宏信建发
CDHORIZON

Incorporated in the Cayman Islands with limited liability
Stock Code: 09930.HK

2026 INTERIM REPORT

宏信建发

CDHORIZON

Consolidate strength
and foster innovation
Forge ahead to achieve
long-term success

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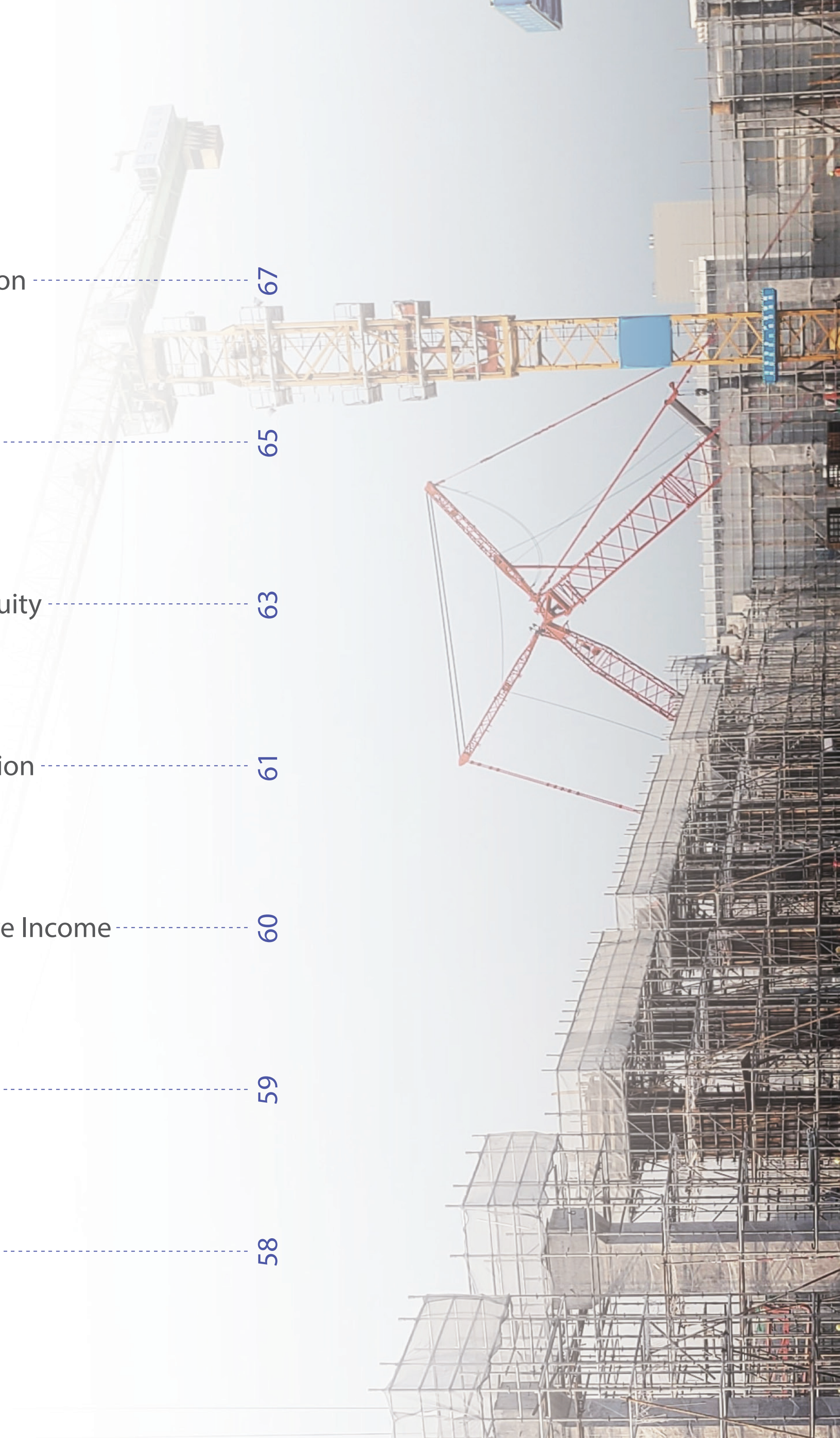


CORPORATE INFORMATION

BOARD

Chairman and Non-executive Director

Mr. KONG Fanxing (孔繁星先生)

Executive Directors

Mr. ZHAN Jing (詹靜先生)
(Chief Executive Officer)

Mr. TANG Li (唐立先生)
(Co-Chief Financial Officer)

Non-executive Directors

Mr. XU Huibin (徐會斌先生)

Mr. HE Ziming (何子明先生)

Mr. YUAN Shaozhen (袁少震先生)

Ms. GUO Lina (郭麗娜女士)

Independent Non-executive Directors

Mr. LIU Jialin (劉嘉凌先生)
(Lead Independent Non-executive Director)

Mr. XU Min

Ms. JIN Jinping (金錦萍女士)

Mr. SUM Siu Kei (岑兆基先生)

COMPOSITION OF COMMITTEES

Audit Committee

Mr. XU Min *(Chairman)*

Ms. JIN Jinping (金錦萍女士)

Mr. SUM Siu Kei (岑兆基先生)

Nomination Committee

Ms. JIN Jinping (金錦萍女士)
(Chairwoman)

Mr. LIU Jialin (劉嘉凌先生)

Mr. XU Huibin (徐會斌先生)

Remuneration Committee

Ms. JIN Jinping (金錦萍女士)
(Chairwoman)

Mr. LIU Jialin (劉嘉凌先生)

Ms. GUO Lina (郭麗娜女士)

Environmental, Social and Governance Committee

Mr. SUM Siu Kei (岑兆基先生)
(Chairman)

Mr. HE Ziming (何子明先生)

Mr. XU Min

COMPANY SECRETARY

Ms. LI Yee Ching (李漪澄女士)

AUTHORIZED REPRESENTATIVES

Mr. ZHAN Jing (詹靜先生)

Ms. LI Yee Ching (李漪澄女士)

REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

CORPORATE INFORMATION

HEADQUARTERS

No. 5, 6-610, Building 2
Minghai Center, 200 Xichang Road
Pilot Free Trade Zone
(Dongjiang Bonded Port Zone)
Tianjin
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1901, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKS

China Construction Bank Corporation
Bank of Communications Co., Ltd.
Bank of China Limited

AUDITOR

Ernst & Young
(Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance)

LEGAL ADVISER

Baker & McKenzie

COMPANY WEBSITE

www.hongxinjianfa.com

STOCK CODE

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
Stock code: 9930

COMPANY PROFILE

Horizon Construction Development Limited (the "Company" or "Horizon Construction Development") and its subsidiaries (collectively the "Group") are leading equipment operation service providers in China. Being a leading global rental company, the Group is committed to providing one-stop comprehensive solutions of "product + service" for domestic and overseas clients in the construction and industrial sectors. Since its establishment in 2011, the Group has built up comprehensive and diversified equipment offerings and strong service capacities, and maintained industry-leading positions in numerous product lines, providing clients with comprehensive and multi-dimensional services covering the full cycle of projects. Leveraging the synergies among its various product lines and diversified service categories, as well as the ever-improving independent R&D innovation and digital operational capabilities, the Group has fostered a diverse, blue chip, loyal and high-quality customer base. To date, the number of service outlets of the Group ranks first among equipment operation service providers in China. The Group has deployed outlets in several overseas markets, thus continuously improving its global service capabilities.

The Company's shares have been officially listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange" or the "Hong Kong Stock Exchange") since 25 May 2023 (the "Listing Date"). The shares of Far East Horizon Limited ("Far East Horizon"), the immediate holding company of the Company and a company incorporated in Hong Kong, have been listed on the Main Board of the Stock Exchange (stock code: 3360).

INTERNATIONAL BUSINESS NETWORK

*The presentation of the map is for artistic purposes only, the actual geographic information published in accordance with the laws shall prevail.

BUSINESS OVERVIEW

	For the six months ended 30 June		For the year ended 31 December			
	2026	2025	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Operating results						
Total revenue	4,024,060	4,350,062	9,359,192	11,581,062	9,610,581	7,877,646
Operating lease services	2,636,011	2,265,244	5,191,671	4,620,986	5,139,275	5,189,949
Engineering and technical services	769,486	1,138,882	2,193,527	3,751,364	2,964,591	2,136,630
Asset management and other services (formerly "platform and other services")	618,563	945,936	1,973,994	3,208,712	1,506,715	551,067
Cost of sales	(2,903,598)	(3,409,395)	(6,892,756)	(7,806,466)	(5,849,180)	(4,744,640)
Operating lease services	(1,781,125)	(1,644,048)	(3,524,547)	(2,858,228)	(2,848,976)	(2,870,719)
Engineering and technical services	(624,544)	(967,475)	(1,835,700)	(2,761,118)	(2,098,931)	(1,496,266)
Asset management and other services (formerly "platform and other services")	(497,929)	(797,872)	(1,532,509)	(2,187,120)	(901,273)	(377,655)
Gross profit and gross profit margin	1,120,462	940,667	2,466,436	3,774,596	3,761,401	3,133,006
Operating lease services	854,886	621,196	1,667,124	1,762,758	2,290,299	2,319,230
Gross profit margin	32.4%	27.4%	32.1%	38.1%	44.6%	44.7%
Engineering and technical services	144,942	171,407	357,827	990,246	865,660	640,364
Gross profit margin	18.8%	15.1%	16.3%	26.4%	29.2%	30.0%
Asset management and other services (formerly "platform and other services")	120,634	148,064	441,485	1,021,592	605,442	173,412
Gross profit margin	19.5%	15.7%	22.4%	31.8%	40.2%	31.5%
Profit before tax	53,081	50,276	208,866	1,200,159	1,226,523	893,804
Profit for the period/year attributable to holders of ordinary shares of the Company	36,602	35,490	146,976	896,322	962,407	664,335
Basic earnings per share (RMB)	0.012	0.011	0.047	0.282	0.316	0.235
Diluted earnings per share (RMB)	0.012	0.011	0.047	0.282	0.316	0.235
Profitability Indicators						
Return on average equity[1]	0.7%	0.6%	1.3%	8.1%	11.0%	10.5%
Return on average total assets[2]	0.2%	0.2%	0.4%	2.6%	3.1%	2.3%
Gross profit margin	27.8%	21.6%	26.4%	32.6%	39.1%	39.8%
EBITDA margin (a non-HKFRS measure)[3]	47.3%	45.3%	44.0%	40.0%	46.6%	51.8%

BUSINESS OVERVIEW

	30 June 2026	31 December 2025	31 December 2024	31 December 2023	31 December 2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets and liabilities					
Total assets	**35,802,004**	36,368,347	36,434,181	31,236,775	30,288,394
Total liabilities	**24,742,222**	25,043,502	24,975,831	20,459,108	23,616,202
Interest-bearing bank and other borrowings	**19,967,472**	20,328,205	20,902,895	17,339,232	21,212,114
Gearing ratio[4]	**69.1%**	68.9%	68.6%	65.5%	78.0%
Total equity	**11,059,782**	11,324,845	11,458,350	10,777,667	6,672,192
Equity attributable to holders of ordinary shares of the Company	**11,059,782**	11,324,845	11,458,350	10,777,667	6,672,192
Net assets per share (RMB)[5]	**3.53**	3.61	3.66	3.37	2.36

BUSINESS OVERVIEW

Notes:

(1) Return on average equity = profit for the period or year attributable to holders of ordinary shares of the Company/average balance of total equity at the beginning and the end of the period or year attributable to holders of ordinary shares of the Company, presented on an annualized basis.

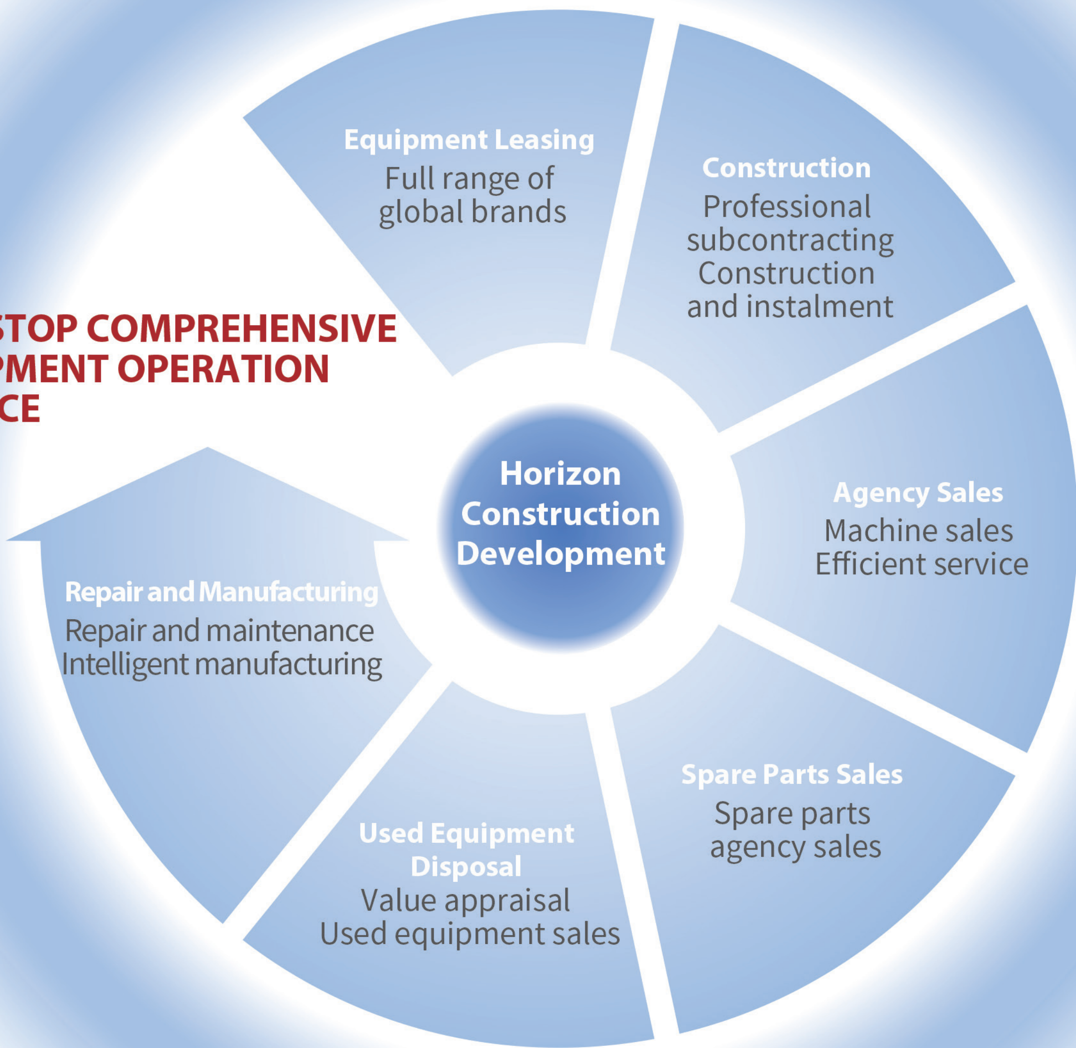
(2) Return on average total assets = profit for the period or year attributable to holders of ordinary shares of the Company/average balance of total assets at the beginning and the end of the period or year, presented on an annualized basis.

(3) EBITDA margin (a non-HKFRS measure) = EBITDA (a non-HKFRS measure)/total revenue for the period or year. EBITDA (a non-HKFRS measure) = profit for the period or year − interest income from the bank + income tax expenses + finance costs + depreciation and amortization.

(4) Gearing ratio = total liabilities at the end of the period or year/total assets at the end of the period or year.

(5) Net assets per share = total equity at the end of the period or year attributable to holders of ordinary shares of the Company/number of ordinary shares outstanding at the end of the period or year.

ONE-STOP COMPREHENSIVE EQUIPMENT OPERATION SERVICE



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY ENVIRONMENT AND COMPANY'S SOLUTIONS

1.1 National and Regional Environment

Mainland China:

In the first half of 2026, China's macroeconomic performance remained stable amid a mix of internal and external factors. High-quality development continued to progress towards greater innovation and excellence, and the 15th Five-Year Plan got off to a solid start. Supply-side growth remained robust, with gross domestic product (GDP) reaching RMB69.57 trillion in the first half of the year, representing a year-on-year increase of 4.7% at constant prices, laying a solid foundation for the economic recovery throughout the year. The price system exhibited moderate recovery, with price indicators on both the supply and demand sides moving higher in parallel. In the first half of the year, the Consumer Price Index (CPI) rose by an average of 1.0% year on year, reflecting a steady pick-up in end-consumer demand; in June, the Producer Price Index (PPI) increased by 4.1% year on year, representing a monthly gain expansion since its March turnaround, with an average increase of 1.5% over the first half of the year. The supply-demand dynamics in upstream industries continued to improve. Price signals flowed through the production chain to midstream and downstream segments, driving a marginal profit recovery for industrial enterprises, with an earnings improvement trend gradually taking hold.

The manufacturing sector continued to expand in both volume and quality, though fixed-asset investment sentiment weakened. In the first half of the year, the value-added output of industrial enterprises above designated size increased by 5.4% year on year, while high-tech manufacturing output grew by 13.3% year on year, highlighting the strong support from innovation-driven growth. Manufacturing fixed-asset investment declined by 1.2% year on year in aggregate, with the decline widening as compared to the previous period. Midstream and downstream manufacturers were constrained by rising upstream costs and other factors, leading to downward adjustments in overall capital expenditure, although investment in high-tech manufacturing sector maintained its growth trajectory, rising by 4.6% year on year.

The construction sector presented a mixed operational pattern in general, characterised by infrastructure holding up, property staying weak, orders declining and structural divergence. Fixed-asset investment growth slowed down after a strong start, weighed down by a widening contraction in property investment and a marginal deceleration in infrastructure investment. From January to June 2026, national fixed-asset investment (excluding rural households) amounted to RMB22.64 trillion, representing a year-on-year decrease of 5.7%. Excluding real estate development investment, project investment dropped by 2.7% year on year. The business activity index for the construction industry remained below the 50-point threshold, signalling continued contraction in industry sentiment.

MANAGEMENT DISCUSSION AND ANALYSIS

Infrastructure investment decreased by 2.4% year on year during the first half of 2026, with its growth rate continuing to slow down from the beginning of the year and eventually turning negative. Investment in information transmission and air transport increased by 25.6% and 11.0% year on year, respectively. The construction of the "Six Networks (六張網)" new infrastructure project progressed steadily, alongside the ongoing ramp-up of "Two Major (兩重)" projects, supporting steady progress in infrastructure investment across key sectors.

Sentiment in the construction machinery sector improved, marking a divergence from the fundamentals of the construction industry. Domestic excavator sales reached 79,000 units in the first half of the year, representing a year-on-year increase of 20.4%. The sector remained strong on both supply and demand, driven primarily by the implementation of equipment renewal policies and the steady rise in new-energy machine penetration.

Overseas regions:

The following elaborates on the operating environment across the key countries and regions in which the Group operates.

Malaysia recorded a year-on-year GDP growth of 5.6% in the first half of 2026, representing an increase of 4.5% as compared to the same period last year, underpinned by the manufacturing, services and construction sectors which served as key growth drivers. In particular, driven by the construction of non-residential building projects such as data centres, the construction sector recorded a moderate growth of 6.6% in the second quarter. Data centres, industrial parks, power facilities and industrial infrastructure have gradually emerged as the primary drivers of incremental infrastructure expansion in the local market.

Indonesia recorded a year-on-year GDP growth of 5.61% in the first quarter of 2026, marking a significant acceleration from the 4.87% growth rate recorded in the same period last year. The local construction sector continued to expand, recording a year-on-year growth of 5.49% in the first quarter. Development of the new capital, Nusantara (IKN), continued to advance, providing sustained momentum for complementary infrastructure works in the Kalimantan region. A number of data centres and battery materials industrial parks transitioned from planning to execution, with infrastructure investment, energy projects and industrial upgrading increasingly emerged as the key engines of local growth.

Vietnam recorded a year-on-year GDP growth of 8.18% in the first half of 2026, which accelerated significantly from the 7.63% growth rate recorded in the same period last year, outpacing all other major economies in Southeast Asia. In particular, the value-added output of the industrial and construction sectors increased by 9.81% year on year in the first half of the year, rendering their position as the core growth engine of domestic economy. As of the end of June 2026, Vietnam attracted a total of US$34.65 billion in foreign direct investment (including newly approved projects, capital increases and equity acquisitions), representing a year-on-year increase of 61.0%. Supported by the implementation of the 2030 industrial zone development plan, alongside the comprehensive advancement of cross-border standard-gauge railway projects and large-scale data centre infrastructure, Vietnam's construction sector is well-positioned for sustained growth.

Thailand recorded a year-on-year GDP growth of 2.8% in the first quarter of 2026, representing a 0.3 percentage-point improvement quarter-on-quarter, signalling a sustained economic recovery trajectory. The manufacturing, hospitality and transportation sectors served as the primary pillars of economic growth. The construction sector grew by 6.2% year on year in the first quarter. The Thailand Board of Investment (BOI) has approved several data centre investment projects during the

MANAGEMENT DISCUSSION AND ANALYSIS

year, with total investment exceeding USD31 billion. The local construction sector accelerated its structural transformation, shifting its business focus from traditional residential projects to emerging areas such as computing hubs, transport infrastructure and smart cities.

Saudi Arabia recorded a year-on-year real GDP growth of 3.0% in the first quarter of 2026, moderating from the previous quarter against a backdrop of regional geopolitical disruptions, with both non-oil and oil-related economic activity exhibiting a year-on-year growth of 2.9%. Real GDP in the construction sector increased by 2.3% year on year. Despite a moderation in new contract signings during the period amid regional macroeconomic headwinds, the sector maintained positive growth overall, supported by the continued implementation of major "Vision 2030" projects and infrastructure developments, together with the transition to the third phase of the vision plan in 2026, the steady expansion of the non-oil sector and the shift toward a more diversified economic structure.

UAE is expected to deliver a 3.1% real GDP growth in 2026 according to the International Monetary Fund (IMF) forecast. Supported by the implementation of Abu Dhabi's AED240 billion (equivalent to approximately USD65.4 billion) long-term investment plan, the launch of cross-border mega-infrastructure projects including the Oman power interconnection project early this year, as well as the rollout of Dubai's AED18 billion major development plan, the UAE continued to ramp up investment in major projects such as data centres, transport infrastructure and urban development. The resilience of its organic growth momentum remained evident, serving as a buffer against the impact of geopolitical disruptions in the Strait of Hormuz.

Turkey recorded a year-on-year real GDP growth of 2.5% in the first quarter of 2026, while the construction sector recorded a year-on-year increase of 3.2%, with both growth rates moderating from the previous quarter. Geopolitical tensions in Iran lifted energy prices, exacerbating domestic inflationary pressures. Accordingly, the central bank has raised its year-end inflation forecast from 18% to 26%. The World Bank forecasts a deceleration in Turkey's economic expansion in 2026, with annual growth projected at 2.8%.

Tanzania is forecasted by IMF to record a GDP growth of 5.9% in 2026. As a core economy in East Africa, Tanzania experienced strong demand for infrastructure investment, with continued increases in capital input across transportation, energy, water conservancy, and other sectors. At the same time, China-Tanzania infrastructure cooperation continued to deepen, with domestic enterprises deeply involved in landmark local projects, offering ample regional market opportunities.

Morocco recorded a year-on-year GDP growth of 4.6% in the first quarter of 2026, and the OECD has raised its forecast for the country's annual GDP growth in 2026 to 5.0%. As a core gateway economy in Africa, the continued growth in incremental demand for the engineering machinery rental market is attributable to the country's robust investment activities in transport infrastructure, renewable energy and port logistics, as well as the accelerated rollout of supporting infrastructure projects for the 2030 World Cup.

Kazakhstan recorded a year-on-year GDP growth of 4.1% in the first half of 2026, with strong growth momentum across sectors. The construction, transport services and manufacturing industries grew by 15.2%, 7.1% and 9.8% year on year, respectively, making these three sectors becoming key pillars of the economy. IMF forecasts the country's economic growth in 2026 at 4.6%. As a key node country in the Belt and Road Initiative, China and Kazakhstan maintained close cooperation in transport corridors, energy infrastructure and industrial capacity, providing high-quality strategic space for overseas business expansion.

MANAGEMENT DISCUSSION AND ANALYSIS

1.2 Company Business Environment

The Group is primarily engaged in machinery rental and supporting services, with its core business covering the integrated operations services of engineering equipment such as aerial work platform equipment, neo-excavation support system, neo-formwork system and road equipment. Meanwhile, the Company continues to expand its rental product portfolio inside and outside of China, and is strategically developing emerging rental businesses such as special aerial work equipment (truck-mounted aerial work platforms, glass attachment boom lifts, track-based aerial trucks, etc.), material handling equipment (forklifts, telescopic handlers, etc.), lifting equipment (truck-mounted cranes, spider cranes, etc.) and mining equipment.

In the domestic market, the continuation of population aging, the steady upward shift in the labor cost benchmark, and increasingly stringent regulatory policies on production safety, green development and carbon reduction are collectively accelerating the substitution of labor with equipment in engineering construction, thereby driving steady expansion in the demand for efficient, safe and environmentally friendly construction machinery. Although investment in traditional domestic residential construction has been declining, the overall base of fixed-asset construction remains substantial, and the total volume of engineering projects provides solid support. Benefiting from the 8.9% year-on-year growth in infrastructure investment during the first quarter, rigid rental demand persists across construction scenarios which are highly compatible with the Company's equipment, including infrastructure projects, green industrial plants, warehousing and logistics facilities, and data centres. Moreover, given the persistent profitability headwinds and the escalating imperative to curb costs across the construction industry, the equipment rental model has emerged as a preferred procurement approach for construction enterprises, underpinned by its core advantages of asset-light operations, cost reduction and efficiency improvement, which continues to boost the penetration rate of the domestic construction machinery rental sector.

According to the IPAF Rental Market Report 2026, the unit volume of the Chinese aerial work platform rental market amounted to 710,000 units as of the end of 2025, representing a year-on-year increase of 6.1%. The growth rate of the unit volume significantly slowed down but remained in positive territory. The application scope of aerial work platforms continued to expand, covering various scenarios such as construction work, municipal engineering, operation and maintenance, landscaping, advertisement installation, and sports and entertainment. Looking forward, with the increasing acknowledgment of the equipment's economical and operational efficiency benefits by various industries, the medium– to long-term demand in the sector is expected to continue unfolding.

With steel-structure support as its core, the neo-excavation support system has been widely deployed in scenarios such as water conservancy hubs, urban underground pipeline networks, deep building foundation pits and transportation infrastructure. Fuelled by policy support and investment inflows into domestic water conservancy projects, underground pipeline networks, and flood control and disaster mitigation infrastructure, the neo-excavation support system is progressively displacing conventional concrete support systems with its differentiated advantages of green and low-carbon characteristics, high installation efficiency and controllable overall costs, pushing industry penetration steadily higher.

Ringlock scaffold, as a core category within the neo-formwork system, offers advantages including high safety margins, low labour costs, convenient assembly and disassembly, material savings and excellent surface finish, making it widely adaptable to various construction scenarios such as infrastructure projects, industrial facilities and building construction. In 2025, the volume of ringlock scaffold in China was approximately 28.5 million tons, sustaining an overall growth trend. The industry indicators from the China Construction Materials Rental Contractor Association suggest that the domestic ringlock scaffold sector is still navigating a contractionary environment, where subdued demand and downward pricing pressure

MANAGEMENT DISCUSSION AND ANALYSIS

remain unresolved industry pain points. On the overseas front, leveraging the product's core strengths in load-bearing capacity, safety and stability, and construction efficiency, demand for ringlock scaffolds in overseas markets continues to expand.

In overseas markets, driven by the rapid industrialization in Southeast Asia, the surging wave of data centre construction, the rolling out of trillion-scale infrastructure projects under the vision initiatives in Middle East, and persistently robust infrastructure and industrial investment in countries along the Belt and Road and key African regions, overseas markets have emerged as a strategic frontier for Chinese construction machinery enterprises to capture incremental growth and refine global positioning. Meanwhile, the overseas demand for construction equipment is undergoing a structural upgrade. Beyond conventional earthmoving equipment, new types of safe, green and efficient equipment, such as aerial work platform, neo-excavation support system and neo-formwork system, are seeing rising penetration rates, providing ample headroom for the Company to optimize its global asset allocation and expand its international business presence.

1.3 Company's Strategies

In the first half of 2026, facing the dual challenges of a complex and volatile international landscape and continuous pressure on the domestic construction industry, the Group adhered to a market-oriented operation approach, consolidated its operational foundation through lean management, and adopted deep engagement with high-value customers as its core business strategy. Embracing the development philosophy of "Be global for shared prosperity", the Group steadily implemented its "Three + Three + Three (三+三+三)" strategic framework and continued its solid progress towards the vision of becoming a world-class enterprise. Domestically, the Group continuously optimized its operational structure and drove efficiency enhancement through lean operations. On the customer front, the Group implemented refined, tiered and classified management and control of customers, adopted innovative marketing strategies, deployed online customer acquisition and operations for micro, small and medium-sized customers, while advancing ecosystem-based marketing collaboration for key accounts. On the product front, with a focus on the current situation of its customers in the traditional construction sector, the Group explored new product offerings, new frontiers and customized solutions to hedge against the cyclical fluctuations of traditional products.

The Group continued to advance its "Three + Three + Three" overseas development strategy. Its overseas business has progressively undergone iterative upgrades in its business model towards "scale expansion" and "operational efficiency improvement". Key initiatives include: deepening engagement with regional value customers, exploring cooperation opportunities in local market, innovating customer service models, and continuously increasing customer wallet share; optimizing asset allocation on a global basis, with an emphasis on increasing asset investment in high-potential markets such as the Middle East and Southeast Asia, while enriching asset categories in alignment with the developmental characteristics of each regional markets, and providing diversified equipment rental services to its customers; and iterating its global organizational management system to empower the high-quality development of overseas business through standardized service and control systems. Meanwhile, the Company has established its network footprint and launched operational pilots in Kazakhstan, Morocco and Tanzania, and actively and continuously exploring further opportunities in emerging markets.

As of 30 June 2026, the Group established 544 service outlets worldwide. Among them, a total of 467 service outlets were located in Mainland China and Hong Kong, China, covering 229 cities, and 77 service outlets were located overseas, covering 10 overseas countries.

MANAGEMENT DISCUSSION AND ANALYSIS

2. INCOME STATEMENT ANALYSIS

2.1 Income Statement Analysis (Overview)

In the first half of 2026, the Group faced a complex and volatile external environment, with decreased revenue as compared to the same period of last year. Profit before tax was RMB53,081,000, representing an increase of 5.6% from RMB50,276,000 for the same period of last year. The Group's EBITDA (a non-HKFRS measure) was RMB1,903,209,000, representing a decrease of 3.3% from RMB1,968,638,000 for the same period of last year.

The following table sets forth the composition and changes in the Group's profit for the period:

	For the six months ended 30 June		
	2026	2025	
	RMB'000	RMB'000	Change %
Revenue	**4,024,060**	4,350,062	-7.5%
Cost of sales	**(2,903,598)**	(3,409,395)	-14.8%
Gross profit	**1,120,462**	940,667	19.1%
Other income and gains	**97,469**	104,327	-6.6%
Selling and administrative expenses(1)	**(766,395)**	(758,331)	1.1%
Provision for assets(2)	**(63,842)**	182,796	N/A
Other expenses	**(15,408)**	(18,113)	-14.9%
Finance costs	**(319,205)**	(401,070)	-20.4%
Profit before tax	**53,081**	50,276	5.6%
Income tax expenses	**(16,479)**	(14,786)	11.5%
Profit for the period	**36,602**	35,490	3.1%

Notes:

(1) Selling and administrative expenses exclude impairment of repossessed assets under administrative expenses in the interim condensed consolidated statement of profit or loss.

(2) Provision for assets includes expected credit losses ("ECL") on financial and contract assets, net and impairment of repossessed assets under administrative expenses in the interim condensed consolidated statement of profit or loss.

MANAGEMENT DISCUSSION AND ANALYSIS

Non-HKFRS Measures

To supplement our consolidated results which are prepared and presented in accordance with HKFRS, the Group uses EBITDA, which are not required by, or presented in accordance with HKFRS. The Group believes that such non-HKFRS measures facilitate comparisons of operating performance by eliminating the potential impact of these non-core items. The use of such non-HKFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial conditions as reported under HKFRS. In addition, such non-HKFRS financial measures may be defined differently by other companies, and may not be comparable to other similarly titled measures used by other companies.

The table below sets forth the reconciliation of our non-HKFRS measures presented to the most directly comparable HKFRS measures:

	For the six months ended 30 June		
	2026	2025	
	RMB'000	RMB'000	Change %
Profit for the period	**36,602**	35,490	3.1%
Less: Bank interest income	**1,336**	3,923	-65.9%
Add: Income tax expenses	**16,479**	14,786	11.5%
Add: Finance costs	**319,205**	401,070	-20.4%
Add: Depreciation and Amortization[(1)]	**1,532,259**	1,521,215	0.7%
EBITDA (a non-HKFRS measure)	**1,903,209**	1,968,638	-3.3%

Note:

(1) Depreciation and amortization include depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of other intangible assets.

2.2 Revenue

In the first half of 2026, the Group recorded revenue of RMB4,024,060,000, representing a decrease of 7.5% as compared with RMB4,350,062,000 for the corresponding period last year. The decline in the Group's revenue was mainly based on the continued decline in equipment rental rates in the domestic market environment and our proactive focus on high-margin engineering business in the domestic market. In the first half of 2026, the Group actively deployed overseas outlets and business teams, and achieved overseas revenue of approximately RMB924,005,000.

Attributable to our comprehensive and multi-dimensional service model covering the full cycle of projects, the Group has established a diversified, stable and high-quality customer base with years of deep cultivation in the industry. The number of the Group's customers (on a standalone basis) increased from approximately 325,000 in 2024 (including approximately 1,700 overseas customers) to approximately 401,000 in 2025 (including approximately 6,400 overseas customers), and further increased to approximately 431,000 in the first half of 2026 (including approximately 7,700 overseas customers), covering a wide range of industries such as municipal construction, housing construction, transportation construction, shipbuilding and offshore engineering, industrial manufacturing, green energy, warehousing and logistics, culture and art, and business and entertainment.

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The following table sets forth key operational information related to the Group's revenue:

	For the six months ended 30 June	
	2026	2025
Aerial work platform		
Equipment volume (in thousand units)[1]	**202.2**	202.6
Utilization rate[2]	**65.8%**	64.0%
Neo-excavation support system		
Equipment volume (in thousand tons)	**1,207.5**	1,371.1
Utilization rate[2]	**58.8%**	70.4%
Neo-formwork system		
Equipment volume (in thousand tons)	**595.8**	638.3
Utilization rate[2]	**70.8%**	66.3%

Notes:

(1) As at 30 June 2026, among the 202,200 aerial work platforms operated and managed by the Group, 44,380 aerial work platforms were entrusted to the Group by equipment owners outside the Group to operate and manage through the asset management service model. The asset management service model primarily refers to the model in which the Group leases from other equipment suppliers and enters into sub-leases with customers.

(2) Calculated as the average of total value of assets the Group leased out during the period divided by the average of total value of equipment the Group owned. "Average of total value of equipment" is the total asset value of all equipment, averaged between the beginning and the end of the period.

In the first half of 2026, according to the analysis on main product lines of the Group, the average utilization rate of neo-excavation support system was lower than that of the corresponding period last year, attributable to our proactive focus on high-margin engineering business in domestic market. The average utilization rate of aerial work platform and neo-formwork system higher than that of the corresponding period last year, primarily benefitted from the gradual maturation of the overseas formwork business.

MANAGEMENT DISCUSSION AND ANALYSIS

2.2.1 **Revenue analysis by business segment**

The Group's revenue is derived from (i) operating leasing services, which primarily include aerial work platform, neo-excavation support system, neo-formwork system and other equipment; (ii) engineering and technical services, which represent the tailor-made one-stop solutions for different business or operation scenarios; and (iii) asset management and other services, which primarily consists of asset management services, and the sales of equipment, materials and spare parts under trading business.

The following table sets forth the composition and changes in the Group's revenue by business segment:

	For the six months ended 30 June				
	2026		2025		
	RMB'000	Proportion %	RMB'000	Proportion %	Change %
Operating lease services	2,636,011	65.5%	2,265,244	52.1%	16.4%
Engineering and technical services	769,486	19.1%	1,138,882	26.2%	-32.4%
Asset management and other services	618,563	15.4%	945,936	21.7%	-34.6%
Total	4,024,060	100.0%	4,350,062	100.0%	-7.5%

2.2.1.1 Operating lease services

The Group's portfolio of operating lease services includes various types of leased equipment and materials, and operating lease services are provided on a daily, weekly, monthly, annual or project-by-project basis according to customers' needs. In the first half of 2026, the Group's revenue from operating lease services amounted to RMB2,636,011,000, representing an increase of 16.4% as compared with RMB2,265,244,000 for the corresponding period last year, which was mainly driven by the rapid increase in operating lease services revenue from overseas markets.

The Group's portfolio of operating lease services is currently anchored by three core products (aerial work platform, neo-excavation support system and neo-formwork system), which enjoy broad customer demand across the early, middle and late phases of constructing infrastructure, manufacturing factories, logistics parks, commercial buildings and data centre. For instance, in the construction of manufacturing factories, the neo-excavation support system can be deployed for early-stage construction of foundation pits and underground works for ancillary pipeline laying, whereas the neo-formwork system can be used during the main framework assembly stage. The aerial work platform can be applied for the installation of steel structures as well as the installation of electromechanical equipment, fire protection, lighting and curtain walls during the late stage of construction. In addition to these three core product lines, the Group also provides, in overseas markets, rental services for earthmoving machinery, lifting machinery, road engineering machinery and mining machinery, tailored to the needs of customers in various countries. The contribution of these diversified products to operating lease income has been increasing progressively alongside our overseas expansion. Meanwhile, the Group also initiated early-stage trials for innovative products in non-construction segments, including initial explorations into leasing models for commercial cleaning robots and autonomous logistics vehicles. However, these products currently represent extremely low proportion and have a very limited impact on the operating lease income.

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According to the statistics of the confirmed turnover derived from the equipment operated and managed by the Group, during the first half of 2026, approximately 72.2% were served in the industrial projects (including industrial plants and logistics warehousing), approximately 18.7% in infrastructure and municipal projects, approximately 2.6% in commercial real estate projects (including shopping malls, hotels and offices), approximately 1.7% in residential projects, and approximately 4.8% in daily operations and other projects.

Note: The statistics above reflect Mainland China only, excluding overseas scenarios.

*2.2.1.2 **Engineering and technical services***

In the first half of 2026, the Group's revenue from engineering and technical services amounted to RMB769,486,000, representing a decrease of 32.4% as compared with RMB1,138,882,000 for the corresponding period last year, which was mainly due to the overall focus strategy adopted for our domestic materials business and our proactive withdrawal from certain engineering business with lower added value, leading to a year-on-year decrease in the Group's revenue from engineering and technical services during the period.

*2.2.1.3 **Asset management and other services***

In the first half of 2026, the Group's revenue from asset management and other services amounted to RMB618,563,000, representing a decrease of 34.6% as compared to RMB945,936,000 for the corresponding period last year, mainly due to the Group's reduction in equipment asset management service entrustments received from leasing peers.

Asset management service revenue represents the revenue generated by the Group through the asset management service model, under which the Group first enters into lease agreements with financial leasing companies or other equipment leasing companies for the right to use the equipment. During the agreed period, the Group, as the lessee, takes full responsibility for the leasing, dispatch, maintenance and customer service of the equipment. The Group then subleases the entrusted equipment to end customers. Leveraging its nationwide operational network, digital management systems and extensive equipment operation experience, the Group possessed strong asset management capabilities and further consolidated its operational advantages through the entrusted management model, on top of its own resources.

As at 30 June 2026, among the 202,200 aerial work platforms operated and managed by the Group, 44,380 aerial work platforms were entrusted to the Group by other equipment owners outside the Group to operate and manage through the asset management service model, which was decreased compared with the same period last year.

Revenue from other services mainly represents trading revenue generated from sales of equipment, materials and spare parts by the Group. In the first half of 2026, the Group sold 317 units of equipment and 42,040 tons of materials, thus achieving continuous asset structure optimization.

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The following table sets forth the composition and changes in the Group's asset management and other services:

	For the six months ended 30 June				
	2026		2025		
	RMB'000	Proportion %	RMB'000	Proportion %	Change %
Asset management services	**325,643**	**52.6%**	659,715	69.7%	-50.6%
Trade and others	**292,920**	**47.4%**	286,221	30.3%	2.3%
Total	**618,563**	**100.0%**	945,936	100.0%	-34.6%

2.2.2 **Revenue analysis by region**

The following table sets forth the composition and changes in the Group's revenue by regions:

	For the six months ended 30 June				
	2026		2025		
	RMB'000	Proportion %	RMB'000	Proportion %	Change %
Domestic regions (including Hong Kong and Macau)	**3,100,055**	**77.0%**	3,752,682	86.3%	-17.4%
Overseas regions	**924,005**	**23.0%**	597,380	13.7%	54.7%
Total	**4,024,060**	**100.0%**	4,350,062	100.0%	-7.5%

As at 30 June 2026, the number of equipment under management in domestic regions (including Hong Kong and Macau) was 193,200 sets, while the number of equipment under management in overseas regions was 19,000 sets. In addition to aerial work equipment, equipment under the Company's management includes material handling equipment (forklifts, telescopic handlers, etc.), lifting equipment (truck-mounted cranes, spider cranes, etc.) and mining equipment (wide-body dump trucks, mining excavators, etc.).

As at 30 June 2026, there were 1,169,000 tons of support materials and 405,000 tons of formwork assets under management in domestic regions (including Hong Kong and Macau); and there were 39,000 tons of support materials and 191,000 tons of formwork assets under management in overseas regions.

MANAGEMENT DISCUSSION AND ANALYSIS

2.3 Gross Profit and Gross Profit Margin

In the first half of 2026, the Group recorded a gross profit of RMB1,120,462,000, representing an increase of 19.1% as compared with RMB940,667,000 for the corresponding period last year. The gross profit margin of the Group was 27.8%, representing an increase of 6.2% as compared with 21.6% for the corresponding period last year, mainly due to our proactive focus on high-margin engineering and technical services business in the domestic market, an increased revenue contribution from high-margin operating lease services business in the overseas market, and internal operational efficiency enhancements.

2.3.1 Gross profit by business segment

The following table sets forth the Group's gross profit and gross profit margin by segment:

	For the six months ended 30 June				
	2026		2025		
	RMB'000	Gross profit margin %	RMB'000	Gross profit margin %	Change in gross profit %
Operating lease services	**854,886**	**32.4%**	621,196	27.4%	37.6%
Engineering and technical services	**144,942**	**18.8%**	171,407	15.1%	-15.4%
Asset management and other services	**120,634**	**19.5%**	148,064	15.7%	-18.5%
Total gross profit/gross profit margin	**1,120,462**	**27.8%**	940,667	21.6%	19.1%

2.3.1.1 *Operating lease services*

In the first half of 2026, the gross profit of the Group's operating lease services amounted to RMB854,886,000, representing an increase of 37.6% as compared with RMB621,196,000 for the corresponding period last year. The gross profit margin of the Group's operating lease services was 32.4%, representing an increase of 5.0% as compared with 27.4% for the corresponding period last year, mainly due to an increased revenue contribution from high-margin business in the overseas market, as well as the implementation of lean management to reduce costs and enhance efficiency in response to price competition within the domestic market.

2.3.1.2 *Engineering and technical services*

In the first half of 2026, the gross profit of the Group's engineering and technical services amounted to RMB144,942,000, representing a decrease of 15.4% as compared with RMB171,407,000 for the corresponding period last year. The gross profit margin of the Group's engineering and technical services was 18.8%, representing an increase of 3.7% as compared with 15.1% for the corresponding period last year, which was mainly due to the Group's proactive withdrawal from certain engineering segments with lower gross profit margins, coupled with its continuous commitment to engineering segments with higher economic added value, such as water-related cofferdams, steel trestle bridges and steel sheet pile shoring projects.

MANAGEMENT DISCUSSION AND ANALYSIS

2.3.1.3 Asset management and other services

In the first half of 2026, the gross profit of the Group's asset management and other services amounted to RMB120,634,000, representing a decrease of 18.5% as compared to RMB148,064,000 for the corresponding period last year. The gross profit margin of the Group's asset management and other services was 19.5%, representing an increase of 3.8% as compared to 15.7% for the corresponding period last year, which can be further divided into:

In the first half of 2026, the gross profit of the Group's asset management services amounted to RMB97,550,000, representing a decrease of 8.1% as compared to RMB106,162,000 for the corresponding period last year. The gross profit margin of the Group's asset management service was 30.0%, representing an increase of 13.9% as compared to 16.1% for the corresponding period last year, mainly due to the implementation of lean management to reduce costs and enhance efficiency in response to price competition within the domestic market.

In the first half of 2026, the Group actively adjusted the structure of self-owned lease and service assets by disposal of certain equipment and materials assets that did not meet the efficiency requirements. The gross profit of the Group's sales of equipment, materials and spare parts amounted to RMB23,084,000, representing a decrease of 44.9% as compared to RMB41,902,000 for the corresponding period last year. The gross profit margin of the Group's sales of equipment, materials and spare parts amounted to 7.9%, representing a decrease of 6.7% as compared to 14.6% for the corresponding period last year, mainly due to the decline in steel prices.

2.3.2 **Gross profit by region**

The following table sets forth the composition and changes in the Group's gross profit by regions:

	For the six months ended 30 June				
	2026		2025		
	RMB'000	Gross profit margin %	RMB'000	Gross profit margin %	Change in gross profit %
Domestic regions (including Hong Kong and Macau)	721,154	23.3%	669,585	17.8%	7.7%
Overseas regions	399,308	43.2%	271,082	45.4%	47.3%
Total	1,120,462	27.8%	940,667	21.6%	19.1%

MANAGEMENT DISCUSSION AND ANALYSIS

2.4 Cost of Sales and Selling and Administrative Expenses

In the first half of 2026, the Group's cost of sales amounted to RMB2,903,598,000, representing a decrease of 14.8% as compared with RMB3,409,395,000 for the corresponding period last year. The Group's selling and administrative expenses (excluding impairment of repossessed assets) amounted to RMB766,395,000, representing an increase of 1.1% as compared with RMB758,331,000 for the corresponding period last year. The total amount of the above costs and expenses was RMB3,669,993,000, representing a decrease of 11.9% as compared with RMB4,167,726,000 for the corresponding period last year, which was mainly due to a decrease in staff and labour subcontracting costs, trading and re-rent costs, maintenance and consumable materials costs, and logistics and lifting costs.

The following table sets forth a breakdown of the Group's cost of sales and selling and administrative expenses (excluding impairment of repossessed assets) by nature:

	For the six months ended 30 June				
	2026		2025		
	RMB'000	% of revenue	RMB'000	% of revenue	Change in amount %
Depreciation and amortization[(1)]	1,492,145	37.1%	1,486,981	34.2%	0.3%
Depreciation and amortization – leasehold use rights[(1)]	40,111	1.0%	33,001	0.8%	21.5%
Staff and labour subcontracting costs[(2)]	832,229	20.6%	944,183	21.7%	-11.9%
Trading and re-rent costs[(3)]	455,914	11.3%	658,887	15.1%	-30.8%
Maintenance and consumable materials costs[(4)]	183,972	4.6%	304,680	7.0%	-39.6%
Logistics and lifting costs[(5)]	260,211	6.5%	304,439	7.0%	-14.5%
Research and development expenses[(6)]	94,937	2.4%	106,442	2.4%	-10.8%
Transportation, travelling and information expenses[(7)]	91,177	2.3%	106,337	2.4%	-14.3%
Rental and property management services expenses[(8)]	62,980	1.6%	53,430	1.2%	17.9%
Taxes and surcharges	49,369	1.2%	31,279	0.7%	57.8%
Professional services fee[(9)]	29,347	0.7%	41,624	1.0%	-29.5%
Other expenses[(10)]	77,601	1.9%	96,443	2.2%	-19.5%
Total	3,669,993	91.2%	4,167,726	95.8%	-11.9%

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Notes:

(1) Depreciation and amortization are depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of other intangible assets, but excluding depreciation and amortization included in research and development expenses. The actual economic life of assets used in operating leases and engineering and technical services in the industry is generally up to 15-20 years after regular maintenance and repair. On 12 March 2024, the Group announced that the expected useful life of the hot-dip galvanizing scaffolds in the neo-formwork system would be changed from 10 years to 20 years and the expected net residual value rate would be changed from 10% to 30%. In the first half of 2026, the Group's depreciation and amortization (including the depreciation of leasehold and leased equipment use rights) amounted to RMB1,532,256,000, representing an increase of 0.8% as compared with RMB1,519,982,000 for the corresponding period last year, which was mainly due to the increase in the size of the Group's self-owned equipment compared to the corresponding period last year.

(2) The Group's staff and labour subcontracting costs mainly represent the remuneration expenses of the Group's employees and the labour subcontracting costs incurred in connection with the demand for temporary staff in engineering and technical service projects. In the first half of 2026, the Group's staff and labour subcontracting costs amounted to RMB832,229,000, representing a decrease of 11.9% as compared with the corresponding period last year, which was mainly due to the strategic focus of the material business on high-margin projects, which led to the downsizing of engineering service personnel.

(3) Trading and re-rent costs mainly represent trading costs of sales of equipment, materials and spare parts and the Group's equipment leasing costs. In the first half of 2026, the Group's trading and re-rent costs amounted to RMB455,914,000, representing a decrease of 30.8% as compared with the corresponding period last year, of which re-rent costs amounted to RMB186,078,000, representing a decrease of 55.1% as compared with the corresponding period last year. Trading costs amounted to RMB269,836,000, representing an increase of 10.4% as compared with the corresponding period last year, which was mainly due to the Group's continuous optimisation of its asset structure.

(4) The maintenance and consumable materials costs mainly represent the cost of spare parts for the Group's maintenance and repair of equipment and materials (including the equipment leased under the asset management service model), and the cost of materials consumed by the Group's engineering and technical service projects. In the first half of 2026, the Group's maintenance and consumable materials costs amounted to RMB183,972,000, representing a decrease of 39.6% as compared with the corresponding period last year, which was mainly due to the Group's continuous optimisation of standardised and modularized management of its maintenance system, reduced maintenance costs through accelerated development of alternative maintenance parts as well as the repair and reuse of used parts, and a reduction in materials consumed resulting from a scale-down in business operations due to proactive focus on high-margin projects in engineering and technical service.

(5) The logistics and lifting costs mainly represent the logistics costs of equipment for transfers between different projects under the Group's operating lease services and asset management services, and the lifting costs of equipment on site of engineering and technical service projects. In the first half of 2026, the Group's logistics and lifting costs amounted to RMB260,211,000, representing a decrease of 14.5% as compared with the corresponding period last year, mainly due to the Group's establishment of a tracking management system for the rapid delivery of equipment, as well as a cost reduction management system for rapid adjustment of freight rates, which effectively guarantees the timeliness of equipment transportation in all aspects and effectively controls the transportation price of equipment. By continuously improving the logistics monitoring system, improving the delivery mode and capacity structure, and optimizing the allocation and transportation distance, the Group has contributed to the operational efficiency enhancement and cost reduction of the Company. In addition, the unit price of logistics in the first half of 2026 decreased by 8.7% as compared with the corresponding period last year.

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(6) The Group's research and development expenses are mainly depreciation, materials and staff cost from research and development activities which are used for the upgrade and digitalization of engineering and technical services and internet of things ("IoT"). In the first half of 2026, the Group's research and development expenses amounted to RMB94,937,000 (including depreciation and amortization amounting to RMB3,000), representing a decrease of 10.8% as compared with the corresponding period last year, which was mainly due to a decrease in the Group's research and development projects for its digitalisation system.

(7) The Group incurred transportation, travelling and information expenses of RMB91,177,000, representing a decrease of 14.3% as compared with the corresponding period last year, which was mainly due to the Group's optimization and enhancement of its procurement methods and policies for travelling and communication expenses, thereby contributing to cost control and management of the Company.

(8) The Group incurred rental and property management services expenses of RMB62,980,000, representing an increase of 17.9% as compared with the corresponding period last year, mainly due to an increase in rental and property management services expenses as a result of the continued expansion of overseas business of the Group.

(9) The Group incurred professional service fees of RMB29,347,000, representing a decrease of 29.5% as compared with the corresponding period last year, which was mainly due to a decrease in the Group's litigation and legal expenses.

(10) Other expenses mainly include fuel costs consumed by engineering and technical service projects, office expenses and business entertainment and promotion expenses.

2.5 Other Income and Gains

In the first half of 2026, the Group realised other income and gains of RMB97,469,000, representing a decrease of 6.6% as compared with RMB104,327,000 for the corresponding period last year, mainly due to a decrease in interest income and government grants for the period.

	For the six months ended 30 June		
	2026	2025	
	RMB'000	RMB'000	Change %
Interest income	**1,336**	3,923	-65.9%
Government grant	**77,421**	83,250	-7.0%
Gain on disposal of items of property, plant and equipment and early termination of right-of-use assets	**9,327**	6,448	44.6%
Other	**9,385**	10,706	-12.3%
Total	**97,469**	104,327	-6.6%

2.6 Provision for Assets

The provision for assets of the Group is expected credit losses ("ECL") of the financial assets and impairment of repossessed assets under administrative expenses. The Group adopts a prudent strategy to assess the risk of asset provision, to carry out multi-dimensional quantitative assessment on the imported customers and to strengthen the monitoring of the repayment ability of customers through the linkage mechanism of risk review and risk control, so as to ensure the security of assets of the Group.

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The following table sets forth a breakdown of the ECL of the financial assets of the Group:

	For the six months ended 30 June				
	2026		2025		
	RMB'000	Proportion %	RMB'000	Proportion %	Change %
Trade receivables and contract assets	**96,204**	**150.7%**	-163,029	87.3%	N/A
Notes receivables	**-32,826**	**-51.4%**	-26,765	14.3%	22.6%
Other	**464**	**0.7%**	2,917	-1.6%	-84.1%
Total	**63,842**	**100.0%**	-186,877	100.0%	N/A

For details, please refer to the discussion and analysis in 3.3, 3.4 and 3.5 of this section.

2.7 Other Expenses

Other expenses of the Group primarily consist of commission expenses, representing commission fees and handling fees charged by banks and non-bank financial institutions in connection with the bank and other borrowings of the Group.

In the first half of 2026, the Group's other expenses amounted to RMB15,408,000, representing a decrease of 14.9% as compared with RMB18,113,000 for the corresponding period last year, mainly due to a decrease in financing handling fees from banks and non-bank financial institutions and exchange losses for the period.

2.8 Finance Costs

Finance costs of the Group primarily consist of (i) interest on borrowings; and (ii) interest on lease liabilities.

In the first half of 2026, the Group's finance costs amounted to RMB319,205,000, representing a decrease of 20.4% as compared with RMB401,070,000 for the corresponding period last year, mainly due to the decrease in interest on borrowings of the Group of RMB80,546,000. For details, please refer to the discussion and analysis in 2.8.1 and 3.11 of this section.

MANAGEMENT DISCUSSION AND ANALYSIS

2.8.1 Interest on borrowings

The following table sets forth the average balance of interest-bearing bank and other borrowings, interest expense and average financing rate of the Group:

	For the six months ended 30 June					
	2026			2025		
	Average Balance[(1)]	Interest expense	Average financing rate[(2)]	Average Balance[(1)]	Interest expense	Average financing rate[(2)]
	RMB'000	RMB'000		RMB'000	RMB'000	
Interest-bearing bank and other borrowings	20,147,839	308,446	/	21,063,794	388,992	/
Including: interest-bearing bank and other borrowings, deducting redemption liabilities on ordinary shares	20,147,839	308,446	3.06%	21,063,794	388,992	3.69%

Notes:

(1) Average balance = (balance of interest-bearing bank and other borrowings at the beginning of the period + balance of interest-bearing bank and other borrowings at the end of the period)/2.

(2) Average financing rate = interest expense during the period/corresponding average balance, presented on an annualized basis.

In the first half of 2026, the average financing rate of interest-bearing bank and other borrowings of the Group was 3.06%, representing a decrease of 0.63% as compared with 3.69% for the corresponding period last year, mainly due to the cost reduction measures implemented by the Group, and the preferential interest rate continuously available to the Group as the Group's main businesses were encouraged by the country. Meanwhile, the Group actively utilized innovative products such as green loans, supply chain financing, and loans for sci-tech innovation, and proactively optimized its debt structure through the early settlement of the liabilities with higher-than-average costs, thus further reducing its overall financing costs.

2.9 Income Tax Expenses

In the first half of 2026, the Group's income tax expenses amounted to RMB16,479,000, representing an increase of 11.5% as compared with RMB14,786,000 for the corresponding period last year. The effective tax rate of the Group was 31.0%, representing an increase of 1.6% as compared with 29.4% for the corresponding period last year, mainly due to the Group's cautious recognition policy for deferred income tax assets of loss-making subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

2.10 Profit for the Period

Based on the above discussion and analysis, the Group's profit for the period was RMB36,602,000, representing an increase of 3.1% as compared with RMB35,490,000 for the corresponding period last year.

The following table sets forth the composition and changes in the Group's net profit after tax by regions:

	For the six months ended 30 June				
	2026		2025		
	RMB'000	Proportion %	RMB'000	Proportion %	Change %
Domestic regions (including Hong Kong and Macau)	**-39,333**	**-107.5%**	-19,374	-54.6%	103.0%
Overseas regions[(1)]	**75,935**	**207.5%**	54,864	154.6%	38.4%
Total	**36,602**	**100.0%**	35,490	100.0%	3.1%

Note:

(1) The net profit after tax of overseas segment for the first half of 2025 (before deducting accrued remuneration and interest expenses, etc.) was RMB113,351,000.

With the increasing maturity of the overseas segment's operations, the Group accrued expenses such as remuneration for senior management and interest expenses from segment profit for domestic regions, based on the human resources deployed and cost of capital for trade receivables utilized by the overseas segment. In the first half of 2026, the net profit after tax of overseas segment (deducting accrued remuneration and interest expenses, etc.) increased by 38.4% compared with the corresponding period of last year.

2.11 Basic Earnings per Share

In the first half of 2026, basic earnings per share of the Group amounted to RMB0.012, representing an increase of RMB0.001 or 9.1% from RMB0.011 for corresponding period last year.

	For the six months ended 30 June		
	2026	2025	Change %
Profit for the period attributable to holders of ordinary shares of the Company (RMB'000)	**36,602**	35,490	3.1%
Weighted average number of ordinary shares in issue (share)[(1)]	**3,134,748,312**	3,133,375,000	0.1%
Basic earnings per share (RMB)	**0.012**	0.011	9.1%

Note:

(1) Weighted average number of ordinary shares in issue (share) = (the number of outstanding ordinary shares at the beginning of the period + positive or negative change of the number of ordinary shares during the period × number of change months)/6

MANAGEMENT DISCUSSION AND ANALYSIS

3. ANALYSIS OF FINANCIAL CONDITION

3.1 Assets (Summary)

As at 30 June 2026, total assets of the Group were RMB35,802,004,000, representing a decrease of RMB566,343,000 or 1.6% as compared with that of the end of last year. The following table sets forth assets of the Group as at the dates indicated:

	30 June 2026		31 December 2025		
	RMB'000	% of total	RMB'000	% of total	Change %
Property, plant and equipment	**20,901,421**	**58.4%**	21,583,432	59.4%	-3.2%
Trade receivables and contract assets	**7,716,604**	**21.5%**	7,496,363	20.6%	2.9%
Notes receivables[(1)]	**696,359**	**1.9%**	1,061,829	2.9%	-34.4%
Prepayments, other receivables and other assets	**2,866,816**	**8.0%**	2,739,355	7.5%	4.7%
Cash and bank balances	**1,672,125**	**4.7%**	1,610,210	4.4%	3.8%
Right-of-use assets	**818,567**	**2.3%**	904,417	2.5%	-9.5%
Goodwill	**173,979**	**0.5%**	173,979	0.5%	0.0%
Other assets	**956,133**	**2.7%**	798,762	2.2%	19.7%
Total assets	**35,802,004**	**100.0%**	36,368,347	100.0%	-1.6%
Including: non-current assets	**23,105,992**	**64.5%**	23,717,756	65.2%	-2.6%
Including: current assets	**12,696,012**	**35.5%**	12,650,591	34.8%	0.4%

Note:

(1) Notes receivables are recorded under "debt investments at fair value through other comprehensive income" in the interim condensed consolidated statement of financial position.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth assets of the Group as at the dates indicated:

	30 June 2026		31 December 2025		
	RMB'000	Proportion %	RMB'000	Proportion %	Change %
Domestic regions (including Hong Kong and Macau)	**29,520,852**	**82.5%**	30,516,617	83.9%	-3.3%
Overseas regions	**6,281,152**	**17.5%**	5,851,730	16.1%	7.3%
Total	**35,802,004**	**100.0%**	36,368,347	100.0%	-1.6%

3.2 Property, Plant and Equipment

As at 30 June 2026, the property, plant and equipment of the Group amounted to RMB20,901,421,000, representing a decrease of RMB682,011,000 or 3.2% as compared with that of the end of last year, due to the combined effect of the following factors: (i) in the first half of 2026, the Group has disposed of certain material assets in Mainland China; and (ii) the provision on depreciation of property, plant and equipment amounted to RMB1,392,710,000 for the period.

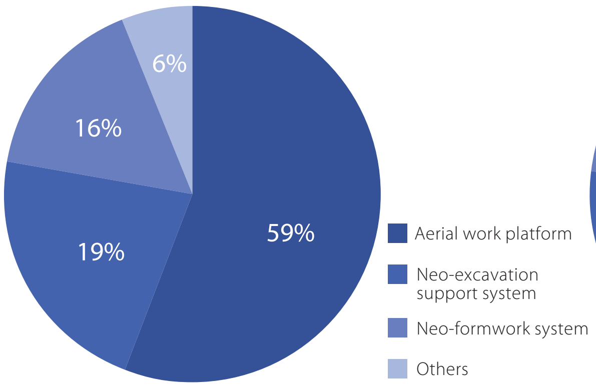
The following table sets forth the property, plant and equipment of the Group as at the dates indicated:

	30 June 2026		31 December 2025		
	RMB'000	% of total	RMB'000	% of total	Change %
Equipment, materials and moulds for leasing and services	**20,281,319**	**97.0%**	20,934,490	97.0%	-3.1%
Buildings	**475,510**	**2.3%**	492,924	2.3%	-3.5%
Leasehold improvements and others	**144,592**	**0.7%**	156,018	0.7%	-7.3%
Total	**20,901,421**	**100.0%**	21,583,432	100.0%	-3.2%

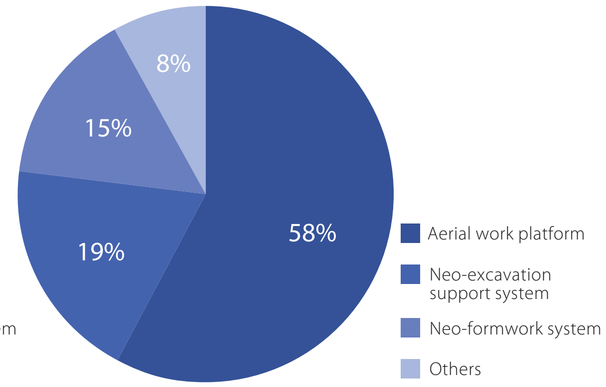
As at 30 June 2026, the equipment, materials and molds for leasing and services of the Group mainly included aerial work platform of RMB11,940,515,000 (RMB12,178,135,000 as at the end of last year), neo-excavation support system of RMB3,803,747,000 (RMB4,019,109,000 as at the end of last year) and neo-formwork system of RMB3,227,426,000 (RMB3,227,967,000 as at the end of last year). During the period, the Group held products such as material handling equipment (forklifts, telescopic handlers, etc.), lifting equipment (truck-mounted cranes, spider cranes) and mining equipment (wide-body dump trucks, mining excavators, etc.).

MANAGEMENT DISCUSSION AND ANALYSIS

Asset distribution by product lines in the first half of 2026



Asset distribution by product lines in 2025



The Group researches the operating lease markets by product category and by geography (both domestic and overseas) to estimate appropriate time for further actions. The Group would consider disposing of the equipment and material assets which did not meet the efficiency requirements of the Group to second-hand market after such equipment and material assets have been used for a certain period of time.

For equipment maintenance and management, the equipment asset service and maintenance team of the Group has a comprehensive decision-making and balance mechanism comprising front-end monitoring and handling, middle-office process control and back-end supervision and support, and establishes a management system covering the full life circle of asset maintenance, which realises a whole process closed-loop management of "equipment procurement-equipment leasing services flow and process maintenance-equipment overhaul-equipment disposal", with the support of organizational guarantee, technical guarantee and material guarantee to improve the overall efficiency of equipment operation.

3.3 Trade Receivables and Contract Assets

Trade receivables represent amounts receivable by the Group for services rendered and goods sold to customers.

Contract assets represent the right to receive payment arising from the provision of engineering and technical services by the Group to customers; contract assets are initially recognized for revenue earned from engineering and technical services as the receipt of consideration is conditional on successful completion of services and acceptance by the customer, respectively. Upon completion of services and acceptance by the customer, the amounts recognized as contract assets are reclassified to trade receivables.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth the composition of the trade receivables and contract assets of the Group as at the dates indicated:

	30 June 2026	31 December 2025	
	RMB'000	RMB'000	Change %
Trade receivables and contract assets			
Gross carrying amount	8,986,582	8,661,210	3.8%
Provision	-1,269,978	-1,164,847	9.0%
Net carrying amount	7,716,604	7,496,363	2.9%

3.3.1 **Total trade receivables and contract assets**

As at 30 June 2026, the total trade receivables and contract assets of the Group amounted to RMB8,986,582,000, representing an increase of RMB325,372,000 or 3.8% as compared with that of the end of last year, mainly due to the rapid expansion of overseas business.

3.3.2 **Provision for trade receivables and contract assets**

As at 30 June 2026, the provision for trade receivables and contract assets of the Group amounted to RMB1,269,978,000, representing an increase of RMB105,131,000 or 9.0% as compared with that of the end of last year, mainly due to an increase in the proportion of overseas business operations, which generally feature shorter credit periods and a lower risk profile.

The Group has implemented systematic risk management assessment policies to evaluate the credit and performance of our customers. The Group has a large number of customers, in particular, it needs to deal with a large number of small and medium-sized customers in aerial work platform business, among which the Group used a "Hongxin Score" ("宏信分") model to carry out quantitative risk assessment for such customers. By superimposing historical transaction data, external monitoring data and internal cooperation records accumulated in the course of operation from multiple dimensions, such model performs quantitative analysis on 70 subdivision indicators to screen out the characteristics of high-quality customers, thus realising intelligent and automatic evaluation of small and medium-sized customers. For large-scale engineering projects, the Group selected customers and projects through quantitative and manual evaluation, fully evaluated the potential risks such as project compliance risk, construction technology risk, supply guarantee risk, HSE risk and credit risk from multiple dimensions, and formulated corresponding solutions. In terms of trade receivables management, the Group strengthened risk awareness through risk review and risk control and debt linkage mechanism, and realised effective isolation of risk customers through management mechanisms such as blacklist, and conducted on-site evaluation of our customer's operation as necessary. The Group reviews the trade receivables balance and follows up with our customers with overdue trade receivables on a quarterly basis. At the same time, the Group classified trade receivables into different risk levels and recognized provisions accordingly with reference to our past recoverability, the quarterly review of ageing of trade receivables and observable changes in economic conditions that correlate with default on trade receivables.

MANAGEMENT DISCUSSION AND ANALYSIS

3.3.3 Trade receivables ageing distribution

The table below sets forth the ageing distribution of the trade receivables of the Group as at the dates indicated based on the billing date:

	30 June 2026				31 December 2025				
	Total	Provision	Net	Net	Total	Provision	Net	Net	Change, net %
	RMB'000	RMB'000	RMB'000	% of total	RMB'000	RMB'000	RMB'000	% of total	
Trade receivables									
Within 1 year	5,058,185	-321,678	4,736,507	66.4%	5,061,650	-306,628	4,755,022	69.6%	-0.4%
More than 1 year	3,242,871	-843,029	2,399,842	33.6%	2,870,262	-789,184	2,081,078	30.4%	15.3%
Total	8,301,056	-1,164,707	7,136,349	100.0%	7,931,912	-1,095,812	6,836,100	100.0%	4.4%

3.4 Notes Receivables

As at 30 June 2026, the notes receivables of the Group amounted to RMB696,359,000, representing a decrease of RMB365,470,000 or 34.4% as compared with that of the end of last year, mainly due to the Group's prudent collection strategy.

The following table sets forth the notes receivables of the Group as at the dates indicated:

	30 June 2026		31 December 2025		
	RMB'000	% of total	RMB'000	% of total	Change %
Bank acceptances	180,124	25.9%	144,656	13.6%	24.5%
Commercial acceptance bills and letters of credit	516,235	74.1%	917,173	86.4%	-43.7%
Total	696,359	100.0%	1,061,829	100.0%	-34.4%

MANAGEMENT DISCUSSION AND ANALYSIS

3.5 Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consist of (i) prepayments and deposits, mainly including expenditures related to our procurement and rental of equipment or materials, deposits paid to providers for the re-renting of equipment, deposits paid for financing, and deposits paid to bid for projects; and (ii) tax recoverable, which primarily includes our input VAT to be credited.

As at 30 June 2026, the net prepayments, other receivables and other assets of the Group amounted to RMB2,866,816,000, representing an increase of RMB127,461,000 or 4.7% as compared with that of the end of last year, mainly due to an increase in tax recoverable.

The following table sets forth a breakdown of the Group's prepayments, other receivables and other assets as at the dates indicated:

	30 June 2026		31 December 2025		
	RMB'000	% of total	RMB'000	% of total	Change %
Prepayments and deposits	811,570	28.0%	819,452	29.6%	-1.0%
Tax recoverable	1,493,970	51.5%	1,447,659	52.2%	3.2%
Other receivables	195,937	6.8%	72,920	2.6%	168.7%
Others	397,826	13.7%	431,347	15.6%	-7.8%
Total	2,899,303	100.0%	2,771,378	100.0%	4.6%
Provision	-32,487		-32,023		1.4%
Net	2,866,816		2,739,355		4.7%

3.6 Cash and Bank Balances

As at 30 June 2026, the cash and bank balances of the Group amounted to RMB1,672,125,000, representing an increase of RMB61,915,000, or 3.8% as compared with that of the end of last year, mainly due to the Group's efforts to conserve cash reserves and maintain liquidity during the first half of the year.

The Group retains relatively abundant cash and cash equivalents to support its business development needs and ensure the liquidity safety of the Group. The cash and cash equivalents of the Group are mainly RMB-denominated assets, as well as a small amount of foreign currencies, including Hong Kong Dollar, US Dollar, Euros, Malaysian Ringgit, Indonesian Rupiah, Thai Baht, Vietnamese Dong, Singapore Dollar, UAE Dirham, Saudi Riyal, Turkish Lira, Omani Rial, Macanese Pataca, Kazakhstani Tenge, Tanzanian Shilling, Moroccan Dirham, Zambian Kwacha, Brazilian Real, etc.

MANAGEMENT DISCUSSION AND ANALYSIS

3.7 Right-of-Use Assets

As at the lease commencement date, the Group recognizes right-of-use assets and the corresponding lease liabilities, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. As at 30 June 2026, the right-of-use assets of the Group amounted to RMB818,567,000, representing a decrease of RMB85,850,000, or 9.5% as compared with that of the end of last year, mainly due to the normal depreciation of right-of-use assets.

The following table sets forth a breakdown of right-of-use assets of the Group as at the dates indicated:

	30 June 2026		31 December 2025		
	RMB'000	% of total	RMB'000	% of total	Change %
Equipment	**564,646**	**69.0%**	629,981	69.7%	-10.4%
Leasehold land	**169,635**	**20.7%**	171,988	19.0%	-1.4%
Offices and others	**84,286**	**10.3%**	102,448	11.3%	-17.7%
Total	**818,567**	**100.0%**	904,417	100.0%	-9.5%

3.8 Goodwill

As at 30 June 2026, the Group's goodwill amounted to RMB173,979,000. On 30 May 2025, the Group completed the acquisition of TH Tong Heng Machinery Sdn. Bhd.

3.9 Other Assets

As at 30 June 2026, the Group's other assets amounted to RMB956,133,000, mainly including (i) RMB457,565,000 of the balance of deferred tax assets recognized for the provision for asset and other deductible temporary differences; and (ii) RMB414,859,000 of balance of inventories for the purpose of raw materials used for manufacturing neo-formwork system and spare parts used for repairing aerial work platform, self-manufactured neo-formwork system and finished goods held for sale in the ordinary course of business.

MANAGEMENT DISCUSSION AND ANALYSIS

3.10 Liabilities (Overview)

As at 30 June 2026, the total liabilities of the Group were RMB24,742,222,000, representing a decrease of RMB301,280,000, or 1.2% as compared with that of the end of last year.

The following table sets forth the details of the Group's liabilities as at the dates indicated:

	30 June 2026		31 December 2025		
	RMB'000	% of total	RMB'000	% of total	Change %
Interest-bearing bank and other borrowings	**19,967,472**	**80.7%**	20,328,205	81.1%	-1.8%
Trade and bills payables	**3,148,545**	**12.7%**	2,924,244	11.7%	7.7%
Other payables and accruals	**860,114**	**3.5%**	995,027	4.0%	-13.6%
Lease liabilities	**581,345**	**2.3%**	607,852	2.4%	-4.4%
Tax payables	**38,305**	**0.3%**	96,939	0.4%	-60.5%
Derivative financial instruments	**10,906**	**0.0%**	17,298	0.1%	-37.0%
Financial liabilities at fair value through profit or loss	**73,937**	**0.3%**	73,937	0.3%	0.0%
Deferred tax liabilities	**61,598**	**0.2%**	–	0.0%	100.0%
Total liabilities	**24,742,222**	**100.0%**	25,043,502	100.0%	-1.2%
Including: Current liabilities	**11,646,324**	**47.1%**	11,528,820	46.0%	1.0%
Including: Non-current liabilities	**13,095,898**	**52.9%**	13,514,682	54.0%	-3.1%

3.11 Interest-bearing Bank and Other Borrowings

In the face of the complex domestic and international financial environment, the Group continued to optimize its debt structure in the first half of 2026 with good progress in financing. In the first half of 2026, the Group actively expanded its credit resources in Hong Kong, Macau and other overseas regions, thus further enhancing the stability of financing. Moreover, the Group actively promoted the use of innovative products such as green loans, supply chain financing and loans for sci-tech innovation to further reduce financing costs.

As at 30 June 2026, the Group's balance of interest-bearing bank and other borrowings amounted to RMB19,967,472,000, representing a decrease of RMB360,733,000, or 1.8% as compared with that of the end of last year. The decrease in the balance of interest-bearing bank and other borrowings was mainly due to the Group's proactive control of the size of its interest-bearing liabilities to optimize its financial leverage and early settlement of the liabilities with higher-than-average costs.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the compositions of the Group's interest-bearing bank and other borrowings as at the dates indicated:

	30 June 2026		31 December 2025		
	RMB'000	Proportion %	RMB'000	Proportion %	Change %
Secured	**4,591,670**	**23.0%**	5,840,869	28.7%	-21.4%
Unsecured	**15,375,802**	**77.0%**	14,487,336	71.3%	6.1%
Total	**19,967,472**	**100.0%**	20,328,205	100.0%	-1.8%
Including: Current liabilities	**7,386,690**	**37.0%**	7,294,708	35.9%	1.3%
Non-current liabilities	**12,580,782**	**63.0%**	13,033,497	64.1%	-3.5%

In the first half of 2026, the Group has prudentially managed financial risk. As at 30 June 2026, the proportion of unsecured interest-bearing bank and other borrowings was 77.0%, representing an increase from 71.3% as at the end of last year, while the proportion of secured interest-bearing bank and other borrowings represented a decrease as compared with that of the end of last year. Changes in the Group's secured and unsecured structure are mainly attributable to that the Group optimized its financing structure and adjusted the proportion of interest-bearing bank and other borrowings.

3.12 Trade and Bills Payables

Trade and bills payables are amounts payable to suppliers.

As at 30 June 2026, the Group's trade and bills payables amounted to RMB3,148,545,000, representing an increase of RMB224,301,000 or 7.7% as compared with that of the end of last year, which was mainly due to the Group's proactive management of payment terms with its suppliers.

MANAGEMENT DISCUSSION AND ANALYSIS

3.13 Other Payables and Accruals

The Group's other payables and accruals primarily include (i) deposits, which represent deposits paid by our customers; (ii) salary and welfare payable to our employees; (iii) advanced rentals and contract liabilities, which represent amounts received from customers by the Group in advance for services according to the payment schedule as agreed in the contract; (iv) interest payables relating to bank and other borrowings; and (v) other tax payables, primarily VAT payables.

As at 30 June 2026, the Group's balance of other payables and accruals was RMB860,114,000, representing a decrease of RMB134,913,000 or 13.6% as compared with that of the end of last year, which was mainly due to a decrease in value-added tax payable of the Group in the first half of the year.

3.14 Lease Liabilities

As mentioned in 3.7, other than part of leases, the right-of-use assets and corresponding lease liabilities are recognized by the Group at the commencement date of the lease. The land leased by the Group has been prepaid and no subsequent payment is required, therefore there is no balance of land lease liabilities. The lease liabilities of the Group mainly arise from leases of office and equipment.

As at 30 June 2026, the lease liabilities of the Group amounted to RMB581,345,000, representing a decrease of RMB26,507,000 as compared with that of the end of last year, which was mainly due to the normal amortization of lease liabilities.

3.15 Derivative Financial Instruments

The Group's derivative financial instrument liabilities are cross-currency swap financial instruments, which are used to hedge exposure to exchange and interest rate risks on foreign currency floating-rate borrowings of the Group. The Group applied hedge accounting to such instruments, with changes in fair value of the cross-currency swap financial instruments recognized in equity.

3.16 Financial Liabilities at Fair Value Through Profit or Loss

The Group's financial liabilities at fair value through profit or loss arose from the acquisition of TH Tong Heng Machinery Sdn. Bhd. Pursuant to the shareholders' agreement, the Group may purchase the remaining 20% equity interest in TH Tong Heng Machinery Sdn. Bhd. at exercise prices determined based on key metrics, including the average adjusted earnings before interest, taxes, depreciation, and amortisation ("EBITDA") from the accounts for the three years ending 31 December 2027 and 31 December 2034, as well as the cash and debt position as of 31 December 2027 and 31 December 2034, respectively. As the Group has practical control or obtainable access over the minority interests, the Group actually controlled 100% equity interests over TH Tong Heng Machinery Sdn. Bhd. as of the acquisition date. The contingent consideration was initially recognised by RMB73,937,000, which is presented under financial liabilities at fair value through profit or loss.

MANAGEMENT DISCUSSION AND ANALYSIS

3.17 Shareholders' equity

As at 30 June 2026, the Company's total equity was RMB11,059,782,000, representing a decrease of RMB265,063,000 or 2.3% as compared with that of the end of last year.

The following table sets forth the analysis of the Company's equity as at the dates indicated:

	30 June 2026	31 December 2025	
	RMB'000	RMB'000	Change %
Share capital[1]	421	421	–
Reserves	11,059,361	11,324,424	-2.3%
Total equity	11,059,782	11,324,845	-2.3%

Note:

(1) The changes in the Company's equity in the first half of 2026 are shown in the table below

	Equity of the Company
	RMB'000
31 December 2025	11,324,845
Profit for the period	36,602
Dividend distribution	-43,614
Other changes in equity[1]	-258,051
30 June 2026	11,059,782

On 9 June 2026, the annual general meeting of the Company considered and approved the distribution of 2025 final dividend of HK$0.016 per share, which was paid on 9 July 2026.

Note:

(1) Other changes in equity mainly represented foreign currency translation effects arising from related party transactions.

MANAGEMENT DISCUSSION AND ANALYSIS

4. CAPITAL MANAGEMENT

For the purpose of stable capital management and subject to the changes in economic environment, the Group has adopted prudential capital management strategy. The Group regulates capital structure and financial management efficiency through financial return criteria (i.e. "return on average equity", "return on average total assets" and others) and leverage ratio (i.e. "gearing ratio").

The following table sets forth the key financial ratios of the Group:

	For the six months ended 30 June	
	2026	2025
Return on average equity[(1)]	**0.7%**	0.6%
Return on average total assets[(2)]	**0.2%**	0.2%
Gearing ratio[(3)]	**69.1%**	69.0%

Notes:

(1) Return on average equity = profit for the period attributable to holders of ordinary shares of the Company/average balance of total equity at the beginning and the end of the period attributable to holders of ordinary shares of the Company, presented on an annualized basis.

(2) Return on average total assets = profit for the period attributable to holders of ordinary shares of the Company/average balance of total assets at the beginning and the end of the period, presented on an annualized basis.

(3) Gearing ratio = the total liabilities for the end of year or period/the total assets for the end of year or period. As at 31 December 2025, the Group's gearing ratio was 68.9%.

4.1 Return on Average Equity

In the first half of 2026, the Group's return on average equity was 0.7%, remaining relatively stable compared with the corresponding period of last year.

4.2 Return on Average Total Assets

In the first half of 2026, the Group's return on average total assets was 0.2%, remaining stable compared with the corresponding period of last year.

4.3 Gearing Ratio

As at 30 June 2026, the Group's gearing ratio was 69.1%, representing an increase of 0.2% as compared with that of 68.9% at the end of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

5. CAPITAL EXPENDITURE

The Group's capital expenditure consisted of additions to property, plant and equipment and other intangible assets. In the first half of 2026, our capital expenditure amounted to RMB961,682,000, representing an increase of 16.6% as compared with RMB824,817,000 for the same period of last year. The Group intends to finance future capital expenditure plans through cash flow from operating activities and bank and other borrowings.

6. RISK MANAGEMENT

The Group is exposed to various types of financial risks in the ordinary course of business, including foreign currency risk, liquidity risk etc. Overall risk management strategy of the Group focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

6.1 Foreign Currency Risk

The Group's monetary assets, liabilities and transactions are principally denominated in RMB, and the business dominated in other currencies is still in the preliminary stage of development with a relatively small scale. As at 30 June 2026, the Group adopted prudent currency risk management, and most of currencies, excluding those hedged by derivative financial instruments against foreign exchange exposure, owned by the Group were dominated with RMB. Therefore, the Group's foreign exchange risk exposure is limited and there is a low foreign currency risk.

6.2 Liquidity Risk

The Group's objective is to maintain balance between continuity of funding and flexibility by using interest-bearing bank and other borrowings. The Group managed to control the liquidity risk through the following measures: (i) optimize our financing structure by expanding long-term financing products to mitigate the maturity mismatches between assets and liabilities; and (ii) operate effective capital plan and management mechanism and maintain a certain percentage of capital position to ensure the safe liquidity.

7. PLEDGE OF ASSETS

As at 30 June 2026, the Group had pledged its property, plant and equipment of RMB5,602,704,000 to non-bank financial institutes in order to secure other borrowings, and used deposits of RMB105,080,000 as collateral for non-bank borrowings.

8. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 30 June 2026 and 31 December 2025, the Group did not have any material contingent liability, guarantees or any other material litigation or claims outstanding or threatened against the Group that could have a material adverse effect on its business, financial condition or results of operations.

MANAGEMENT DISCUSSION AND ANALYSIS

As at the dates indicated, the capital commitments of the Group are as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
Contracted, but not provided for:		
Purchase of plant and machinery	143,722	29,980

9. MATERIAL INVESTMENTS, ACQUISITIONS OR DISPOSALS

On 13 March 2026, Tianjin Hongtou Enterprise Management Co., Ltd. ("Tianjin Hongtou", being a wholly-owned subsidiary of the Company) and Shanghai Depeng Industrial Co., Ltd. ("Shanghai Depeng", being a wholly-owned subsidiary of Far East Horizon) entered into an equity transfer agreement, pursuant to which Tianjin Hongtou has conditionally agreed to acquire and Shanghai Depeng has conditionally agreed to sell 25.6306% of the equity interest in Shanghai Hongzuo New Energy Technology Co., Ltd. ("Shanghai Hongzuo" or "Target Company") held by it at a consideration of RMB77,402,873.02. On 31 March 2026, all the conditions precedent to the equity transfer agreement had been fulfilled, and therefore the equity transfer agreement has become unconditional. The acquisition has completed accordingly. The acquisition facilitates the Company and Shanghai Hongzuo's creation of strategic synergies in the Middle East and Southeast Asia markets, as well as their joint expansion of opportunities across the overseas distributed photovoltaic upstream and downstream industries, which realizes the overall interests of the Company and its shareholders.

For details, please refer to the announcements of the Company dated 13 March 2026 and 9 April 2026, respectively.

Save as disclosed above, the Group did not have any material investments, acquisitions or disposals of subsidiaries, associates and joint ventures in the first half of 2026.

10. HUMAN RESOURCES

As at 30 June 2026, the Group had a total of 4,249 employees (same period of 2025: 4,317 employees).

10.1 Share Incentive Scheme

With a view of promoting the Group to establish and improve the medium-long term incentive and restriction mechanisms for fully motivating initiative of the management, attracting and retaining the excellent management talents, and effectively integrating the interests of shareholders, the Company and the management to guarantee the long-term, stable and healthy development, the Company, as considered and approved by the board of directors, established an equity incentive plan in 2024, including a restricted share award scheme and a share option scheme.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company adopted the 2024 restricted share award scheme (the "2024 Restricted Share Award Scheme") on 12 March 2024 and the 2024 share option scheme (the "2024 Share Option Scheme") on 4 June 2024. For details of the 2024 Restricted Share Award Scheme, please refer to the announcement of the Company dated 12 March 2024. For details of the 2024 Share Option Scheme, please refer to the announcements of the Company dated 12 March 2024 and 4 June 2024 as well as the circular of the Company dated 2 May 2024.

10.1.1 **2024 Share Option Scheme**

During the reporting period, no options were granted under the 2024 Share Option Scheme. A summary of the movements of the outstanding share options under the 2024 Share Option Scheme during the reporting period is as follows:

					Number of share options					
Grantee	Grant date	Vesting period	Exercise period	Exercise price per Share HK$	Outstanding as at 1 January 2026	Granted	Exercised	Lapsed	Cancelled	**Outstanding as at 30 June 2026**
		(Note 1)	(Note 2)	(Notes 3 to 4)		(Note 5)	(Note 6)			
ZHAN Jing Executive Director and Chief Executive Officer	8 August 2025	8 August 2026 – 8 August 2028	8 August 2026 – 8 August 2035	1.34	2,420,000	–	–	–	–	**2,420,000**
TANG Li Executive Director and Co-Chief Financial Officer	8 July 2024	8 July 2025 – 8 July 2027	8 July 2025 – 8 July 2034	1.45	406,667	–	–	–	–	**406,667**
TANG Li Executive Director and Co-Chief Financial Officer	8 August 2025	8 August 2026 – 8 August 2028	8 August 2026 – 8 August 2035	1.34	330,000	–	–	–	–	**330,000**
Subtotal for Directors					3,156,667	–	–	–	–	**3,156,667**
Employees	8 July 2024	8 July 2025 – 8 July 2027	8 July 2025 – 8 July 2034	1.45	5,958,669	–	–	466,667	–	**5,492,002**
Employees	8 August 2025	8 August 2026 – 8 August 2028	8 August 2026 – 8 August 2035	1.34	6,050,000	–	–	570,000	–	**5,480,000**
Total					15,165,336	–	–	1,036,667	–	**14,128,669**

MANAGEMENT DISCUSSION AND ANALYSIS

Note 1: Subject to the 2024 Share Option Scheme Rules, the share options granted are subject to a vesting scheme in three tranches: one-third shall be vested on the first anniversary of the grant date; one-third shall be vested on the second anniversary of the grant date; and the remaining shall be vested on the third anniversary of the grant date.

Note 2: According to the 2024 Share Option Scheme, the share options shall be exercised within the Share Option Period. "Share Option Period" shall mean, in respect of any particular share option, a period (which may not be later than 10 years from the offer date of that share option) to be determined and notified by the Board or the Administration Committee to the grantee thereof and, in the absence of such determination, from the offer date to the earlier of (i) the date on which such share option lapses; and (ii) 10 years from the offer date of such share option. There is no minimum period for which any vested share option must be held before it can be exercised, and no performance target is required for a grantee before the exercise of vested share options.

Note 3: The exercise price is not less than the higher of: (i) the closing price of HK$1.45 per Share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 8 July 2024 (i.e. the grant date); and (ii) the average closing price of approximately HK$1.35 per Share as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 8 July 2024. The closing price immediately preceding the date of grant of share options was HK$1.56 per Share.

Note 4: The exercise price is not less than the higher of: (i) the closing price of HK$1.34 per Share on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on 8 August 2025 (i.e. the grant date); and (ii) the average closing price of approximately HK$1.28 per Share as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding 8 August 2025. The closing price immediately preceding the date of grant of share options was HK$1.28 per Share.

Note 5: The performance targets attached to the grant of options include (a) measurable performance benchmark which the Board considers relevant to the grantee, such as key performance indicators of respective department(s) and/or subsidiary(ies) to which the grantee belongs, individual position, ranking, annual appraisal results and performance of the grantee as determined under the Company's employee performance evaluation system; (b) the grantee's fulfilment of milestones with respect to, including but not limited to, the business development of the Group; (c) such performance targets as the Board considers appropriate, such as the Company's annual results, the annual growth in the revenue of the Group as compared to the previous financial year and the performance of the Group. The Board or the Administration Committee will conduct assessment by comparing the actual performance, operating or financial results of the Company, the Company's subsidiary(ies) and the actual performance of the grantee with the pre-determined targets or individual performance indicators to determine whether or to what extent the performance targets have been met. Such pre-determined targets or individual performance indicators specified in the Share Option Offer letter may be set by the Board or the Administration Committee on a case by case basis with reference to factors including the specific position and role of the relevant grantee, and the overall business plan, strategy and the expected financial performance of the Group in the relevant period. The performance targets will be deemed to be met when the actual level achieved reaches or exceeds the level of the pre-determined targets or individual performance indicators. For details, please refer to the section headed "V. Grant of Share Options" set forth in Appendix I to the circular of the Company dated 2 May 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Note 6: No options were exercised under the 2024 Share Option Scheme during the reporting period. Therefore, the weighted average closing price of such shares immediately prior to the exercise date of the options as required to be disclosed under Rule 17.07(1)(d) of the Listing Rules is not applicable.

Note 7: On 1 January 2026, the number of share options that may be granted under the 2024 Share Option Scheme was 32,793,324, while the number of share options that are available for grant under the 2024 Share Option Scheme as at the end of the reporting period was 33,829,991. The number of shares to be issued under the share options granted but remain outstanding was 14,128,669. The weighted average number of shares that may be issued in respect of share options granted under the 2024 Share Option Scheme divided by the number of shares in issue (excluding treasury shares) during the reporting period is 0.4%.

10.1.2 2024 Restricted Share Award Scheme

During the reporting period, no shares were granted or vested pursuant to the 2024 Restricted Share Award Scheme. The number of shares available for grant under the 2024 Restricted Share Award Scheme was 79,029,867 Shares as at 30 June 2026. Grantees under such award scheme are not required to pay any amount upon acceptance of restricted shares awards granted.

				Movements of the number of Restricted Shares during the reporting period				
Grantee	Grant date	Vesting period	Outstanding as at 1 January 2026	Granted	Vested	Lapsed	Cancelled	**Outstanding as at 30 June 2026**
		(Note 1)		(Notes 2 and 3)	(Note 4)	(Note 5)		
ZHAN Jing Executive Director and Chief Executive Officer	8 August 2025	8 August 2026 – 8 August 2028	5,650,000	–	–	–	–	**5,650,000**
TANG Li Executive Director and Co-Chief Financial Officer	8 July 2024	8 July 2025 – 8 July 2027	946,667	–	–	–	–	**946,667**
TANG Li Executive Director and Co-Chief Financial Officer	8 August 2025	8 August 2026 – 8 August 2028	760,000	–	–	–	–	**760,000**
Subtotal for Directors			7,356,667	–	–	–	–	**7,356,667**
Employees	8 July 2024	8 July 2025 – 8 July 2027	12,413,339	–	–	1,093,333	–	**11,320,006**
Employees	8 August 2025	8 August 2026 – 8 August 2028	14,030,000	–	–	1,330,000	–	**12,700,000**
Subtotal for employees			26,443,339	–	–	2,423,333	–	**24,020,006**
Total			33,800,006	–	–	2,423,333	–	**31,376,673**

MANAGEMENT DISCUSSION AND ANALYSIS

Note 1: Subject to the 2024 Restricted Share Award Scheme Rules, upon satisfaction of vesting conditions, the Restricted Shares granted to the grantees are subject to a vesting scheme in three tranches: one-third shall be vested on the first anniversary of the granting date; one-third shall be vested on the second anniversary of the granting date; and the remaining shall be vested on the third anniversary of the granting date. The exercise period for Restricted Shares granted has not been specified under the rules of the award scheme.

Note 2: According to the 2024 Restricted Share Award Scheme Rules, in determining the number of Restricted Shares to be granted to any selected grantee, the Board or the Administration Committee shall take into account certain matters, including but not limited to: i. the current and expected contribution of the Group's profits from relevant selected grantees; ii. the expertise, skills or experience, performance and synergies at work and achievement of performance targets of relevant selected grantees; iii. the general financial condition, overall business objectives and future development plans of the Group; and iv. any other matters that the Board or the Administration Committee deems relevant. The grantee of Restricted Shares is not required to pay any consideration for the acceptance of the Restricted Share awards granted. For details, please refer to the announcement of the Company dated 12 March 2024.

Note 3: The closing prices immediately preceding the date of grant of Restricted Shares, i.e. 8 July 2024 and 8 August 2025, were HK$1.56 per Share and HK$1.28 per Share, respectively.

Note 4: No shares were vested under the 2024 Restricted Share Award Scheme during the reporting period. Therefore, the weighted average closing price of such shares immediately prior to the vesting date as required to be disclosed under Rule 17.07(1)(d) of the Listing Rules is not applicable.

Note 5: As at 1 January 2026, the number of shares that may be granted under the 2024 Restricted Share Award Scheme was 76,606,534. As at 30 June 2026, the number of shares that may be granted under the 2024 Restricted Share Award Scheme was 79,029,867.

Note 6: The 2024 Restricted Share Award Scheme does not involve the issue of new shares. Therefore, the weighted average number of Shares that may be issued in respect of the Restricted Shares granted under the 2024 Restricted Share Award Scheme during the reporting period divided by the number of issued shares (excluding treasury shares) during the reporting period as required to be disclosed under Rule 17.07(3) of the Listing Rules is not applicable.

10.2 Employee benefits

The Group provides competitive remuneration packages for employees based on their qualifications, capabilities, performance and comparable information on the market, in order to attract, retain and encourage excellent talents. The remuneration packages generally include salary, contributions to pension schemes and discretionary bonuses. The Group also offers training for employees. The Group will regularly review the remuneration packages to reflect market practices and employees' performance.

The Chinese employees of the Group are entitled to participate in several government-regulated housing fund, medical insurance and other social insurance schemes. The Group makes monthly contributions to those funds based on a certain percentage of employees' salaries, subject to certain ceilings. The Group's obligations in respect of these funds are limited to the contributions payable each year. The contributions to the housing fund, medical insurance and other social insurance are expensed when incurred. In accordance with the PRC Labor Law, the Group has made contributions to social insurance (including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity

MANAGEMENT DISCUSSION AND ANALYSIS

insurance) and the housing fund for employees. The Group also provides supplemental medical insurance, group accident insurance and employer liability insurance to its employees in addition to those required under the PRC regulations. As at 30 June 2026, the Group complied with all statutory social insurance and housing fund obligations applicable to the Group under the PRC laws in all material aspects.

11. EVENTS AFTER THE REPORTING PERIOD

The Group had no significant subsequent events which are required to be disclosed after 30 June 2026 up to the date of this report.

12. FUTURE PROSPECT

To navigate the downward cyclical pressure on the domestic construction industry and to seize the incremental growth opportunities in overseas markets, the Group has maintained its strategic focus and firmly committed to the implementation of its "Three + Three + Three" development strategy. Guided by a market-oriented approach and a customer-centric mindset, the Group has continued to deepen the optimization and adjustment of its asset structure and business mix. Leveraging the concept of lean operations, the Group has comprehensively upgraded its operation and management system, steadily advancing towards its development vision of becoming a "first-class global enterprise", and consistently creating long-term value for all stakeholders.

On the domestic market front, the Group will continue to promote lean operations and reinforce its operational foundation, to comprehensively enhance its resilience against cyclical downturns and risks. Driven by a customer-centric approach, the Group will implement refined customer management, build a full-lifecycle customer service system, and continuously optimize service quality and customer loyalty. Concurrently, the Group will pursue precise alignment of its asset structure with market demand, develop innovative service models such as multi-industry solutions and urban ecosystems offerings, optimize full-lifecycle asset management, and steadily improve asset operational efficiency.

On the overseas market front, the Group will steadily advance its global footprint, leveraging the comparative advantages of the domestic supply chain to capture incremental opportunities in its overseas business. In countries where the Group already established a presence, it will continuously refine its management standards, deepen localized operations, and provide robust empowerment and support through its standardized system, thereby ensuring the stable and sound operation of its overseas business. At the same time, the Group will closely track emerging markets with growth potential across the world, and continue to broaden and enhance its international business presence.

The Group will remain steadfast in implementing its established development strategy, coordinating high-quality resources both domestically and internationally, precisely capturing industry development opportunities, deepening synergies and linkages across business segments, and continuously building its core competitive barriers. In parallel, the Group will comprehensively upgrade its refined management system to promote the steady improvement of operational quality and efficiency, positioning the Company to enter a new stage of development characterized by higher quality and greater resilience.

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests or short positions of the directors and chief executives of the Company in 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 (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, were detailed as follows:

(1) Interest in the Company:

Name of the director and chief executive	Capacity/nature of interest	Total number of ordinary Shares[1]	Approximate percentage of interest[2]
KONG Fanxing	Beneficial owner	8,078,052 (L)	0.25%
ZHAN Jing	Beneficial owner	17,928,186 (L)[3]	0.56%
TANG Li	Beneficial owner	2,682,459 (L)[4]	0.08%
XU Huibin	Beneficial owner	1,215,290 (L)	0.03%
HE Ziming	Beneficial owner	3,030,665 (L)	0.09%
	Interest in a controlled corporation	102,620,112 (L)[5]	3.21%
	Interest of spouse	105,449,332 (L)[6]	3.29%
GUO Lina	Beneficial owner	122,184 (L)	0.00%
LIU Jialin	Beneficial owner	27,777 (L)	0.00%
	Interest of spouse	27,777 (L)	0.00%

Notes:

(1) The letter "L" denotes the person's long position in the shares of the Company (the "Shares").

(2) The percentage is calculated on the basis of 3,197,244,000 Shares in issue of the Company as at 30 June 2026.

DISCLOSURE OF INTERESTS

(3) These interests include (i) 2,420,000 Shares in respect of the share options granted under the 2024 Share Option Scheme of the Company; (ii) 5,650,000 Shares in respect of the award shares granted under the 2024 Restricted Share Award Scheme of the Company; and (iii) in addition to the foregoing interests, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, interests held by Mr. Zhan Jing as a beneficial owner in 9,858,186 ordinary shares of the Company as at 30 June 2026. For details of the schemes, please refer to the 2025 annual report of the Company.

(4) These interests include (i) 736,667 Shares in respect of the share options granted under the 2024 Share Option Scheme of the Company; (ii) 1,706,667 Shares in respect of the award shares granted under the 2024 Restricted Share Award Scheme of the Company; and (iii) in addition to the foregoing interests, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, interests held by Mr. Tang Li as a beneficial owner in 239,125 ordinary shares of the Company as at 30 June 2026. For details of the schemes, please refer to the 2025 annual report of the Company.

(5) Farsighted Wit Limited is wholly owned by Tianjin Hongjian Enterprise Management Consulting Center (Limited Partnership) ("Tianjin Hongjian"). The limited partner of Tianjin Hongjian holding more than one-third of partnership interest in Tianjin Hongjian is Tianjin Lanjin Enterprise Management Consulting Center (Limited Partnership) ("Tianjin Lanjin"), which is controlled by Tianjin Hongsheng Leasing Co., Ltd. as a general partner and owned more than one-third of partnership interest by Mr. HE Ziming as a limited partner. In addition, Shanghai Lanjin Stone Decoration Co., Ltd., (上海藍金石材裝飾有限公司) is wholly owned by Mr. HE Ziming. Accordingly, Mr. HE Ziming is deemed to be interested in the 102,620,112 Shares held by Farsighted Wit Limited and Shanghai Lanjin Stone Decoration Co., Ltd., (上海藍金石材裝飾有限公司) for the purpose of Part XV of the SFO.

(6) Ms. LIU Lifang, the spouse of Mr. HE Ziming, holds the Shares through Lanjin Limited, which was incorporated in the British Virgin Islands as an exempted company with limited liability and is wholly owned by Ms. LIU Lifang.

DISCLOSURE OF INTERESTS

(2) Interests in the Shares or Underlying Shares of Associated Corporations of the Company:

Name of the director or chief executive	Name of associated corporation	Nature of interest	Number of shares/ underlying shares[1]	Approximate percentage of interest in shares/underlying shares of associated corporation[7]
KONG Fanxing	Far East Horizon	Beneficial owner	103,574,032 (L)[2]	2.14%
		Interest in a controlled corporation	868,947,897 (L)[3]	18.03%
XU Huibin	Far East Horizon	Beneficial owner	16,667,577 (L)[4]	0.34%
ZHAN Jing	Far East Horizon	Beneficial owner	16,750,126 (L)[5]	0.34%
GUO Lina	Far East Horizon	Beneficial owner	1,362,953 (L)[6]	0.02%
HE Ziming	Far East Horizon	Beneficial owner	7,080,000 (L)	0.14%
TANG Li	Far East Horizon	Beneficial owner	64 (L)	0.00%
LIU Jialin	Far East Horizon	Beneficial owner	125,000 (L)	0.00%
		Interest of spouse	125,000 (L)	0.00%

Notes:

(1) The letter "L" denotes long position in the shares/underlying shares.

(2) These interests include Mr. KONG Fanxing's entitlement to receive shares in Far East Horizon pursuant to share schemes of Far East Horizon.

(3) These interests include 272,237,062 shares held directly by Idea Delicacy Limited, 40,726,000 shares held directly by Powerful Force HK Limited, 159,670,000 shares held directly by Will of Heaven HK Limited, 107,503,000 shares held directly by Swallow Gird HK Limited, 197,945,000 shares held directly by Energon HK Limited and an aggregate of 90,866,835 shares held directly by certain employees of Far East Horizon. All of them and their employees had unconditionally, irrevocably and permanently entrusted Idea Prosperous Limited, a company 100% owned by Mr. KONG Fanxing, to exercise the voting rights attached to the shares.

(4) These interests include Mr. XU Huibin's entitlement to receive shares in Far East Horizon pursuant to share schemes of Far East Horizon.

(5) These interests include Mr. ZHAN Jing's entitlement to receive shares in Far East Horizon pursuant to share schemes of Far East Horizon.

DISCLOSURE OF INTERESTS

(6) These interests include Ms. GUO Lina's entitlement to receive shares in Far East Horizon pursuant to share schemes of Far East Horizon.

(7) The percentage is calculated on the basis of 4,818,107,647 shares in issue of Far East Horizon as at 30 June 2026.

Saved as disclosed above, as at 30 June 2026, none of the directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register kept by the Company pursuant of Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES

Based on the information available to the directors of the Company, as at 30 June 2026 (including such information as was available on the website of the Stock Exchange) or so far as they are aware of, as at 30 June 2026, other than the directors and chief executives of the Company, the entities or individuals who had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company under section 336 of the SFO or had otherwise notified to the Company were as follows:

Name of the shareholder	Nature of interest	Number of ordinary Shares[1]	Approximate percentage of interest[2]
Far East Horizon	Beneficial owner	1,333,247,413 (L)	41.70%
	Interest in a controlled corporation	102,130,000 (L)[3]	3.19%
Farsighted Wit Limited	Beneficial owner	102,130,000 (L)[3]	3.19%
Tianjin Hongsheng Leasing Co., Ltd.	Interest in a controlled corporation	102,130,000 (L)[3]	3.19%
Tianjin Hongjian Enterprise Management Consulting Center (Limited Partnership)	Interest in a controlled corporation	102,130,000 (L)[3]	3.19%
Tianjin Lanjin Enterprise Management Consulting Center (Limited Partnership)	Interest in a controlled corporation	102,130,000 (L)[3]	3.19%
International Far Eastern Leasing Co., Ltd.	Interest in a controlled corporation	102,130,000 (L)[3]	3.19%
Far East Horizon (Tianjin) Financial Leasing Co., Ltd.	Interest in a controlled corporation	102,130,000 (L)[3]	3.19%

DISCLOSURE OF INTERESTS

Notes:

(1) The letter "L" denotes the long position in the Shares.

(2) The percentage is calculated on the basis of 3,197,244,000 shares in issue as at 30 June 2026.

(3) Tianjin Hongsheng is owned as to 100% by Far East Horizon (Tianjin) Financial Leasing Co., Ltd., which is in turn owned as to 55.38% by Far East Horizon and 44.62% by International Far Eastern Leasing Co., Ltd. (a wholly-owned subsidiary of Far East Horizon). Please refer to Note (5) of the section headed "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations – (1) Interests in the Company" for further details of the shareholding structure.

Saved as disclosed above, as at 30 June 2026, the register required to be kept under section 336 of the SFO showed that the Company had not been notified by any person of any interest or short position in the Shares or underlying Shares.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE CODE

The Company has applied the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the Listing Rules.

The Company has complied with the code provisions of the CG Code throughout the period from 1 January 2026 to 30 June 2026, except for Code Provision F.1.3 as explained below.

Code Provision F.1.3 of the CG Code stipulates that, among others, the chairman of the board should attend the annual general meeting of listed issuers and invite the lead independent non-executive director (if any) and the chairmen of the audit committee, remuneration committee, nomination committee and any other committees (as appropriate) to attend. In the absence of any committee chairman, the chairman of the board should invite another member of the committee or failing this their duly appointed delegate, to attend. These persons should be available to answer relevant questions at the annual general meeting.

At the annual general meeting (the "AGM") of the Company held on 9 June 2026, Mr. KONG Fanxing (Chairman of the Board), Mr. XU Min (Chairman of the Audit Committee and member of the Environmental, Social and Governance Committee), Ms. JIN Jinping (Chairwoman of the Nomination Committee and the Remuneration Committee and member of the Audit Committee), Mr. SUM Siu Kei (Chairman of the Environmental, Social and Governance Committee and member of the Audit Committee), Mr. XU Huibin (member of the Nomination Committee), Mr. HE Ziming (member of the Environmental, Social and Governance Committee), Ms. GUO Lina (member of the Remuneration Committee) and Mr. LIU Jialin (lead independent non-executive Director and member of the Nomination Committee and the Remuneration Committee) were unable to attend due to other work commitments. In order to ensure the smooth holding of the AGM, Mr. ZHAN Jing (executive Director and chief executive officer) chaired the AGM, while Mr. TANG Li (executive Director and co-chief financial officer) attended the AGM, and answered questions where necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct for its Directors and relevant employees regarding their dealings in the Company's securities.

Specific enquiries have been made to all the Directors and the Directors have confirmed that they had complied with the Model Code throughout the six months ended 30 June 2026.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the period from 1 January 2026 to 30 June 2026, the Board has been in compliance with Rule 3.10(1) of the Listing Rules, which requires a listed company to maintain at least three independent non-executive directors on the board; with Rules 3.10(2) of the Listing Rules, which requires one of those independent non-executive directors to be specialized in accounting or relevant financial management; and with Rule 3.10A of the Listing Rules, which requires independent non-executive directors to represent at least one-third of the board.

CORPORATE GOVERNANCE

AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with Rules 3.21 and 3.22 of the Listing Rules. The Audit Committee comprises three members, including Mr. XU Min, as Chairman, Mr. SUM Siu Kei and Ms. JIN Jinping. This interim report has been reviewed by the Audit Committee.

The Audit Committee has reviewed, with the management and the external auditor, the condensed consolidated financial statements for the six months ended 30 June 2026 of the Group, including the accounting principles and practices adopted by the Group.

OTHER INFORMATION

IMPLEMENTATION OF DISTRIBUTION OF 2025 FINAL DIVIDEND

According to the proposal in relation to dividend distribution, which was considered and passed at the AGM held on 9 June 2026, the Group has paid a dividend of HK$0.016 per share to shareholders whose names appeared on the register of members of the Company on 17 June 2026, thereby resulting in a total dividend payment amount of approximately HK$51,156,000.

INTERIM DIVIDEND

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2026. As of 30 June 2026, no treasury shares (as defined under the Listing Rules) were held by the Company.

MEMORANDUM AND ARTICLES OF ASSOCIATION

Shareholders have approved and the Company has adopted the fifth amended and restated memorandum and articles of association proposed at the AGM held on 9 June 2026, so that the memorandum and articles of association of the Company is in compliance with the latest legal and regulatory requirements, which include, among others, (i) enabling the serving of notices and documents by electronic means, the execution of proxy instruments and other documents of the Company by electronic means, the receipt of notices and documents by shareholders of the Company ("Shareholders") via their publication on the Company's website or the website of The Stock Exchange of Hong Kong Limited, and giving instructions by Shareholders by electronic means in accordance with the amended articles; (ii) enabling any general meeting to be held physically, as a hybrid meeting (partially physical and partially electronic) or entirely by electronic means, and attendance, participation and voting by electronic means; (iii) enabling Shareholders to receive corporate action proceeds and the payment of subscription monies to Shareholders electronically; and (iv) making necessary and consequential updates to align the existing articles of the Company with the applicable laws of the Cayman Islands and the Listing Rules.

For details of the fifth amended and restated memorandum and articles of association of the Company, please refer to the announcement of the Company dated 10 March 2026 and the circular of the Company dated 28 April 2026, respectively.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Since the publication of the 2025 annual report of the Company and as at the date of this report, there have been no changes to the Director's information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INDEPENDENT REVIEW REPORT

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To the board of directors of Horizon Construction Development Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 59 to 132, which comprises the condensed consolidated statement of financial position of Horizon Construction Development Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. 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") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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* as issued by the HKICPA. A review of interim financial information 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 interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
4 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	5	**4,024,060**	4,350,062
Cost of sales	7	**(2,903,598)**	(3,409,395)
Gross profit		**1,120,462**	940,667
Other income and gains	6	**97,469**	104,327
Selling and distribution expenses	7	**(206,319)**	(242,505)
Administrative expenses	7	**(560,076)**	(519,907)
Expected credit losses ("ECLs") on financial and contract assets, net	7	**(63,842)**	186,877
Other expenses	7	**(15,408)**	(18,113)
Finance costs	8	**(319,205)**	(401,070)
PROFIT BEFORE TAX	7	**53,081**	50,276
Income tax expense	9	**(16,479)**	(14,786)
PROFIT FOR THE PERIOD		**36,602**	35,490
Attributable to:			
Owners of the parent		**36,602**	35,490
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	11	RMB	RMB
Basic			
Earnings per share		**0.01**	0.01
Diluted			
Earnings per share		**0.01**	0.01

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**36,602**	35,490
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	**6,392**	(1,054)
Offset of foreign exchange (losses)/gains	**(5,558)**	2,884
Income tax effect	**–**	(193)
Exchange differences:		
Exchange differences on translation of foreign operations	**(269,324)**	(33,983)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(268,490)**	(32,346)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(268,490)**	(32,346)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(231,888)**	3,144
Attributable to:		
Owners of the parent	**(231,888)**	3,144

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

		30 June 2026	31 December 2025
	Notes	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	20,901,421	21,583,432
Right-of-use assets	13(a)	818,567	904,417
Goodwill	14	173,979	173,979
Other intangible assets	15	5,296	5,511
Investments in associates	16	78,413	653
Prepayments, other receivables and other assets	19	670,751	663,097
Deferred tax assets	17	457,565	386,667
Total non-current assets		23,105,992	23,717,756
CURRENT ASSETS			
Inventories	18	414,859	405,931
Trade receivables	20	7,136,349	6,836,100
Contract assets	21	580,255	660,263
Prepayments, other receivables and other assets	19	2,196,065	2,076,258
Debt investments at fair value through other comprehensive income	22	696,359	1,061,829
Restricted bank balances	23	243,476	88,205
Cash and cash equivalents	23	1,428,649	1,522,005
Total current assets		12,696,012	12,650,591
CURRENT LIABILITIES			
Trade and bills payables	24	3,148,545	2,924,244
Other payables and accruals	25	825,364	970,097
Derivative financial instruments		10,906	17,298
Interest-bearing bank and other borrowings	26	7,386,690	7,294,708
Lease liabilities	13(b)	236,514	225,534
Tax payables		38,305	96,939
Total current liabilities		11,646,324	11,528,820
NET CURRENT ASSETS		1,049,688	1,121,771
TOTAL ASSETS LESS CURRENT LIABILITIES		24,155,680	24,839,527

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

		30 June 2026	31 December 2025
	Notes	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Other payables and accruals	25	**34,750**	24,930
Interest-bearing bank and other borrowings	26	**12,580,782**	13,033,497
Lease liabilities	13(b)	**344,831**	382,318
Financial liabilities at fair value through profit or loss		**73,937**	73,937
Deferred tax liabilities	17	**61,598**	–
Total non-current liabilities		**13,095,898**	13,514,682
Net assets		**11,059,782**	11,324,845
EQUITY			
Equity attributable to owners of the parent			
Share capital	27	**421**	421
Reserves	30	**11,059,361**	11,324,424
Total equity		**11,059,782**	11,324,845

Zhan Jing	**Tang Li**	**Shan Jianlin**
Director	*Director*	*Co-Chief Financial Officer*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent									
	Share capital	Share premium*	Merger reserve*	Capital reserve*	Shares held for the share award scheme*	Share-based compensation reserve*	Special reserve*	Other comprehensive income*	Retained profits*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 27)	(note 30)	(note 30)	(note 30)	(note 29)		(note 30)			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 31 December 2025 (Audited)	421	7,533,457	(29,862)	394,456	(87,486)	19,663	177,389	(155,547)	3,472,354	11,324,845
Profit for the period	-	-	-	-	-	-	-	-	36,602	36,602
Other comprehensive income for the period:										
Cash flow hedges, net of tax	-	-	-	-	-	-	-	834	-	834
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(269,324)	-	(269,324)
Total comprehensive income for the period	-	-	-	-	-	-	-	(268,490)	36,602	(231,888)
Dividends	-	-	-	-	-	-	-	-	(43,614)	(43,614)
Recognition of equity-settled share-based payments	-	-	-	-	-	10,439	-	-	-	10,439
Special reserve – safety fund appropriation	-	-	-	-	-	-	2,761	-	(2,761)	-
At 30 June 2026	421	7,533,457	(29,862)	394,456	(87,486)	30,102	180,150	(424,037)	3,462,581	11,059,782

* These reserve accounts comprise the consolidated reserves of RMB11,059,361,000 in the interim condensed consolidated statement of financial position as at 30 June 2026.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent									
	Share capital	Share premium*	Merger reserve*	Capital reserve*	Shares held for the share award scheme*	Share-based compensation reserve*	Special reserve*	Other comprehensive income*	Retained profits*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 27)	(note 30)	(note 30)	(note 30)	(note 29)		(note 30)			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 31 December 2024 (Audited)	421	7,533,457	(29,862)	394,456	(89,455)	12,254	165,120	3,813	3,468,146	11,458,350
Profit for the period	–	–	–	–	–	–	–	–	35,490	35,490
Other comprehensive income for the period:										
Cash flow hedges, net of tax	–	–	–	–	–	–	–	1,637	–	1,637
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(33,983)	–	(33,983)
Total comprehensive income for the period	–	–	–	–	–	–	–	(32,346)	35,490	3,144
2024 annual dividend	–	–	–	–	–	–	–	–	(132,874)	(132,874)
Reverse of equity-settled share-based payments	–	–	–	–	–	(874)	–	–	–	(874)
Special reserve – safety fund appropriation	–	–	–	–	–	–	8,102	–	(8,102)	–
At 30 June 2025	421	7,533,457	(29,862)	394,456	(89,455)	11,380	173,222	(28,533)	3,362,660	11,327,746

* These reserve accounts comprise the consolidated reserves of RMB11,327,325,000 in the interim condensed consolidated statement of financial position as at 30 June 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		**53,081**	50,276
Adjustments for:			
Finance costs	8	**319,205**	401,070
Loss/(gain) on financial assets at fair value through profit or loss	6,7	**28**	(320)
Gain on disposal of items of property, plant and equipment and early termination of right-of-use assets	6	**(9,327)**	(6,448)
Loss on scrapped and physical items of property, plant and equipment	7	**319**	80
ECLs on financial and contract assets, net	7	**63,842**	(186,877)
Impairment of repossessed assets	7	**–**	4,081
Depreciation of property, plant and equipment	12	**1,392,710**	1,315,971
Depreciation of right-of-use assets	13(a)	**139,221**	204,789
Amortisation of other intangible assets	15	**328**	455
Deferred revenue		**–**	(9,822)
Equity-settled share-based payment expense	7	**10,439**	(874)
Provision	7	**2,461**	–
Exchange (gains)/losses	6, 7	**(6,031)**	5,624
		1,966,276	1,778,005
Decrease in inventories		**44,565**	174,790
Increase in trade receivables		**(374,257)**	(92,651)
Decrease/(increase) in debt investments at fair value through other comprehensive income		**193,816**	(276,838)
Decrease in prepayments, other receivables and other assets		**30,273**	287,875
Decrease in contract assets		**43,772**	61,451
Increase in restricted deposits		**(155,271)**	–
(Decrease)/increase in trade and bills payables		**(160,093)**	110,625
Decrease in other payables and accruals		**(156,872)**	(99,492)
Cash generated from operations		**1,432,209**	1,943,765
Tax paid		**(110,007)**	(163,399)
Net cash flows generated from operating activities		**1,322,202**	1,780,366

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Net cash flows generated from operating activities		**1,322,202**	1,780,366
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(529,155)**	(658,328)
Proceeds from disposal of items of property, plant and equipment		**22,263**	6,374
Additions to other intangible assets		**(113)**	–
Investment in associates		**(77,760)**	(380)
Acquisition of a subsidiary, net of cash acquired		**–**	(209,546)
Net cash received for investments		**–**	320
Net cash flows used in investing activities		**(584,765)**	(861,560)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings	31	**5,242,969**	4,057,102
Dividends paid		**–**	(2,411)
Interest paid	31	**(315,742)**	(397,235)
Deposits paid		**(12,540)**	55,005
Repayment of bank and other borrowings	31	**(5,609,261)**	(3,780,975)
Principal portion of lease payments, net	31	**(125,430)**	(160,977)
Placement of restricted deposits		**–**	(290,101)
Net cash flows used in financing activities		**(820,004)**	(519,592)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(82,567)**	399,214
Cash and cash equivalents at the beginning of period		**1,522,005**	1,783,418
Effect of foreign exchange rate changes, net		**(10,789)**	(6,052)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	23	**1,428,649**	2,176,580

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. CORPORATE INFORMATION

Horizon Construction Development Limited (the "Company") was incorporated in the Cayman Islands on 28 September 2020 as an exempted company with limited liability under the Companies Law Chapter 22 of the Cayman Islands. The registered address of the Company is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

The Company is an investment holding company. During the reporting period, the Company and its subsidiaries (the "Group") were principally engaged in the provision of the following services:

(i) Operating lease services, including operational leasing of aerial work platforms, turnover materials and mould bases;

(ii) Engineering and technical services, including construction and related services, electric power supply services, equipment repair and maintenance services and logistics services; and

(iii) Asset management and other services, including asset management services (mainly referring to subleasing services and related maintenance services) and sale of goods (mainly referring to the sale of new equipment, second-hand equipment and materials).

The immediate holding company of the Company is Far East Horizon Limited (the "Controlling Shareholder").

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The interim condensed consolidated financial information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

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*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to HKFRS Accounting Standards – Volume 11* set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(i) Operating lease services: Leasing of equipment and materials to customers and generating revenue mainly from rental fees payable by customers. The equipment and materials remain the property of the Group and are leased out to different customers with same or similar requirements;

(ii) Engineering and technical services: Provision of construction services, electric power supply services, equipment repair and maintenance services and logistics services, and related value-added services, and generating revenue mainly from service fees charged to customers; and

(iii) Asset management and other services: Subleasing and sale of equipment and materials.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income and gains (other than gain on disposal of items of property, plant and equipment and early termination of right-of-use assets), non-financial lease-related finance costs, ECLs of other receivables, as well as other expenses (other than loss on scrapped and physical items of property, plant and equipment).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

Segment assets exclude investment in associates, deferred tax assets, derivative financial instruments, restricted bank balances, cash and cash equivalents as well as other receivables and other assets.

Segment liabilities exclude other payables and accruals (other than lease deposits, salary and welfare payables, advances from customers, contract liabilities and dividend payables), interest-bearing bank and other borrowings, tax payables, derivative financial instruments, deferred tax liabilities, financial liabilities at fair value through profit or loss and deferred revenue.

As at and for the six months ended 30 June 2026

	Operating lease services	Engineering and technical services	Asset management and other services	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue (note 5)				
Sales to external customers	**2,636,011**	**769,486**	**618,563**	**4,024,060**
Intersegment sales	–	–	–	–
Revenue	**2,636,011**	**769,486**	**618,563**	**4,024,060**
Segment results	**394,140**	**(28,338)**	**(2,629)**	**363,173**
Reconciliation:				
Unallocated other income and gains				**10,721**
Unallocated other expenses				**(11,903)**
Unallocated finance costs				**(308,446)**
Unallocated ECLs				**(464)**
Profit before tax				**53,081**

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

As at and for the six months ended 30 June 2026 (continued)

	Operating lease services	Engineering and technical services	Asset management and other services	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment assets	24,123,187	6,543,257	641,830	31,308,274
Reconciliation:				
Corporate and other unallocated assets				4,493,730
Total assets				35,802,004
Segment liabilities	3,292,551	861,059	61,736	4,215,346
Reconciliation:				
Corporate and other unallocated liabilities				20,526,876
Total liabilities				24,742,222
Other segment information				
Impairment losses reversed in profit or loss, net	19,777	41,793	1,808	63,378
Unallocated impairment losses of financial and contract assets				464
Unallocated impairment losses of repossessed assets				–
Total impairment losses reversed in profit or loss, net				63,842
Depreciation and amortisation	1,229,048	303,211	–	1,532,259
Capital expenditure*	771,380	190,302	–	961,682

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

As at and for the six months ended 30 June 2025

	Operating lease services	Engineering and technical services	Asset management and other services	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue (note 5)				
Sales to external customers	2,265,244	1,138,882	945,936	4,350,062
Intersegment sales	–	–	–	–
Revenue	2,265,244	1,138,882	945,936	4,350,062
Segment results	326,732	19,909	14,916	361,557
Reconciliation:				
Unallocated other income and gains				97,879
Unallocated other expenses				(17,251)
Unallocated finance costs				(388,992)
Unallocated ECLs				(2,917)
Profit before tax				50,276
Segment assets	20,444,215	9,188,168	1,437,885	31,070,268
Reconciliation:				
Corporate and other unallocated assets				5,511,088
Total assets				36,581,356
Segment liabilities	2,273,083	1,071,964	64,013	3,409,060
Reconciliation:				
Corporate and other unallocated liabilities				21,844,550
Total liabilities				25,253,610
Other segment information				
Impairment losses reversed in profit or loss, net	(106,494)	(49,798)	(33,502)	(189,794)
Unallocated impairment losses of financial and contract assets				2,917
Unallocated impairment losses of repossessed assets				4,081
Total impairment losses reversed in profit or loss, net				(182,796)
Depreciation and amortisation	1,064,535	456,680	–	1,521,215
Capital expenditure*	577,201	247,616	–	824,817

* Capital expenditure consists of additions to property, plant and equipment, and other intangible assets during the period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from external customers		
Chinese Mainland	**3,063,673**	3,720,938
Outside Chinese Mainland	**960,387**	629,124
Total	**4,024,060**	4,350,062

The revenue information above is based on the locations of the customers. Revenue from outside the Chinese Mainland is mainly generated from Hong Kong, Southeast Asia and the Middle East markets.

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Total operating assets		
Chinese Mainland	**25,184,054**	26,354,769
Outside Chinese Mainland	**6,124,220**	5,849,427
Total	**31,308,274**	32,204,196

Information about major customers

Total operating revenue from sales to the five largest customers accounted for 11% of the Group's revenue for the period ended 30 June 2026 (30 June 2025: 11%).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

5. REVENUE

An analysis of the revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from operating lease income		
Operating lease services	**2,636,011**	2,265,244
Subleasing	**340,817**	660,842
Subtotal	**2,976,828**	2,926,086
Revenue from contracts with customers	**1,047,232**	1,423,976
Total	**4,024,060**	4,350,062

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

5. REVENUE (continued)

Revenue from contracts with customers:

(a) Disaggregated revenue information:

For the six months ended 30 June 2026

Segments	Engineering and technical services	Asset management and other services	Total
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Type of goods or services			
Engineering and technical services	769,486	–	769,486
Sale of goods	–	277,746	277,746
Total	769,486	277,746	1,047,232
Geographical markets			
Chinese Mainland	712,450	240,781	953,231
Outside Chinese Mainland	57,036	36,965	94,001
Total	769,486	277,746	1,047,232
Timing of revenue recognition			
Goods transferred at a point in time	–	277,746	277,746
Services transferred over time	769,486	–	769,486
Total	769,486	277,746	1,047,232

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

5. REVENUE (continued)

Revenue from contracts with customers: (continued)

(a) Disaggregated revenue information: (continued)

For the six months ended 30 June 2025

Segments	Engineering and technical services	Asset management and other services	Total
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Type of goods or services			
Engineering and technical services	1,138,882	–	1,138,882
Sale of goods	–	285,094	285,094
Total	1,138,882	285,094	1,423,976
Geographical markets			
Chinese Mainland	1,093,908	276,086	1,369,994
Outside Chinese Mainland	44,974	9,008	53,982
Total	1,138,882	285,094	1,423,976
Timing of revenue recognition			
Goods transferred at a point in time	–	285,094	285,094
Services transferred over time	1,138,882	–	1,138,882
Total	1,138,882	285,094	1,423,976

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

5. REVENUE (continued)

Revenue from contracts with customers: (continued)

(a) Disaggregated revenue information: (continued)

The following table shows the amounts of revenue recognised in the period that were included in the contract liabilities at the beginning of the respective period:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the period:		
Engineering and technical services	**50,151**	30,840
Sale of goods	**17,167**	30,178
Total	**67,318**	61,018

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

5. REVENUE (continued)

Revenue from contracts with customers: (continued)

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods.

Engineering and technical services

The performance obligation is satisfied over time as services are rendered. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of the reporting period are as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Amounts expected to be recognised as revenue:		
Within one year	685,295	453,615
After one year	293,698	194,407
Total	978,993	648,022

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year are related to engineering and technical services, of which the performance obligations are to be satisfied within three years. The amounts disclosed above do not include variable consideration which is constrained.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

6. OTHER INCOME AND GAINS

		For the six months ended 30 June	
		2026	2025
	Note	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other income			
Government grants	(a)	**77,421**	83,250
Bank interest income		**1,336**	3,923
Total other income		**78,757**	87,173
Other gains			
Gain on disposal of items of property, plant and equipment and early termination of right-of-use assets		**9,327**	6,448
Exchange gains		**6,031**	–
Gain on financial assets at fair value through profit or loss		**–**	320
Others		**3,354**	10,386
Total other gains		**18,712**	17,154
Total other income and gains		**97,469**	104,327

Note:

(a) Government grants

Government grants have been received from local government authorities as subsidies to the Group. In the opinion of management, there were no unfulfilled conditions or contingencies relating to these grants.

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government special subsidies	**77,421**	83,250

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

7. PROFIT BEFORE TAX

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

		For the six months ended 30 June	
		2026	2025
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cost of operating lease services		**1,781,125**	1,644,048
Cost of engineering and technical services provided		**624,544**	967,475
Cost of asset management and other services provided		**497,929**	797,872
Depreciation of property, plant and equipment[(a)]	12	**44,262**	31,737
Depreciation of right-of-use assets[(b)]	13(a)	**41,793**	35,354
Amortisation of intangible assets	15	**328**	455
Rental expenses	13(c)	**40,861**	37,157
Auditor's remuneration		**2,000**	2,000
Employee benefit expense (including directors' and chief executive's remuneration)			
Wages and salaries		**223,137**	233,466
Pension scheme contributions		**26,132**	25,813
Equity-settled share-based payment expense		**10,439**	(874)
Other employee benefits		**44,563**	52,070
ECLs on financial and contract assets:			
ECLs on financial assets included in prepayments, other receivables and other assets	19	**464**	2,917
ECLs on trade receivables	20	**59,968**	(157,924)
ECLs on contract assets	21	**36,236**	(5,105)
ECLs on debt investments at fair value through other comprehensive income	22	**(32,826)**	(26,765)
Impairment of repossessed assets		**–**	4,081
Research and development expenses:			
Current period expenditure		**94,937**	106,442
Business travelling and transportation expenses		**77,054**	88,464

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

7. PROFIT BEFORE TAX (continued)

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

		For the six months ended 30 June	
		2026	2025
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Taxes and surcharges		**49,369**	31,279
Office expenses		**23,980**	11,540
Property management service expenses		**22,790**	16,273
Information expenses		**14,152**	17,682
Consultancy fees		**13,694**	11,051
Litigation expenses		**12,305**	28,573
Commission expenses		**5,742**	10,255
Entertainment expenses		**3,752**	8,292
Provision		**2,461**	–
Advertising and promotional expenses		**1,736**	2,780
Loss on scrapped and physical items of property, plant and equipment		**319**	80
Exchange losses		**–**	5,624
Others		**25,997**	20,931

(a) Besides the depreciation as mentioned above, the depreciation of property, plant and equipment amounting to RMB1,348,448,000 for the six months ended 30 June 2026 was included in cost of sales and research and development expenses (30 June 2025: RMB1,284,234,000).

(b) Besides the depreciation as mentioned above, the depreciation of right-of-use assets amounting to RMB97,428,000 for the six months ended 30 June 2026 was included in cost of sales (30 June 2025: RMB169,435,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

8. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on interest-bearing bank and other borrowings	**308,446**	388,992
Interest on lease liabilities (note 13(c))	**10,759**	12,078
Total	**319,205**	401,070

9. INCOME TAX

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current		
Charge for the period	**25,779**	62,566
Deferred tax (note 17)	**(9,300)**	(47,780)
Total	**16,479**	14,786

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Company and the Group's subsidiaries incorporated in the Cayman Islands are not subject to any income tax.

According to applicable tax regulations prevailing in the PRC, dividends distributed by a company established in the Chinese Mainland to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% withholding tax. If a foreign investor is incorporated in Hong Kong, under the double taxation arrangement between the Chinese Mainland and Hong Kong, the relevant withholding tax rate applicable to such foreign investor will be reduced from 10% to 5% subject to the fulfilment of certain conditions.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

9. INCOME TAX (continued)

In the opinion of the directors of the Company, the Group's fund will be retained in the Chinese Mainland for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. As at 30 June 2026, the aggregate amount of unrecognised deferred tax liabilities (i.e., withholding taxes relating to such temporary differences) was approximately RMB195,304,000 (30 June 2025: RMB179,237,000).

Dividends distributed from certain jurisdictions in which the Group's entities operate are also subject to withholding tax at respective applicable tax rates.

The provision for the Chinese Mainland current income tax was based on a statutory rate of 25% of the taxable profits for the period as determined in accordance with the PRC Income Tax Law and the respective regulations.

Subsidiaries of the Group operating in the Chinese Mainland were subject to the PRC corporate income tax with a tax rate of 25% for the period except for the following subsidiaries:

Company name	Corporate income tax rate
Shanghai Horizon Equipment & Engineering Co., Ltd.	15%
Guangzhou Hongtu Equipment & Engineering Co., Ltd.	15%

Shanghai Horizon Equipment & Engineering Co., Ltd. was accredited as High and New Technology Enterprise (the "HNTE") since 2015, while Guangzhou Hongtu Equipment & Engineering Co., Ltd. was accredited as HNTE since 2020, and both of them were entitled to a preferential PRC corporate income tax rate of 15% thereafter. The HNTE certificates of Shanghai Horizon Equipment & Engineering Co., Ltd. and Guangzhou Hongtu Equipment & Engineering Co., Ltd. need to be renewed every three years in order to enable to enjoy the reduced tax rate of 15%. Shanghai Horizon Equipment & Engineering Co., Ltd. was entitled to a tax rate of 15% till 26 December 2027 and is expected to continue to enjoy this thereafter. Guangzhou Hongtu Equipment & Engineering Co., Ltd. was entitled to a tax rate of 15% till 28 December 2026 and is expected to continue to enjoy this thereafter.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

9. INCOME TAX (continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate for the period are as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before tax	**53,081**	50,276
Tax at the Income Tax rate of 25%	**13,270**	12,569
Effects of different tax rates applicable to different subsidiaries of the Group	**(8,615)**	(10,297)
Effects of preferential tax benefits to subsidiaries incorporated in the Chinese Mainland	**(6,881)**	(17,388)
Expenses not deductible for tax	**1,352**	3,550
Adjustment on current income tax in respect of prior periods	**3,937**	4,662
Utilisation of previously unrecognised tax losses and temporary differences	**(476)**	(423)
Unrecognised tax losses and temporary differences	**13,892**	22,113
Total tax charge at the Group's effective rate	**16,479**	14,786

Pillar Two income taxes

The Group is within the scope of Pillar Two model rules. The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current period. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group should benefit from the transitional safe harbour for all of the jurisdictions in which the Group operates. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" taxes.

10. DIVIDENDS

No interim dividend was declared by the board of directors ("The Board") for the six months ended 30 June 2026 (31 December 2025: HKD0.016 per share).

The final dividend of HKD0.016 per share for the year ended 31 December 2025 was paid on Thursday, 9 July 2026.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the consolidated profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,134,748,000 outstanding during the period (30 June 2025: 3,133,375,000).

The calculation of the diluted earnings per share amount is based on the consolidated profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the effects as if the dilutive potential ordinary shares do not exist at the beginning of the period. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**36,602**	35,490

	Number of shares	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period, used in the basic earnings per share calculation	**3,134,748,000***	3,133,375,000
Effect of dilution – weighted average number of ordinary shares:		
Share options	**–****	–
Weighted average number of ordinary shares for diluted earnings per share	**3,134,748,000**	3,133,375,000

* The weighted average number of shares was after taking into account the effect of shares held for the share award scheme.

** The details of the share option scheme are disclosed in note 28 to the interim condensed consolidated financial information. As the exercise price of the share options was higher than the average market price of the Company's share during the period, no adjustment has been made to the diluted earnings per share as of 30 June 2026.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2026

	Buildings	Leasehold improvements	Equipment, materials and moulds for leasing and services	Equipment, materials and moulds for own use	Office and other equipment	Motor vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2026:							
Cost	741,201	136,383	30,679,558	54,874	80,167	181,158	31,873,341
Accumulated depreciation and impairment	(248,277)	(105,356)	(9,745,068)	(7,631)	(50,774)	(132,803)	(10,289,909)
Net carrying amount	492,924	31,027	20,934,490	47,243	29,393	48,355	21,583,432
At 1 January 2026, net of accumulated depreciation and impairment	492,924	31,027	20,934,490	47,243	29,393	48,355	21,583,432
Additions	–	7,770	940,662	2,892	4,122	6,123	961,569
Disposals	–	–	(62,458)	(610)	(130)	(54)	(63,252)
Depreciation provided during the period	(17,414)	(19,220)	(1,344,816)	(395)	(4,770)	(6,095)	(1,392,710)
Exchange realignment	–	–	(186,559)	179	(295)	(943)	(187,618)
At 30 June 2026, net of accumulated depreciation and impairment	475,510	19,577	20,281,319	49,309	28,320	47,386	20,901,421
At 30 June 2026:							
Cost	741,202	144,153	31,052,673	56,659	81,555	184,269	32,260,511
Accumulated depreciation and impairment	(265,692)	(124,576)	(10,771,354)	(7,350)	(53,235)	(136,883)	(11,359,090)
Net carrying amount	475,510	19,577	20,281,319	49,309	28,320	47,386	20,901,421

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2025

	Buildings	Leasehold improvements	Equipment, materials and moulds for leasing and services	Equipment, materials and moulds for own use	Office and other equipment	Motor vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
At 1 January 2025:							
Cost	731,760	125,315	29,411,323	102,163	63,083	70,588	30,504,232
Accumulated depreciation and impairment	(212,619)	(90,970)	(7,799,525)	(48,394)	(49,572)	(57,749)	(8,258,829)
Net carrying amount	519,141	34,345	21,611,798	53,769	13,511	12,839	22,245,403
At 1 January 2025, net of accumulated depreciation and impairment	519,141	34,345	21,611,798	53,769	13,511	12,839	22,245,403
Additions	1,368	11,068	2,349,356	2,265	6,023	19,711	2,389,791
Acquisition of a subsidiary	12,115	–	125,466	–	16,393	28,079	182,053
Disposals	(5,180)	–	(523,214)	(7,093)	(89)	(1,332)	(536,908)
Depreciation provided during the year	(35,132)	(14,386)	(2,656,643)	(775)	(6,353)	(10,334)	(2,723,623)
Exchange realignment	612	–	27,727	(923)	(92)	(608)	26,716
At 31 December 2025, net of accumulated depreciation and impairment	492,924	31,027	20,934,490	47,243	29,393	48,355	21,583,432
At 31 December 2025:							
Cost	741,201	136,383	30,679,558	54,874	80,167	181,158	31,873,341
Accumulated depreciation and impairment	(248,277)	(105,356)	(9,745,068)	(7,631)	(50,774)	(132,803)	(10,289,909)
Net carrying amount	492,924	31,027	20,934,490	47,243	29,393	48,355	21,583,432

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Certain of the Group's property, plant and equipment with a net carrying amount of RMB5,602,704,000 as at 30 June 2026 were pledged to secure other borrowings granted to the Group (31 December 2025: RMB6,820,439,000).

Movement in provision for impairment of property, plant and equipment in the period is as follows:

As at 30 June 2026

	Equipment, materials and moulds for leasing and services
	RMB'000
	(Unaudited)
At 1 January 2026:	**57,883**
Disposals	**(487)**
At 30 June 2026	**57,396**

As at 31 December 2025

	Equipment, materials and moulds for leasing and services
	RMB'000
	(Audited)
At 1 January 2025:	59,197
Disposals	(1,314)
At 31 December 2025	57,883

Measurement basis and major assumptions for determining the recoverable amount of the above asset groups are as follows:

The recoverable amount is determined based on the higher of the net fair value of the cash-generating unit ("CGU") less costs to sell and the present value of the estimated future cash flows of the CGUs ("VIU").

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The VIUs were calculated by discounting the estimated future cash flows based on the forecast rentals earned from the CGUs, which is determined based on management's best estimate. The cash flows over the forecast period had been determined based on historical rental arrangements such as rental income and occupancy rate. The estimated future cash flows were discounted to their present values using pre-tax rates of 10.5% as of 30 June 2026, which reflected the market assessments of the time value of money and the risks specific to the CGUs (31 December 2025: 10.5%).

The calculation of the fair value less costs to sell was based on observable market prices for the equipment with similar conditions and incremental costs for disposing of the assets.

13. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold land, offices, motor and equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases.

(a) Right-of-use assets:

The carrying amounts of right-of-use assets and the movements during the period are as follows:

As at 30 June 2026

	Leasehold land	Offices	Motor	Equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2026	**171,988**	**99,607**	**2,841**	**629,981**	**904,417**
Additions	**–**	**38,164**	**–**	**111,456**	**149,620**
Depreciation charge	**(2,353)**	**(40,111)**	**–**	**(96,757)**	**(139,221)**
Disposal	**–**	**(13,374)**	**(2,841)**	**(80,034)**	**(96,249)**
At 30 June 2026	**169,635**	**84,286**	**–**	**564,646**	**818,567**

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

13. LEASES (continued)

The Group as a lessee (continued)

(a) Right-of-use assets: (continued)

As at 31 December 2025

	Leasehold land	Offices	Motor	Equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
At 1 January 2025	176,693	119,150	–	609,296	905,139
Additions	–	65,853	–	528,834	594,687
Acquisition of a subsidiary	–	2,163	2,961	55,264	60,388
Depreciation charge	(4,705)	(74,617)	(120)	(303,494)	(382,936)
Disposal	–	(12,942)	–	(259,919)	(272,861)
At 31 December 2025	171,988	99,607	2,841	629,981	904,417

As at 30 June 2026 and 31 December 2025, the Group has obtained all the land ownership certificates.

At the end of the reporting period, no leasehold land of the Group was pledged as security for the Group's bank borrowings.

Measurement basis and major assumptions for determining the recoverable amounts of the above equipment categorised in right-of-use assets of the Group are disclosed in note 12.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

13. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities:

The carrying amounts of lease liabilities and the movements during the period are as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Carrying amount at the beginning of period	607,852	633,582
New leases	149,620	594,687
Additions as a result of acquisition of subsidiaries	–	38,027
Accretion of interest recognised during the period (note 8)	10,759	32,285
Payments	(125,430)	(556,939)
Disposal	(61,456)	(133,790)
Carrying amount at the end of period	581,345	607,852
Analysed into:		
Current portion	236,514	225,534
Non-current portion	344,831	382,318

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities (note 8)	10,759	12,078
Depreciation charge on right-of-use assets	139,221	204,789
Rent expensed directly to profit or loss	40,861	37,157
Cost of re-rent fees	220,989	251,652
Total amount recognised in profit or loss	411,830	505,676

(d) The total cash outflow for leases is disclosed in note 31 to the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

13. LEASES (continued)

The Group as a lessor

The Group mainly leases its equipment, materials and moulds in the Chinese Mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group amounted to RMB2,976,828,000 for the six months ended 30 June 2026, details of which are included in note 5 to the interim condensed consolidated financial information (30 June 2025: RMB2,926,086,000).

At the end of the reporting period, the undiscounted lease payments receivable by the Group in future period under operating leases with its tenants are as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 1 year	4,529,076	4,877,608
After 1 year but within 2 years	670,597	688,276
After 2 years but within 3 years	31,575	49,067
Total	5,231,248	5,614,951

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

14. GOODWILL

Reconciliation of the carrying amount of the Group's goodwill at the beginning and end of the reporting period is presented below:

	RMB'000
	(Unaudited)
Gross carrying amount	
At 1 January 2026	173,979
At 30 June 2026	173,979
Accumulated impairment losses	
At 1 January 2026	–
Impairment losses recognised during the period	–
At 30 June 2026	–
Net book value	
At 1 January 2026	173,979
At 30 June 2026	173,979

The goodwill arose from the acquisition of TH Tong Heng Machinery Sdn. Bhd., a Malaysia based leading company in equipment leasing, repairing and trading, on 30 May 2025. This acquisition aligns with the Group's strategic initiative to expand its market share in Malaysia's equipment leasing sector.

The goodwill acquired through business combinations is allocated to acquired subsidiaries each as a CGU within the operating lease services for impairment testing.

The recoverable amount of CGU within the operating lease services has been determined based on a value-in use calculation using cash flow projections based on financial budgets covering a five-year period and approved by senior management. The pre-tax discount rate applied to the cash flow projections is 15.8% (31 December 2025: 15.8%). The post-tax discount rate applied to the cash flow projections is 12.0% (31 December 2025: 12.0%).

Assumptions were used in the value-in-use calculation of each CGU within the operating lease services for 30 June 2026. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

14. GOODWILL (continued)

Expected gross margin – the basis used to determine the value assigned to the expected gross margin is the gross margin achieved in the current period, adjusted for expected growth and other changes, and expected market development.

Discount rate – the discount rate used reflects specific risks relating to the units.

The values assigned to the key assumptions on market development of the operating lease services, and the discount rate is comparable to external information sources.

15. OTHER INTANGIBLE ASSETS

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Software		
At the beginning of period:		
Cost	12,787	12,787
Accumulated amortisation	(7,276)	(6,038)
Net carrying amount	5,511	6,749
Carrying amount at the beginning of period:	5,511	6,749
Additions	113	–
Amortisation provided during the period (note 7)	(328)	(1,238)
Carrying amount at the end of period	5,296	5,511
At the end of period:		
Cost	12,900	12,787
Accumulated amortisation	(7,604)	(7,276)
Net carrying amount	5,296	5,511

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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16. INVESTMENTS IN ASSOCIATES

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Share of net assets	78,413	653

The Group's associates are as follows:

Name	Registered share capital	Place of registration and business	Percentage of Ownership interest	Percentage of Profit sharing	Principal activities
CT HORIZON (THAILAND) CO., LTD.	Thai Baht 10,000,000	Thailand	49	49	Rental, trade and repair of construction machinery and construction materials
Jiaxing Hongbang Technology Services Co., Ltd. (嘉興宏邦科技服務有限公司)*	RMB 2,000,000	PRC/Chinese Mainland	19	19	Technology intermediary and digital services
Shanghai Hongzuo New Energy Technology Co., Ltd. (上海宏祚新能源科技有限公司)	RMB 176,675,430	PRC/Chinese Mainland	25.6306	25.6306	Technology development, technical consulting, technology transfer, and technical services in the field of new energy technology, sales and installation of photovoltaic equipment, professional construction of environmental protection construction projects, import and export of goods and technology, and financial consulting

* The Group has the power to participate in the financial and operational policy decisions of the investee and has a significant influence over it.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

17. DEFERRED TAX

The movements in deferred tax assets and liabilities during the period are as follows:

Deferred tax assets

As at 30 June 2026

	Government special subsidy	Provision for impairment losses	Salaries and benefits payable	Share-based payments	Deductible tax loss	Unrealised intra-group transaction	Accrued interest expenses	Lease liabilities	Deferred tax asset arising from an interest rate swap	Unrealised foreign exchange losses	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 31 December 2025 and 1 January 2026	-	232,899	8,491	5,377	152,104	33,237	20,682	79,581	-	-	856	533,227
Deferred tax credited/ (charged) to profit or loss during the period (note 9)	-	29,936	(3,343)	2,610	(22,407)	(2,284)	(11,941)	(70,492)	1,815	-	444	(75,662)
Gross deferred tax assets at 30 June 2026	-	262,835	5,148	7,987	129,697	30,953	8,741	9,089	1,815	-	1,300	457,565

As at 31 December 2025

	Government special subsidy	Provision for impairment losses	Salaries and benefits payable	Share-based payments	Deductible tax loss	Unrealised intra-group transaction	Accrued interest expenses	Lease liabilities	Deferred tax asset arising from an interest rate swap	Unrealised foreign exchange losses	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
At 31 December 2024 and 1 January 2025	1,448	245,682	27,088	1,689	57,119	33,237	25,183	105,149	260	513	856	498,224
Deferred tax credited/(charged) to profit or loss during the year	(1,448)	(12,783)	(18,597)	3,688	94,985	-	(4,501)	(25,568)	-	(513)	-	35,263
Deferred tax charged to other comprehensive income during the year	-	-	-	-	-	-	-	-	(260)	-	-	(260)
Gross deferred tax assets at 31 December 2025	-	232,899	8,491	5,377	152,104	33,237	20,682	79,581	-	-	856	533,227

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

17. DEFERRED TAX (continued)

The movements in deferred tax assets and liabilities during the period are as follows: (continued)

Deferred tax liabilities

As at 30 June 2026

	Right-of-use assets	Property, plant and equipment and intangible assets	Unrealised foreign exchange gains	Withholding tax	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 31 December 2025 and 1 January 2026	**93,846**	**52,714**	**–**	**–**	**146,560**
Deferred tax credited to profit or loss during the period (note 9)	**(79,663)**	**(5,299)**	**–**	**–**	**(84,962)**
Gross deferred tax liabilities at 30 June 2026	**14,183**	**47,415**	**–**	**–**	**61,598**

As at 31 December 2025

	Right-of-use assets	Property, plant and equipment and intangible assets	Unrealised foreign exchange gains	Withholding tax	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
At 31 December 2024 and 1 January 2025	119,597	3,259	2,560	10,000	135,416
Deferred tax charged/(credited) to profit or loss during the year	(25,751)	22,148	(2,560)	(10,000)	(16,163)
Acquisition of subsidiaries during the year	–	27,307	–	–	27,307
Gross deferred tax liabilities at 31 December 2025	93,846	52,714	–	–	146,560

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

17. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Net deferred tax assets recognised in the consolidated statement of financial position	457,565	386,667
Net deferred tax liabilities recognised in the consolidated statement of financial position	61,598	–

Tax losses arising in the Chinese Mainland will expire in five years for offsetting against future taxable profits. The Group did not recognise deferred tax assets in respect of unutilised tax losses of RMB342,247,000 as at 30 June 2026 (31 December 2025: RMB323,579,000).

18. INVENTORIES

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Raw materials	301,089	310,065
Work in progress	33,286	20,011
Finished goods	80,484	75,855
Total	414,859	405,931

For the six months ended 30 June 2026, no impairment loss on inventories was recognised as an expense (31 December 2025: Nil).

At the end of the reporting period, no inventories of the Group were pledged as security for the Group's bank borrowings.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Current		
Tax recoverable	1,493,970	1,447,659
Prepayments	362,797	319,101
Deposits*	169,520	263,271
Other receivables	195,937	69,860
Due from related parties (note 35(c))	6,114	8,207
	2,228,338	2,108,098
ECLs	(32,273)	(31,840)
Subtotal	2,196,065	2,076,258
Non-current		
Repossessed assets**	386,256	422,466
Deposits*	279,253	237,080
Others	5,456	3,734
	670,965	663,280
ECLs	(214)	(183)
Subtotal	670,751	663,097
Total	2,866,816	2,739,355

* As at 30 June 2026, current deposits of RMB86,780,000 were pledged for other borrowings granted to the Group (31 December 2025: RMB116,413,000), and non-current deposits of RMB18,300,000 were pledged for other borrowings granted to the Group (31 December 2025: RMB18,300,000).

** As at 30 June 2026, the carrying amount of repossessed assets was RMB386,256,000 (31 December 2025: RMB422,466,000), mainly comprising properties. Related allowance for impairment was RMB118,057,000 (31 December 2025: RMB118,057,000). The repossessed assets amounting to RMB32,302,000 (31 December 2025: RMB12,748,000) and RMB17,946,000 (31 December 2025: RMB24,522,000) were disposed of and settled by trade and bills payables for the six months ended 30 June 2026, respectively. The Group plans to dispose of the repossessed assets held at 30 June 2026 by auction, bidding or transfer. The application of the certificates of some properties with a carrying amount of RMB349,693,000 (31 December 2025: RMB370,631,000) is still in process and the directors of the Company believe there is no significant impact on the Group's financial statements.

A credit loss analysis was performed at the end of the reporting period by considering the probability of default of comparable companies with published credit ratings. At the end of the reporting period, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month ECLs if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime ECLs.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (continued)

Movements in the credit loss for amounts due from related parties, other receivables, and rental and project deposits are as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
At the beginning of period	32,023	49,856
ECLs (note 7)	464	(17,833)
At the end of period	32,487	32,023

20. TRADE RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables	8,301,056	7,931,912
ECLs	(1,164,707)	(1,095,812)
Net carrying amount	7,136,349	6,836,100

Trade receivables mainly represent rentals and services receivables from tenants and engineering services. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified individual customers, there is no significant concentration of credit risk. The Group does not hold any other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 30 June 2026, no trade receivables (31 December 2025: RMB700,000,000) were factored out but were not derecognised. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such factoring trade receivables, and accordingly, it continued to recognise the full carrying amounts of the trade receivables and the factoring amount was recognised as borrowings.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

20. TRADE RECEIVABLES (continued)

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

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 6 months	3,444,333	3,292,393
6 months to 1 year	1,292,174	1,462,629
1 to 2 years	1,523,319	1,437,234
2 to 3 years	595,284	433,527
Over 3 years	281,239	210,317
Total	7,136,349	6,836,100

The movements in the credit loss for trade receivables are as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
At the beginning of period	1,095,812	1,117,651
ECLs (note 7)	68,895	(21,839)
At the end of period	1,164,707	1,095,812

A credit loss analysis was performed at the end of the reporting period using the simplified approach. Under the simplified approach, the Group did not track changes in credit risk, but instead recognised a credit loss based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

20. TRADE RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 30 June 2026

	Ageing					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross carrying amount (RMB'000)	**3,676,644**	**1,381,541**	**1,874,778**	**857,812**	**510,281**	**8,301,056**
ECLs (RMB'000)	**232,311**	**89,367**	**351,459**	**262,528**	**229,042**	**1,164,707**
ECLs rate	**6.32%**	**6.47%**	**18.75%**	**30.60%**	**44.89%**	**14.03%**

As at 31 December 2025

	Ageing					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Gross carrying amount (RMB'000)	3,500,905	1,560,745	1,823,846	651,055	395,361	7,931,912
ECLs (RMB'000)	208,512	98,116	386,612	217,528	185,044	1,095,812
ECLs rate	5.96%	6.29%	21.20%	33.41%	46.80%	13.82%

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

21. CONTRACT ASSETS

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contract assets arising from:		
Engineering and technical services	685,526	729,298
ECLs	(105,271)	(69,035)
Total	580,255	660,263

Contract assets are initially recognised for revenue earned from construction and related services as the receipt of consideration depends on the milestone achieved and accepted by the customer. Included in contract assets for engineering and technical services are retention receivables. Upon completion of installation or construction and confirmed by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

The Group's credit policy with customers is disclosed in note 20 to the interim condensed consolidated financial information.

An ageing analysis of the contract assets as at the end of the reporting period is as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 1 year	369,581	460,890
1 to 2 years	154,884	173,860
2 to 3 years	44,254	17,809
Over 3 years	11,536	7,704
Total	580,255	660,263

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

21. CONTRACT ASSETS (continued)

The movements in the credit losses for contract assets are as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
At the beginning of period	69,035	75,516
ECLs (note 7)	36,236	(6,481)
At the end of period	105,271	69,035

A credit loss analysis was performed at the end of the reporting period using the simplified approach. Under the simplified approach, the Group did not track changes in credit risk, but instead recognised a credit loss based on lifetime ECLs at the end of the reporting period. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The provision rates for the measurement of the ECLs of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Gross carrying amount	685,526	729,298
ECLs	105,271	69,035
ECLs rate	15.36%	9.47%

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

22. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Measured at fair values:		
Notes receivable	755,954	1,154,250
ECLs	(59,595)	(92,421)
Total	696,359	1,061,829

The above debt investments were classified as financial assets at fair value through other comprehensive income as the business model for the notes receivable was for both collecting contractual cash flows and discounting.

The Group's credit policy with customers is disclosed in note 20.

Movements in the credit losses for debt investments at fair value through other comprehensive income are as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
At the beginning of period	92,421	110,642
ECLs (note 7)	(32,826)	(18,221)
At the end of period	59,595	92,421

Transferred financial assets that are not derecognised in their entirety:

During the period, the Group endorsed certain notes receivable accepted by banks in the Chinese Mainland to certain of its suppliers in order to settle the trade 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 payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the endorsed bills, including the sale, transfer or pledge of the endorsed bills to any other third parties. The incurred amount of the trade payables settled by the endorsed bills as at 30 June 2026 was RMB174,335,000 (31 December 2025: RMB337,842,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

22. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

During the period, the Group discounted certain notes receivable to banks in exchange for cash (the "Discounted Bills"). The incurred amount of the notes receivable as at 30 June 2026 was RMB7,425,000 (31 December 2025: RMB25,341,000). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and the associated interest-bearing bank borrowings.

Transferred financial assets that are derecognised in their entirety:

During the period, the Group endorsed/discounted certain notes receivable accepted by banks in the Chinese Mainland to certain of its suppliers or in exchange for cash (the "Derecognised Bills"). The incurred amount of the notes receivable as at 30 June 2026 was RMB34,009,000 (31 December 2025: RMB102,122,000). In the opinion of the directors, the Group had transferred substantially all risk and rewards relating to the Derecognised Bills. Accordingly, it had derecognised the full carrying amount 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.

23. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash and bank balances	**1,672,125**	1,610,210
Less: Restricted bank balances	**(243,476)**	(88,205)
Cash and cash equivalents	**1,428,649**	1,522,005

As at 30 June 2026, the cash and bank balances of the Group denominated in RMB amounted to RMB1,312,958,000 (31 December 2025: RMB1,404,035,000). The RMB is not freely convertible into other currencies, however, under the Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

23. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES (continued)

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

As at 30 June 2026, cash at banks of RMB214,439,000 (31 December 2025: RMB58,221,000) were time deposits.

As at 30 June 2026, cash at banks of RMB29,037,000 (31 December 2025: RMB29,808,000) were frozen by court order in connection with pending litigation.

24. TRADE AND BILLS PAYABLES

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

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 1 year	2,961,071	2,787,277
1 to 2 years	112,957	94,915
2 to 3 years	33,713	7,505
Over 3 years	40,804	34,547
Total	3,148,545	2,924,244

The trade and bills payables are non-interest-bearing.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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25. OTHER PAYABLES AND ACCRUALS

	Notes	30 June 2026	31 December 2025
		RMB'000	RMB'000
		(Unaudited)	(Audited)
Current			
Advanced from customers		329,602	313,231
Other taxes payable		137,986	228,694
Other payables	(a)	133,199	168,523
Salary and welfare payables		73,034	89,300
Interest payable		53,099	60,395
Dividend payables		43,614	–
Contract liabilities	(b)	35,157	79,673
Lease deposits		19,673	30,258
Due to related parties (note 35(c))		–	23
Subtotal		825,364	970,097
Non-current			
Lease deposits		27,991	20,632
Provisions		6,759	4,298
Subtotal		34,750	24,930
Total		860,114	995,027

Notes:

(a) Other payables are non-interest-bearing and repayable on demand.

(b) Details of contract liabilities are as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Short-term advances received from customers		
Sale of goods	20,569	22,818
Engineering and technical services	14,588	56,855
Total	35,157	79,673

Contract liabilities include short-term advances received to deliver goods and engineering and technical services. The change in contract liabilities in the period was mainly due to the change in short-term advances received from customers in relation to the delivery of goods and provision of engineering and technical services at the end of the reporting period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2026			31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
			(Unaudited)			(Audited)
Current						
Bank borrowings – unsecured[(a)]	**1.14-2.96**	**2026-2027**	**2,563,796**	1.08-2.90	2026	1,172,265
Current portion of long-term bank borrowings – unsecured[(a)]	**2.20-5.07**	**2026-2027**	**3,401,007**	2.35-4.51	2026	3,641,813
Current portion of long-term other borrowings – secured[(b)]	**2.80-4.87**	**2026-2027**	**39,185**	2.80-4.87	2026	37,620
Other borrowings – unsecured[(c)]	**2.15**	**2026**	**296**	2.42-6.00	2026	700,000
Other borrowings – secured[(b)]	**2.75-3.90**	**2026-2027**	**1,382,406**	2.75-5.37	2026	1,743,010
Subtotal			**7,386,690**			7,294,708
Non-current						
Bank borrowings – unsecured[(a)]	**2.20-5.07**	**2027-2033**	**9,410,703**	2.35-4.25	2027-2032	8,973,258
Other borrowings – secured[(b)]	**2.75-4.87**	**2027-2031**	**3,170,079**	2.75-5.37	2027-2030	4,060,239
Subtotal			**12,580,782**			13,033,497
Total			**19,967,472**			20,328,205

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Analysed into:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Bank borrowings repayable:		
Within one year	5,964,803	4,814,078
In the second year	2,618,784	2,590,803
In the third to fifth years, inclusive	5,699,644	5,194,492
Beyond five years	1,092,275	1,187,963
Subtotal	15,375,506	13,787,336
Other borrowings repayable:		
Within one year	1,421,887	2,480,630
In the second year	1,400,719	1,502,051
In the third to fifth years, inclusive	1,769,360	2,558,188
Subtotal	4,591,966	6,540,869
Total	19,967,472	20,328,205

Notes:

(a) At 30 June 2026, the Group's bank borrowings of RMB7,425,000 arose from un-derecognised discounted notes receivable, of which the Group retained the substantial risks and rewards (31 December 2025: RMB25,341,000).

At 30 June 2026, bank borrowings of RMB773,857,000 arose from supplier finance arrangements (31 December 2025: RMB121,972,000). The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers in the Chinese Mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payments, they pay a fee to the finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by the Group. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date or at a later date as agreed with the finance provider. Payment terms with suppliers have not been renegotiated in conjunction with the arrangements. The Group provides no security to the finance provider. The original payment terms these financial liabilities that are part of the Group's supplier finance arrangements included in the trade and bills payables are normally settled on terms of 30 to 60 days terms, whereas the payment terms for the above amounts of the Group's supplier finance arrangements for which included in interest-bearing bank and other borrowings are normally extended to no more than 1 year, and in a few instances, are extended to five years.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

All financial liabilities that are part of the supplier finance arrangements are included in interest-bearing bank and other borrowings in the statement of financial position, with RMB773,857,000 (31 December 2025: RMB121,972,000) included in the current portion of unsecured bank loans and no amount included in the non-current portion of unsecured bank loans (31 December 2025: Nil).

(b) At 30 June 2026, long-term other borrowings of RMB4,591,670,000 (31 December 2025: RMB5,840,869,000) were secured by property, plant and equipment amounting to RMB5,602,704,000 (31 December 2025: RMB6,820,439,000) and deposits amounting to RMB105,080,000 (31 December 2025: RMB134,713,000).

(c) At 30 June 2026, other borrowings of RMB296,000 arising from the factoring of accounts receivable were unsecured (31 December 2025: RMB700,000,000).

(d) At 30 June 2026, all bank borrowings and other borrowings were denominated in RMB, except that bank borrowings equivalent to RMB59,956,000 were denominated in Japanese Yen (JPY) (31 December 2025: RMB153,402,000), bank borrowings equivalent to RMB191,816,000 were denominated in United States dollars (USD) (31 December 2025: Nil) and bank borrowings equivalent to RMB28,766,000 were denominated in Malaysian Ringgit (MYR) (31 December 2025: Nil).

27. SHARE CAPITAL

Shares	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Authorised		
5,000,000,000 shares of a par value of USD0.00002 each	100,000	100,000

Shares	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Issue and paid:		
2,832,550,000 shares of a par value of USD0.00002 each	56,651	56,651
364,694,000 shares of a par value of USD0.00002 each*	7,294	7,294
Total	63,945	63,945
Equivalent to RMB	421,000	421,000

* On 25 May 2023, the ordinary shares of the Company were listed on the Hong Kong Stock Exchange, and in connection with the Company's listing, 364,694,000 ordinary shares of the Company were issued through global offering to public and international investors at the offer price of HKD4.52 per share for aggregate cash proceeds before expenses of HKD1,648,417,000 (equivalent to RMB1,488,329,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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28. SHARE OPTION SCHEME

On 12 March 2024, the Board approved the adoption of the share option scheme (the "2024 Share Option Scheme"), which was subsequently ratified by the Company's shareholders during the annual general meeting held on 4 June 2024.

The Company operates the 2024 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants and certain qualified participants who contribute to the success of the Group's operations. Eligible participants of the 2024 Share Option Scheme include senior and middle management personnel, as well as other key employees of the Company or any subsidiary (the "Grantees").

The total number of new shares in respect of the share options which may be granted under the 2024 Share Option Scheme shall not exceed 1.5% of the Company's total issued shares (excluding treasury shares) as at the date of approval of the adoption of the 2024 Share Option Scheme by the shareholders, which is 47,958,660 shares. Meanwhile, the Board approved on 12 March 2024 that the Company may only grant share options which can be exercised into not more than 23,979,330 shares under the 2024 Share Option Scheme in the year 2024. In any event, the total number of shares which may be issued in respect of all share options and awards to be granted under the 2024 Share Option Scheme and any other share schemes shall not exceed 10% of the Company's total issued shares (excluding treasury shares) as at the date of approval of the adoption of the 2024 Share Option Scheme by the shareholders.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HKD1 in total by the Grantees subject to any early termination, and the Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the share option scheme is approved by the shareholders of the Company. The vesting of the share options is mainly subject to fulfilment of the Company's performance targets, the Grantees remaining at all times after the offer date and on each vesting date as employees of the Group, as well as the Grantees achieving a specified level in annual personal performance evaluations.

The exercise price in respect of any option shall be such price as determined by the Board or the administration committee of the 2024 Share Option Scheme and notified to the Grantees and which shall not be less than the higher of: (i) the closing price of the shares on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotation sheet on the offer date; and (ii) the average of the closing prices of the shares on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five trading days immediately preceding the offer date. The shares do not carry nominal value.

On 8 August 2025, the Company has resolved to make an offer to grant up to 9,580,000 share options to certain participants under the 2024 Share Option Scheme of the Company adopted on 4 June 2024 to subscribe for up to a total of 9,580,000 ordinary shares, representing approximately 0.30% of the total shares in issue as at the date of announcement.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

28. SHARE OPTION SCHEME (continued)

Movements in the number of the share options outstanding during the reporting period are as follows:

As at 30 June 2026

		Number of share options			
Exercise price per share option (HKD)	Date of grant	Outstanding as at 1 January 2026	Granted	Lapsed	Outstanding as at 30 June 2026
1.45	**8 July 2024**	**6,365,335**	**–**	**(466,666)**	**5,898,669**
1.34	**8 August 2025**	**8,800,000**	**–**	**(570,000)**	**8,230,000**
	Total	**15,165,335**	**–**	**(1,036,666)**	**14,128,669**

As at 31 December 2025

		Number of share options			
Exercise price per share option (HKD)	Date of grant	Outstanding as at 1 January 2025	Granted	Lapsed	Outstanding as at 31 December 2025
1.45	8 July 2024	11,420,000	–	(5,054,665)	6,365,335
1.34	8 August 2025	–	9,190,000	(390,000)	8,800,000
	Total	11,420,000	9,190,000	(5,444,665)	15,165,335

The fair value (measured as at the grant date) of the share options that were outstanding as at 30 June 2026 was RMB9,140,000 (31 December 2025: RMB9,818,000). The weighted average fair values were RMB0.62, RMB0.67, and RMB0.66 per option for each of the three tranches with one-year, two-year, and three-year vesting periods, respectively (31 December 2025: RMB0.62, RMB0.67 and RMB0.66 per option). The Group recognised a share option expense of RMB1,948,000 in employee benefit expense during the six months ended 30 June 2026 (30 June 2025: reversed a share option expense of RMB46,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

28. SHARE OPTION SCHEME (continued)

The fair value of the share options was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the main inputs to the model used:

	31 December 2025
	(Audited)
Expected dividend yield (%)	3.36
Expected volatility (%)	81.40
Risk-free interest rate (%)	2.97
Validity period of the share options (year)	10
Share price (HKD per share)	1.34
Expected exercise trigger multiple	2.00

Estimation of the value of the share options is subjective and uncertain as such values are subject to a number of assumptions and the limitation of the model. The expected volatility is based on the historical volatility reflecting the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The expected exercise trigger multiple is also estimated and is not necessarily indicative of the exercise patterns that may occur.

All significant features necessary to be considered for the measurement of fair values of the share options granted in the year were incorporated into such measurement.

At 30 June 2026, the Company had 14,128,669 (31 December 2025: 15,165,335) non-vested share options outstanding under the 2024 Share Option Scheme, including 3,156,667 (31 December 2025: 3,156,667) non-vested share options granted to certain executive directors, 690,000 (31 December 2025: 690,000) non-vested share options granted to certain employees among five highest paid employees (not including executive directors) and 10,282,002 (31 December 2025: 11,318,668) non-vested share options granted to certain key management personnel. Should all of them be vested, the exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 14,128,669 (31 December 2025: 15,165,335) additional ordinary shares of the Company.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

29. RESTRICTED SHARE AWARD SCHEME

The Board approved the adoption of the restricted share award scheme (the "2024 Restricted Share Award Scheme") on 12 March 2024, under which some restricted shares will be held on trust for the relevant selected grantees (the "Selected Grantees") until such restricted shares are vested with the relevant Selected Grantees in accordance with the rules of the 2024 Restricted Share Award Scheme. Subject to the approval of the Board, the number of restricted shares to be granted under the 2024 Restricted Share Award Scheme shall not exceed 3.5% of the total number of issued shares of the Company (excluding treasury shares) as at the date of approval and adoption of the 2024 Restricted Share Award Scheme by the Board, namely 111,903,540 shares. The Board also approved the grant of not more than 55,951,770 restricted shares on 12 March 2024.

The vesting of the 2024 restricted shares under the 2024 Restricted Share Award Scheme is mainly subject to the fulfilment of the Company's performance targets, Selected Grantees remaining as employees of the Group, as well as Selected Grantees achieving a specified level in annual personal performance evaluations.

On 8 August 2025, the Board announced that, the Company has resolved the offer to grant share award scheme to the Grantees under the 2024 Restricted Share Award Scheme adopted on 12 March 2024.

The following restricted shares were outstanding under the 2024 Restricted Share Award Scheme during the reporting period:

	Number of restricted shares
	(Unaudited)
At 1 January 2026	**33,800,006**
Lapsed	**(2,423,333)**
At 30 June 2026	**31,376,673**

	Number of restricted shares
	(Audited)
At 1 January 2025	26,580,000
Granted	21,350,000
Vested	(1,497,000)
Lapsed	(12,632,994)
At 31 December 2025	33,800,006

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

29. RESTRICTED SHARE AWARD SCHEME (continued)

At 30 June 2026, the Company had 31,376,673 (31 December 2025: 33,800,006) non-vested restricted shares outstanding under the 2024 Restricted Share Award Scheme, including 7,356,667 (31 December 2025: 7,356,667) non-vested restricted shares granted to certain executive directors, 1,590,000 (31 December 2025: 1,590,000) non-vested restricted shares granted to certain employees among five highest paid employees (not including executive directors) and 22,430,006 (31 December 2025: 24,853,339) non-vested restricted shares granted to certain key management personnel.

The movements of the shares held for the 2024 Restricted Share Award Scheme are as follows:

	Number of shares	Amounts
		RMB'000
	(Unaudited)	(Unaudited)
At 1 January 2026 and 30 June 2026	**62,495,688**	**87,486**

	Number of shares	Amounts
		RMB'000
	(Audited)	(Audited)
At 1 January 2025	63,869,000	89,455
Purchase of shares under 2024 Restricted Share Award Scheme*	123,688	128
Vested	(1,497,000)	(2,097)
At 31 December 2025	62,495,688	87,486

* The Company purchased its own shares through the trusts under the 2024 Restricted Share Award Scheme, which were presented as shares held for the share award scheme.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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29. RESTRICTED SHARE AWARD SCHEME (continued)

The fair value (measured as at the grant dates) of the restricted shares that were outstanding as at 30 June 2026 was RMB37,292,000 (31 December 2025: RMB38,292,000). The weighted average fair values were RMB1.17, RMB1.11 and RMB1.10 per share for each of the three tranches with one-year, two-year and three-year vesting periods, respectively (31 December 2025: RMB1.17, RMB1.11 and RMB1.10). The Group recognised an amount of RMB8,491,000 in employee benefit expense during the six months ended 30 June 2026 (30 June 2025: reversed an amount of RMB828,000).

The fair value of the 2024 Restricted Shares granted was estimated as at the date of grant, using a no-arbitrage model, taking into account the terms and conditions upon which the restricted shares were granted. The following table lists the main inputs to the model used:

	31 December 2025
	(Audited)
Expected dividend yield (%)	3.36
Share price (HKD per share)	1.34

30. RESERVES

The amounts of the Group's reserves and the movements therein for the six months ended 30 June 2026 and 2025 are presented in the consolidated statements of changes in equity.

(a) Share premium

The share premium represents the difference between the par value of the shares issued and the consideration received.

(b) Merger reserve

The merger reserve of the Group represents the difference between the changes of the contribution from the then holding company before the completion of the Reorganisation and the consideration paid by the Group for the business combination under common control.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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30. RESERVES (continued)

(c) Capital reserve

(1) Ordinary shares with a redemption obligation

Pursuant to the Share Purchase Agreement signed by and among the pre-IPO investors of the Group on 16 April 2021, an aggregate of 6,651 ordinary shares with a redemption obligation were issued and allocated to the Pre-IPO investors at a consideration of USD204,910,000 (equivalent to RMB1,326,185,000). On 25 May 2023, the ordinary shares of the Company were listed on the Hong Kong Stock Exchange, the redemption obligation with a carrying amount of RMB1,676,276,000 (including principal of RMB1,445,212,000 and interest of RMB231,064,000) was classified to capital reserve.

(2) Other capital reserve

Other capital reserve represents any difference between the carrying amount of net assets attributable to the non-controlling shareholders and the fair value of the consideration paid.

(d) Special reserve

Special reserve mainly represents funds set aside for the purpose of certain safety production activities. Pursuant to certain regulations issued by the State Administration of Work Safety of the PRC and other relevant regulatory bodies, the subsidiaries, namely Shanghai Horizon Equipment & Engineering Co., Ltd., Shanghai Hongjin Equipment & Engineering Co., Ltd. and Tianjin Horizon Construction Development Engineering Technology Co., Ltd. set aside funds mainly for construction service activities at prescribed rates. These funds can be used for maintenance and/or improvements of safety of these activities, and are not available for distribution to shareholders. The amounts are generally expenses in nature and charged to profit or loss as incurred, and at the same time, the corresponding amounts of safety reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

For the six months ended 30 June 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB149,620,000, in respect of lease arrangements for offices and equipment (30 June 2025: RMB98,444,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(a) Major non-cash transactions (continued)

For the six months ended 30 June 2026, the trade receivables for several customers were settled by certain properties of RMB14,038,000 (30 June 2025: RMB36,909,000). For the six months ended 30 June 2026, the trade and bills payables for several suppliers were settled by certain properties of RMB50,248,000 (30 June 2025: RMB9,665,000).

For the six months ended 30 June 2026, the Group had equipment, materials and moulds of RMB53,493,000 carried forward to inventories for external sale (30 June 2025: RMB173,818,000).

(b) Changes in liabilities arising from financing activities

As at and for the six months ended 30 June 2026

	Interest payable	Bank and other borrowings	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2026	**60,395**	**20,328,205**	**607,852**	**20,996,452**
Changes in principal from financing cash flows	–	(366,292)	(125,430)	(491,722)
Maturity of unhedged derivative financial instruments	–	5,559	–	5,559
New leases	–	–	149,620	149,620
Disposal	–	–	(61,456)	(61,456)
Interest accrued	308,446	–	10,759	319,205
Interest paid	(315,742)	–	–	(315,742)
At 30 June 2026	**53,099**	**19,967,472**	**581,345**	**20,601,916**

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities (continued)

As at and for the six months ended 30 June 2025

	Interest payable	Bank and other borrowings	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2025	76,756	20,902,895	633,582	21,613,233
Changes in principal from financing cash flows	–	276,127	(160,977)	115,150
Supplier financing arrangements	–	17,480	–	17,480
Additions as a result of acquisition of subsidiaries	–	28,190	38,027	66,217
New leases	–	–	98,444	98,444
Disposal	–	–	(5,873)	(5,873)
Interest accrued	388,992	–	12,078	401,070
Interest paid	(397,235)	–	–	(397,235)
At 30 June 2025	68,513	21,224,692	615,281	21,908,486

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Within operating activities	**(261,850)**	(288,809)
Within financing activities	**(125,430)**	(160,977)
Total	**(387,280)**	(449,786)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

32. CONTINGENT LIABILITIES

As at 30 June 2026 and 31 December 2025, the Group did not have any material contingent liability, guarantee or any other material litigation or claim outstanding or threatened against the Group that could have a material adverse effect on its business, financial condition or results of operations.

33. PLEDGE OF ASSETS

Details of the Group's assets pledged under bank and other borrowings and restricted bank balances are contained in notes 23 and 26 of the interim condensed consolidated financial information.

34. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contracted, but not provided for:		
Purchase of plant and machinery	143,722	29,980

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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35. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name of related party	Relationship with the Group
Far East Horizon Limited (遠東宏信有限公司)	Controlling Shareholder
International Far Eastern Leasing Co., Ltd. (遠東國際融資租賃有限公司)	Company controlled by the Controlling Shareholder
Far East Horizon Leasing (Guangdong) Co., Ltd. (遠東宏信融資租賃(廣東)有限公司)	Company controlled by the Controlling Shareholder
Hangzhou Hongqian Urban Development and Construction Co., Ltd. (杭州宏乾城市發展建設有限公司)	Company controlled by the Controlling Shareholder
Hangzhou Hongyue Urban Development and Construction Co., Ltd. (杭州弘越城市發展建設有限公司)	Company controlled by the Controlling Shareholder
Suzhou Hongxiang Urban Construction and Development Co., Ltd. (蘇州宏相城市建設發展有限公司)	Company controlled by the Controlling Shareholder
Hangzhou Hongzhan Urban Development and Construction Co., Ltd. (杭州弘展城市發展建設有限公司)	Company controlled by the Controlling Shareholder
Beijing Xingzhu Real Estate Development Co., Ltd. (北京興竺房地產開發有限公司)	Company controlled by the Controlling Shareholder
Shaoxing Shangyu Boteng Metal Products Co., Ltd. (紹興市上虞博騰金屬製品有限公司)	Company controlled by a close family member of key management personnel

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

35. RELATED PARTY TRANSACTIONS (continued)

(a) Name and relationship (continued)

Name of related party	Relationship with the Group
Shanghai Jinmao Construction & Decoration Co., Ltd. (上海金茂建築裝飾有限公司)	Subsidiary of a group which has significant influence over the Controlling Shareholder of the Company
Beijing Jinmao Habitat Environment Technology Co., Ltd. (北京金茂人居環境科技有限公司)	Subsidiary of a group which has significant influence over the Controlling Shareholder of the Company
Luxi Industrial Equipment Co., Ltd. (中化魯西工程有限公司)	Subsidiary of a group which has significant influence over the Controlling Shareholder of the Company
Sinochem Jilin Changshan Chemical Co., Ltd. (中化吉林長山化工有限公司)	Subsidiary of a group which has significant influence over the Controlling Shareholder of the Company
Shandong Liaocheng Luxi Nitro Compound Fertilizer Co., Ltd. (山東聊城魯西硝基複肥有限公司)	Subsidiary of a group which has significant influence over the Controlling Shareholder of the Company
Chengdu Jinmao Smart Energy Technology Co., Ltd. (成都金茂智慧能源科技有限公司)	Subsidiary of a group which has significant influence over the Controlling Shareholder of the Company
Shanghai Yijia Construction Development Co., Ltd. (上海藝佳建設發展有限公司)	Associate of the Controlling Shareholder

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

35. RELATED PARTY TRANSACTIONS (continued)

(b) The Group had the following transactions with related parties during the period:

			For the six months ended 30 June	
			2026	2025
			RMB'000	RMB'000
		Notes	(Unaudited)	(Unaudited)
(1)	Operating lease income	(i)		
	Far East Horizon Leasing (Guangdong) Co., Ltd.		**57**	–
	Sinochem Jilin Changshan Chemical Co., Ltd.		**40**	–
	Shanghai Yijia Construction Development Co., Ltd.		**10**	–
	Shandong Liaocheng Luxi Nitro Compound Fertilizer Co., Ltd.		**9**	–
	Chengdu Jinmao Smart Energy Technology Co., Ltd.		**6**	–
	Luxi Industrial Equipment Co., Ltd.		**–**	162
	Shanghai Jinmao Construction & Decoration Co., Ltd.		**–**	4
	Beijing Jinmao Habitat Environment Technology Co., Ltd.		**–**	1
			122	167
(2)	Engineering and technical services	(ii)		
	Hangzhou Hongzhan Urban Development and Construction Co., Ltd.		**17,165**	–
	Hangzhou Hongyue Urban Development and Construction Co., Ltd.		**15,564**	–
	Hangzhou Hongqian Urban Development and Construction Co., Ltd.		**3,441**	–
	Beijing Xingzhu Real Estate Development Co., Ltd.		**1,843**	–
	Suzhou Hongxiang Urban Construction and Development Co., Ltd.		**577**	–
	Luxi Industrial Equipment Co., Ltd.		**–**	2
			38,590	2
(3)	Purchases of goods and services			
	Shaoxing Shangyu Boteng Metal Products Co., Ltd.	(iii)	**77,625**	5,268
	International Far Eastern Leasing Co., Ltd.	(iv)	**–**	572
			77,625	5,840

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

35. RELATED PARTY TRANSACTIONS (continued)

(b) The Group had the following transactions with related parties during the period: (continued)

Notes:

(i) The operating lease income from related parties arose from the operating lease of aerial work platforms. The prices were determined on arm's length basis with reference to (a) the specifications, technical requirements, models and lease terms of the service vehicles; and (b) the rates of service vehicles with similar specifications, technical requirements and model for similar leasing services provided to the independent third parties.

(ii) The engineering and technical services income from related parties arose from logistics services and retrofitting services. The transportation prices were determined on arm's length basis with reference to the transportation distances and weight of the vehicles; and the modification service prices were determined on arm's length basis with reference to the numbers of the vehicles.

(iii) The goods purchased mainly are moulds. The transaction prices were determined on arm's length basis with reference to (a) the specifications, models, unit price types and quality of the materials; and (b) the prevailing market rates of similar materials provided by the independent third parties.

(iv) The procurement of services mainly consists of information technology basic services, system operation and maintenance services and development services. Transaction prices are determined on arm's length basis of the cost of labour matching the degree of benefit to the recipient of the labour, such as the amount of equipment used, the volume of data traffic and working hours.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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35. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balance with related parties:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
(1) Due from related companies		
Prepayments, other receivables and other assets:		
Shaoxing Shangyu Boteng Metal Products Co., Ltd.	5,694	4,131
Shanghai Yijia Construction Development Co., Ltd.	420	1,016
Hangzhou Hongqian Urban Development and Construction Co., Ltd.	–	1,851
Suzhou Hongxiang Urban Construction and Development Co., Ltd.	–	1,209
	6,114	8,207
Trade receivables:		
Hangzhou Hongqian Urban Development and Construction Co., Ltd.	11,745	5,880
Hangzhou Hongzhan Urban Development and Construction Co., Ltd.	11,684	–
Hangzhou Hongyue Urban Development and Construction Co., Ltd.	7,655	473
Suzhou Hongxiang Urban Construction and Development Co., Ltd.	5,859	2,755
Beijing Xingzhu Real Estate Development Co., Ltd.	2,189	–
Sinochem Jilin Changshan Chemical Co., Ltd.	45	–
Luxi Industrial Equipment Co., Ltd.	26	30
International Far Eastern Leasing Co., Ltd.	19	19
Shanghai Yijia Construction Development Co., Ltd.	12	–
Shanghai Jinmao Construction & Decoration Co., Ltd.	7	7
Chengdu Jinmao Smart Energy Technology Co., Ltd.	3	3
	39,244	9,167
(2) Due to related companies		
Other payables:		
Far East Horizon Limited	–	23
Trade and bills payables:		
Shaoxing Shangyu Boteng Metal Products Co., Ltd.	1,360	–
International Far Eastern Leasing Co., Ltd.	–	580
	1,360	580

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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35. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balance with related parties: (continued)

At the end of the reporting period, the balances due from/to related parties were unsecured, interest-free and repayable on demand.

At the end of the reporting period, except for the other payables to Far East Horizon Limited, the balances due from/to related parties were trade in nature.

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	**4,556**	4,526
Equity-settled share-based payment expense	**3,732**	(225)
Post-employment benefits	**224**	222
Total compensation paid to key management personnel	**8,512**	4,523

During the reporting period, certain members of key management personnel of the Group were granted share options and restricted shares in respect of their services to the Group under the Schemes of the Company, further details of which are set out in notes 28 and 29. to the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at the end of the reporting period are as follows:

As at 30 June 2026

Financial assets	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Financial assets included in prepayments, other receivables and other assets	612,223	–	612,223
Trade receivables	7,136,349	–	7,136,349
Debt investments at fair value through other comprehensive income	–	696,359	696,359
Restricted bank balances	243,476	–	243,476
Cash and bank balances	1,428,649	–	1,428,649
Total	9,420,697	696,359	10,117,056

Financial liabilities	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Hedging instruments designated in cash flow hedges	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Trade and bills payables	–	3,148,545	–	3,148,545
Financial liabilities included in other payables and accruals	–	277,576	–	277,576
Derivative financial instruments	–	–	10,906	10,906
Interest-bearing bank and other borrowings	–	19,967,472	–	19,967,472
Financial liabilities at fair value through profit or loss	73,937	–	–	73,937
Total	73,937	23,393,593	10,906	23,478,436

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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36. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

As at 31 December 2025

Financial assets	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)
Financial assets included in prepayments, other receivables and other assets	541,248	–	541,248
Trade receivables	6,836,100	–	6,836,100
Debt investments at fair value through other comprehensive income	–	1,061,829	1,061,829
Restricted bank balances	88,205	–	88,205
Cash and bank balances	1,522,005	–	1,522,005
Total	8,987,558	1,061,829	10,049,387

Financial liabilities	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Hedging instruments designated in cash flow hedges	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)	(Audited)
Trade and bills payables	–	2,924,244	–	2,924,244
Financial liabilities included in other payables and accruals	–	279,831	–	279,831
Derivative financial instruments	–	–	17,298	17,298
Interest-bearing bank and other borrowings	–	20,328,205	–	20,328,205
Financial liabilities at fair value through profit or loss	73,937	–	–	73,937
Total	73,937	23,532,280	17,298	23,623,515

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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36. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial instruments not measured at fair value

Management has assessed that the fair values of cash and cash equivalents, restricted bank balances, trade receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments. Interest-bearing bank and other borrowings are mostly on floating rate terms and bear interest at prevailing market interest rates and their carrying values approximate to their fair values.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets and liabilities measured at fair value:

As at 30 June 2026

	Fair value measurement using			
Financial assets and liabilities	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Debt investments at fair value through other comprehensive income	–	696,359	–	696,359
Derivative financial instruments	–	(10,906)	–	(10,906)
Financial liabilities at fair value through profit or loss	–	–	(73,937)	(73,937)
Total	–	685,453	(73,937)	611,516

As at 31 December 2025

	Fair value measurement using			
Financial assets and liabilities	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)	(Audited)
Debt investments at fair value through other comprehensive income	–	1,061,829	–	1,061,829
Derivative financial instruments	–	(17,298)	–	(17,298)
Financial liabilities at fair value through profit or loss	–	–	(73,937)	(73,937)
Total	–	1,044,531	(73,937)	970,594

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

The fair values of debt investments at fair value through other comprehensive income have been calculated by discounting the future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of the cross-currency interest rate swap and forward currency contract were calculated by discounting the future cash flows using the forward exchange rate and RMB risk-free rate that are observable market inputs.

The changes in fair values as a result of the Group for debt investments at fair value through other comprehensive income as at 30 June 2026 and as at 31 December 2025 were assessed to be insignificant.

The significant unobservable input to the valuation of financial liabilities at fair value through profit or loss is discount for lack of marketability ("DLOM").

38. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the end of the reporting period.

39. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the Board on 4 August 2026.

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