the implementation of its equity incentive plan, and dispose of all equity interests held by the Company and the employee shareholding platform in it. Upon completion of this transaction, the Company will no longer hold any equity interests in Shanghai Faiot, and Shanghai Faiot and its subsidiaries will no longer be included in the Company’s consolidated financial statements.

As at 26 August 2026, the Company had no other events after the balance sheet date requiring disclosure.

XVII. OTHER SIGNIFICANT MATTERS

1. The remuneration of directors and the five highest-paid individuals for the period, disclosed in accordance with the applicable Listing Rules and the Hong Kong Companies Ordinance, is set out below:

(1) Remuneration of directors and supervisors

January to June 2026

Name	Short-term employee benefits	Post-employment benefits	Share-based incentives	Total
Executive directors:				
Zhang Tianyu	474,016.32	21,360.00	–	495,376.32
Ying Lingpeng	1,105,038.30	30,019.98	834,658.04	1,969,716.32
Xu Ning	835,038.30	30,019.98	–	865,058.28
Independent non-executive directors:				
Wang Ning	50,004.00	–	–	50,004.00
Zhao Jing	50,004.00	–	–	50,004.00
Wu Chenggang	50,004.00	–	–	50,004.00
Employee representative director:				
Chen Qihua	374,405.00	18,690.00	–	393,095.00

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVII. OTHER SIGNIFICANT MATTERS (Continued)

1. The remuneration of directors and the five highest-paid individuals for the period, disclosed in accordance with the applicable Listing Rules and the Hong Kong Companies Ordinance, is set out below: (Continued)

(1) Remuneration of directors and supervisors (Continued)

January to June 2025

Name	Short-term employee benefits	Post-employment benefits	Share-based incentives	Total
Executive directors:				
Zhang Tianyu	477,082.50	29,610.30	–	506,692.80
Ying Lingpeng	1,103,031.18	29,971.02	435,520.97	1,568,523.17
Xu Ning	1,625,031.18	29,971.02	–	1,655,002.20
Independent non-executive directors:				
Wang Ning	50,004.00	–	–	50,004.00
Zhao Jing	50,004.00	–	–	50,004.00
Supervisors:				
Chen Qihua	556,931.62	18,690.00	–	575,621.62
Sun Xiaojing	196,481.00	8,010.00	–	204,491.00
Du Yingying	182,370.00	10,680.00	–	193,050.00

Note: Short-term employee benefits include salaries, allowances and bonuses, employee welfare expenses, medical, work-related injury and maternity insurance, and housing provident fund contributions. Post-employment benefits include pension insurance and unemployment insurance.

(2) Five highest-paid individuals

The five highest-paid individuals of the Company for January to June 2026 included two directors, and the five highest-paid individuals for January to June 2025 also included two directors. The remuneration of the remaining three employees for each of January to June 2026 and January to June 2025 is set out below:

Item	January to June 2026	January to June 2025
Short-term employee benefits	2,997,919.74	5,203,639.95
Post-employment benefits	76,664.84	106,101.66
Share-based incentives	–	425,659.16
Total	3,074,584.58	5,735,400.77

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVII. OTHER SIGNIFICANT MATTERS *(Continued)*

1. **The remuneration of directors and the five highest-paid individuals for the period, disclosed in accordance with the applicable Listing Rules and the Hong Kong Companies Ordinance, is set out below:** *(Continued)*

- (2) **Five highest-paid individuals** *(Continued)*

The remuneration of the above employees fell within the following bands:

Item	January to June 2026	January to June 2025
Number of individuals in the RMB0-1,000,000.00 band	1	–
Number of individuals in the RMB1,000,000.00-1,500,000.00 band	2	1
Number of individuals in the RMB1,500,000.00-2,000,000.00 band	–	1
Number of individuals in the RMB2,000,000.00-2,500,000.00 band	–	1
Number of individuals in the RMB2,500,000.00-3,000,000.00 band	–	–
Number of individuals in the band above RMB3,000,000.00	–	–

2. **Other**

On 29 June 2026, the Company convened the twenty-fourth meeting of the fourth session of the Board of Directors, at which resolutions including the “Proposal on the Plan for the Company’s Major Asset Purchase” and the “Proposal on the Fibocom Wireless Inc. Major Asset Purchase Report (Draft) and its Summary” were considered and approved. The Company proposes to acquire a 37.16% equity interest in Shenzhen Hangsheng Electronics Co., Ltd. (hereinafter referred to as “Hangsheng Electronics”) for cash and to obtain control over Hangsheng Electronics through an acting-in-concert agreement. Upon completion, Hangsheng Electronics will become a controlled subsidiary of the Company (hereinafter referred to as the “Transaction”). On 7 August 2026, the Company convened the twenty-seventh meeting of the fourth session of the Board of Directors, at which resolutions including the “Proposal on the Fibocom Wireless Inc. Major Asset Purchase Report (Draft) (Revised) and its Summary” were considered and approved, and the relevant financial information for the Transaction was updated following an additional-period audit. On 18 August 2026, the Company received the “Decision on No Further Review of the Concentration of Undertakings Under the Anti-Monopoly Law” issued by the State Administration for Market Regulation and published the related announcement on the same date. The Transaction remains subject to approval by the Company’s general meeting. In view of the overall timetable for the major asset restructuring, the Board decided not to convene a general meeting to consider the Transaction at this stage. Upon completion of the relevant work, the Board will issue a separate notice convening a general meeting and submit the relevant resolutions for shareholders’ consideration.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Notes receivable

Category of notes	2026.06.30			2025.12.31		
	Gross carrying amount	Provision for bad debts	Carrying amount	Gross carrying amount	Provision for bad debts	Carrying amount
Bank acceptance notes	29,598,564.89	—	29,598,564.89	13,048,044.16	—	13,048,044.16
Commercial acceptance notes	155,857,767.00	87,866.51	155,769,900.49	9,478,962.50	284,368.87	9,194,593.63
Total	185,456,331.89	87,866.51	185,368,465.38	22,527,006.66	284,368.87	22,242,637.79

(1) *At the end of the period, the Company had no notes receivable pledged*

(2) *Notes receivable endorsed or discounted by the Company but not yet due at the end of the period*

Category	Amount	
	derecognised as at 30 June 2026	Amount not derecognised as at 30 June 2026
Bank acceptance notes	—	21,759,853.75
Commercial acceptance notes	—	150,000,000.00
Total	—	171,759,853.75

(3) *At the end of the period, the Company had no notes transferred to accounts receivable as a result of the drawers' failure to perform*

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Notes receivable (Continued)

(4) Classified by method of provision for bad debts

Category	Gross carrying amount		2026.06.30 Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit	
				loss rate (%)	
Provision for bad debts assessed individually	-	-	-	-	-
Provision for bad debts assessed by portfolio	185,456,331.89	100.00	87,866.51	0.05	185,368,465.38
Including:					
Bank acceptance notes	29,598,564.89	15.96	-	-	29,598,564.89
Commercial acceptance notes	155,857,767.00	84.04	87,866.51	0.06	155,769,900.49
Total	185,456,331.89	100.00	87,866.51	0.05	185,368,465.38

Category	Gross carrying amount		2025.12.31 Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Expected credit	
				loss rate (%)	
Provision for bad debts assessed individually	-	-	-	-	-
Provision for bad debts assessed by portfolio	22,527,006.66	100.00	284,368.87	1.26	22,242,637.79
Including:					
Bank acceptance notes	13,048,044.16	57.92	-	-	13,048,044.16
Commercial acceptance notes	9,478,962.50	42.08	284,368.87	3.00	9,194,593.63
Total	22,527,006.66	100.00	284,368.87	1.26	22,242,637.79

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(Continued)

1. Notes receivable (Continued)

(5) Provision, recovery or reversal of provision for bad debts for the period

	Amount of provision for bad debts
2025.12.31	284,368.87
Provision for the period	-196,502.36
Recovery or reversal for the period	–
Write-off for the period	–
2026.06.30	87,866.51

2. Accounts receivable

(1) Disclosure by ageing

Ageing	2026.06.30	2025.12.31
Within 1 year	2,023,183,955.28	2,132,935,194.77
1 to 2 years	1,557,569,258.19	1,480,424,446.31
2 to 3 years	117,843,782.76	190,348,123.16
3 to 4 years	28,719,928.55	21,087,023.57
4 to 5 years	556,267.80	–
Sub-total	3,727,873,192.58	3,824,794,787.81
Less: Provision for bad debts	11,527,257.60	11,111,784.32
Total	3,716,345,934.98	3,813,683,003.49

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Accounts receivable (Continued)

(2) Disclosure by method of provision for bad debts

Category	Gross carrying amount		2026.06.30		
	Amount	Percentage (%)	Provision for bad debts		Carrying amount
			Amount	Expected credit loss rate (%)	
Provision for bad debts assessed individually	4,003,628.87	0.11	4,003,628.87	100.00	-
Provision for bad debts assessed by portfolio	3,723,869,563.71	99.89	7,523,628.73	0.20	3,716,345,934.98
Including:					
Portfolio of amounts due from related parties within the scope of consolidation	3,279,887,555.05	87.98	-	-	3,279,887,555.05
Portfolio of receivables from other customers	443,982,008.66	11.91	7,523,628.73	1.69	436,458,379.93
Total	3,727,873,192.58	100.00	11,527,257.60	0.31	3,716,345,934.98

Category	Gross carrying amount		2025.12.31		
	Amount	Percentage (%)	Provision for bad debts		Carrying amount
			Amount	Expected credit loss rate (%)	
Provision for bad debts assessed individually	4,514,645.33	0.12	4,514,645.33	100.00	-
Provision for bad debts assessed by portfolio	3,820,280,142.48	99.88	6,597,138.99	0.17	3,813,683,003.49
Including:					
Portfolio of amounts due from related parties within the scope of consolidation	3,437,244,857.69	89.87	-	-	3,437,244,857.69
Portfolio of receivables from other customers	383,035,284.79	10.01	6,597,138.99	1.72	376,438,145.80
Total	3,824,794,787.81	100.00	11,111,784.32	0.29	3,813,683,003.49

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(Continued)

2. Accounts receivable (Continued)

(2) Disclosure by method of provision for bad debts (Continued)

Accounts receivable for which provision for bad debts is assessed individually

Name	Gross carrying amount	Provision for bad debts	2026.06.30	
			Expected credit loss rate (%)	Basis of provision
Customer 1	4,003,628.87	4,003,628.87	100.00	Expected to be irrecoverable
Total	4,003,628.87	4,003,628.87	100.00	/

Name	Gross carrying amount	Provision for bad debts	2025.12.31	
			Expected credit loss rate (%)	Basis of provision
Customer 1	4,514,645.33	4,514,645.33	100.00	Expected to be irrecoverable
Total	4,514,645.33	4,514,645.33	100.00	/

Accounts receivable for which provision for bad debts is assessed by portfolio

Item for which provision is made on a portfolio basis: portfolio of amounts due from related parties within the scope of consolidation

	2026.06.30			2025.12.31		
	Gross carrying amount	Provision for bad debts	Expected credit loss rate (%)	Gross carrying amount	Provision for bad debts	Expected credit loss rate (%)
Within 1 year	1,580,520,897.69	-	-	1,751,480,410.86	-	-
1 to 2 years	1,555,585,880.32	-	-	1,474,391,478.19	-	-
2 to 3 years	114,504,580.69	-	-	190,285,945.07	-	-
3 to 4 years	28,719,928.55	-	-	21,087,023.57	-	-
4 to 5 years	556,267.80	-	-	-	-	-
Total	3,279,887,555.05	-	-	3,437,244,857.69	-	-

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Accounts receivable (Continued)

(2) Disclosure by method of provision for bad debts (Continued)

Accounts receivable for which provision for bad debts is assessed by portfolio (Continued)

Portfolio item: receivables from other customers

	2026.06.30			2025.12.31		
	Gross carrying amount	Provision for bad debts	Expected credit loss rate (%)	Gross carrying amount	Provision for bad debts	Expected credit loss rate (%)
Within 1 year	441,963,718.79	7,318,308.54	1.66	381,449,601.66	6,438,570.68	1.69
1 to 2 years	1,983,377.87	198,337.79	10.00	1,585,683.13	158,568.31	10.00
2 to 3 years	34,912.00	6,982.40	20.00	-	-	-
Total	443,982,008.66	7,523,628.73	1.69	383,035,284.79	6,597,138.99	1.72

(3) Provision, recovery or reversal of provision for bad debts for the period

	Amount of provision for bad debts
Opening balance	11,111,784.32
Provision for the period	415,473.28
Recovery or reversal for the period	-
Write-off for the period	-
Charged off for the period	-
Foreign currency translation	-
Closing balance	11,527,257.60

(4) No accounts receivable were actually written off during the current period.

(5) Top five closing balances of accounts receivable and contract assets by debtor

The top five accounts receivable by debtor at the end of the period amounted to RMB3,185,322,049.65, representing 85.45% of the total closing balance of accounts receivable, and the aggregate closing balance of the related provision for bad debts was RMB1,132,384.08.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(Continued)

3. Other receivables

Item	2026.06.30	2025.12.31
Interest receivable	—	—
Dividends receivable	—	—
Other receivables	763,684,265.14	724,027,195.26
Total	763,684,265.14	724,027,195.26

(1) Other receivables

① Disclosure by ageing

Ageing	2026.06.30	2025.12.31
Within 1 year	754,433,092.86	531,451,075.33
1 to 2 years	8,371,399.26	191,013,854.34
2 to 3 years	85,818.58	105,818.58
Over 3 years	1,329,779.54	1,605,054.34
Sub-total	764,220,090.24	724,175,802.59
Less: Provision for bad debts	535,825.10	148,607.33
Total	763,684,265.14	724,027,195.26

② Disclosure by nature of amount

Item	2026.06.30			2025.12.31		
	Gross carrying amount	Provision for bad debts	Carrying amount	Gross carrying amount	Provision for bad debts	Carrying amount
Current accounts with entities	723,051,514.18	108,127.54	722,943,386.64	707,175,499.27	2,471.73	707,173,027.54
Guarantee deposits and deposits	36,238,471.46	181,192.33	36,057,279.13	3,882,857.29	19,414.29	3,863,443.00
Export tax refunds receivable	—	—	—	10,583,020.02	—	10,583,020.02
Current accounts with employees	4,930,104.60	246,505.23	4,683,599.37	2,534,426.01	126,721.31	2,407,704.70
Total	764,220,090.24	535,825.10	763,684,265.14	724,175,802.59	148,607.33	724,027,195.26

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Other receivables (Continued)

(1) Other receivables (Continued)

③ Provision for bad debts

Provision for bad debts in Stage 1 as at 30 June 2026

Category	Gross carrying amount	Expected credit loss rate for the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts assessed individually	-	-	-	-
Provision for bad debts assessed by portfolio	764,220,090.24	0.07	535,825.10	763,684,265.14
Portfolio of deposits and guarantee deposits receivable	36,238,471.46	0.50	181,192.33	36,057,279.13
Portfolio of export tax refunds receivable	-	-	-	-
Portfolio of receivables from related parties and other investments	720,888,963.48	-	-	720,888,963.48
Portfolio of current accounts and other characteristics	7,092,655.30	5.00	354,632.77	6,738,022.53
Total	764,220,090.24	0.07	535,825.10	763,684,265.14

As at 30 June 2026, the Company had no interest receivable, dividends receivable or other receivables in Stage 2 or Stage 3.

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

(Continued)

3. Other receivables (Continued)

(1) Other receivables (Continued)

③ Provision for bad debts (Continued)

Provision for bad debts in Stage 1 as at 31 December 2025

Category	Gross carrying amount	Expected credit loss rate for the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts assessed individually	-	-	-	-
Provision for bad debts assessed by portfolio	724,175,802.59	0.02	148,607.33	724,027,195.26
Portfolio of deposits and guarantee deposits receivable	3,882,857.29	0.50	19,414.29	3,863,443.00
Portfolio of export tax refunds receivable	10,583,020.02	-	-	10,583,020.02
Portfolio of receivables from related parties and other investments	707,126,064.69	-	-	707,126,064.69
Portfolio of current accounts and other characteristics	2,583,860.59	5.00	129,193.04	2,454,667.55
Total	724,175,802.59	0.02	148,607.33	724,027,195.26

As at 31 December 2025, the Company had no interest receivable, dividends receivable or other receivables in Stage 2 or Stage 3.

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Other receivables (Continued)

(1) Other receivables (Continued)

④ Provision, recovery or reversal of provision for bad debts for the period

	Stage 1 Expected credit losses for the next 12 months	Stage 2 Lifetime expected credit losses (not credit- impaired)	Stage 3 Lifetime expected credit losses (credit- impaired)	Total
Provision for bad debts				
Opening balance	148,607.33	–	–	148,607.33
Opening balance during the period				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Transferred back to Stage 2	–	–	–	–
– Transferred back to Stage 1	–	–	–	–
Provision for the period	387,217.77	–	–	387,217.77
Reversal for the period	–	–	–	–
Charged off for the period	–	–	–	–
Write-off for the period	–	–	–	–
Foreign currency translation	–	–	–	–
Closing balance	535,825.10	–	–	535,825.10

⑤ Top five closing balances of other receivables by debtor

Name of entity	Nature of amount	Closing balance of other receivables	Ageing	Percentage of the total closing balance of other receivables (%)	Closing balance of provision for bad debts
Faiot Co., Ltd	Current accounts	278,811,675.64	Within 1 year	36.48	–
Fibocom Technology Co., Ltd.	Current accounts	156,262,415.88	Within 1 year	20.45	–
FIA Inc.	Current accounts	101,613,612.47	Within 1 year	13.30	–
Fibocom Auto Software Inc.	Current accounts	96,847,860.73	Within 1 year	12.67	–
Fibocom Investment Development Inc.	Current accounts	43,499,998.94	Within 1 year	5.69	–
Total		677,035,563.66		88.59	–

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

4. Long-term equity investments

Item	2026.06.30			2025.12.31		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Investments in subsidiaries	1,076,601,764.52	-	1,076,601,764.52	1,072,898,345.38	-	1,072,898,345.38
Investments in associates	2,840,223.00	-	2,840,223.00	2,915,905.67	-	2,915,905.67
Total	1,079,441,987.52	-	1,079,441,987.52	1,075,814,251.05	-	1,075,814,251.05

(1) Investments in subsidiaries

Investee	Opening balance	Increase for the period	Decrease for the period	Closing balance	Provision for impairment made for the period	Closing balance of provision for impairment
Fibocom Investment	237,582,000.00	950,000.00	-	238,532,000.00	-	-
U.S. Fibocom	36,773,553.69	-	-	36,773,553.69	-	-
Xi'an Fibocom Software	34,859,447.42	-	-	34,859,447.42	-	-
EU Fibocom	23,638,224.79	-	-	23,638,224.79	-	-
FIA	0.01	-	-	0.01	-	-
Xi'an Fibocom Wireless	31,289,620.79	-	-	31,289,620.79	-	-
Fibocom Software	15,014,608.75	-	-	15,014,608.75	-	-
Shanghai Faiot	20,407,616.00	-	-	20,407,616.00	-	-
Favalon Technology	1,418,116.03	-	-	1,418,116.03	-	-
Guangtong Yilian	246,056.74	-	-	246,056.74	-	-
Yaboda	1,000,000.00	-	-	1,000,000.00	-	-
Fibocom Technology	120,017,989.92	-	-	120,017,989.92	-	-
Taiwan Fibocom	178,246.32	-	-	178,246.32	-	-
Link Future	550,472,864.92	-	-	550,472,864.92	-	-
Suzhou Juke	-	2,753,419.14	-	2,753,419.14	-	-
Total	1,072,898,345.38	3,703,419.14	-	1,076,601,764.52	-	-

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

VIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

4. Long-term equity investments (Continued)

(2) Investments in associates

Investee	Opening balance	Additional/ new investments	Decrease in investments	Changes for the period						Closing balance	Closing balance of provision for impairment
				Investment income or loss recognised under the equity method	Adjustment of other comprehensive income	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Other		
Shenzhen Bogeni Communication Technology Co., Ltd.	2,915,905.67	-	-	74,317.33	-	-	150,000.00	-	-	2,840,223.00	-

5. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	January to June 2026		January to June 2025	
	Revenue	Costs	Revenue	Costs
Principal operations	1,858,572,473.61	1,638,204,649.60	2,300,764,663.01	2,068,397,493.73
Other operations	257,606,975.48	259,840,973.35	500,229,064.58	479,502,679.44
Total	2,116,179,449.09	1,898,045,622.95	2,800,993,727.59	2,547,900,173.17

(2) Operating revenue and operating costs by product type

Major product types	January to June 2026		January to June 2025	
	Revenue	Costs	Revenue	Costs
Module products	1,722,313,708.16	1,521,546,083.18	2,173,633,098.64	1,854,885,993.13
Solutions	134,544,994.70	114,926,123.48	111,019,762.36	104,370,914.72
Other	259,320,746.23	261,573,416.29	516,340,866.59	588,643,265.32
Total	2,116,179,449.09	1,898,045,622.95	2,800,993,727.59	2,547,900,173.17

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January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XVIII. NOTES TO MAJOR ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

5. Operating revenue and operating costs (Continued)

(3) Operating revenue and operating costs by geographical region

Major geographical areas of operation	January to June 2026		January to June 2025	
	Revenue	Costs	Revenue	Costs
Domestic	1,518,663,520.49	1,304,942,763.56	1,509,888,861.13	1,401,011,240.97
Overseas	597,515,928.60	593,102,859.39	1,291,104,866.46	1,146,888,932.20
Sub-total	2,116,179,449.09	1,898,045,622.95	2,800,993,727.59	2,547,900,173.17

(4) Operating revenue and operating costs by timing of transfer of goods

Item	January to June 2026	
	Revenue	Costs
Principal operations	1,858,572,473.61	1,638,204,649.60
Including: Recognised at a point in time	1,857,567,761.44	1,637,734,976.25
Recognised over a period of time	1,004,712.17	469,673.35
Other operations	257,606,975.48	259,840,973.35
Including: Recognised at a point in time	257,606,975.48	259,840,973.35
Total	2,116,179,449.09	1,898,045,622.95

6. Investment income

Item	January to June 2026	January to June 2025
Income from long-term equity investments accounted for using the equity method	74,317.33	-114,259.06
Investment income from wealth management products	10,272,953.24	5,023,148.23
Total	10,347,270.57	4,908,889.17

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XIX. SUPPLEMENTARY INFORMATION

1. Schedule of non-recurring profit or loss for the current period

Item	January to June 2026	Remarks
Gains or losses on disposal of non-current assets, including the write-off of the related provision for asset impairment	-629,987.42	
Government grants recognised in profit or loss for the current period, other than government grants that are closely related to the Company's ordinary course of business, comply with national policies, are received in accordance with defined criteria and have a continuing effect on the Company's profit or loss	5,892,344.67	
Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gains or losses on disposal of financial assets and financial liabilities, other than effective hedging activities related to the Company's ordinary course of business	25,456,098.64	
Other non-operating income and expenses other than the above	-4,014,427.44	
Total non-recurring profit or loss	26,704,028.45	
Less: Effect of income tax on non-recurring profit or loss	3,997,342.30	
Net non-recurring profit or loss	22,706,686.15	
Less: Net effect of non-recurring profit or loss attributable to non-controlling interests (net of tax)	149.61	
Non-recurring profit or loss attributable to ordinary shareholders of the Company	22,706,536.54	

Note: Government grants classified as recurring profit or loss are detailed as follows:

Item	January to June 2026	Reason
Tax refunds under the immediate refund upon collection policy	2,956,536.78	Related to the Company's ordinary business activities

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Notes to the Financial Statements

January to June 2026 (Unless otherwise stated, all amounts are expressed in RMB Yuan)

XIX. SUPPLEMENTARY INFORMATION *(Continued)*

2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	0.99	0.07	0.07
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	0.63	0.04	0.04

Fibocom 广和通

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