



TRIGIANT GROUP LIMITED

俊知集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1300



INTERIM REPORT

2025



* For identification purposes only

TRIGIANT GROUP LIMITED
INTERIM REPORT 2025

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Qian Lirong (*Chairman and Group chief executive officer*)
Qian Chenhui

NON-EXECUTIVE DIRECTOR

Zhang Dongjie

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Jin Xiaofeng
Zhao Huanqi
Yau Wai

AUDIT COMMITTEE

Yau Wai (*Chairman*)
Professor Jin Xiaofeng
Zhao Huanqi

REMUNERATION COMMITTEE

Professor Jin Xiaofeng (*Chairman*)
Qian Chenhui
Yau Wai

NOMINATION COMMITTEE

Professor Jin Xiaofeng (*Chairman*)
Zhao Huanqi
Yau Wai

CORPORATE GOVERNANCE COMMITTEE

Qian Chenhui (*Chairman*)
Zhao Huanqi
Yau Wai

COMPANY SECRETARY

Lee Yiu Wai William

In this report, the English translation of names in Chinese which are marked with “*” is for identification purpose only. If there is any inconsistency between the Chinese names of entities established in the People’s Republic of China and their English translations, the Chinese names shall prevail.

AUTHORISED REPRESENTATIVES

Qian Lirong
Lee Yiu Wai William
Yau Wai (*alternate to Qian Lirong*)

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1801, 18/F
Tai Tung Building
8 Fleming Road
Wanchai
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE’S REPUBLIC OF CHINA (“PRC”)

No. 1 Junzhi Road
Industrial Park for Environmental
Protection Science & Technology
Yixing City
Jiangsu Province
PRC

COMPANY WEBSITE

www.trigiant.com.hk

HKEX STOCK CODE

1300

INVESTOR RELATIONS

Trigiant Group Limited
Email: ir@trigiant.com.cn

DLK Advisory Limited
(*as the Company’s investor relations consultant*)
Email: ir@dlkadvisory.com

CORPORATE INFORMATION

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISERS

LCH Lawyers LLP (*as to Hong Kong laws*)

PRINCIPAL BANKERS

Industrial and Commercial Bank of China
Agricultural Bank of China
Bank of China
China Construction Bank
Bank of Communication
China Citic Bank
Bank of JiangSu
HSBC
OCBC Bank
Postal Savings Bank of China

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Financial Centre
16 Harcourt Road
Hong Kong

HIGHLIGHTS

Interim results for the six months ended 30 June 2025 compared with the six months ended 30 June 2024 ("2024H1"):

- Turnover increased by approximately RMB76.6 million, or approximately 6.6%, to approximately RMB1,235.6 million;
- Gross profit margin decreased by approximately 1.0 percentage point, to approximately 11.3%;
- Profit for the period decreased by approximately RMB15.9 million, or approximately 38.9%, to approximately RMB25.0 million (2024H1: RMB40.9 million);
- Net profit margin decreased from approximately 3.5% for 2024H1 to approximately 2.0% for 2025H1;
- Earnings per share decreased from RMB2.28 cents to RMB1.40 cents; and
- The Board does not recommend the declaration of payment of interim dividend for the six months ended 30 June 2025 (2024H1: nil).

The board ("Board") of directors ("Directors") of Trigiant Group Limited ("Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2025 ("2025H1" or "Period") together with the comparative figures for the corresponding period in 2024 and the relevant explanatory notes as set out below.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS




TO THE BOARD OF DIRECTORS OF TRIGIANT GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Trigiant Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 6 to 21, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then end, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

27 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTES	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Turnover	3	1,235,594	1,159,039
Cost of goods sold		(1,095,888)	(1,016,820)
Gross profit		139,706	142,219
Other income	4	4,281	16,482
Impairment losses under expected credit loss model, net of reversal	5	(17,822)	(7,493)
Other gains and losses		(406)	496
Selling and distribution costs		(26,048)	(25,825)
Administrative expenses		(21,016)	(21,109)
Research and development costs		(26,404)	(28,977)
Finance costs		(21,516)	(25,055)
Profit before taxation	6	30,775	50,738
Taxation charge	7	(5,820)	(9,862)
Profit for the period		24,955	40,876
Other comprehensive expense for the period:			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income		(30)	—
Total comprehensive income for the period		24,925	40,876
Earnings per share	9		
— basic		RMB1.40 cents	RMB2.28 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	NOTES	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	10	135,271	140,915
Right-of-use assets		59,062	59,004
Equity instruments at fair value through other comprehensive income		142	172
Pledged bank deposits		726	1,247
Deposits paid for acquisition of property, plant and equipment		21,840	21,840
Deferred tax assets		160,939	158,233
		377,980	381,411
Current assets			
Inventories		165,344	166,907
Trade and other receivables	11	4,091,350	4,111,480
Pledged bank deposits		69,719	89,680
Bank balances and cash		554,701	464,418
		4,881,114	4,832,485
Current liabilities			
Trade and other payables	12	158,041	146,669
Borrowings	13	1,491,018	1,418,327
Lease liabilities		471	127
Taxation payable		48,867	49,038
		1,698,397	1,614,161
Net current assets		3,182,717	3,218,324
Total assets less current liabilities		3,560,697	3,599,735
Non-current liabilities			
Borrowings	13	–	61,000
Lease liabilities		757	–
Government grants		455	482
Deferred tax liabilities		25,901	25,351
		27,113	86,833
Net assets		3,533,584	3,512,902
Capital and reserves			
Share capital	14	14,638	14,638
Reserves		3,518,946	3,498,264
Total equity		3,533,584	3,512,902

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Fair value through other comprehensive income reserve <i>RMB'000</i>	Share repurchased <i>RMB'000</i>	Capital redemption reserve <i>RMB'000</i>	Statutory surplus reserve <i>RMB'000</i> <i>(note a)</i>	Special reserve <i>RMB'000</i> <i>(note b)</i>	Other reserve <i>RMB'000</i> <i>(note c)</i>	Accumulated profits <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2025 (audited)	14,638	1,509,764	(778)	(927)	101	520,936	62,947	(312,834)	1,719,055	3,512,902
Profit for the period	-	-	-	-	-	-	-	-	24,955	24,955
Fair value loss on investments in equity instrument at fair value through other comprehensive income	-	-	(30)	-	-	-	-	-	-	(30)
Total comprehensive (expense) income for the period	-	-	(30)	-	-	-	-	-	24,955	24,925
Share repurchased but not yet cancelled	-	-	-	(4,243)	-	-	-	-	-	(4,243)
At 30 June 2025 (unaudited)	14,638	1,509,764	(808)	(5,170)	101	520,936	62,947	(312,834)	1,744,010	3,533,584
At 1 January 2024 (audited)	14,638	1,509,764	(723)	-	101	520,936	62,947	(312,834)	1,726,969	3,521,798
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	-	40,876	40,876
Transfer	-	-	-	-	-	448	-	-	(448)	-
At 30 June 2024 (unaudited)	14,638	1,509,764	(723)	-	101	521,384	62,947	(312,834)	1,767,397	3,562,674

Notes:

- As stipulated by the relevant laws and regulations in the People's Republic of China ("PRC"), the PRC subsidiaries of the Company are required to maintain a statutory surplus reserve. Appropriation to such reserve is made out of net profit after taxation as reflected in the statutory financial statements of the PRC subsidiaries. The statutory surplus reserve can be used to make up prior year losses, if any, and can be applied for conversion into capital by means of capitalisation issue.
- The special reserve represents the deemed contribution arising from acquisition of a subsidiary in 2009.
- The other reserve represents the difference of fair value of consideration paid and the amount of non-controlling interests arising from acquisition of additional interests in a subsidiary in 2017.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash from operating activities	316,548	409,350
Investing activities		
New pledged bank deposits placed	(628,629)	(256,191)
Purchase of property, plant and equipment	(7,292)	(5,632)
Release of pledged bank deposits	649,111	287,600
Interest received	2,488	5,813
Proceeds from disposal of property, plant and equipment	5,033	3,752
Net cash from investing activities	20,711	35,342
Financing activities		
New bank borrowings raised	821,000	886,000
Repayment of bank borrowings	(1,041,816)	(1,265,198)
Interest paid	(21,465)	(25,265)
Payments on repurchases of shares	(4,243)	–
Repayment of lease liabilities	(433)	(258)
Interest for lease liabilities	(19)	(11)
Net cash used in financing activities	(246,976)	(404,732)
Net increase in cash and cash equivalents	90,283	39,960
Cash and cash equivalents at beginning of the period	464,418	549,358
Cash and cash equivalents at end of the period, represented by bank balances and cash	554,701	589,318

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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

3. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sales of feeder cable series, flame-retardant flexible cable series, optical fibre cable series and related products, new-type electronic components and others for mobile communication and telecommunication equipment. All of the Group’s revenue is recognised when the control of goods is transferred, being when the goods are delivered to the customer’s specific location. A receivable is recognised by the Group when the goods are delivered to the customer’s premises as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The normal credit term is 180 to 360 days upon delivery. The customers have neither rights of return nor rights to defer or avoid payment for the goods once they are accepted by the customers upon receipt of goods. The contracts signed with the customers are short-term and fixed price contracts.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. TURNOVER AND SEGMENT INFORMATION *(Continued)*

For contracts where the credit period provided to customers upon transfer of the associated goods is less than one year, the Group applies the practical expedient of not adjusting the transaction price for significant financing component, if any.

All sales are provided for periods for one year or less. As permitted under HKFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to the unsatisfied contracts is not disclosed.

The Group's chief operating decision maker ("CODM") has been identified as the executive directors of the Company ("Executive Directors") who review the business with the following reportable segments by products:

- Feeder cable series
- Flame-retardant flexible cable series
- Optical fibre cable series and related products
- New-type electronic components
- Others (including couplers and combiners)

The above segments have been identified on the basis of internal management reports prepared and regularly reviewed by the Executive Directors when making decisions about allocating resources and assessing performance of the Group.

The segment results represent the gross profit earned by each segment (segment revenue less segment cost of goods sold). Other income, impairment losses under expected credit loss ("ECL") model, net of reversal, other gains and losses, selling and distribution costs, administrative expenses, research and development costs, finance costs and taxation are not allocated to each reportable segment. This is the measure reported to the Executive Directors for the purpose of resource allocation and assessment of segment performance.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. TURNOVER AND SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's turnover and results by reportable segments:

For the six months ended 30 June 2025

	Feeder cable series RMB'000	Flame- retardant flexible cable series RMB'000	Optical fibre cable series and related products RMB'000	New-type electronic components RMB'000	Others RMB'000	Inter- segment elimination RMB'000	Total RMB'000
Turnover							
— External sales	511,628	570,640	98,764	52,761	1,801	—	1,235,594
— Inter-segment sales*	—	—	31,147	5,447	—	(36,594)	—
	511,628	570,640	129,911	58,208	1,801	(36,594)	1,235,594
Cost of goods sold	(451,285)	(513,968)	(116,621)	(49,140)	(1,468)	36,594	(1,095,888)
SEGMENT RESULT	60,343	56,672	13,290	9,068	333	—	139,706
Unallocated income and expenses:							
Other income							4,281
Impairment losses under ECL model, net of reversal							(17,822)
Other losses							(406)
Selling and distribution costs							(26,048)
Administrative expenses							(21,016)
Research and development costs							(26,404)
Finance costs							(21,516)
Profit before taxation							30,775
Taxation							(5,820)
Profit for the period							24,955

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. TURNOVER AND SEGMENT INFORMATION *(Continued)*

For the six months ended 30 June 2024

	Feeder cable series RMB'000	Flame- retardant flexible cable series RMB'000	Optical fibre cable series and related products RMB'000	New-type electronic components RMB'000	Others RMB'000	Inter- segment elimination RMB'000	Total RMB'000
Turnover							
— External sales	542,802	462,293	84,713	55,312	13,919	—	1,159,039
— Inter-segment sales*	—	—	24,815	9,279	—	(34,094)	—
	542,802	462,293	109,528	64,591	13,919	(34,094)	1,159,039
Cost of goods sold	(475,039)	(416,432)	(97,106)	(54,781)	(7,556)	34,094	(1,016,820)
SEGMENT RESULT	67,763	45,861	12,422	9,810	6,363	—	142,219
Unallocated income and expenses:							
Other income							16,482
Impairment losses under ECL model, net of reversal							(7,493)
Other gains							496
Selling and distribution costs							(25,825)
Administrative expenses							(21,109)
Research and development costs							(28,977)
Finance costs							(25,055)
Profit before taxation							50,738
Taxation							(9,862)
Profit for the period							40,876

* Inter-segment sales are entered into in accordance with the relevant agreements governing those transactions, in which the pricing was determined with reference to the cost incurred.

No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment.

Geographical information

Substantially all of the Group's revenue is derived from the PRC and substantially all of its non-current assets are also located in the PRC (the place of domicile).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Government grants	1,322	1,639
Interest income	2,445	4,972
Value added tax credit concessions	–	9,356
Others	514	515
	4,281	16,482

5. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Impairment losses on trade receivables	(17,822)	(7,493)

6. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit before taxation has been arrived at after charging (crediting):		
Cost of inventories recognised as expenses	1,094,758	1,013,872
Gain on disposal of property, plant and equipment	(123)	(85)
Depreciation of right-of-use assets	1,294	1,298
(Reversal of impairment losses) impairment losses on inventories (included in selling and distribution costs)	(372)	808
Short-term lease payments	175	349
Exchange loss (gain)	406	(496)
Depreciation of property, plant and equipment	7,898	8,848
Less: capitalised in cost of inventories manufactured	(5,465)	(5,386)
	2,433	3,462

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

7. TAXATION CHARGE

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
The taxation charge (credit) comprises:		
PRC Enterprise Income Tax	7,977	9,487
Deferred taxation (credit) charge	(2,157)	375
Taxation charge for the period	5,820	9,862

The PRC Enterprise Income Tax is calculated at the applicable rates in accordance with the relevant laws and regulations in the PRC.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Of the following subsidiaries of the Company in the PRC, 江蘇俊知技術有限公司 (Jiangsu Trigiant Technology Co., Ltd.) ("Trigiant Technology"), 江蘇俊知光電通信有限公司 (Jiangsu Trigiant Optic-Electric Communication Co., Ltd.) ("Trigiant Optic-Electric") and 江蘇俊知傳感技術有限公司 (Jiangsu Trigiant Sensing Technology Co., Ltd.) ("Trigiant Sensing") were endorsed as a High and New Technology Enterprises by relevant authorities in the PRC and were charged income tax in the PRC at a reduced income tax rate of 15% till next renewal in October 2025 to December 2027.

According to the relevant tax law in the PRC, dividend distributed to foreign investors out of the profit generated from 1 January 2008 onwards shall be subject to withholding tax at 10% and withheld by the PRC entity, pursuant to Articles 3 and 37 of the EIT Law and Article 91 of its Detail Implementation Rules. Deferred tax liability on the undistributed earnings of the PRC subsidiaries earned during the period has been accrued at the tax rate of 10% (2024: 10%) on the expected dividend stream of the undistributed earnings of the PRC subsidiaries for each year which is determined by the directors of the Company.

8. DIVIDENDS

During the current interim period, the Company did not declare any final dividend in respect of the year ended 31 December 2024 (six months ended 30 June 2024: no final dividend declared in respect of the year ended 31 December 2023).

The Board does not recommend the declaration of payment of interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Earnings:		
Profit for the period attributable to the owners of the Company for the purpose of basic earnings per share	24,955	40,876
	'000	'000
Number of shares:		
Weighted average number of ordinary shares (excluding shares repurchased) for the purpose of basic earnings per share	1,779,491	1,791,500

No diluted earnings per share was presented as there were no potential ordinary shares in issue for both periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of RMB7,163,000 (six months ended 30 June 2024: RMB5,688,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

11. TRADE AND OTHER RECEIVABLES

The Group normally allows a credit period ranging from 180 to 360 days to its customers. The following is an analysis of trade and other receivables and an aged analysis of trade receivables presented based on the invoice date, or otherwise, delivery date, at the end of the reporting period, which approximated the respective revenue recognition dates:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables from contracts with customers	5,175,671	5,177,196
Less: allowance for credit losses	(1,091,820)	(1,073,998)
	4,083,851	4,103,198
Trade receivables, net, aged		
0–90 days	666,537	690,531
91–180 days	387,490	479,118
181–365 days	882,714	708,257
Over 365 days	2,147,110	2,225,292
	4,083,851	4,103,198
Interest receivables	79	122
Other receivables	2,516	2,953
Tender deposits	2,241	2,740
Prepaid expenses	997	443
Staff advances	1,666	2,024
	4,091,350	4,111,480

Included in the Group's trade receivables at 30 June 2025 are bills receivables of RMB3,332,000 (31 December 2024: RMB22,596,000). All bills received by the Group are with a maturity period of less than one year.

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

12. TRADE AND OTHER PAYABLES

The Group normally receives credit terms ranging from 30 to 90 days from its suppliers. The following is an analysis of trade and other payables and an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables, aged		
0–90 days	85,994	77,602
91–180 days	15,249	13,806
181–365 days	35	38
	101,278	91,446
Accrued expenses	13,468	12,260
Deposits from suppliers	14,234	13,159
Other payables	10,075	9,909
Other tax payables	6,890	3,044
Payable for acquisition of property, plant and equipment	225	98
Payroll and welfare payables	11,871	16,753
	158,041	146,669

Included in the Group's trade payables at 30 June 2025 are bills presented by the Group to relevant creditors of RMB33,502,000 (31 December 2024: RMB30,943,000). All bills presented by the Group are aged within 365 days and not yet due at the end of the reporting period.

13. BORROWINGS

The Group's borrowings represents bank borrowings of RMB1,103,000,000 (31 December 2024: RMB1,089,500,000) and loans borrowed under supplier finance arrangements of RMB388,018,000 (31 December 2024: RMB389,827,000).

The borrowings are unsecured and repayable within one year. During the current interim period, the Group obtained new short-term bank borrowings amounting to RMB821,000,000 (six months ended 30 June 2024: RMB886,000,000) and repaid bank borrowings amounting to RMB807,500,000 (six months ended 30 June 2024: RMB887,000,000). The proceeds were used for daily operation of the Group.

During the six months ended 30 June 2025, the Group has entered into certain bills payables financing arrangements with banks. Under these arrangements, the banks pay suppliers the amounts owed by the Group in advance of the original due dates of the bills payables issued by the Group at a discount offered by the suppliers. Taking into consideration of the nature and substance of the above arrangements, the Group presents payables to the banks under these arrangements as "borrowings" in the condensed consolidated statement of financial position. In the condensed consolidated statement of cash flows, repayments to the banks are included within financing cash flows based on the nature of the arrangements, and payments to the suppliers by the banks of RMB232,507,000 (six months ended 30 June 2024: RMB326,920,000) are disclosed as non-cash transactions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

14. SHARE CAPITAL

	Number of shares	Amount in HK\$	Shown in the financial statements as RMB'000
Ordinary shares at HK\$0.01 each			
Authorised:			
At 1 January 2024, 31 December 2024 and 30 June 2025	10,000,000,000	100,000,000	
Issued and fully paid:			
At 1 January 2024, 31 December 2024 and 30 June 2025	1,791,500,000	17,915,000	14,638

During the six months ended 30 June 2025, the Company repurchased 15,570,000 of its own ordinary shares through the Stock Exchange at price ranging from HK\$0.28 to HK\$0.32 per share, with aggregate consideration of HK\$4,617,000 (equivalent to RMB4,243,000). These shares were not yet cancelled at 30 June 2025 and deducted from equity as "shares repurchased".

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

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

Financial assets	30 June 2025 RMB'000	31 December 2024 RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets at fair value through other comprehensive income	Unlisted equity investments: 142	Unlisted equity investments: 172	Level 3	Share of the adjusted net asset values of the financial assets, determined with reference to the fair values of underlying assets and liabilities and adjustments of related expenses, if any.

There were no transfers between Level 1, 2 and 3 in the current and prior periods.

16. CAPITAL COMMITMENTS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	21,840	21,840

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

17. PLEDGE OF ASSETS

As at 30 June 2025, the pledged bank deposits of RMB70,445,000 (31 December 2024: RMB90,927,000) have been pledged to secure the bills payables at the deposit of RMB67,231,000 (31 December 2024: RMB86,772,000), and quality guarantee and performance guarantee (as described below) at the deposit of RMB3,214,000 (31 December 2024: RMB4,155,000).

As at 30 June 2025, surety bonds of an aggregate balance of RMB67,231,000 (31 December 2024: RMB74,938,000) were given by a bank in favour of the Group's customers as security for the performance and observance of the Group's obligations under the sales contracts entered into between the Group and the customers. If the Group fails to provide satisfactory performance to the customers to whom the performance guarantees have been given, such customers may demand the bank to pay to them the sum stipulated in such demand. The Group will become liable to compensate such bank accordingly. The performance guarantees will be released upon completion of the sales contract. The performance guarantees were granted under letters of guarantees of the Group and were secured by the Group's pledged bank deposits of RMB3,214,000 (31 December 2024: RMB4,155,100). The management of the Group does not consider it is probable that a claim will be made against the Group in respect of the above quality guarantees and performance guarantees.

18. RELATED PARTY TRANSACTIONS

On 9 September 2022, the Group, through an indirectly wholly-owned subsidiary, entered into a sale and purchase agreement to acquire a property in the PRC from a vendor at a consideration of RMB43,680,000. A deposit of RMB21,840,000 was paid to the vendor as at 31 December 2022, the remaining 50% of the consideration will be paid within seven days of the completion of the filing of the assignment of the property. The ultimate owner of the vendor is Ms. Qian Xiwen ("Ms. Qian"), who is an employee of the Group. The director of the vendor is Ms. Qian Liqian. Mr. Qian Lirong, an executive director, chief executive officer and chairman of the board of director of the Company, is the father of Ms. Qian Xiwen and an uncle of Ms. Qian Liqian. Mr. Qian Chenhui, executive director of the Company, is a cousin of Ms. Qian Xiwen and Ms. Qian Liqian. Details of the transaction are set out in the Company's announcement made on 9 September 2022. As at 30 June 2025, the deposits of RMB21,840,000 (31 December 2024: RMB21,840,000) are presented under non-current assets on the condensed consolidated statement of financial position. The transaction is yet to complete as at the date of approval of these condensed consolidated financial statements.

Other than the transactions and balances with related parties disclosed in the elsewhere to the condensed consolidated financial statements, the Group has paid an amount of RMB1,162,000 (six months ended 30 June 2024: RMB747,000) to a related company, which is running a hotel and owned by Ms. Qian, for renting business meeting premises fee and related expenses for the six months ended 30 June 2025, and paid salary and allowance to related party, who is a close family member of Mr. Qian Lirong of RMB202,000 (six months ended 30 June 2024: RMB124,000).

The key management personnel of the Group are the directors of the Company. During the six months ended 30 June 2025, directors' emoluments of RMB717,000 (six months ended 30 June 2024: RMB698,000) were paid or payable to the directors of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In the first half of 2025, the global economy was facing multiple challenges, including escalating geopolitical tensions and the implementation of reciprocal tariff policies by the United States, which led to increased market volatility. While the U.S. economy experienced a slowdown in growth, European economy demonstrated signs of moderate recovery. Bolstered by China's comprehensive policies to expand domestic demand, a temporary truce in Sino-U.S. trade friction, and continuous government stimulus measures, the overall economy demonstrated strong resilience. In the first half of 2025, China's gross domestic product grew by 5.3%, exceeding the full-year growth target of around 5% set at the Two Sessions in March 2025. Investment in 5G and artificial intelligence industries further accelerated, driving a significant increase in demand for communication equipment and emerging as a key driver of economic growth. Leveraging its advantages in large-scale 5G deployment and technological advancement, China continued to deepen industrial innovation.

The year 2025 not only signifies the conclusion of the "14th Five-Year Plan" but also the commencement of the "15th Five-Year Plan". Under the strategic framework, the PRC will further deepen the development of the digital economy during the "15th Five-Year Plan" period, with a focus on cutting-edge fields such as 6G technology, integrated sensing and communication, computing power networks, and the low-altitude economy, thereby accelerating the development of the digital economy and industrial upgrading. During the "15th Five-Year Plan" period, it is projected that the average contribution of total factor productivity driven by digital technologies to economic growth will increase from 22.5% in the past four years to 23.2%, becoming a key driver in fostering new quality productive forces. Meanwhile, 5G-Advanced (5G-A) has entered the phase of large-scale deployment. China's three major telecommunications operators have initiated trial network construction across 31 provinces, accelerating the evolution of mobile communication networks toward 5G-A. Over 300 cities have achieved 5G-A network coverage, with the number of users exceeding 10 million, marking an industry shift where deep 5G penetration and 5G-A upgrades proceed in parallel. The number of 5G-A users is expected to approach 1.3 billion, accounting for over 50% of global 5G-A users, achieving a dual leap in network coverage depth.

The year 2025 marks the sixth anniversary of the issuance of 5G commercial licences. China's 5G infrastructure construction has made breakthrough progress. As of the end of June 2025, the total number of 5G base stations reached 4.55 million, achieving "broadband access in every village and 5G coverage in every township", with 90% of administrative villages connected to 5G. Mobile internet traffic has seen double-digit growth for six consecutive months. The number of 5G mobile phone users reached 1.118 billion, with a user penetration rate exceeding 79%, far surpassing the global average. 5G applications have been integrated into 86 out of 97 major categories of the national economy, with the total number of application cases exceeding 138,000. Furthermore, over 18,500 national-level "5G + Industrial Internet" projects have been established. The Group has been supplying 5G-related products in bulk to its customers, and will continue to deepen its market layout to capitalise on the opportunities presented by 5G development.

MANAGEMENT DISCUSSION AND ANALYSIS

With the ongoing commercialisation of 5G-A, emerging applications such as 8K ultra-high definition, augmented reality, extended reality, drones, and industrial digitalisation are placing increasingly high demands on mobile networks in terms of capacity, perception accuracy, and latency. Millimetre-wave technology, featuring high frequency, high speed, and low latency, is particularly suitable for smart cities, industrial parks, and immersive virtual applications. During the Period, the Group launched a variety of new millimetre-wave products based on customer needs, including 37–42 GHz phase shifters, 40–50 GHz 4X frequency multipliers, 75–110 GHz signal sources, 75–110 GHz detectors, and 45 MHz–50 GHz bias-T. These products have been widely recognised by the industry, further consolidating the Group's technological leadership in the millimetre wave field.

As an emerging growth sector, the low-altitude economy offers vast scope for 5G-A applications, especially in drone logistics, environmental monitoring and emergency rescue. According to the "2024 China Low-Altitude Logistics Development Report", the low-altitude logistics market is expected to reach RMB120 billion to RMB150 billion in 2025 and increase to RMB450 billion to RMB605 billion by 2035. 5G-A base stations are equipped with sensing capabilities, enabling real-time monitoring of aircraft, which is of great significance for building low-altitude communication networks. The Group will continue to monitor the development of the low-altitude economy sector, explore business opportunities, and capture its future growth potential. In addition, the Group maintains its efforts on promoting the Forestry and Grassland Internet of Things and Artificial Intelligence Application Sci-tech Innovation Alliance and identifying suitable opportunities to implement internet of things ("IoT") business-related initiatives.

As a key technology for improving coverage and capacity expansion efficiency, 5G small cells are poised for rapid development. The Group actively lays out transmission solutions for 5G small cells, closely tracking market trends and related bidding processes. The construction and upgrading of 5G base stations remain a core task for operators and will continue to promote the construction of network communications, including the three major telecommunications operators, which account for approximately 90% of the Group's sales, and China Tower Corporation Limited (中國鐵塔股份有限公司) ("China Tower"). During the Period, the Group won bids for several centralised procurement projects, including China Unicom's optical cable centralised procurement project in 2024, China Mobile's centralised procurement project for optical splitter products from 2025 to 2027, China Mobile's centralised procurement project of feeder cable connectors and bundle jumper products from 2025 to 2026, China Mobile's centralised procurement project of feeder cable products from 2025 to 2026, and China Tower's centralised procurement project of power cables (copper cables) in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS ANALYSIS

In 2025H1, the Group's turnover increased by approximately RMB76.6 million, or 6.6%, to approximately RMB1,235.6 million for 2025H1.

The profit for the Period of the Group decreased by approximately RMB15.9 million, or approximately 38.9%, from approximately RMB40.9 million in 2024H1 to approximately RMB25.0 million in 2025H1. The earnings per share decreased from approximately RMB2.28 cents in 2024H1 to approximately RMB1.40 cents in 2025H1.

Breakdown of Turnover by Products

	Six months ended 30 June			
	2025 RMB'000	2024 RMB'000	Change RMB'000	Change %
Feeder cable series	511,628	542,802	(31,174)	-5.7%
Flame-retardant flexible cable series	570,640	462,293	108,347	23.4%
Optical fibre cable series and related products	98,764	84,713	14,051	16.6%
New-type electronic components	52,761	55,312	(2,551)	-4.6%
Other accessories	1,801	13,919	(12,118)	-87.1%
Total	1,235,594	1,159,039	76,555	6.6%

Feeder Cable Series — Approximately 41.4% of the Total Turnover

The turnover of feeder cable series decreased by approximately 5.7% to approximately RMB511.6 million for the Period as compared to the corresponding period in last year. The sales volume of the Group's feeder cable series products decreased by approximately 2,300 kilometres to approximately 42,600 kilometres as compared to the corresponding period in last year. As a result of the control of capital expenditure of telecommunications operators worldwide, the gross profit margin decreased by approximately 0.7 percentage point to approximately 11.8% as compared to the corresponding period in last year.

Flame-retardant Flexible Cable Series — Approximately 46.2% of the Total Turnover

Flame-retardant flexible cable series, a major product of the Group, are mainly used as an internal connection cable for power systems or mobile cable transmission and distribution systems. The turnover increased by approximately 23.4% to approximately RMB570.6 million for the Period as compared to the corresponding period in last year. The gross profit margin remained at approximately 9.9%.

Optical Fibre Cable Series and Related Products — Approximately 8.0% of the Total Turnover

The turnover of optical fibre cable series and related products increased by approximately 16.6% to approximately RMB98.8 million as compared to the corresponding period in last year. Sales volume of optical fibre increased by approximately 922,000 fibre kilometres to approximately 2,496,000 fibre kilometres as compared to the corresponding period in last year. The gross profit margin decreased by approximately 1.2 percentage points to approximately 13.5% as a result of the change in product mix.

MANAGEMENT DISCUSSION AND ANALYSIS

Major Customers and Sales Network

The Group has long been a major supplier to the three major telecommunications operators, namely China Mobile Communications Corporation* (中國移動通信集團公司) ("China Mobile"), China United Network Communications Limited* (中國聯合網絡通信股份有限公司) ("China Unicom") and China Telecommunications Corporation* (中國電信集團公司) ("China Telecom"), and also telecommunications equipment manufacturers such as Huawei, ZTE in the PRC and has maintained a good relationship with them leveraging on its reputation in the industry for its diverse products portfolio, excellent product quality, comprehensive and efficient aftersales services, and regional network extensive coverage. During the Period, the overall turnover of the Group derived from China Mobile, China Unicom and China Telecom accounted for approximately 47.5%, 22.8% and 18.5%, respectively, of the total turnover of the Group. In addition to the close cooperation with the three major telecommunication operators in the PRC, the Group also maintained a sound business relationship with China Tower. As at 30 June 2025, the Group was a supplier to 31 provincial subsidiaries of China Tower.

Marketing Strategy

Leveraging on finance cost advantages to actively support the development of China's telecommunications industry; focusing on expansion of telecommunications business through scientific research capability and winning customer trust with quality

Since the inception of the Group, around 90% of its annual sales have been made to the three major telecommunications operators in China and (the subsequently established) China Tower. From the 3G and 4G eras to the official kick-off of the era of 5G commercialisation in China in 2019, the Group, as a supplier of base station and communication network construction products including feeder cable, optical and electrical hybrid cables and flame-retardant flexible cables, has been benefiting from China's rapid growth of the network construction and is one of the key beneficiary enterprises in the industry. To promote the efficiency and effectiveness of telecommunications infrastructure construction as well as to provide strong support to the high-quality development of China's telecommunications industry, as part of its marketing strategies, so as to gain market share and maintain a long-term sound cooperative relationship with the customers, there had been long repayment period from the key customers of the Group, being China's three major telecommunications operators and China Tower, in line with the high growth of their network construction. Since the inception of the Group and up to today's date, as part of its marketing strategies and to show its support to its major customers in network investment, the Group generally grants its customers a credit period ranging from 180 days to 360 days, leading to the Group's relatively longer period of turnover days of accounts receivables. In recent years, the turnover days for trade and bills receivables of the Group are more than one year. This has also resulted in trade receivables representing a significant portion of the total assets of the Group. With an emphasis on scientific research and development in the telecommunications industry, the Group makes significant annual investment in research and development, and focuses on the sales of telecommunications equipment to improve the competitiveness of the Group. In terms of overseas sales, the Group strives to win the trust of customers with quality. The Group is highly cautious in handling accounts receivable from overseas customers. It is expected that the Group will maintain the relevant policies in the 5G era, while expanding sales channels of the Group and seeking growth opportunities for business development.

MANAGEMENT DISCUSSION AND ANALYSIS

Patents, Awards and Recognition

As at 30 June 2025, the Group has obtained 287 patents, including 123 invention patents and 164 utility model patents in the PRC. The Group received various awards and honours which included the following:

- according to the statistics from the Optical Fiber and Electric Cable Sub-association of the China Electronic Components Association (中國電子元件行業協會光電線纜分會), Trigiant Technology ranked first in terms of sales volume of feeder cable among the feeder cable manufacturers in the PRC for several consecutive years since 2010;
- Trigiant Technology was awarded the National Enterprise Technology Center and the Jiangsu Outstanding Contribution Manufacturer Award;
- Trigiant Optic-Electric was awarded as Jiangsu Enterprise Technology Center;
- Trigiant Technology was recognised as a leading 5G (radio frequency) company by CWW Media (通信世界全媒體) in 2023; and
- Trigiant Technology and Trigiant Optic-Electric have been rated AAA (Integrated Credit) by China's Lianhe Credit Information Service Co., Ltd, Jiangsu Branch in September 2022.

Prospects and Future Plans

Looking ahead to the second half of 2025, the global economic environment remains highly uncertain. The volatile U.S. trade policy has created uncertainties in the global trade environment, exerting disruptions to global supply chains and economic prospects. The World Bank in its June "Global Economic Prospects" report has revised down the global GDP growth forecast for 2025 from the 2.7% to 2.3%, reflecting the continuous pressure on economic activities from trade tensions and policy uncertainties. Notably, the World Bank lowered the U.S. growth rate by 0.9 percentage points to 1.4%, while maintaining China's growth forecast at 4.5%, highlighting China's relative resilience amid multifaceted challenges. To mitigate external shocks, the Chinese government has intensified support for the real economy through policy measures including expanded infrastructure investment, domestic demand stimulation, and digital economy transformation. These initiatives are expected to provide sustained momentum for economic recovery in the second half of the year.

The government is actively promoting the construction of information and communication infrastructure. The "Digital China 2025 Action Plan" aims to accelerate city-wide digital transformation and upgrade digital infrastructure. It is expected that by the end of 2025, significant progress will be made in the construction of Digital China. In January 2025, the Ministry of Industry and Information Technology ("MIIT") officially issued the "Notice on Pilot Deployment of 10G Optical Networks", marking China's official launch of pilot deployment and application of 10G optical networks, and further facilitating the implementation and integration of cutting-edge technologies such as 5G-A. Against this backdrop, as the world's largest market for optical fibres and optical cables, China has accounted for approximately 50% of global demand for ten consecutive years. With the rapid growth of the offshore wind power industry, the high-voltage submarine cable market is embracing new opportunities for fast expansion. By 2027, the market size of the China's cable and wire industry is expected to exceed RMB1.6 trillion. In the first half of 2025, China Mobile and China Unicom successively launched their annual centralised procurement projects for optical cable. In the second half of the year, China Telecom also initiated centralised procurement projects for outdoor and drop cable. Operators' continued large-scale centralised procurement has effectively driven the recovery of optical cable demand and capacity utilisation. As the Group actively competes for domestic and foreign tenders, the orders in hand for 2025 are fully secured and the Group will continue to supply the optical and electrical hybrid cables in bulk to industrial customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Accelerating the implementation of 5G-A, with 6G driving the next wave of industrial upgrading

In 2025, the global telecommunications industry is in a critical transition period from 5G to 6G. According to the “2025–2030 China Communications Industry In-Depth Development Research and the 15th Five-Year Enterprise Investment Strategy Planning Report (《2025–2030年中國通信行業深度發展研究與「十五五」企業投資戰略規劃報告》)” released by Zero Power Intelligence Industrial Research Institute (中研普華產業研究院), the global communications equipment market is expected to exceed USD680 billion by 2030, with the Asia-Pacific region accounting for over 45%. In particular, China contributes more than 50% of the global communications equipment production capacity, solidifying its position as a major global manufacturing hub for communications equipment. At the technological level, the convergence of 5G-A and 6G innovations has become a key focus of the industry. Compared to 5G, 5G-A delivers comprehensive enhancements in capacity, speed, latency, reliability, and positioning accuracy, enabling the deployment of trillion-level IoT ecosystems and cost-efficient connectivity. According to the Global System for Mobile Communications Association (GSMA), China’s 5G penetration rate is expected to reach 88% by 2030, with operators leading the development and deployment of 5G-A solutions. Currently, 5G-A networks are being gradually piloted in various production and daily life scenarios, with trial cities expanding progressively. It is expected that over 300 cities will achieve key-scenario 5G-A coverage by 2025.

In March 2025, the Ministry of Industry and Information Technology released the “2025 Key Work Points for Industrial and Informatisation Standards”, which outlined plans to advance research on 5G-A, 6G, and low-altitude information infrastructure standards, providing policy support for the industry’s development. Research on 6G technical standards has been initiated, with commercialisation expected by 2030. Recognised as a core driver of the future communications industry, 6G is anticipated to deliver significantly higher transmission speeds, lower latency, and deeper integration of communication with sensing, computing, and control, ultimately fostering an “Intelligent Connectivity of Everything” ecosystem. In response to the industrial upgrading, the Group has continuously increased its research and development (“R&D”) investment in 5G and 6G-related fields, including super-flexible radio frequency (“RF”) coaxial cables with composite insulated corrugated outer conductors for 5G communications, halogen-free low-smoke, flame-retardant eco-friendly broadband coaxial cables, ultra-low latency optical cables for intelligent computing centre cluster networks, non-metallic flame-resistant optical cables for rail transit, multi-core airtight optical cable assemblies, low-friction high flame-retardant fibre optic pull-out cables, research and development in outdoor optical cables for 10G optical network construction, and high-speed transmission optical cables for whole-house network coverage. These efforts aim to meet the high-performance transmission demands of emerging fields such as 5G-A and AI computing centres. Simultaneously, the Group is carrying out forward-looking pre-research and strategic planning for 6G technologies to prepare for future technological transitions and maintain a competitive edge in the next generation of communications.

Expanding into the millimetre wave sector to forge a new growth curve

As an important frequency band for 5G-A and future 6G, millimetre-wave is rapidly becoming a focal point for a new round of technological competition and industrial investment. In April 2025, the China Communications Standards Association reviewed and approved the first batch of draft industry standards for 5G millimetre-wave. These standards define essential functions and performance indicators for 5G millimetre-wave base stations and terminal equipment, providing guidance for R&D, equipment certification, and large-scale network deployment of 5G millimetre-wave. The Group has proactively positioned itself in 5G millimetre-wave related technologies, and will continue to drive product innovation and portfolio expansion to meet diversified needs of the market. Current development initiatives include the R&D of an improved 50GHz band passive double-balanced mixer for 5G millimetre-wave applications. In addition, the Group continues to develop products with unique advantages at low frequencies, focusing on the development of new products in the V-band and W-band to enhance its competitiveness in these bands. These products will further consolidate the Group’s technological leadership in the high-frequency communications field and expand its penetration in both domestic and international markets. With

MANAGEMENT DISCUSSION AND ANALYSIS

the continuous enrichment of the product line and the steady growth of orders, the millimetre-wave business is expected to become the core driver for upgrading the Group's revenue structure. The millimetre-wave business, characterised by high technical barriers and network utilisation efficiency, is expected to gradually increase its contribution to overall operations, forging a stable and resilient growth curve for the Company's future.

Expanding global growth momentum through deepening overseas market deployment

The accelerated global deployment of 5G continues to create vast development opportunities for communication equipment enterprises. The Group is actively expanding into overseas markets, focusing on customers with bulk demand and promoting customised product solutions to enhance its international competitiveness. In terms of brand and technology promotion, the Group actively participated in several internationally renowned exhibitions, including Asia Tech x Singapore, IMS Microwave Week in the United States, and Communic Indonesia in Jakarta, showcasing its latest R&D achievements and forging global partnerships to further elevate its international brand recognition and market influence. In terms of customer expansion, the Group focuses on maintaining and expanding long-term cooperative relationships with customers in the Belt and Road countries, including Thailand and South Korea. To meet the customised needs of South Korean operators and construction associations, the Group independently developed ultra-high-temperature flame-retardant special RF coaxial cables, which are widely used in high-demand scenarios such as building fire protection. This product is planned to gradually replace the existing aluminium cable products in the local market. It is expected to become a significant source of growth for the Group's presence in South Korea. Meanwhile, the Group is actively pursuing tender orders from Belt and Road operators, meeting the demand for indoor and outdoor optical cables in Southeast Asia, and promoting customised products such as 75-ohm feeder cables and millimetre-wave series to further expand its revenue sources. Looking ahead, the Group will continue to combine technical specifications with application needs of regional markets to provide flexible, high-performance product portfolios, optimise its customer structure, and increase its overall market share.

Adopting flexible capital strategies to enhance shareholder value and returns

At the capital market level, the Group conducted a total of 15 share repurchases in the first half of 2025, with a cumulative repurchase of 15,570,000 shares, fully demonstrating the management's confidence in the Company's long-term value. The repurchase initiatives have effectively boosted market sentiment, increased the trading activities of the Company's shares, and further enhanced the net asset value per share, providing positive support for the Company's valuation. On 15 May 2025, the Board obtained a general mandate from the Shareholders at the annual general meeting to issue additional shares or conduct repurchases. Looking ahead, the management will continue to prudently monitor market developments and conduct capital market operations under the premise of ensuring the maximum benefits for the Company and all shareholders, thereby delivering sustainable value to the Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

In the first half of 2025, turnover increased by approximately RMB76.6 million, or 6.6%, from approximately RMB1,159.0 million for 2024H1 to approximately RMB1,235.6 million for the first half of 2025. The increase in turnover was mainly contributed by the increase in turnover of flame-retardant flexible cable series and optical fibre cable series and related products of approximately RMB108.3 million and RMB14.1 million, partially offset by the decrease in turnover of feeder cable series, other accessories and new-type electronic components of approximately RMB31.2 million, RMB12.1 million and RMB2.6 million respectively.

Cost of goods sold

For both periods, cost of materials consumed remained the major component of the cost of goods sold. Cost of goods sold increased generally in line with the increase in turnover by approximately RMB79.1 million, or 7.8%, from approximately RMB1,016.8 million for 2024H1 to approximately RMB1,095.9 million for 2025H1.

Metal raw materials during the Period such as copper, being the main raw materials for the Group's feeder cable series and flame-retardant flexible cable series, increased by 4.2% as compared to 2024H1 and the average selling price increased generally in line with the copper price. The Group adopted the cost-plus-pricing-model for its feeder cable series products to control the price risk of raw materials.

Gross profit and gross profit margin

Gross profit decreased by approximately RMB2.5 million, or 1.8%, from approximately RMB142.2 million for 2024H1 to approximately RMB139.7 million for 2025H1. Overall gross profit margin decreased from approximately 12.3% for 2024H1 to approximately 11.3% for 2025H1. The decrease in overall gross profit margin is mainly due to global telecommunications operators controlling their capital expenditure.

Other income

Other income decreased by approximately RMB12.2 million, or 74.0%, from approximately RMB16.5 million for 2024H1 to approximately RMB4.3 million for 2025H1. Such decrease was primarily due to the end of value added tax credits concessions during the period and the decrease in interest income.

Impairment losses

Impairment losses under expected credit loss model net of reversal, on trade receivables, increased by approximately RMB10.3 million, or approximately 137.8% from a loss of approximately RMB7.5 million for 2024H1 to a loss of approximately RMB17.8 million for 2025H1, as a result of the slight increase in aging of trade receivables in 2025H1.

Other gains and losses

Other gains were recorded of approximately RMB0.5 million for 2024H1 as compared to other losses of approximately RMB0.4 million in 2025H1, mainly attributable to an exchange gain of approximately RMB0.5 million recorded in 2024H1 as compared to an exchange loss of approximately RMB0.4 million in 2025H1.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and distribution costs

Selling and distribution costs slightly increased by approximately RMB0.2 million, or 0.9%, from approximately RMB25.8 million for 2024H1 to approximately RMB26.0 million for 2025H1.

Administrative expenses

Administrative expenses decreased by approximately RMB0.1 million, or 0.4%, from approximately RMB21.1 million for 2024H1 to approximately RMB21.0 million for 2025H1 mainly due to the decrease in office expense.

Research and development costs

Research and development costs decreased by approximately RMB2.6 million, or 8.9%, from approximately RMB29.0 million for 2024H1 to approximately RMB26.4 million for 2025H1 primarily affected by the progress of research projects.

Finance costs

Finance costs decreased by approximately RMB3.5 million, or 14.1%, from approximately RMB25.1 million for 2024H1 to approximately RMB21.5 million for 2025H1 primarily due to the decrease in the average interest rate of borrowings. As compared with 2024H1, the overall bank borrowings interest rate has decreased in 2025H1.

Taxation

Taxation charge decreased by approximately RMB4.0 million, or 41.0%, from approximately RMB9.9 million for 2024H1 to approximately RMB5.8 million for 2025H1. The decrease in taxation charge for 2025H1 is primarily attributable to the increase in deferred tax credit in relation to impairment losses under expected credit loss model, net of reversal, on trade receivables.

Profit for the period

As a combined result of the foregoing, the profit for the period of the Group decreased by approximately RMB15.9 million, or approximately 38.9%, from approximately RMB40.9 million in 2024H1 to approximately RMB25.0 million in 2025H1. Net profit margin decreased from approximately 3.5% for 2024H1 to approximately 2.0% for 2025H1.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The operation of the Group is generally financed through a combination of shareholders' equity, internally generated cash flows and borrowings. In the long term, the operation of the Group will be funded by internally generated cash flows and, if necessary, by additional equity financing and borrowings.

The following table summarises the cash flows for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Net cash from operating activities	316,548	409,350
Net cash from investing activities	20,711	35,342
Net cash used in financing activities	(246,976)	(404,732)

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2025, the Group had bank balances and cash and pledged bank deposits of approximately RMB625.1 million, the majority of which were denominated in Renminbi. As at 30 June 2025, the Group had net borrowings of approximately RMB1,491.0 million which included bank borrowings of approximately RMB1,103.0 million, borrowings under bills payables financing arrangements of approximately RMB391.2 million, which are repayable within one year and prepaid interest of approximately RMB3.2 million partially offset the borrowings. As at 30 June 2025, approximately RMB481.0 million of the total bank borrowings were fixed rate borrowings, approximately RMB622.0 million were variable rate borrowings and approximately RMB391.2 million were fixed rate discounted bills payables classified as borrowings. As at 30 June 2025, bank borrowings of approximately RMB1,103.0 million were denominated in Renminbi.

The majority of the Group's transactions are denominated in Renminbi and, accordingly, the Group has not entered into any financial instrument for hedging foreign currency exposure. The Group currently does not have any foreign currency hedging policy but will consider hedging its foreign currency exposure should the need arise.

GEARING RATIO

Gearing ratio decreased slightly from approximately 26.3% as at 31 December 2024 to approximately 24.5% as at 30 June 2025. Such decrease was primarily resulted from the impact of increase in bank balances and cash in 2025H1. Gearing ratio is calculated by dividing total borrowings net of pledged bank deposits and bank balances and cash over total equity.

PLEDGE OF ASSETS

As at 30 June 2025, the Group pledged certain bank deposits with carrying value of approximately RMB70.4 million (31 December 2024: approximately RMB90.9 million) to certain banks to secure credit facilities granted to the Group and performance bond.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2025.

EMPLOYEE INFORMATION

As at 30 June 2025, the Group had approximately 800 (31 December 2024: 684) employees. In order to enhance the morale and productivity of employees, employees are remunerated based on their performance, experience and prevailing industry practices. Compensation policies and packages of management staff and functional heads are being reviewed on a yearly basis. In addition to basic salary, performance related salary may also be awarded to employees based on internal performance evaluation.

The Group also invests in continuing education and training programmes for management staff and other employees with a view to upgrading their skills and knowledge. These training courses comprise internal courses run by the management of the Group and external courses provided by professional trainers and range from technical training for production staff to financial and administrative trainings for management staff.

OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the declaration of payment of interim dividend for the six months ended 30 June 2025 (2024H1: nil).

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code ("Corporate Governance Code") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") as its own code of corporate governance. The Directors consider that save for the deviation from code provision C.2.1 of the Corporate Governance Code which requires the segregation of the roles of the chairman of the board and chief executive officer, both of which are currently taken up by Mr. Qian Lirong, further details of which are set out in the section headed "Corporate governance report" of the 2024 annual report of the Company, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the Corporate Governance Code during the six months ended 30 June 2025 and the Directors will use their best endeavours to procure the Company to comply with such code and make disclosure of deviation from such code in accordance with the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, the Company repurchased 3,430,000 ordinary shares of the Company on 9 December 2024 on the Stock Exchange at a purchase price of HK\$0.295 per share with an aggregate consideration of HK\$1,011,850 (before expenses).

During the six months ended 30 June 2025, the Company had further repurchased a total of 15,570,000 ordinary shares of the Company on the Stock Exchange with an aggregate consideration of HK\$4,616,730 (before expenses) as follows:

Month	No. of shares repurchased	Highest purchase price (HK\$)	Lowest purchase price (HK\$)
January 2025	4,280,000	0.31	0.3
March 2025	1,882,000	0.305	0.305
April 2025	7,386,000	0.305	0.275
May 2025	118,000	0.305	0.3
June 2025	1,904,000	0.325	0.305

As at the date of this report, such total of 19,000,000 repurchased shares had not been cancelled. In 2024, the share price of the Company has reached a new record low; the Board considered that such share repurchases would bring market confidence, increase the net asset value per share attributable to the Shareholders and would ultimately enhance the value for the Shareholders in the long term.

As at 30 June 2025, the Company did not hold any treasury shares.

Save as disclosed above, during the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in their dealings in the Company's securities. Having made specific enquiry to all the Directors, all the Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code during the six months ended 30 June 2025.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

The Group had no material acquisition or disposal of subsidiaries or associated companies during the six months ended 30 June 2025. In addition, the Group had no significant investments held during the six months ended 30 June 2025.

SHARE OPTION SCHEME

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 27 May 2014, the Company adopted the Scheme to allow the Group to grant options to eligible participants to entitle them to subscribe for new shares as incentives or rewards for their contribution to the Group. The Scheme expired on 29 May 2024, and no share options can be granted thereafter.

During the period from 1 January 2024 to the date of expiry of the Scheme on 29 May 2024, no share option had been granted, and there was no outstanding share option under the Scheme as at 29 May 2024 and the date of this report.

Since the Scheme has expired on 29 May 2024, during the six months ended 30 June 2025 there were no options and awards granted under any schemes of the Company, and divided by the weighted average number of shares of the Company of 1,791,500,000 Shares for the six months ended 30 June 2025, is nil.

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

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), Chapter 571 of the Laws of Hong Kong) of the Company as recorded in the register required to be kept under section 352 of the SFO, or which otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

Long Positions

Interests in the shares and underlying shares of the Company

Name of Director	Nature of interest	Interest in ordinary shares	Interest in underlying shares	Total of shares and underlying shares	Approximate percentage of interest (Note b)
Mr. Qian Lirong	Interest in controlled corporation	523,521,750 (Note a)	–	523,521,750	29.22%

OTHER INFORMATION

Notes:

- (a) These shares are registered in the name of Trigiant Investments Limited ("Trigiant Investments"), a company wholly owned by Abraholme International Limited ("Abraholme") which is in turn wholly owned by Mr. Qian Lirong. By virtue of the provisions in Part XV of the SFO, Mr. Qian Lirong is deemed to be interested in all the shares held by Trigiant Investments and Abraholme. Mr. Qian Lirong is a director of each of Trigiant Investments and Abraholme.
- (b) The total number of 1,791,500,000 shares of the Company in issue as at 30 June 2025 has been used for the calculation of the approximate percentage.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executives of the Company, or any of their associates had any interests or short positions in the shares, underlying shares and debentures of the Company and associated corporations.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the register of substantial shareholders maintained by the Company under section 336 of the SFO recorded that the following persons/entities, other than the Directors or the chief executive of the Company, had an interest or a short position in the shares or underlying shares of the Company:

Long Positions

Name of shareholder	Nature of interest	Total of shares and underlying shares	Approximate percentage of interest (Note e)
Trigiant Investments	Beneficial owner	523,521,750	29.22%
Abraholme	Interest in controlled corporation	523,521,750 (Note a)	29.22%
Madam Qian Jindi	Interest of spouse	523,521,750 (Note b)	29.22%
Eternal Asia (HK) Limited	Beneficial owner	292,876,000 (Note c)	16.35%
Shenzhen Eternal Asia Supply Chain Management Ltd. ("Eternal Asia")* 深圳市怡亞通供應鏈股份有限公司	Interest in controlled corporation	292,876,000 (Note c)	16.35%
Shenzhen Investment Holding Limited ("Shenzhen Holding")* 深圳市投資控股有限公司	Interest in controlled corporation	292,876,000 (Note c)	16.35%

OTHER INFORMATION

Name of shareholder	Nature of interest	Total of shares and underlying shares	Approximate percentage of interest (Note e)
State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal* 深圳市人民政府國有資產監督管理委員會	Interest in controlled corporation	292,876,000 (Note c)	16.35%
Easy Beauty Limited	Beneficial owner	340,000,000 (Note d)	18.98%
Artemis Delight Limited	Interest in controlled corporation	340,000,000 (Note d)	18.98%
Mr. Dai Xiaolin	Interest in controlled corporation	340,000,000 (Note d)	18.98%

Notes:

- (a) These shares are registered in the name of Trigiant Investments, a company wholly owned by Abraholme, which is wholly owned by Mr. Qian Lirong. Under the SFO, each of Mr. Qian Lirong and Abraholme is deemed to be interested in all the shares held by Trigiant Investments. Mr. Qian Lirong is a director of each of Trigiant Investments and Abraholme.
- (b) Madam Qian Jindi is the spouse of Mr. Qian Lirong and under the SFO, she is deemed to be interested in all the shares in which Mr. Qian Lirong is interested or deemed to be interested.
- (c) Pursuant to notice of disclosure of interest of State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal filed on 14 May 2021, the controlled corporation of State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal (namely Shenzhen Holding) increased its interests in Eternal Asia (a corporation, indirectly holding 292,876,000 shares in the listed corporation) to 18.30% after completion of share transfers on 22 August 2018 and 18 October 2018 respectively. On 24 December 2018, Eternal Asia became a controlled corporation of Shenzhen Holding as Eternal Asia and its directors were accustomed to act in accordance with Shenzhen Holding's directions. Eternal Asia (HK) Limited is wholly owned by Eternal Asia and, Shenzhen Holding is wholly owned by State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal.
- (d) Based on the notices of disclosure of interests dated 3 April 2023 of Easy Beauty Limited, Artemis Delight Limited and Mr. Dai Xiaolin each filed with the Stock Exchange, these interests in shares are registered in the name of Easy Beauty Limited, a company owned as to 70% by Artemis Delight Limited, which in turn is wholly owned by Mr. Dai Xiaolin.
- (e) The total number of 1,791,500,000 shares of the Company in issue as at 30 June 2025 has been used for the calculation of the approximate percentage.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

There were no changes to the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2024 annual report of the Company up to the date of this report.

OTHER INFORMATION

ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Board proposed to amend the then existing articles of association of the Company (“Articles of Association”) in order to align the Articles of Association with the requirements under the Listing Rules primarily to allow for holding of general meetings which members can attend virtually with the use of technology and where members can cast votes by electronic means, and other miscellaneous and housekeeping changes. In view of such amendments, the Board proposed to adopt the second amended and restated articles of association (“New Articles of Association”) of the Company in substitution for, and to the exclusion of, the Articles of Association.

The New Articles of Association was adopted by the Shareholders by passing a special resolution at the annual general meeting of the Company held on 15 May 2025. Details of the New Articles of Association are disclosed in the announcement of the Company dated 27 March 2025 and the circular of the Company dated 17 April 2025.

AUDIT COMMITTEE

An audit committee of the Board (“Audit Committee”) has been established with written terms of reference to, among other matters, review and supervise the financial reporting process, internal control and risk management systems of the Group. As at the date of this report, the Audit Committee comprises all independent non-executive Directors, namely Ms. Yau Wai, Professor Jin Xiaofeng and Mr. Zhao Huanqi. Ms. Yau Wai is the chairman of the Audit Committee. The interim results of the Group for the first half of 2025 have been reviewed by the Audit Committee.

The Company’s independent auditor, Deloitte Touche Tohmatsu, has conducted a review of the interim financial information of the Group for the six months ended 30 June 2025 in accordance with Hong Kong standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

On behalf of the Board

Qian Lirong
Chairman

Hong Kong, 27 August 2025