



XINYI ELECTRIC STORAGE HOLDINGS LIMITED

信義儲電控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 08328



2026 INTERIM REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that companies listed on GEM are small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This report, for which the board (the “**Board**”) of the directors (the “**Directors**”) of Xinyi Electric Storage Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*



CONTENTS

2	Corporate Information
4	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
6	Condensed Consolidated Statement of Financial Position
8	Condensed Consolidated Statement of Changes in Equity
10	Condensed Consolidated Statement of Cash Flows
11	Notes to the Condensed Consolidated Interim Financial Information
37	Management Discussion and Analysis



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. NG Ngan Ho[^]

Ms. LI Pik Yung^{*}

Mr. WANG Mohan

(Chief Executive Officer)

Non-executive Directors

Tan Sri Datuk TUNG Ching Sai

P.S.M, D.M.S.M, B.B.S., J.P. (Chairman)⁻

Mr. LEE Shing Kan, M.H.^o

Independent non-executive Directors

Mr. WANG Guisheng^{* o <}

Mr. NG Wai Hung^{# <}

Mr. CHAN Hak Kan, G.B.S., J.P.^{# + <}

* Chairman of audit committee

Members of audit committee

* Chairman of remuneration committee

o Members of remuneration committee

~ Chairman of nomination committee

< Members of nomination committee

^ Compliance officer

COMPANY SECRETARY

Mr. CHEUNG Siu On Victor, FCPA

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350, Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS

99 Yongzhen Road
Jiujiang Economic Development Zone
Wuhu City, Anhui Province, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2116-2117, 21st Floor
Rykadan Capital Tower
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Kowloon, Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

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Suite 3418, Level 34
Two Pacific Place
88 Queensway
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountant
25/F, Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong)
Hang Seng Bank
HSBC
Bank of China
Huishang Bank
Industrial Bank
China Construction Bank
China Citic Bank

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350, Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

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

COMPANY'S WEBSITE

www.xinyies.com

SHARE INFORMATION

Place of listing: GEM of the Stock Exchange
Stock code: 08328
Listing date: 11 July 2016
Board lot: 4,000 ordinary shares
Financial year end date: 31 December
Share price as of the date of
this interim report: HK\$0.35
Market capitalisation as of the date of
this interim report:
Approximately HK\$274.9 million

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

Six months ended 30 June			
	Notes	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Revenue	3	414,737	477,436
Cost of revenue		(331,612)	(394,147)
Gross profit		83,125	83,289
Other income	4	15,311	7,568
Other (losses)/gains, net	4	(23,015)	1,616
Impairment loss on financial assets		(389)	(1,173)
Selling and marketing costs		(23,319)	(18,564)
Administrative expenses		(73,445)	(67,910)
Share of results of joint ventures		2,238	13,536
Share of results of an associate		(2)	(2)
Operating (loss)/profit		(19,496)	18,360
Finance income	5	631	445
Finance costs	5	(5,479)	(7,438)
(Loss)/profit before income tax	6	(24,344)	11,367
Income tax expense	7	(2,929)	(5,513)
(Loss)/profit for the period		(27,273)	5,854
Other comprehensive income:			
<u>Items that may be subsequently reclassified</u> <u>to profit or loss</u>			
Exchange differences on translation of financial statements of foreign operations		(1,176)	50,991
Share of other comprehensive income of joint ventures		(1,279)	321
<u>Item that will not be subsequently reclassified</u> <u>to profit or loss</u>			
Change in fair value of a financial asset at fair value through other comprehensive income, net of tax		—	1,346
		(2,455)	52,658
Total comprehensive income for the period		(29,728)	58,512

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

Six months ended 30 June			
	Notes	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
(Loss)/profit for the period attributable to:			
– owners of the Company		(27,630)	4,708
– non-controlling interests		357	1,146
		<u>(27,273)</u>	<u>5,854</u>
Total comprehensive income for the period attributable to:			
– owners of the Company		(28,386)	55,729
– non-controlling interests		(1,342)	2,783
		<u>(29,728)</u>	<u>58,512</u>
		HK cents	HK cents
(Loss)/earnings per share attributable to owners of the Company for the period			
– Basic and diluted	8	<u>(3.52)</u>	<u>0.60</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		As at	
	Notes	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	480,652	472,492
Intangible assets	10	4,458	5,996
Interests in joint ventures		20,537	25,958
Interests in an associate		286	288
Finance lease receivables	11	486,654	502,245
Prepayments for property, plant and equipment	11	597	10,605
Deferred tax assets		13,895	13,388
		1,007,079	1,030,972
Current assets			
Inventories		212,206	211,837
Contract assets, trade and other receivables and prepayments	11	538,435	637,934
Income tax recoverable		3,908	3,691
Pledged bank deposits		3,528	15,235
Restricted bank balance		988	952
Cash and cash equivalents		103,663	115,458
		862,728	985,107
Current liabilities			
Contract liabilities, trade and other payables	12	503,088	634,505
Provision for tax		1,307	1,605
Lease liabilities		7,709	9,115
Bank borrowings	13	327,753	304,562
		839,857	949,787
Net current assets		22,871	35,320
Total assets less current liabilities		1,029,950	1,066,292

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		As at	
	Notes	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Non-current liabilities			
Trade and other payables	12	16,731	26,782
Lease liabilities		5,641	9,000
Bank borrowings	13	53,468	47,207
Deferred tax liabilities		50,628	50,355
		<u>126,468</u>	<u>133,344</u>
Net assets		<u>903,482</u>	<u>932,948</u>
EQUITY			
Share capital	14	7,855	7,855
Reserves		875,871	904,496
		<u>883,726</u>	<u>912,351</u>
Non-controlling interests		19,756	20,597
Total equity		<u>903,482</u>	<u>932,948</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										
	Share capital	Share premium	Capital reserves	Share-based payments	Exchange reserve	Financial asset at fair value through other comprehensive income reserve	Statutory reserves	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2026 (Audited)	7,855	856,114	13,577	9,010	(93,986)	—	32,514	87,267	912,351	20,597	932,948
Comprehensive income											
(Loss)/profit for the period	—	—	—	—	—	—	—	(27,630)	(27,630)	357	(27,273)
Other comprehensive income											
Exchange differences on translation of financial statements of foreign operations	—	—	—	—	523	—	—	—	523	(1,699)	(1,176)
Share of other comprehensive income of joint ventures	—	—	—	—	(1,279)	—	—	—	(1,279)	—	(1,279)
Total comprehensive income	—	—	—	—	(756)	—	—	(27,630)	(28,386)	(1,342)	(29,728)
Transactions with owners											
Capital injection from non-controlling interests	—	—	—	—	—	—	—	—	—	624	624
Change in ownership interest in a subsidiary without loss of control	—	—	(1)	—	—	—	—	—	(1)	(77)	(78)
Employees share option scheme:											
– share-based payment expense	—	—	—	(284)	—	—	—	—	(284)	—	(284)
– adjustment relating to forfeiture of share options	—	—	—	(5,823)	—	—	—	5,869	46	(46)	—
Total transactions with owners	—	—	(1)	(6,107)	—	—	—	5,869	(239)	501	262
Balance at 30 June 2026 (Unaudited)	7,855	856,114	13,576	2,903	(94,742)	—	32,514	65,506	883,726	19,756	903,482

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Capital reserves HK\$'000	Share-based payments reserve HK\$'000	Exchange reserve HK\$'000	Financial asset at fair value through other comprehensive income reserve HK\$'000	Statutory reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2025 (Audited)	7,855	856,114	13,587	12,986	(142,130)	33,981	26,427	131,327	940,147	23,745	963,892
Comprehensive income											
Profit for the period	—	—	—	—	—	—	—	4,708	4,708	1,146	5,854
Other comprehensive income											
Exchange differences on translation of financial statements of foreign operations	—	—	—	—	49,354	—	—	—	49,354	1,637	50,991
Share of other comprehensive income of joint ventures	—	—	—	—	321	—	—	—	321	—	321
Change in fair value of a financial asset at fair value through other comprehensive income, net of tax	—	—	—	—	—	1,346	—	—	1,346	—	1,346
Total comprehensive income	—	—	—	—	49,675	1,346	—	4,708	55,729	2,783	58,512
Transactions with owners											
Employees share option scheme:											
– share-based payment expense	—	—	—	801	—	—	—	—	801	(135)	666
– adjustment relating to forfeiture of share options	—	—	—	(7,501)	—	—	—	7,501	—	—	—
Total transactions with owners	—	—	—	(6,700)	—	—	—	7,501	801	(135)	666
Balance at 30 June 2025 (Unaudited)	7,855	856,114	13,587	6,286	(92,455)	35,327	26,427	143,536	996,677	26,393	1,023,070

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Cash flows from operating activities		
Cash (used in)/generated from operations	(24,673)	141,936
Interest paid	(6,003)	(7,829)
Income tax paid	(2,217)	(4,246)
Net cash (used in)/generated from operating activities	(32,893)	129,861
Cash flows from investing activities		
Purchase of property, plant and equipment	(40,003)	(41,011)
Proceeds from disposal of property, plant and equipment	16,576	7,628
Decrease in pledged bank deposits	12,087	2,271
Other investing cash flow – net	7,199	445
Net cash used in investing activities	(4,141)	(30,667)
Cash flows from financing activities		
Capital injection from non-controlling shareholder of a subsidiary	624	—
Proceeds from bank borrowings	172,543	166,762
Repayments of bank borrowings	(146,496)	(283,121)
Repayments of capital element of lease liabilities	(4,800)	(5,057)
Net cash generated from/(used in) financing activities	21,871	(121,416)
Net decrease in cash and cash equivalents	(15,163)	(22,222)
Cash and cash equivalents at beginning of the period	115,458	111,706
Effect of foreign exchange rate changes, on cash held	3,368	2,640
Cash and cash equivalents at end of the period	103,663	92,124

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Group is principally engaged in the production and sales of electric storage products in the People's Republic of China (the "**PRC**"), the production and sales of photovoltaic films (the "**PV Films**") in the PRC and Malaysia and the provision of engineering, procurement and construction services (the "**EPC Services**") for solar energy projects. In addition, the Group is also engaged in the provision of automobile glass repair and replacement services in Hong Kong.

This unaudited condensed consolidated interim financial information is presented in thousands of Hong Kong dollars (HK\$'000), unless otherwise stated. This unaudited condensed consolidated interim financial information has been approved for issue by the Board on 4 August 2026.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with the applicable disclosure provisions of the GEM Listing Rules and Hong Kong Accounting Standards ("**HKAS**") 34, *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2025, which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), HKASs and Interpretations (hereinafter collectively referred to as the "**HKFRS Accounting Standards**").

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31 December 2025, as described in 2025 annual financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(a) *Adoption of new or revised HKFRS Accounting Standards – effective 1 January 2026*

In the current period, the Group has applied for the first time the following new or revised HKFRS Accounting Standards issued by the HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11

The adoption of the above new standards and amendments to standards that are effective from 1 January 2026 does not have any significant impact to the results and financial position of the Group.

(b) *New or revised HKFRS Accounting Standards that have been issued but are not yet effective*

The following new or revised HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 18	Presentation and Disclosure in Financial Statements ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ¹
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ¹
HKFRS 20	Regulatory Assets and Regulatory Liabilities ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(b) *New or revised HKFRS Accounting Standards that have been issued but are not yet effective (Continued)*

- ¹ Effective for annual periods beginning on or after 1 January 2027.
- ² Effective for annual periods beginning on or after 1 January 2029.
- ³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. The Directors anticipate that the application of new or revised HKFRS Accounting Standards will have no material impact on the Group's consolidated financial performance and positions and/or the disclosures to the consolidated financial statements of the Group.

3. REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive Directors that are used to make strategic decision.

The executive Directors determine the reportable segments from service/product perspective. The executive Directors identified five operating segments, which represent the Group's reportable segments, respectively, including (1) electric storage business; (2) EPC Services; (3) PV Films; (4) automobile glass repair and replacement services; and (5) other segments (trading of forklift and wind farm related business).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The executive Directors assess the performance of the operating segments based on a measure of gross profit. Set out below is a summary list of performance indicators reviewed by the executive Directors on a regular basis:

(a) Segment results

	Six months ended 30 June 2026 (Unaudited)					
	Electric storage business HK\$'000	EPC Services HK\$'000	PV Films HK\$'000	Automobile glass repair and replacement services HK\$'000	Others HK\$'000	Total HK\$'000
Revenue from external customers	131,707	237,550	194	34,195	11,091	414,737
Timing of revenue recognition within the scope of HKFRS 15						
– At a point in time	121,299	44,686	194	34,195	11,091	211,465
– Over time	10,408	178,273	—	—	—	188,681
	131,707	222,959	194	34,195	11,091	400,146
Revenue from other source:						
Finance lease income	—	14,591	—	—	—	14,591
Total revenue	131,707	237,550	194	34,195	11,091	414,737
Cost of revenue	(120,664)	(177,353)	(156)	(22,734)	(10,705)	(331,612)
Gross profit	11,043	60,197	38	11,461	386	83,125
Depreciation charge of property, plant and equipment	8,000	2,503	8,698	3,682	—	22,883
Amortisation charge of intangible assets	1,736	—	—	—	—	1,736
Additions to non-current assets during the period (other than financial instruments and deferred tax assets)	1,902	12,573	14,414	488	—	29,377

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment results (Continued)

Six months ended 30 June 2025 (Unaudited)						
	Electric storage business HK\$'000	EPC Services HK\$'000	PV Films HK\$'000	Automobile glass repair and replacement services HK\$'000	Others HK\$'000	Total HK\$'000
Revenue from external customers	105,521	256,620	74,241	30,028	11,026	477,436
Timing of revenue recognition within the scope of HKFRS 15						
– At a point in time	105,521	36,165	74,241	30,028	5,972	251,927
– Over time	—	207,227	—	—	5,054	212,281
	105,521	243,392	74,241	30,028	11,026	464,208
Revenue from other source:						
Finance lease income	—	13,228	—	—	—	13,228
Total revenue	105,521	256,620	74,241	30,028	11,026	477,436
Cost of revenue	(99,151)	(195,371)	(73,669)	(20,483)	(5,473)	(394,147)
Gross profit	6,370	61,249	572	9,545	5,553	83,289
Depreciation charge of property, plant and equipment	8,705	1,905	8,696	4,031	—	23,337
Amortisation charge of intangible assets	938	—	1,225	—	—	2,163
Additions to non-current assets during the period (other than financial instruments and deferred tax assets)	1,336	1,005	15,229	1,928	—	19,498

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment results (Continued)

A reconciliation of segment gross profit to (loss)/profit before income tax is provided as follows:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Segment gross profit	83,125	83,289
Unallocated items:		
Other income	15,311	7,568
Other (losses)/gains, net	(23,015)	1,616
Impairment loss on financial assets	(389)	(1,173)
Selling and marketing costs	(23,319)	(18,564)
Administrative expenses	(73,445)	(67,910)
Share of results of joint ventures	2,238	13,536
Share of results of an associate	(2)	(2)
Finance income	631	445
Finance costs	(5,479)	(7,438)
(Loss)/profit before income tax	(24,344)	11,367

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment results (Continued)

During the six months ended 30 June 2026 and 2025, revenue from the following customers account for 10% or more of the total revenue of the Group:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Revenue from – Customer A ¹	46,719	75,941

¹ Attributable to segment of electric storage business

(b) Disaggregation of revenue from contract with customers

An analysis of the Group's sales by geographical area of its customers is as follows:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
The PRC	176,179	278,300
Canada	198,850	152,341
Hong Kong	34,615	30,034
Others	5,093	16,761
	414,737	477,436

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Segment assets and liabilities

	Electric storage business HK\$'000	EPC Services HK\$'000	PV Films HK\$'000	Automobile glass repair and replacement services HK\$'000	Others HK\$'000	Total HK\$'000
At 30 June 2026 (Unaudited)						
Total assets	<u>589,844</u>	<u>949,092</u>	<u>267,970</u>	<u>41,977</u>	<u>20,629</u>	<u>1,869,512</u>
Total liabilities	<u>(277,758)</u>	<u>(244,181)</u>	<u>(42,522)</u>	<u>(17,325)</u>	<u>(2,251)</u>	<u>(584,037)</u>
At 31 December 2025 (Audited)						
Total assets	<u>675,838</u>	<u>956,065</u>	<u>307,600</u>	<u>49,427</u>	<u>26,721</u>	<u>2,015,651</u>
Total liabilities	<u>(303,563)</u>	<u>(206,702)</u>	<u>(183,258)</u>	<u>(22,381)</u>	<u>(13,673)</u>	<u>(729,577)</u>

Reportable segment assets/(liabilities) are reconciled to total assets/(liabilities) as follows:

	Assets as at		Liabilities as at	
	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Reportable segment assets/(liabilities)	1,869,512	2,015,651	(584,037)	(729,577)
Unallocated items:				
Prepayments, deposits and other receivables	153	285	—	—
Cash and cash equivalents	142	143	—	—
Bank borrowings	—	—	(381,221)	(351,769)
Other creditors and accruals	—	—	(1,067)	(1,785)
Total assets/(liabilities)	<u>1,869,807</u>	<u>2,016,079</u>	<u>(966,325)</u>	<u>(1,083,131)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) *Segment assets and liabilities (Continued)*

An analysis of the Group's non-current assets other than financial instruments and deferred tax assets by geographical area in which the assets are located is as follows:

	As at	
	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
The PRC	388,842	407,701
Canada	21,689	11,840
Hong Kong	15,689	18,887
Malaysia	13,844	20,733
Indonesia	65,672	56,178
Others	794	—
	<u>506,530</u>	<u>515,339</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4. OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Other income		
Government grants (note (a))	9,203	409
Others (note (b))	6,108	7,159
	15,311	7,568
Other (losses)/gains, net		
Net (losses)/gains on disposal of scrapped materials, property, plant and equipment or intangible assets (note (c))	(8,269)	5,366
Exchange losses, net	(15,521)	(3,750)
Others	775	—
	(23,015)	1,616

Notes:

- (a) The balance included mainly grants obtained from the PRC government to subsidise the operating costs.
- (b) The balance included mainly the additional deduction of input value-added tax and income from sale of electricity generated from the Group's distributed photovoltaic power generation facilities and income from provision of energy management solutions for energy storage stations.
- (c) The Group's production and operation generates scraps or recyclable materials which are available for sale and give rise to disposal gains/(losses).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5. FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Finance income		
Interest income from bank deposits	631	445
Finance costs		
Interest on bank borrowings	5,054	6,436
Interest on leases liabilities	372	394
Interest on discounted bills	578	1,000
	6,004	7,830
Less: amounts capitalised (note)	(525)	(392)
	5,479	7,438

Note:

The capitalisation rate of 1.39% (2025: 1.54%) used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6. (LOSS)/PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Cost of inventories	257,740	325,445
Write-off and provision for impairment of inventories	109	37
Depreciation charge	22,883	23,337
Amortisation charge	1,736	2,163
Employee benefit expense (including directors' emoluments)	46,230	45,742
Expense relating to short-term leases	2,401	1,444
Research and development expenses	9,892	14,563

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Current income tax		
– Hong Kong profits tax (note (a))	767	560
– PRC corporate income tax (note (b))	86	2,042
– Canadian corporate income tax (note (c))	243	300
– Over provision in prior years	(418)	—
– Withholding tax on remitted earnings	385	—
	1,063	2,902
Deferred tax charge	1,866	2,611
	2,929	5,513

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7. INCOME TAX EXPENSE (CONTINUED)

Notes:

- (a) Hong Kong profits tax has been provided for at the two-tiered rate of 8.25% (2025: 8.25%) for the first HK\$2 million of the estimated assessable profits for one of the Group's Hong Kong subsidiaries for the period and 16.5% (2025: 16.5%) on the remaining estimated assessable profits for the period.
- (b) Two (2025: Three) of the PRC subsidiaries, being qualified as a New and High Technology Enterprise, are entitled to a preferential corporate income tax rate of 15% (2025: 15%). Other subsidiaries of the Group in the PRC are subject to standard tax rate of 25% (2025: 25%). Provision for the PRC corporate income tax is calculated at 15% - 25% (2025: 15% - 25%) on estimated assessable profit for the period.
- (c) Canadian corporate income tax is provided on the estimated assessable profits at the federal tax rate of 15% (2025: 15%) and provincial tax rates at rates prevailing in relevant provinces of 8% - 15% (2025: 8% - 16%) for the period.

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

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

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
(Loss)/profit attributable to owners of the Company (HK\$'000)	<u>(27,630)</u>	<u>4,708</u>
Weighted average number of ordinary shares in issue (thousands)	<u>785,534</u>	<u>785,534</u>
Basic (loss)/earnings per share (HK cents)	<u>(3.52)</u>	<u>0.60</u>

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share for the six months ended 30 June 2026 and 2025. There are no dilutive effects on the impact of the exercise of the share options as they are anti-dilutive.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9. DIVIDENDS

No interim dividend was declared during the six months ended 30 June 2026 (2025: Nil).

10. CAPITAL EXPENDITURE

	Property, plant and equipment <i>HK\$'000</i>	Intangible assets <i>HK\$'000</i>
Six months ended 30 June 2026 (Unaudited)		
Opening carrying amount at 1 January 2026	472,492	5,996
Additions	38,862	—
Capitalisation of borrowing costs	525	—
Disposals	(18,497)	—
Depreciation/Amortisation	(22,883)	(1,736)
Exchange realignment	10,153	198
Closing carrying amount at 30 June 2026	<u>480,652</u>	<u>4,458</u>
Six months ended 30 June 2025 (Unaudited)		
Opening carrying amount at 1 January 2025	534,033	36,816
Additions	7,896	—
Capitalisation of borrowing costs	392	—
Disposals	(6,867)	—
Depreciation/Amortisation	(23,337)	(2,163)
Exchange realignment	14,929	1,023
Closing carrying amount at 30 June 2025	<u>527,046</u>	<u>35,676</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11. CONTRACT ASSETS, TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at	
	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Finance lease – gross receivables	715,820	709,438
Less: Unearned finance income	(189,547)	(167,545)
Present value of minimum lease payments	526,273	541,893
Less: Loss allowance	(1,822)	(1,935)
	524,451	539,958
Trade receivables (note (a))		
– Third parties	258,125	387,014
– Related companies	17,685	28,548
	275,810	415,562
Less: Loss allowance	(5,430)	(11,368)
	270,380	404,194
Contract assets	147,779	99,829
Less: Loss allowance	(1,033)	(386)
	146,746	99,443
Bills receivables at fair value through other comprehensive income ("FVOCI") (note (b))	17,450	14,954
Prepayments	29,378	48,218
Value-added tax recoverable	11,641	6,150
Deposits and other receivables	25,640	37,867
	1,025,686	1,150,784
Less: Non-current portion		
Finance lease receivables	(486,654)	(502,245)
Prepayments for property, plant and equipment	(597)	(10,605)
Current portion	538,435	637,934

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11. CONTRACT ASSETS, TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes:

(a) Trade receivables

Majority of credit period granted by the Group to its customers is 30 to 90 days (31 December 2025: 30 to 90 days). Ageing analysis of the Group's trade receivables based on the invoice date was as follows:

	As at	
	30 June 2026 HK\$ '000 (Unaudited)	31 December 2025 HK\$ '000 (Audited)
0 - 90 days	102,497	265,839
91 - 180 days	29,040	35,708
181 - 365 days	89,364	53,833
Over 365 days	54,909	60,182
	275,810	415,562
Less: Loss allowance	(5,430)	(11,368)
	270,380	404,194

(b) Bills receivables

The maturity dates of bills receivables are within six months (31 December 2025: six months).

Transferred financial assets that are not derecognised in their entirety

As at 30 June 2026, the Group endorsed certain unmatured bills receivables accepted by banks in the PRC (the "Endorsed Bills") with a carrying amount of HK\$9,081,000 (31 December 2025: HK\$14,931,000) to certain of its suppliers in order to settle the trade and other payables due to such suppliers (the "Endorsement"). In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade and other payables settled amounting to HK\$9,081,000 (31 December 2025: HK\$14,931,000). Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge to any other third parties.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11. CONTRACT ASSETS, TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes: (Continued)

(b) Bills receivables (Continued)

Transferred financial assets that are derecognised in their entirety

As at 30 June 2026, the Group had unmatured Endorsed Bills with an aggregate carrying amount of HK\$59,365,000 (31 December 2025: HK\$67,056,000) and unmatured discounted bills receivables accepted by banks in the PRC to finance its operating cash flows with an aggregate carrying amount of HK\$59,540,000 (31 December 2025: HK\$17,117,000) that have been transferred and derecognised (the “**Derecognised Bills**”). The Derecognised Bills have maturity from six months (31 December 2025: six months) at the end of the reporting period. In accordance with the relevant laws and regulations in the PRC and relevant discounting arrangements with certain banks, the holders of the Derecognised Bills have a right of recourse against the Group if the accepting banks default (the “**Continuing Involvement**”). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the six months ended 30 June 2026 and 2025, the Group had not recognised any gain or loss arising from the Derecognised Bills. No gain or loss were recognised from the Continuing Involvement, both during the periods or cumulatively.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12. CONTRACT LIABILITIES, TRADE AND OTHER PAYABLES

	As at	
	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Trade payables (note)		
– Third parties	172,146	219,185
– Related companies	1,492	2,335
	173,638	221,520
Bills payables	224,561	293,899
Contract liabilities	44,416	25,868
Accrued salaries and bonus	15,419	24,709
Other payables for purchase of property, plant and equipment	18,597	30,670
Other creditors and accruals	36,938	42,706
Value-added tax payable	5,985	12,756
Deferred revenue in respect of government grants	—	8,894
Defined benefit obligations	265	265
	519,819	661,287
Less: Non-current portion	(16,731)	(26,782)
Current portion	503,088	634,505

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12. CONTRACT LIABILITIES, TRADE AND OTHER PAYABLES (CONTINUED)

Note:

Ageing analysis of the Group's trade payables based on the invoice date was as follows:

	As at	
	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Within 30 days	84,327	69,402
31 - 90 days	28,669	64,842
91 - 180 days	10,790	36,379
Over 180 days	49,852	50,897
	173,638	221,520

13. BANK BORROWINGS

The Group's bank borrowings are repayable as follows:

	As at	
	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
On demand or within one year	327,753	304,562
In the second year	53,468	47,207
Wholly repayable within five years	381,221	351,769
Less: portion due on demand or within one year under current liabilities	(327,753)	(304,562)
Portion due over one year under non-current liabilities	53,468	47,207

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13. BANK BORROWINGS (CONTINUED)

Notes:

- (a) The Group's bank borrowings amounting to HK\$45,225,000 (31 December 2025: HK\$49,402,000) were carried at a floating rate at 2.2% per annum (31 December 2025: 2.2% per annum) and HK\$335,996,000 (31 December 2025: HK\$302,367,000) were carried at fixed rates ranging from 2.2% to 3.9% per annum (31 December 2025: 2.2% to 3.9% per annum).
- (b) As at 30 June 2026, the Group's bank borrowings were secured by corporate guarantee given by the Company.
- (c) As at 30 June 2026, the Group had banking facilities amounting to HK\$2,060,929,000 (31 December 2025: HK\$1,455,698,000), out of which HK\$1,354,679,000 (31 December 2025: HK\$781,414,000) were not utilised.

14. SHARE CAPITAL

The number of the Company's shares authorised and issued as of 30 June 2026 and 31 December 2025 is as follows:

	Number of shares	HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each	2,000,000,000,000	20,000,000
Issued and fully paid:		
At 31 December 2025, 1 January 2026 and 30 June 2026	785,533,629.38	7,855

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15. SHARE OPTIONS

Movements in the number of share options granted by the Company to the Directors and employees of the Group and their related weighted average exercise prices are as follows:

	Six months ended 30 June			
	2026		2025	
	Average exercise price in HK\$ per share	Options (units)	Average exercise price in HK\$ per share	Options (units)
At 1 January	3.01	7,086,731	2.71	16,779,504
Granted	0.71	1,680,000	0.81	1,680,000
Forfeited	4.82	(2,964,631)	2.24	(11,118,401)
At 30 June	1.42	5,802,100	2.98	7,341,103

On 3 March 2026, 1,680,000 share options were granted to two executive Directors and certain employees of the Group. The exercise price is HK\$0.71 per share, which is equal to the average closing price of the Company's shares for the five business days immediately preceding the date of grant. The validity period of the options is from 3 March 2026 to 31 March 2030. One third of the options will vest on each of the year-end date of 2026, 2027 and 2028 if each grantee has met the conditions of vesting as stated in the letter of grant. The options can be exercised from 1 April 2029 to 31 March 2030.

Out of the above outstanding share options, 994,800 options were exercisable as at 30 June 2026 (31 December 2025: 2,306,731 options).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15. SHARE OPTIONS (CONTINUED)

These outstanding share options as at 30 June 2026 have the following expiry dates and exercise prices:

Expiry date	At 30 June 2026 (Unaudited)		At 31 December 2025 (Audited)	
	Average exercise price in HK\$ per share	Options (units)	Average exercise price in HK\$ per share	Options (units)
31 March 2026	N/A	—	5.41	2,306,731
31 March 2027	3.00	994,800	3.00	1,564,700
31 March 2028	1.78	1,565,700	1.78	1,613,700
31 March 2029	0.81	1,574,600	0.81	1,601,600
31 March 2030	0.71	1,667,000	N/A	—
		5,802,100		7,086,731

The weighted average fair value of these options granted on 3 March 2026 was determined using the Black-Scholes valuation model, which was performed by an independent valuer, Greater China Appraisal Limited, and was HK\$0.30 per option. The significant inputs into the model are as follows:

Grant date	3 March 2026
Closing share price, at the grant date (HK\$)	0.67
Exercise price (HK\$)	0.71
Volatility (%)	58.48%
Dividend yield (%)	0.00%
Expected share option life (years)	4.08
Annual risk-free interest rate	2.33%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the previous year. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16. FAIR VALUE MEASUREMENT

The fair values of financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The following table presents financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted price (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable of the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16. FAIR VALUE MEASUREMENT (CONTINUED)

The financial assets measured at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 30 June 2026 (Unaudited)				
Bills receivables at FVOCI	<u>—</u>	<u>17,450</u>	<u>—</u>	<u>17,450</u>
As at 31 December 2025 (Audited)				
Bills receivables at FVOCI	<u>—</u>	<u>14,954</u>	<u>—</u>	<u>14,954</u>

As at 30 June 2026 and 31 December 2025, the fair value of bills receivables measured at FVOCI was at a level 2 fair value measurement which was calculated by discounting the rates available for instruments with similar terms, credit risk and remaining maturities offered by the banks.

There have been no transfers between level 1, 2 and 3 during the six months ended 30 June 2026 (2025: Nil). The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2026 and 2025, save as disclosed elsewhere in this report, the Group carried out the following significant transactions with its related parties:

	Six months ended 30 June	
	2026 HK\$ '000 (Unaudited)	2025 HK\$ '000 (Unaudited)
Related party transactions with subsidiaries of Xinyi Glass Holdings Limited		
– Purchase of automobile glass	5,149	4,387
– Purchase of consumables	47	1,257
– Sales of electric storage products	2,118	3,041
– Sales of automobile glass	115	332
– Provision of energy management solution services income received	1,467	1,379
– Management fee received	—	5,054
– Lease payments in respect of office premises paid	233	315
– Operating lease income in respect of office premises received	1,181	1,492
– Sales of fixed assets and consumables	225	603
– Freight for marine transportation	110	—
Related party transactions with subsidiaries of Xinyi Solar Holdings Limited		
– Sales of electric storage products	1,041	517
– Sales of consumables	—	45
– Purchase of fixed assets and consumables	20	51
Related party transactions with PT Xinkai Solar Indonesia		
– Sales of materials for EPC Services	—	1,002
Related party transactions with Trifecta Group Inc.		
– Commission for EPC Services	11,254	7,225
– Operating lease income in respect of office premises received	103	—
Related party transactions with Kiwigreen Energy Limited		
– Sales of electric storage products	1,782	—
Related party transactions with an entity controlled by a non-controlling interest		
– Sales of electric storage products	—	86
Related party transactions with Mr. LEE Shing Kan, M.H. and Mr. TUNG Fong Ngai		
– Lease payments in respect of shop premises paid	270	270
Related party transactions with an entity controlled by close family members of Mr. LEE Shing Kan, M.H.		
– Lease payments in respect of shop premises paid	360	360

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17. RELATED PARTY TRANSACTIONS (CONTINUED)

The transactions with related parties are conducted with price and terms mutually agreed with related parties.

Key management compensation amounted to HK\$5,031,000 for the six months ended 30 June 2026 (2025: HK\$5,071,000).

18. CAPITAL COMMITMENT

The capital expenditure contracted but not yet incurred is as follows:

	As at	
	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Contracted but not provided for in respect of		
- Construction of production plant and purchase of construction materials/ property, plant and equipment	2,885	16,048

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

Electric storage business – Business saw steady development

The Group's electric storage business focuses on the dual-track development of "commercial and industrial ("C&I") energy storage" products and residential "photovoltaic, storage and charging" products. As a core component of the Group's comprehensive product solutions, its "C&I energy storage" product line includes air-cooled energy storage system, liquid-cooled energy storage system, and C&I outdoor energy storage container, which are widely applicable to diverse scenarios such as power generation, power grid, and user-side. In the residential "photovoltaic, storage and charging" sector, the Group offers residential energy storage products and electric vehicle chargers, providing an integrated product strategy that combines these solutions with photovoltaic systems.

In 2026, China's new energy storage industry continued its rapid growth and is accelerating its transition from being "policy-driven" to "market-value-driven". Backed by a well-developed industrial chain, policy support, and technological breakthroughs, new energy storage has become a core engine of the global energy transition. With the deepening of power market reforms and the explosive growth in both green electricity supply and demand for new types of loads, the energy storage industry is moving toward a phase of higher-quality and more sustainable development, with vast long-term growth potential.

In the six months ended 30 June 2026 (the "**1H2026**"), the Group's electric storage business maintained steady development. The Group made significant progress in Canada, fully leveraging its local brand strength and sales channels to steadily advance the sales and installation of energy storage systems paired with photovoltaic systems for residential and C&I projects. At the same time, the Group has reached cooperation intentions with several companies to manufacture energy storage products for them. By seizing the opportunity to jointly develop overseas markets, the Group continues to accumulate practical experience in global product deployment, which will further empower product performance optimisation and the research and development (R&D) of next-generation products.

In addition, following several years of R&D investment and market expansion, the Group's electric vehicle charger products have gradually entered the harvesting phase. In the 1H2026, sales of these products more than doubled compared to the same period last year, marking an impressive performance.

The revenue from the electric storage business in the 1H2026 increased by 24.8%, as compared to the six months ended 30 June 2025 (the "**1H2025**").

MANAGEMENT DISCUSSION AND ANALYSIS

Engineering, procurement and construction (“EPC”) services business for photovoltaic power stations - “photovoltaic-plus-storage EPC” is gradually emerging as a new growth momentum

Amid the rapid development of the global distributed photovoltaic field, the Group has leveraged its professional and efficient photovoltaic EPC team to actively establish a presence in and expand into the PRC market as well as international markets such as Canada and Indonesia, in a bid to build a diversified geographic business footprint. In the PRC market, the Group has closely aligned with the national “carbon peaking and carbon neutrality (碳达峰、碳中和)” strategy, thoroughly tapping into C&I rooftop resources and multi-scenario applications. The Group focuses on the construction of distributed photovoltaic power stations, providing enterprises with efficient carbon and emission reduction solutions to help them achieve a green and low-carbon transition. In the Canadian market, the Group focuses on residential and C&I customers, providing full-life-cycle, one-stop energy solutions ranging from design and development, financial planning, and system installation to after-sales maintenance. At the same time, the Group is actively expanding its presence in the Indonesian market to accelerate the green energy transition in Southeast Asia. Through the synergistic development of these three core markets, the Group is steadily enhancing its international competitiveness with high-quality EPC Services and comprehensive energy solutions, thereby driving the sustainable development of clean energy worldwide.

In the PRC market, the newly installed capacity of photovoltaic nationwide reached approximately 317 gigawatt (“GW”) in 2025, with distributed photovoltaic making a significant contribution. Leveraging the advantage of “self-generation for self-consumption”, the C&I distributed photovoltaics became the main driver of growth. However, guided by policy, China’s distributed photovoltaic sector is shifting from rapid-scale expansion toward standardised management and market-oriented, high-quality development, resulting in a slowdown in overall growth in 2026, with the newly installed capacity of photovoltaic nationwide retreated to approximately 72 GW. Meanwhile, affected by a rebound in photovoltaic module prices, reduction of electricity rate in many regions, and the marketisation of feed-in tariffs, investment returns on distributed photovoltaic projects have declined, leading property owners to adopt a more cautious approach to investment. Furthermore, grid connection capacity in many regions is nearing saturation, and restrictions on the grid connection of new projects have further slowed the pace of project implementation. Despite the challenges of industry transformation, the Group’s photovoltaic EPC team, drawing on its extensive sales and construction experience, continued to demonstrate strong resilience during this period of market adjustment, consistently securing high-quality photovoltaic EPC orders and maintaining steady development.

MANAGEMENT DISCUSSION AND ANALYSIS

In the Canadian market, leveraging years of dedicated effort and a strong reputation, the Group has established a leading position in the Canadian photovoltaic EPC market on the basis of its solid and reliable foundation. The Group is actively advancing the transformation of its business model, shifting from traditional photovoltaic EPC to photovoltaic-plus-storage EPC, and has further expanded into C&I project development since 2025, driving the export of its proprietary products. Currently, the Group has made good progress in the expansion of both residential and C&I projects. In response to policy changes by the Canadian federal government in relation to the elimination of national-level subsidies and loans, the Group promptly adjusted its sales strategy with remarkable results. In the 1H2026, the number of signed contracts in the residential distributed photovoltaic market saw significant growth compared to the same period last year. As various provinces, including Ontario and British Columbia, have successively introduced subsidy policies for C&I photovoltaics, energy storage, or photovoltaic-plus-storage systems, corporate interest in installation has surged, presenting the Group with vast market opportunities.

In addition, the Group established a joint venture in Indonesia with a prominent local enterprise in 2024 to provide photovoltaic EPC Services to local customers in Indonesia, further expanding its overseas photovoltaic EPC Services business and injecting new momentum into the Group's overseas operations.

PV Films business - Controlling order intake for the PV Films products and expanding into other types of film products

The Group's PV Films products are mainly ethylene vinyl acetate (EVA) films, polyolefin elastomer (POE) films and co-extruded POE (EPE) films, which are developed according to the customers' demands for the type and technical requirements of photovoltaic modules, so as to provide them with PV Films products that meet their requirements.

Affected by the cyclical market adjustments of the past two years, the photovoltaic industry continues to face significant challenges. As competition within the industry intensifies, market share is further concentrating among leading companies with advantages in capital, cost, and technology. In light of the challenging operating environment, the Group has adopted a prudent and cautious business strategy, developing its PV Films business while ensuring reasonable profitability to safeguard its long-term, healthy development. Currently, the Group has temporarily suspended accepting orders for the PV Films products in the PRC, pending signs of a market recovery. As such, revenue from the PV Films business in the 1H2026 decreased significantly compared to the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition, the Group is currently establishing a production base for the PV Films in Surabaya, Indonesia, to further expand its business footprint in this sector. This move will not only meet the demand for the PV Films in Indonesia and neighbouring countries but also effectively mitigate the risks posed by international trade barriers. In addition to the PV Films production lines, the Indonesian facility is also equipped with a polyvinyl butyral (PVB) films production line to provide customers with the PVB films required for various glass products. Currently, preparations for the Indonesian production base are nearing completion. The production lines are undergoing equipment commissioning and trial operations, with initial output already being generated.

OUTLOOK

The Group currently focuses on the renewable energy business to drive diversification in both geographic markets and product portfolios.

Currently, the renewable energy industry as a whole continues to face challenges such as supply-demand mismatch, declining product prices and narrowing gross margins, which has put operational pressure on many market participants. Facing such difficult operating conditions, the Group remains firmly committed to investing in R&D and expansion of overseas markets. The Group will continue to focus on market development, strengthen R&D and optimise product quality, while focusing on the overseas markets, in which efforts will be put to strengthen and accelerate the development and certification of products tailored to those markets, using technological innovation and a global footprint to weather market volatility.

The Group will allocate additional resources to invest in overseas photovoltaic-plus-storage EPC Services business and actively explore development opportunities in other overseas markets. Benefiting from the Group's foundation of EPC Services business in North America and its strong brand reputation, coupled with the successive completion of relevant product certification, the Group has achieved a steady stream of orders through the integrated mode of photovoltaic-plus-storage EPC model across residential and C&I sectors in North America, yielding remarkable results. As Canadian provinces have successively introduced subsidy policies for the C&I market, the Canadian C&I photovoltaic-plus-storage market is emerging as the Group's new growth focus. In the future, the Group will further deepen its presence in the region and improve the utilisation of its integrated photovoltaic-plus-storage solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

Meanwhile, the Group is actively replicating its successful model. The Group has identified and is prudently advancing its business expansion in high-potential overseas markets. The Group's EPC business developed through joint venture in Indonesia is now on track, validating the effectiveness of this localised cooperation model. The Group will continue to explore opportunities to further expand into overseas markets through joint ventures or strategic partnerships. Currently, the Group has established a joint venture with its partners in New Zealand and is gradually commencing operations there. In the electric storage business, the Group has also entered into strategic cooperation agreements with select companies to manufacture and supply energy storage products for them. These collaborations are progressing steadily, and the Group expects that these cooperative models will enable it to achieve long-term, stable growth in delivery volumes and market share in the future.

In terms of the PV Films business, the Group's production base in Surabaya, Indonesia has entered the trial production and commissioning stage. Leveraging its production and R&D experience in the field of PV Films, the Group expects to expand into the production and sales of other types of film products, including PVB films, through the interlink of the molten resin co-extrusion technique and compatibility of the production lines.

Looking forward, although the energy storage and photovoltaic industries remain in a period of deep adjustment in the short term, the long-term trend toward a global green energy transition is irreversible. The integrated development of photovoltaic and energy storage has become the primary direction for the future of renewable energy. The Group has been deeply involved in this field for many years and has accumulated extensive technical and market experience. The Board remains confident in the long-term prospects of these industries. The Group will continue to consolidate its internal resources, promote product upgrades, and strictly adhere to the principles of prudent financial management. By actively addressing challenges such as market changes, trade barriers, and geopolitical issues through clear strategic planning and flexible operational model, the Group aims to stand out once the industry's adjustment period passes, thereby creating long-term, stable returns for shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the 1H2026, the Group's revenue was HK\$414.7 million (1H2025: HK\$477.4 million), representing a decrease by 13.1% mainly attributable to the change in revenue contributed by business segments and geographical area as analysed as follows:

Revenue - by segment

Six months ended 30 June						
	2026		2025		Increase/(decrease)	
	HK\$'million	%	HK\$'million	%	HK\$'million	%
Electric storage business	131.7	31.8	105.5	22.1	26.2	24.8
EPC Services	237.5	57.3	256.6	53.7	(19.1)	(7.4)
PV Films	0.2	0.0	74.2	15.6	(74.0)	(99.7)
Automobile glass repair and replacement services	34.2	8.2	30.1	6.3	4.1	13.6
Others (Trading of forklift and wind farm related business)	11.1	2.7	11.0	2.3	0.1	0.9
Total revenue	414.7	100.0	477.4	100.0	(62.7)	(13.1)

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue - by geographical area

Six months ended 30 June						
	2026		2025		Increase/(decrease)	
	HK\$'million	%	HK\$'million	%	HK\$'million	%
The PRC	176.2	42.5	278.3	58.3	(102.1)	(36.7)
Canada	198.9	48.0	152.3	31.9	46.6	30.6
Hong Kong	34.5	8.3	30.0	6.3	4.5	15.0
Others	5.1	1.2	16.8	3.5	(11.7)	(69.6)
Total revenue	414.7	100.0	477.4	100.0	(62.7)	(13.1)

The Group's revenue from the sales of electric storage products increased from HK\$105.5 million in the 1H2025 to HK\$131.7 million in the 1H2026. The increase in revenue was mainly due to the Group's expansion of its electric storage business in Canada.

Revenue from the EPC Services decreased from HK\$256.6 million in the 1H2025 to HK\$237.5 million in the 1H2026. The decrease in revenue was mainly due to the decrease in installation volume in the PRC market, which was mainly attributable to the slowdown of overall growth rate of distributed photovoltaic market in the PRC in the 1H2026 and the policy-driven installation rush in the 1H2025, partially offset by the increase in revenue contributed from the Canadian market.

Revenue from the PV Films decreased from HK\$74.2 million in the 1H2025 to HK\$0.2 million in the 1H2026. The decrease in revenue was mainly due to the temporary suspension of the operations of the PV Films business to mitigate the operation risk.

Revenue from the automobile glass repair and replacement services increased from HK\$30.1 million in the 1H2025 to HK\$34.2 million in the 1H2026. The increase in revenue was mainly driven by the increase in sales to a number of customers and increase in sales of automotive window films.

Revenue from others slightly increased from HK\$11.0 million in the 1H2025 to HK\$11.1 million in the 1H2026. The increase in revenue was mainly due to the increase in sales of forklift, partially offset by the decrease in revenue from wind farm related business following the cessation of the business in December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of revenue and gross profit

For the 1H2026, cost of revenue comprised of HK\$120.7 million (1H2025: HK\$99.1 million) arising from the electric storage business, HK\$177.4 million (1H2025: HK\$195.4 million) arising from the EPC Services, HK\$0.1 million (1H2025: HK\$73.7 million) arising from the PV Films, HK\$22.7 million (1H2025: HK\$20.5 million) arising from the automobile glass repair and replacement services, and HK\$10.7 million (1H2025: HK\$5.5 million) arising from others (trading of forklift and wind farm related business).

Cost of revenue for the electric storage business of HK\$120.7 million (1H2025: HK\$99.1 million) mainly comprised of the material cost, labour cost and depreciation charge of property, plant and equipment. The gross profit of the electric storage business increased from HK\$6.4 million for the 1H2025 to HK\$11.0 million for the 1H2026. The increase in gross profit was mainly due to the increase in revenue during the period. The increase in gross profit margin was mainly due to the increase in sales to overseas market, which had a relatively higher gross profit margin.

Cost of revenue for the EPC Services of HK\$177.4 million (1H2025: HK\$195.4 million) mainly comprised of the material cost, installation cost and other subcontracting costs. The gross profit of the EPC Services slightly decreased from HK\$61.2 million for the 1H2025 to HK\$60.1 million for the 1H2026 mainly due to the decrease in revenue during the period. The increase in gross profit margin was mainly due to the increase in revenue from the Canadian market, which had a relatively higher gross profit margin.

Cost of revenue for the PV Films of HK\$0.1 million (1H2025: HK\$73.7 million) mainly comprised of material cost, labour cost and depreciation charge of property, plant and equipment. The gross profit of the PV Films decreased from HK\$0.5 million for the 1H2025 to HK\$0.1 million for the 1H2026 mainly due to the decrease in revenue during the period.

Cost of revenue for the automobile glass repair and replacement services of HK\$22.7 million (1H2025: HK\$20.5 million) mainly comprised of labour costs and depreciation charge of property, plant and equipment (including the depreciation charge of right-of-use assets of lease contracts). The gross profit of the automobile glass repair and replacement services increased from HK\$9.6 million for the 1H2025 to HK\$11.5 million for the 1H2026 mainly because the depreciation charge and other overhead expenses (including labour costs) were generally stable, while revenue increased.

MANAGEMENT DISCUSSION AND ANALYSIS

For the 1H2026, cost of revenue of others mainly comprised of the purchase cost of electric forklifts. For the 1H2025, cost of revenue of others mainly comprised of the purchase cost of electric forklifts and the staff costs for the wind farm related business.

The gross profit slightly decreased by HK\$0.2 million from HK\$83.3 million for the 1H2025 to HK\$83.1 million for the 1H2026. Despite the cessation of wind farm related business in 2025, gross profit in the 1H2026 remained similar to the 1H2025, mainly due to the increase in revenue from the electric storage business and the EPC Services business in Canada, both of which contributed to gross profit for the 1H2026 with relatively higher gross profit margins. The gross profit margin increased from 17.4% for the 1H2025 to 20.0% for the 1H2026, which was mainly due to the increase in revenue from overseas market.

Other income

Other income for the 1H2026 mainly represented the government grants, additional deduction of input value-added tax, income from sale of electricity generated from the Group's distributed photovoltaic power generation facilities and income from provision of energy management solutions for energy storage stations.

Other income for the 1H2025 mainly represented the additional deduction of input value-added tax and income from sale of electricity generated from the Group's distributed photovoltaic power generation facilities and income from provision of energy management solutions for energy storage stations.

The increase in other income for the 1H2026 as compared to the 1H2025 was mainly due to the increase in the government grants during the period.

Other (losses)/gains, net

Other losses, net for the 1H2026 mainly included the loss on disposal of certain raw materials and other production utensils attributable to the PV Films business and the net exchange losses.

In light of the supply-demand imbalance in the solar module industry, solar module industry players have generally experienced operating losses, which has significantly increased the operation risk of the PV Films business. In order to mitigate the risk, the Group has implemented a prudent operating strategy to temporarily suspend operations of the PV Films business. As a result, the Group disposed certain raw materials and other production utensils and incurred loss.

The net exchange loss recognised in the 1H2026 resulted mainly from the re-translation of certain bank borrowings denominated in Renminbi ("**RMB**") as a result of the appreciation of RMB during the 1H2026.

Other gains, net for the 1H2025 mainly included the gains on disposal of intangible assets and other assets in relation to the portable energy storage business, which was fully impaired in the year ended 31 December 2024, partially offset by the net exchange losses.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and marketing costs

Selling and marketing costs increased by HK\$4.7 million from HK\$18.6 million for the 1H2025 to HK\$23.3 million for the 1H2026, which was mainly due to the increase in advertising expenses during the period.

Administrative expenses

Administrative expenses increased by HK\$5.5 million from HK\$67.9 million for the 1H2025 to HK\$73.4 million for the 1H2026, primarily due to (i) the increase in employee benefit expense as a result of the increase in average number of employees for administrative duties during the period and (ii) the increase in depreciation charge of property, plant and equipment.

Share of results of joint ventures

Share of results of joint ventures was mainly contributed from the Company's joint venture in Indonesia, namely PT Xinkai Solar Indonesia ("**PT Xinkai**"), which was incorporated and commenced operation in 2024. PT Xinkai is principally engaged in the EPC Services in Indonesia. The decrease in share of results from PT Xinkai in the 1H2026 as compared to the 1H2025 was mainly due to the decrease in installation volume in Indonesia in the 1H2026.

Finance costs

Finance costs decreased by HK\$1.9 million from HK\$7.4 million (or HK\$7.8 million before capitalisation) for the 1H2025 to HK\$5.5 million (or HK\$6.0 million before capitalisation) for the 1H2026. The decrease in finance costs before capitalisation was mainly due to the decrease in borrowing rate in the 1H2026. The increase in amounts eligible for capitalisation was mainly due to the increase in qualifying assets during the 1H2026. During the 1H2026, interest expense of HK\$0.5 million (1H2025: HK\$0.4 million) was mainly capitalised into the property, plant and equipment of the PV Films production facilities. The capitalised amounts will depreciate together with the relevant assets over their estimated useful lives.

Income tax expense

The Group incurred income tax expense of HK\$2.9 million for the 1H2026 (1H2025: HK\$5.5 million), which comprised of Hong Kong profits tax, PRC corporate income tax, Canadian corporate income tax and withholding tax on remitted earnings. The decrease in income tax expense was mainly due to the decrease in the profit before income tax attributable to the wind farm related business following the cessation of the business in 2025. Two (1H2025: Three) of the PRC subsidiaries, being qualified as New and High Technology Enterprise, were entitled to a preferential corporate income tax rate of 15% and tax incentives for research and development tax credit.

MANAGEMENT DISCUSSION AND ANALYSIS

(Loss)/profit attributable to owners of the Company

Loss attributable to owners of the Company for the 1H2026 amounted to HK\$27.6 million (1H2025: profit of HK\$4.7 million). The decrease in the profitability was mainly due to (i) the loss on disposal of certain raw materials and other production utensils attributable to the PV Films business and (ii) the net exchange loss recognised for the re-translation of certain bank borrowings denominated in RMB.

FINANCIAL RESOURCES AND LIQUIDITY

For the 1H2026, the Group's primary sources of funding included its own working capital and bank borrowings. As of 30 June 2026, the Group had net current assets of HK\$22.9 million (31 December 2025: HK\$35.3 million) and cash and cash equivalents of HK\$103.7 million (31 December 2025: HK\$115.5 million) which were mainly placed with major banks in Hong Kong, the PRC and Canada. As of 30 June 2026, the Group had bank borrowings of HK\$381.2 million (31 December 2025: HK\$351.8 million) and had unutilised banking facilities of HK\$1,354.7 million (31 December 2025: HK\$781.4 million).

As of 30 June 2026, the Group's gearing ratio calculated based on net debt (bank borrowings less cash and cash equivalents) divided by total equity of the Group was 30.7% (31 December 2025: 25.3%). The change in the Group's gearing level was primarily due to the increase in bank borrowings and the decrease in total equity.

CAPITAL STRUCTURE

During the 1H2026, there has been no material change in the capital structure of the Company. The capital of the Group comprises only ordinary shares.

CAPITAL EXPENDITURES AND COMMITMENTS

The Group incurred capital expenditures of HK\$29.4 million for the 1H2026 (1H2025: HK\$19.5 million), which were mainly related to the acquisition of land, construction of production plant and purchase of new equipment for the PV Films business.

Capital commitments contracted for but not provided for by the Group as of 30 June 2026 amounted to HK\$2.9 million (31 December 2025: HK\$16.0 million), which were mainly related to the construction and purchase of various production plants and machinery from independent third parties under different independent contracts for the development of film business in Indonesia.

PLEDGE OF ASSETS

As of 30 June 2026, a bank balance of HK\$3.5 million was pledged to secure for the Group's bills payables (31 December 2025: HK\$15.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2026, the Group had 353 (31 December 2025: 340) full-time employees, of whom 149 (31 December 2025: 161) were based in the PRC, 77 (31 December 2025: 70) were based in Hong Kong and 127 (31 December 2025: 109) were based in Malaysia, Indonesia and Canada. The Group maintains good relationships with all of its employees and provides the employees with sufficient training in business and professional skills and knowledge, including information on the features of the Group's products and skills in maintaining good customer relationships. Remuneration packages offered to the Group's employees have been consistent with the prevailing market terms and have been reviewed on a regular basis. Discretionary bonuses may be awarded to employees taking into consideration the Group's performance and that of the individual employee.

Pursuant to the applicable laws and regulations, the Group has participated in relevant defined contribution retirement schemes administrated by the responsible government authorities in the PRC for its employees in the PRC. For the Group's employees in Hong Kong, all the arrangements pursuant to the mandatory provident fund requirements prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) have been duly implemented. The Group's employees in Canada are members of the Canada Pension Plan operated by the Canadian government.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN FOREIGN EXCHANGE RATES

The Group mainly operates in Hong Kong, the PRC, Canada and Indonesia with most of the transactions denominated and settled in Hong Kong dollars ("**HK\$**"), RMB, Canadian dollars ("**CAD**") and Indonesian Rupiah ("**IDR**"). Exchange rate fluctuations between RMB and HK\$, CAD and HK\$ or IDR and HK\$ could affect the Group's performance and asset value.

The presentation currency of the Group's consolidated financial statements is HK\$. Amid the appreciation of RMB against HK\$ and depreciation of CAD and IDR against HK\$ during the 1H2026, the Group reported a net effect of non-cash translation loss — a decrease in the exchange reserve of its condensed consolidated financial position of HK\$0.7 million — when converting RMB-denominated, CAD-denominated and IDR-denominated assets and liabilities into HK\$ as of 30 June 2026. As a result, the Group's consolidated exchange reserve recorded a debit balance of HK\$94.7 million as of 30 June 2026, as compared to a debit balance of HK\$94.0 million as of 31 December 2025.

The Group has not experienced any material difficulties and liquidity problems resulting from currency exchange fluctuations. The Group may use financial instruments for hedging purposes as and when required. During the 1H2026, the Group did not use any financial instrument for hedging purpose.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of 30 June 2026, there were no significant investments held which exceed 5% of the total assets of the Group. There were no material acquisitions or disposals of subsidiaries and affiliated companies during the 1H2026. Save as the disclosed plan to set up the production facilities for film business in Indonesia, there were no other plans authorised by the Board for any material investments or additions of capital assets as of the date of this report.

CONTINGENT LIABILITIES

As of 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: Nil).

EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 30 June 2026 and up to the date of this report.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in directors' information are as follows:

Mr. CHAN Hak Kan, G.B.S., J.P., an independent non-executive Director of the Company, was appointed as an independent non-executive director, the chairman of the nomination committee, and a member of the audit committee and remuneration committee of Accel Group Holdings Limited (stock code: 01283), a company listed on the main board of the Stock Exchange, with effect from 1 April 2026. Mr. CHAN Hak Kan, G.B.S., J.P., was also appointed as an independent non-executive director of Man Wah Holdings Limited (stock code: 01999), a company listed on the main board of the Stock Exchange, with effect from 3 July 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

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

As of 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares (the "**Shares**"), underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

(i) Long positions in the Shares

Name of Director	Capacity	Name of the controlled corporation	Number of issued Shares held	Approximate percentage of the issued share capital of the Company (%)
Tan Sri Datuk TUNG Ching Sai <i>P.S.M, D.M.S.M, B.B.S., J.P.</i>	Interest in a controlled corporation	Copark ⁽¹⁾ (as defined below)	46,114,672	5.87
		Full Guang ⁽³⁾ (as defined below)	17,533,143	2.23
	Personal interest/ Spouse interest ⁽¹⁾		122,495,571	15.59
	Interest in persons acting in concert ⁽²⁾		393,466,542	50.08
Mr. NG Ngan Ho	Interest in a controlled corporation	Linkall ⁽⁴⁾ (as defined below)	25,195,745	3.20
		Full Guang ⁽³⁾ (as defined below)	17,533,143	2.23
	Personal interest		1,343,100	0.17
	Interest in persons acting in concert ⁽²⁾		535,537,940	68.17
Ms. LI Pik Yung	Personal interest		193,701	0.02
Mr. WANG Mohan (Chief Executive Officer)	Personal interest		346,000	0.04

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) Tan Sri Datuk TUNG Ching Sai *B.B.S., J.P.* is the beneficial owner of all the issued share capital of Copark Investment Limited ("**Copark**"), a company incorporated in the British Virgin Islands (the "**BVI**") and wholly-owned by Tan Sri Datuk TUNG Ching Sai *B.B.S., J.P.*, which is the registered owner of 46,114,672 Shares. Tan Sri Datuk TUNG Ching Sai *B.B.S., J.P.* also has personal interest in 527,802 Shares held in his own name and 121,967,769 Shares held through his spouse, Puan Sri Datin SZE Tan Hung.
- (2) Pursuant to the shareholders' agreement dated 25 June 2016 entered into amongst the controlling shareholders (as defined in the GEM Listing Rules) (the "**Shareholders' Agreement**"), the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to sell their Shares allotted to them under the Xinyi Glass Distribution (as defined in the prospectus of the Company dated 28 June 2016).
- (3) The interests in Shares are held through Full Guang Holdings Limited ("**Full Guang**"), a company incorporated in the BVI with limited liability. Full Guang is owned by Dr. LEE Yin Yee, S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor *D.C.S.M* as to 16.20%, Tan Sri Datuk TUNG Ching Sai *B.B.S., J.P.* as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.
- (4) Mr. NG Ngan Ho is the beneficial owner of all the issued share capital of Linkall Investment Limited ("**Linkall**"), a company incorporated in the BVI and wholly-owned by Mr. NG Ngan Ho, which is the registered owner of 25,195,745 Shares.

(ii) Share options of the Company

Name of Director	Capacity	Number of share options outstanding	Approximate percentage of the issued share capital of the Company (%)
Ms. LI Pik Yung	Personal interest	304,000	0.03
Mr. WANG Mohan	Personal interest	436,000	0.05

MANAGEMENT DISCUSSION AND ANALYSIS

(iii) Interest in the shares of associated corporations of the Company

Name of associated corporation	Name of Director	Class and number of shares held in the associated corporation	Approximate percentage of the associated corporation's issued share capital (%)
Copark	Tan Sri Datuk TUNG Ching Sai <i>B.B.S., J.P.</i>	2 ordinary shares	100.00
Linkall	Mr. NG Ngan Ho	2 ordinary shares	100.00
Full Guang	Tan Sri Datuk TUNG Ching Sai <i>B.B.S., J.P.</i>	350,000 ordinary shares	16.20
	Mr. NG Ngan Ho	80,000 ordinary shares	3.70

Save as disclosed above, as of 30 June 2026, to the knowledge of the Company, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

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

As of 30 June 2026, the following persons (other than a Director or chief executive of the Company) had, or were deemed to have interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in the Shares

Name of Shareholder	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company (%)
Dr. LEE Yin Yee, S.B.S.	Interest in a controlled corporation ⁽³⁾	132,990,198	16.92
	Interest in a controlled corporation ⁽⁴⁾	2,720,960	0.34
	Interest in a controlled corporation ⁽¹⁾	17,533,143	2.23
	Personal interest ⁽³⁾	41,311,215	5.25
	Interest in persons acting in concert ⁽²⁾	385,054,412	49.01
Datuk Wira TUNG Ching Bor <i>D.C.S.M</i>	Interest in a controlled corporation ⁽⁵⁾	48,878,216	6.22
	Interest in a controlled corporation ⁽¹⁾	17,533,143	2.23
	Personal interest ⁽⁵⁾	10,855,152	1.38
	Interest in persons acting in concert ⁽²⁾	502,343,417	63.94
Mr. LEE Sing Din	Interest in a controlled corporation ⁽⁶⁾	46,048,013	5.86
	Interest in a controlled corporation ⁽¹⁾	17,533,143	2.23
	Personal interest	3,769,755	0.47
	Interest in persons acting in concert ⁽²⁾	512,259,017	65.21
Mr. LI Ching Wai	Interest in a controlled corporation ⁽⁷⁾	21,323,578	2.71
	Interest in a controlled corporation ⁽¹⁾	17,533,143	2.23
	Interest in persons acting in concert ⁽²⁾	540,753,207	68.83

MANAGEMENT DISCUSSION AND ANALYSIS

Name of Shareholder	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company (%)
Mr. LI Man Yin	Interest in a controlled corporation ⁽⁸⁾	14,473,366	1.84
	Interest in a controlled corporation ⁽¹¹⁾	17,533,143	2.23
	Personal interest ⁽⁸⁾	1,876,710	0.23
	Interest in persons acting in concert ⁽¹²⁾	545,726,709	69.47
Mr. SZE Nang Sze	Interest in a controlled corporation ⁽⁹⁾	20,909,316	2.66
	Interest in a controlled corporation ⁽¹¹⁾	17,533,143	2.23
	Personal interest	1,212,420	0.15
	Interest in persons acting in concert ⁽¹²⁾	539,955,049	68.73
Mr. LI Ching Leung	Interest in a controlled corporation ⁽¹⁰⁾	14,287,863	1.81
	Interest in a controlled corporation ⁽¹¹⁾	17,533,143	2.23
	Personal interest/Spouse interest ⁽¹⁰⁾	6,270,935	0.79
	Interest in persons acting in concert ⁽¹²⁾	541,517,987	68.93
Madam TUNG Hai Chi	Interest in a controlled corporation ⁽⁴⁾	2,720,960	0.34
	Personal interest/Spouse interest ⁽¹¹⁾	576,888,968	73.43
Puan Sri Datin SZE Tan Hung	Personal interest/Spouse interest ⁽¹²⁾	579,609,928	73.78

Notes:

- (1) The interests in the Shares are held through Full Guang. Full Guang is owned by Dr. LEE Yin Yee, S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor *D.C.S.M* as to 16.20%, Tan Sri Datuk TUNG Ching Sai *B.B.S., J.P.* as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.
- (2) Pursuant to the Shareholders' Agreement, each of the parties has agreed to grant a right of first offer to the other parties if any of them intends to sell their Shares allotted to them under the Xinyi Glass Distribution (as defined in the prospectus of the Company dated 28 June 2016).
- (3) Dr. LEE Yin Yee, S.B.S.'s interests in 132,990,198 Shares are held through Realbest Investment Limited, a company incorporated in the BVI with limited liability and wholly-owned by Dr. LEE Yin Yee, S.B.S.. Dr. LEE Yin Yee, S.B.S.'s interests in 41,311,215 Shares are held through a joint account with his spouse, Madam TUNG Hai Chi.

MANAGEMENT DISCUSSION AND ANALYSIS

- (4) Dr. LEE Yin Yee, S.B.S.'s interests in 2,720,960 Shares are held through Xin Yuen Investment Limited, a company incorporated in the BVI with limited liability, which was wholly-owned by Xin Wong Investment Limited ("**Xin Wong**"). Xin Wong is 50% owned by Dr. LEE Yin Yee, S.B.S. and 50% owned by his spouse, Madam TUNG Hai Chi.
- (5) Datuk Wira TUNG Ching Bor *D.C.S.M* is the beneficial owner of all the issued share capital of High Park Technology Limited, a company incorporated in the BVI, which is the registered owner of 48,878,216 Shares. Datuk Wira TUNG Ching Bor *D.C.S.M* also has 10,855,152 Shares held through a joint account with his spouse, Datin Wira KUNG Sau Wai.
- (6) Mr. LEE Sing Din's interest in 46,048,013 Shares are held through Telerich Investment Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. LEE Sing Din.
- (7) Mr. LI Ching Wai's interests in 21,323,578 Shares are held through Goldbo International Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Wai.
- (8) Mr. LI Man Yin's interests in 14,473,366 Shares are held through Perfect All Investments Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. LI Man Yin. Mr. LI Man Yin's interests in 1,876,710 Shares are held through a joint account with his spouse, Madam LI Sau Suet.
- (9) Mr. SZE Nang Sze's interests in 20,909,316 Shares are held through Goldpine Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. SZE Nang Sze.
- (10) Mr. LI Ching Leung's interests in 14,287,863 Shares are held through Herosmart Holdings Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Leung. Mr. LI Ching Leung has personal interests in 6,198,335 Shares held in his own name and 72,600 Shares held through his spouse, Madam DY Maria Lumin.
- (11) Madam TUNG Hai Chi's interests in 41,311,215 Shares are held through a joint account with her spouse, Dr. LEE Yin Yee, S.B.S. and 535,577,753 Shares are held through her spouse, Dr. LEE Yin Yee, S.B.S..
- (12) Puan Sri Datin SZE Tan Hung has personal interests in 121,967,769 Shares held in her own name and 457,642,159 Shares held through her spouse, Tan Sri Datuk TUNG Ching Sai *B.B.S., J.P.*

Save as disclosed above, as of 30 June 2026, the Company had not been notified by any persons (other than a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was adopted by the shareholders of the Company at the annual general meeting held on 31 May 2017 and will be valid for a period of ten years from the date of adoption of the Share Option Scheme. The following table sets forth movements in the share options of the Company for the 1H2026:

					Number of share options					
	Grant date	Exercise price (HK\$)	Exercise period	At 1/1/2026	Granted	Exercised	Cancelled	Lapsed	At 30/6/2026	
Executive Directors										
– Ms. LI Pik Yung	11/5/2022	3.846	1/4/2025 - 31/3/2026	67,059	—	—	—	(67,059)	—	
	9/5/2023 ⁽³⁾	3.000	1/4/2026 - 31/3/2027	76,000	—	—	—	—	76,000	
	4/3/2024 ⁽³⁾	1.780	1/4/2027 - 31/3/2028	76,000	—	—	—	—	76,000	
	20/3/2025 ⁽⁴⁾	0.806	1/4/2028 - 31/3/2029	76,000	—	—	—	—	76,000	
	3/3/2026 ⁽⁵⁾	0.708	1/4/2029 - 31/3/2030	—	76,000 ^{(1),(6)}	—	—	—	76,000	
– Mr. WANG Mohan (Chief Executive Officer)	11/5/2022	3.846	1/4/2025 - 31/3/2026	42,674	—	—	—	(42,674)	—	
	25/8/2022	6.210	1/4/2025 - 31/3/2026	1,524,070	—	—	—	(1,524,070)	—	
	9/5/2023 ⁽³⁾	3.000	1/4/2026 - 31/3/2027	76,000	—	—	—	—	76,000	
	4/3/2024 ⁽³⁾	1.780	1/4/2027 - 31/3/2028	120,000	—	—	—	—	120,000	
	20/3/2025 ⁽⁴⁾	0.806	1/4/2028 - 31/3/2029	120,000	—	—	—	—	120,000	
	3/3/2026 ⁽⁵⁾	0.708	1/4/2029 - 31/3/2030	—	120,000 ^{(1),(6)}	—	—	—	120,000	
Continuous contract employees										
	11/5/2022	3.846	1/4/2025 - 31/3/2026	672,928	—	—	—	(672,928)	—	
	9/5/2023 ⁽³⁾	3.000	1/4/2026 - 31/3/2027	1,412,700	—	—	—	(569,900)	842,800	
	4/3/2024 ⁽³⁾	1.780	1/4/2027 - 31/3/2028	1,417,700	—	—	—	(48,000)	1,369,700	
	20/3/2025 ⁽⁴⁾	0.806	1/4/2028 - 31/3/2029	1,405,600	—	—	—	(27,000)	1,378,600	
	3/3/2026 ⁽⁵⁾	0.708	1/4/2029 - 31/3/2030	—	1,484,000 ^{(1),(6)}	—	—	(13,000)	1,471,000	
				7,086,731	1,680,000	—	—	(2,964,631)	5,802,100	

Notes:

1. The closing price of the shares immediately before the date on which the options were granted on 3 March 2026 was HK\$0.700.
2. One third of the options shall vest on each of the year-end date of 2023, 2024 and 2025.
3. One third of the options shall vest on each of the year-end date of 2024, 2025 and 2026.
4. One third of the options shall vest on each of the year-end date of 2025, 2026 and 2027.
5. One third of the options shall vest on each of the year-end date of 2026, 2027 and 2028.

MANAGEMENT DISCUSSION AND ANALYSIS

6. The vesting of the options is subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion, either on a case-by-case basis or generally: (i) the Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue, profit and sales target of the Group as a whole and of the applicable business and (ii) the Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group. The Company will determine whether the grantees meet the individual performance target based on their performance appraisal results for the relevant year.

During the 1H2026, 1,680,000 share options were granted. The fair value of the equity-settled share options granted under the Share Option Scheme during the 1H2026 was estimated at HK\$507,000. The fair value of the share options granted to the Directors and eligible employees of the Group were HK\$59,000 and HK\$448,000, respectively. The value of the share options granted during the 1H2026 is to be expensed through the Group's statement of profit or loss and other comprehensive income over the three-year vesting period of the options. Further details are set forth in note 15 to the condensed consolidated interim financial information in this interim report.

The number of share options available for grant under the Share Option Scheme was 44,240,094 as of 1 January 2026 and 45,524,725 as of 30 June 2026.

The number of Shares that may be issued in respect of the options granted under the Share Option Scheme during the 1H2026 divided by the weighted average number of the Shares in issue for the 1H2026 is 0.21%.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the 1H2026, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

NO COMPETING BUSINESS

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) or their respective associates (as defined in the GEM Listing Rules) has any interests in any business which competes or may compete, either directly or indirectly, with the business of the Group or has any other conflicts of interests which any such person has or may have with the Group.

CORPORATE GOVERNANCE

The Directors confirm that the Company has complied with the applicable code provisions as contained in the Corporate Governance Code as set forth in Part 2 of Appendix C1 to the GEM Listing Rules during the 1H2026.

MANAGEMENT DISCUSSION AND ANALYSIS

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings concerning securities transaction as set forth in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to the Directors, all Directors confirm that they have complied with such required standard of dealings and its code of conduct regarding securities transactions by Directors during the 1H2026.

INTERIM DIVIDEND

The Directors did not recommend the payment of any interim dividend for the 1H2026 (1H2025: Nil).

AUDIT COMMITTEE

The Board has established an audit committee (the **"Audit Committee"**) with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are reviewing and supervising the financial reporting process and the risk management and internal control systems of the Group, nominate and monitor external auditor and provide advice and comments to the Board on matters related to the corporate governance of the Group. The members of the Audit Committee include all independent non-executive Directors, namely Mr. WANG Guisheng, Mr. NG Wai Hung and Mr. CHAN Hak Kan, G.B.S., J.P.. Mr. WANG Guisheng is the chairman of the Audit Committee.

The unaudited interim results of the Company for the 1H2026 have not been reviewed by the external auditor of the Company but have been reviewed by the Audit Committee.

By order of the Board

Xinyi Electric Storage Holdings Limited

Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, B.B.S., J.P.

Chairman and Non-executive Director

Hong Kong, 4 August 2026