DKE 东方科脉

DKE HOLDING COMPANY LIMITED
浙江東方科脈電子股份有限公司

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

Stock Code : 1770

2026
Interim Report

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhou Aijun *(Chairman and general manager)*
Mr. Wang Wenliang

Non-executive Directors

Mr. Wang Xiao
Ms. Wang Yang
Mr. Liu Yu
Mr. Di Chen

Independent non-executive Directors

Prof. Zeng Aimin
Prof. Zhou Guofu
Mr. Ruan Tim

AUDIT COMMITTEE

Mr. Ruan Tim *(Chairman)*
Prof. Zeng Aimin
Ms. Wang Yang

REMUNERATION AND APPRAISAL COMMITTEE

Prof. Zeng Aimin *(Chairman)*
Mr. Ruan Tim
Mr. Wang Xiao

NOMINATION COMMITTEE

Prof. Zhou Guofu *(Chairman)*
Prof. Zeng Aimin
Ms. Wang Yang

STRATEGY COMMITTEE

Mr. Zhou Aijun *(Chairman)*
Prof. Zhou Guofu
Mr. Di Chen

JOINT COMPANY SECRETARIES

Ms. Chen Dandan
Mr. Lau Kwok Yin

AUTHORISED REPRESENTATIVES

Mr. Zhou Aijun
Mr. Lau Kwok Yin

REGISTERED OFFICE

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Jiashan County
Jiaxing, Zhejiang
PRC

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PRC

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Wan Chai
Hong Kong

PRINCIPAL BANKS

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Dalian, Liaoning
PRC

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No. 185 Yangguang East Road
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PRC

STOCK CODE

1770

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HONG KONG LEGAL ADVISER

Norton Rose Fulbright Hong Kong

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Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Overview

As a prominent global e-paper display manufacturer engaged in the research and development ("**R&D**"), production and sale of e-paper display modules, the Group offers a comprehensive and evolving e-paper product portfolio covering a full spectrum of display colours and sizes, used across diverse application scenarios including emerging applications of smart retail, smart offices, smart education, smart logistics, smart transportation and e-readers.

For the six months ended 30 June 2026, the Group recorded a revenue of approximately RMB1,010.8 million, representing an increase of approximately 27.0% compared to the Corresponding Period, reflecting robust revenue growth. During the Reporting Period, the core business of smart retail maintained steady growth, and four-color e-paper display products have become the Group's primary source of revenue, marking a phased success in the product mix upgrade strategy. The net profit attributable to the equity shareholders of the Company was approximately RMB35.4 million, representing a decrease of approximately 17.6% compared to the Corresponding Period. Profitability came under pressure, primarily due to the commencement of operations of new production lines commissioned in 2025 and the related fixed costs not being fully absorbed as such production lines were still in the early stage of capacity utilisation during the Reporting Period, resulting in a temporary dilution of current-period profits. As capacity utilisation gradually improves over time, the economies of scale of these production lines are expected to be realised gradually in subsequent periods.

During the Reporting Period, the Group's newly secured business orders remained generally stable. The new orders primarily consisted of procurement orders, with a solid customer base mainly comprising leading industry enterprises. These customers have good credit quality, and the collection risks are controllable. The Group will proceed with the delivery and execution of each order as planned.

Business Performance by Product Category

By product size

In the small-size e-paper display module (less than 4 inches) category, increased demand from downstream application scenarios drove growth in the Group's product shipments. During the Reporting Period, revenue generated from this category was approximately RMB767.7 million, representing an increase of approximately 18.1% compared to the Corresponding Period, accounting for approximately 76.0% of total revenue.

In the mid-size e-paper display module (4-6 inches) category, driven by continued growth in downstream market demand and the accelerated expansion of new application scenarios. During the Reporting Period, revenue generated from this category was approximately RMB166.7 million, representing an increase of approximately 60.8% compared to the Corresponding Period, accounting for approximately 16.5% of total revenue.

In the large-size e-paper display module (larger than 6 inches) category, the long-term application prospects in sectors such as commercial displays and e-readers remain promising. Driven by rising demand in smart retail end markets, revenue generated from this category was approximately RMB60.3 million during the Reporting Period, representing an increase of approximately 61.3% compared to the Corresponding Period, accounting for approximately 6.0% of total revenue.

By product color

In the black-and-white e-paper display module category, which serves as the core product line, demand remained relatively stable. During the Reporting Period, revenue generated from this category was approximately RMB95.8 million, representing a decrease of approximately 3.0% compared to the Corresponding Period, accounting for approximately 9.5% of total revenue.

In the three-color e-paper display module category, due to technological shifts toward four-color solutions in end-user products in the market, revenue generated from this category was approximately RMB5.3 million during the Reporting Period, representing a decrease of approximately 92.2% compared to the Corresponding Period, with its contribution to total revenue declining to approximately 0.5%.

In the four-color e-paper display module category, driven by upgraded specifications for electronic shelf labels and accelerated adoption of four-color solutions by brand customers, revenue generated from this category was approximately RMB727.8 million during the Reporting Period, representing an increase of approximately 19.3% compared to the Corresponding Period, thereby increasing the category's share of total revenue to approximately 72.0%, making it the primary source of revenue of the Group.

In the multi-color e-paper display module category, such product is currently in the market introduction phase. Revenue generated from this category was approximately RMB165.9 million during the Reporting Period, representing an increase of approximately 1,040.6% compared to the Corresponding Period, accounting for approximately 16.4% of total revenue.

Core Business of Smart Retail and Expansion into Innovative Applications

Smart retail business

During the Reporting Period, the Group's smart retail business maintained steady growth in scale, driven by its proprietary driving waveform architecture, advanced manufacturing capabilities, and extensive customer network. The growth was primarily driven by demand from core customers in the electronic shelf labels sector. The Group has further strengthened its partnerships with key customers. Procurement share and product category penetration among certain core customers have increased, while positive progress has been made in new customer development.

In terms of products, the Group continues to advance the upgrade of its product portfolio from three-color e-paper displays to four-color e-paper displays, which are under mass production, while gradually expanding the applications of color and large-size e-paper displays. Such products have already generated revenue upon initial shipments, further enriching the Group's product portfolio and growth momentum.

Innovative scenario applications

The Group is also actively exploring the application of e-paper technology in innovative scenarios and has identified digital schoolbags as one of its strategic priorities for future business development. Currently, the digital schoolbag module has entered commercial mass production and secured orders, marking the transition of this business from product development to commercial implementation.

In addition, the Group is also exploring applications in areas such as e-paper (touchscreen hardware) wallets, e-paper footwear, large-sized color e-paper signage and photography equipment, continuously expanding the application boundaries of e-paper technology to cultivate diversified business growth drivers for the future, further reducing reliance on any single application scenario, and enhancing the Group's overall risk resilience.

Production and Operations

In respect of production and operations, the Group continued to optimise its production capacity layout with new production capacity primarily concentrated at the production base in Vietnam during the Reporting Period. Following the successful capacity utilisation of relevant production lines, the Vietnam production base achieved full operational capacity during peak production periods, and the new production lines have also obtained customer certification, with overall output exceeded the established targets.

At the same time, supported by the ongoing deployment of automation equipment, process optimisation and enhanced production management capabilities, the Vietnam production base continued to improve its capacity utilisation and product yields, while further reducing unit production and direct labour costs. Increased process stability strengthened the Group's overseas manufacturing and order fulfilment capabilities, providing greater flexibility and resilience in navigating changes in the global trade environment and further enhancing the Group's competitive position within the global supply chain.

The Group remains committed to fully integrating environmental, social and governance ("**ESG**") philosophy into every aspect of its daily operations. It continuously conducts systematic identification, assessment and management of material ESG- and climate-related risks and opportunities, while dynamically tracking relevant performance and target progress to ensure that all ESG matters are properly managed and implemented. In January 2026, the Group was awarded the EcoVadis Bronze Medal, demonstrating the Group's positive outcomes and ongoing commitment to deepening ESG management and enhancing ESG performance.

Prospects

Driven by the in-depth global transition towards green and low-carbon development, the demand for digitalisation and paperlessness across smart IoT devices will continue to grow. Among various mainstream display technologies, e-paper, by virtue of its unique ultra-low power consumption, paper-like texture and eye-friendly experience, as well as characteristics such as being lightweight and thin, shatter-resistant and bendable, is particularly aligned with the development trend of smart IoT smart terminals. As the core display technology for next-generation smart IoT devices, the ultra-low power consumption characteristic of e-paper is highly compatible with the global carbon neutrality strategic goals.

The Group remains firmly committed to R&D investment, keeping pace with key industry trends such as colorisation, flexibility, and larger sizes to enhance product performance and expansion of application scenarios to respond quickly to customer needs for new products. To achieve the Group's long-term goals, the Group intends to implement the following strategic priorities:

(1) Continue investing in technological innovation to expand the product portfolio

The Group will continue investing in R&D with particular focus on enhancing design and customisation capabilities for colour, flexible large-size high refresh rates, and high-resolution display modules, as well as in a broad range of downstream applications, further enriching the Group's offerings and delivering more advanced, high-quality products. The Group plans to extend its offerings from standalone modules to integrated products incorporating communications and back-end software, thereby enhancing customer stickiness and creating greater value.

(2) Build a cross-regional, multi-layered global customer base to accelerate global expansion

The Group will focus on expanding its customer base with high growth potential and high-value applications such as smart office, smart education, smart logistics and smart transportation based on consolidating its existing advantageous sectors such as smart retail. Going forward, while continuing to deepen relationships with key customers, the Group will also expand its global customer base across diverse sectors, broaden application markets and build a more comprehensive global sales and service network.

(3) Building an industry chain ecosystem through strategic cooperation and investments

The Group has continued and will continue to deepen strategic synergy with upstream and downstream partners across the industry chain. In the upstream sector, core suppliers represented by E Ink Holdings Inc. (元太科技工業股份有限公司) (stock code: 8069.TWO) have not only established close strategic cooperation relationships with the Group, but its subsidiary, Chuanqi Optoelectronics Technology (Yangzhou) Co., Ltd. (川奇光電科技(揚州)有限公司), is also one of the Shareholders. In addition, during the Reporting Period, the Group established a joint venture, Zhejiang Xingyong Electronics Co., Ltd. (浙江星湧電子有限公司) (the "**JV Company**"), principally engaging in the manufacturing of e-paper end products with TCL China Star Optoelectronics Technology Co., Ltd. (TCL華星光電技術有限公司) ("**TCL CSOT**") and Shenzhen Zhihe Development Technology Co., Ltd. (深圳市智和發展科技有限公司) ("**Shenzhen Zhihe**"), which further extended business boundaries and strengthened industrial synergies. Meanwhile, the Group has been actively carrying out industry chain investments in downstream application scenarios of e-paper, such as smart education and smart healthcare, continuously improving the closed-loop ecosystem spanning from core materials and display modules to terminal applications, consolidating comprehensive competitive advantages, and enhancing the ability to withstand market risks.

(4) Accelerate new capacity projects and intelligent upgrades to strengthen global delivery capabilities

The Group will further optimise its capacity layout. The Vietnam production base will serve as a hub to promote the adoption of electronic shelf labels in emerging markets such as Southeast Asia, Latin America and the Middle East, and the Jiaxing headquarters base will focus on the mass production of ultra-large full-colour e-paper, flexible e-paper and digital schoolbags. The Group will also continue to enhance its intelligent production capabilities by introducing advanced equipment and upgrading production processes and standards.

(5) Implement a global talent strategy to promote innovation-driven development

The Group intends to progressively enhance its talent acquisition and training mechanisms to strengthen sustainable innovation capabilities. This includes establishing a comprehensive talent development framework, incentive systems, regular training and competitive compensation and benefits package, while also building a system for regular university-enterprise collaboration, connecting with Tsinghua University's quality student pipeline to expand internship and practical training channels, and promoting industry-academia-research collaboration with universities such as Fudan University and Jiaxing University to empower technological innovation and talent development, thereby strengthening the attraction of top talent.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group recorded revenue of approximately RMB1,010.8 million, representing an increase of approximately 27.0% as compared with approximately RMB795.7 million in the Corresponding Period, primarily due to an increase in overall customer demand and the gradual utilisation of the Group's additional production capacity commissioned in 2025, which led to increased delivery volumes during the Reporting Period.

Gross Profit and Gross Profit Margin

During the Reporting Period, the Group recorded overall gross profit of approximately RMB140.8 million, representing an increase of approximately 12.1% as compared with approximately RMB125.6 million in the Corresponding Period, primarily due to the increase in the Group's sales during the Reporting Period.

During the Reporting Period, the Group recorded overall gross profit margin of approximately 13.9%, representing a decrease of approximately 1.9% as compared with approximately 15.8% the Corresponding Period, primarily due to the commencement of operations of new production lines commissioned in 2025 and the related fixed costs not being fully absorbed as such production lines were still in the early stage of capacity utilisation during the Reporting Period.

Other Income

During the Reporting Period, the Group recorded other income of approximately RMB2.0 million, representing a decrease of approximately 20.0% as compared with approximately RMB2.5 million in the Corresponding Period, primarily due to fluctuations in the amount of government grants recognised in profit or loss for the Reporting Period arising from timing differences in the approval and disbursement of government grant projects.

Research and Development Costs

During the Reporting Period, the Group recorded research and development costs of approximately RMB28.9 million, representing an increase of approximately 11.2% as compared with approximately RMB26.0 million in the Corresponding Period, primarily due to increased investment in research and development of new products and the expansion of the Group's professional research and development team in response to technological breakthroughs in upstream new materials.

General and Administrative Expenses

During the Reporting Period, the Group recorded general and administrative expenses of approximately RMB46.6 million, representing an increase of approximately 41.2% as compared with approximately RMB33.0 million in the Corresponding Period, primarily due to increased management headcount and administrative expenses arising from the continuous expansion of the production capacity of the Group's Vietnam production base, and shorter amortisation period for share-based payment expenses resulting from the acceleration of our listing timetable for the initial public offering of 5,118,600 H Shares of the Company with a nominal value of RMB1.00 per H Share at HK$78.64 per H Share (the "**Global Offering**").

Selling and Marketing Costs

During the Reporting Period, the Group recorded selling and marketing costs of approximately RMB11.4 million, representing an increase of approximately 8.6% as compared with approximately RMB10.5 million in the Corresponding Period, primarily due to an increase in sales performance-based remuneration driven by the increase in the Group's sales during the Reporting Period.

Finance Costs

During the Reporting Period, the Group recorded net finance costs of approximately RMB6.4 million, representing an increase of approximately 88.2% as compared with approximately RMB3.4 million in the Corresponding Period, primarily due to the increase in bank borrowings during the Reporting Period, which resulted in an increase of approximately RMB2.8 million in interest expenses on bank borrowings.

Income Tax

During the Reporting Period, the Group recorded income tax expense of approximately RMB6.3 million, representing an increase of approximately 10.5% as compared with approximately RMB5.7 million in the Corresponding Period, primarily due to adjustments to, in respect of deferred income tax, deductible temporary differences relating to prior years.

Profit

The Group recorded profit of approximately RMB34.8 million during the Reporting Period, representing a decrease of approximately 19.1% as compared with approximately RMB43.0 million in the Corresponding Period, primarily due to the commencement of operations of new production lines commissioned in 2025 and the related fixed costs not being fully absorbed as such production lines were still in the early stage of capacity utilisation during the Reporting Period, resulting in a decrease in gross profit margin. In addition, selling and administrative expenses increased in line with the expansion of the Group's business operations, which further contributed to the decrease in profit.

Financial Position

Items	**As at 30 June 2026** ***RMB'000*** **(unaudited)**	As at 31 December 2025 *RMB'000* (audited)
Non-current assets	**643,470**	627,442
Current assets	**1,362,649**	1,106,298
Non-current liabilities	**193,416**	137,341
Current liabilities	**915,267**	738,589
Net assets	**897,436**	857,810

As at 30 June 2026, the Group recorded net assets of approximately RMB897.4 million, representing an increase of approximately 4.6% as compared with approximately RMB857.8 million as at 31 December 2025, primarily due to the continuous expansion in the scale of the Group's business operations and accumulation of profits during the Reporting Period.

Cash and Cash Equivalents

As at 30 June 2026, the Group recorded total cash and cash equivalents (representing cash and bank balances less restricted cash) of approximately RMB261.5 million, representing an increase of approximately 81.8% as compared with approximately RMB143.8 million as at 31 December 2025, primarily due to an increase in net cash generated from operating activities driven by the expansion of the Group's business operations during the Reporting Period. The Group also continued to strengthen receivables collection management, thereby improving cash recovery efficiency. In addition, procurement activities grew in line with revenue, resulting in an increase in trade payables.

Liquidity and Financial Resources

As at 30 June 2026, the Group recorded net current assets of approximately RMB447.4 million, representing an increase of approximately 21.7% as compared with approximately RMB367.7 million as at 31 December 2025. The Group's cash and cash equivalents as at 30 June 2026 amounted to approximately RMB261.5 million, representing an increase of approximately 81.8% as compared with approximately RMB143.8 million as at 31 December 2025.

As at 30 June 2026, the Group recorded term deposits and restricted cash of approximately RMB1.3 million, representing a decrease of approximately 84.0% as compared with approximately RMB8.1 million as at 31 December 2025, which primarily comprised bank deposits pledged as security for letters of guarantee and customs security deposits.

The Group will have sufficient liquidity to ensure meeting its working capital requirements in the coming year, as well as maintaining financial flexibility for future strategic investment opportunities.

Gearing Ratio

As at 30 June 2026, the Group recorded a gearing ratio, which is based on the Group's total liabilities divided by total equity, of approximately 123.5%, representing an increase of approximately 21.4 percentage points as compared with approximately 102.1% as at 31 December 2025.

Borrowings

As at 30 June 2026, the Group recorded total borrowings of approximately RMB459.7 million, representing an increase of approximately 10.3% from approximately RMB416.6 million as at 31 December 2025, which were denominated in RMB. The Group's borrowings were primarily used to fund working capital requirements and business expansion.

Out of the Group's total bank loans as at 30 June 2026, approximately RMB305.7 million (as at 31 December 2025: approximately RMB323.3 million) were repayable within one year, approximately RMB54.1 million (as at 31 December 2025: approximately RMB53.2 million) were repayable between one and two years, and approximately RMB99.9 million (as at 31 December 2025: approximately RMB40.1 million) were repayable between two and five years. As at 30 June 2026, the annual interest rate on the Group's short-term borrowings ranged from 1.24% to 3.10% (as at 31 December 2025: from 1.24% to 3.00%) and the annual interest rate on long-term borrowings ranged from 2.53% to 3.10% (as at 31 December 2025: from 2.60% to 3.80%). As at 30 June 2026, total borrowings bearing floating interest rates amounted to approximately RMB139.2 million (as at 31 December 2025: approximately RMB20.0 million), with the remainder bearing fixed interest rates.

As at 31 December 2025, the Group had pledged buildings with a carrying amount of approximately RMB206.7 million and land use rights with a carrying amount of approximately RMB40.1 million to secure bank borrowings. All guarantees previously provided by the Group's Chairman, Mr. Zhou Aijun, were released in August 2025 and replaced with pledges over specific assets of the Group. As at 30 June 2026, the carrying amounts of the pledged buildings and land use rights were approximately RMB209.7 million and RMB39.6 million respectively.

As at 30 June 2026, the Group's unutilised banking facilities amounted to approximately RMB305.4 million (as at 30 April 2026: approximately RMB398.6 million).

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities.

CAPITAL EXPENDITURES

During the Reporting Period, the Group incurred capital expenditure of approximately RMB24.7 million, representing a decrease of approximately 81.3% as compared with approximately RMB132.4 million for the year ended 31 December 2025, primarily relating to the purchase of property, plant and equipment and intangible assets for expanding production capacity.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

The Group intends to utilise the net proceeds raised from the Global Offering in accordance with the plans set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

The Group's future capital expenditure plans primarily comprise (i) the upgrade of its existing production base in Vietnam to expand capacity for full-color e-paper display and electronic shelf label products, and (ii) the construction of Phase II facilities at its Jiaxing headquarters base for the mass production of flexible and ultra-large e-paper display products. These investments are expected to be funded by operating cash flows, the Group's own funds and net proceeds from the Global Offering.

Save as disclosed above, as at the date of this interim report, the Group does not have any plans for future material investments or additions of capital assets.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

On 31 March 2026, the Company entered into a joint venture agreement with TCL CSOT and Shenzhen Zhihe, to establish the JV Company with a total registered capital of RMB20 million, at a consideration of approximately RMB4 million. The JV Company is held as to 70%, 20% and 10% by TCL CSOT, the Company and Shenzhen Zhihe, respectively. The JV Company is principally engaged in manufacturing e-paper end products and has commenced operations in April 2026, and is expected to further expand the Group's presence in the e-paper industry chain, strengthen cooperation with strategic partners and create long-term strategic value for the Group. As of 30 June 2026, the joint venture was still in the stage of business preparation and preliminary investment, and had no significant impact on the financial position and operating results of the Group.

Save as disclosed in this interim report, the Group did not have any significant investments as at 30 June 2026 and did not conduct any material acquisitions, disposals or mergers of subsidiaries, associates or joint ventures during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to risks associated with foreign currency exchange fluctuations arising from USD-denominated assets/liabilities and overseas sales. As at 30 June 2026, revenue generated from customers domiciled outside the Chinese Mainland represented approximately 52.3% of the Group's total revenue, representing an increase of approximately 7.3 percentage points from approximately 45.0% as at 31 December 2025. The Group manages such risk primarily through natural hedging by matching foreign-currency revenues with related expenses, and by buying and selling foreign currencies at market rate where possible, and continuously monitors its foreign currency asset/liability structure and exchange rate trends, evaluating appropriate risk management tools as needed. The Group did not use derivative financial instruments to hedge foreign exchange risk during the Reporting Period.

The Group will continue to regularly monitor changes in foreign exchange rates and adopt appropriate measures as circumstances may require.

STAFF AND REMUNERATION POLICIES

As at 30 June 2026, the Group had approximately 2,315 employees. For the six months ended 30 June 2026, the total employee remuneration expenses of the Group were approximately RMB121.0 million. Remuneration packages comprise, among others, salary and bonuses and other benefits, which are determined based on seniority, performance appraisal and length of service. The Group also provides share incentives and promotion opportunities for employees. As at 30 June 2026, the Group operated three Employee Incentive Schemes to recognise employees' contributions and incentivise further development. The Employee Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve the grant of options or share awards by the Company to subscribe for the Shares after the Listing. The Group also offers new employee induction training and regular on-the-job training to its employees.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code as its own code of corporate governance. The Company will constantly review and enhance its internal controls and procedures in light of changes in regulations and developments in best practices.

As the H Shares were listed on the Stock Exchange on the Listing Date, the Company did not apply the principles and code provisions of the CG Code during the Reporting Period.

Save as disclosed below, the Company has complied with all the principles and code provisions set out in the CG Code during the period from the Listing Date and up to the date of this interim report.

Pursuant to the code provision C.2.1 of Part 2 of the CG Code, the responsibilities between the chairman and the general manager should be separate and should not be performed by the same individual, and listed companies on the Stock Exchange should comply with the relevant requirements but may choose to deviate from such requirement. The Company does not have a separate chairman and general manager, and Mr. Zhou Aijun is currently holding both roles. The Board believes that vesting the roles of both chairman and general manager in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairman of the Board and the general manager of the Company at an appropriate time taking into account the circumstances of the Group as a whole.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code and to maintain a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

Since the Listing Date, the Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code.

Having made specific enquiries of all Directors, each of the Directors confirmed that he/she has complied with the required standards set out in the Model Code since the Listing Date and up to the date of this interim report. At the same time, the Company is not aware of any non-compliance with the Model Code by the relevant employees since the Listing Date and up to the date of this interim report.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 as the Board considers that it is prudent to retain an appropriate level of funds to take advantage of business opportunities as and when they arise.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period from the Listing Date to the publication of this interim report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)). As of the date of this interim report, the Company did not hold any treasury shares.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee assists the Board in discharging its responsibilities of financial reporting and corporate governance. The Audit Committee currently consists of two independent non-executive Directors, namely, Prof. Zeng Aimin and Mr. Ruan Tim, and one non-executive Director, namely, Ms. Wang Yang. The Audit Committee is chaired by Mr. Ruan Tim, who has appropriate professional accounting qualifications and financial management expertise as required under the Listing Rules. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

The unaudited condensed consolidated interim results for the six months ended 30 June 2026 represent an extract from the condensed interim consolidated financial statements, which are unaudited and have not been reviewed by the Company's external auditor.

The Audit Committee has reviewed the Group's unaudited condensed consolidated interim results for the six months ended 30 June 2026 and this interim report.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company's shares were listed on the Main Board of the Stock Exchange on the Listing Date. The Company offered 5,118,600 H Shares at HK$78.64 per H share in the Global Offering. The nominal value of the shares is RMB1.00 per H share. The net proceeds from the Global Offering, after deducting the underwriting fees and commissions and expenses payable by the Company in connection with the Global Offering, were approximately HK$355.4 million, representing the net price of approximately HK$69.43 per H share. As previously disclosed in the Prospectus, there was no change to the intended use of the net proceeds. During the period from the Listing Date and up to the date of this interim report, the Group did not utilise the net proceeds.

The net proceeds from the Global Offering will be used in the manner as set out in the Prospectus.

The following table sets forth the planned use and actual use of the net proceeds from the Listing Date up to the date of this interim report:

Major purposes	Percentage of net proceeds	Planned allocation of total net proceeds *(HK $million)*	Amount utilised (as at the date of this interim report) *(HK $million)*	Unutilised amount (as at the date of this interim report) *(HK $million)*	Expected timetable of utilisation of the unutilised net proceeds from the Global Offering[(1)]
Production capacity enhancement and intelligentisation advancement of production bases	65.0%	231.0	–	231.0	by the end of 2027[(2)]
Enhancing R&D and technological capabilities	25.0%	88.9	–	88.9	by the end of 2030[(2)]
General working capital and general corporate purpose	10.0%	35.5	–	35.5	by the end of 2030[(2)]
Total	100.0%	355.4	–	355.4	

Notes:

(1) The expected timetable of the unutilised net proceeds is based on the Group's best estimate of market conditions.

(2) The Company will deposit the unutilised net proceeds into a short-term interest-bearing account of licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or the Law of the People's Republic of China on Commercial Banks and other relevant PRC laws).

CHANGES TO THE INFORMATION OF THE DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes and updated information regarding the Directors and senior management since the publication of the Prospectus up to the date of this interim report are set out below:

Mr. Ruan Tim has resigned as a chief financial officer of Ocumension Therapeutics (stock code: 1477.HK) with effect from 30 June 2026.

Save as disclosed above, the Company is not aware of any other information which is required to be disclosed under Rule 13.51B(1) of the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this interim report in relation to the Employee Incentive Schemes, at no time during the Reporting Period and up to the date of this interim report was the Company or its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate and none of the Directors, their spouses or children under the age of 18, had any rights to subscribe for Shares in, or debt securities of, the Company or any other body corporate, or had exercised any such rights.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On the Listing Date, the Company issued a total of 5,118,600 H Shares with a nominal value of RMB1.00 each at HK$78.64 per H Share, which commenced trading on the Main Board of the Stock Exchange.

Save as disclosed above, the Group did not have any significant subsequent events that are required to be disclosed after 30 June 2026.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any disclosure obligation under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

APPRECIATION

I would like to take this opportunity to thank all my fellow Directors and staff members for their dedicated services, contributions and support during the Reporting Period.

By Order of the Board
DKE Holding Company Limited
Zhou Aijun
Chairman of the Board, Executive Director and General Manager

Hong Kong, 25 August 2026

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

As the Company had not been listed on the Stock Exchange as at 30 June 2026, Divisions 7 and 8 of Part XV of the SFO and section 352 of the SFO were not applicable to the Directors and chief executives of the Company as at 30 June 2026.

As at the Listing Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be 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 the Directors and chief executives of the Company were taken or deemed to have under such provisions of the SFO) or interests or short positions in the register required to be kept by the Company under section 352 of the SFO, or which would be required under the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Interest in the Shares of our Company

Name of Director, or Chief Executive	Position	Nature of Interest	Shares and class of shares held[1]	Approximate percentage of total number of Shares in issue[1] (%)
Mr. Zhou	Chairman, executive Director and general manager	Beneficial owner	9,578,935 H Shares (L)	18.71
		Interest in controlled corporation[2]	4,195,500 H Shares (L)	8.20
		Interest held jointly with other persons[3]	3,172,978 H Shares (L)	6.20

Notes:

(1) Calculation is based on the total number of 51,185,739 H Shares in issue upon Listing comprising an aggregate of (i) 46,067,139 H Shares converted from the Unlisted Shares and (ii) 5,118,600 H Shares issued pursuant to the Global Offering. All interests stated are long positions.

(2) Among the 4,195,500 H Shares in which Mr. Zhou was interested through controlled corporations, (i) 2,175,000 Shares were held by Dalian Longgu and controlled by him as its general partner; (ii) 1,035,000 Shares were held by Jiaxing Longxi and controlled by him as its general partner; and (iii) 985,500 Shares were held by Jiaxing Longguan and controlled by him as its general partner.

(3) Pursuant to the Acting in Concert Agreement, Mr. Lv acknowledges and confirms that he will consult with Mr. Zhou and reach a unanimous decision with Mr. Zhou before exercising his Shareholder's right, especially on the rights to convene a Shareholders' meeting, propose and vote. If no consensus can be reached after full discussions, Mr. Lv will act according to the decision of Mr. Zhou. For details, see the section headed "History, Development and Corporate Structure – Establishment and Major Shareholding Changes of our Company – (d) Acting in Concert Agreement" in the Prospectus. By virtue of the SFO, each of Mr. Zhou and Mr. Lv is deemed to be interested in the Shares held by each other.

Save as disclosed above, as at the Listing Date, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the shares or underlying shares of the Company 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, or which were required, pursuant to section 352 of the SFO, to be recorded in the register maintained by the Company.

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

As the Company had not been listed on the Stock Exchange as at 30 June 2026, Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO were not applicable to the following persons (other than directors and chief executive of the Company) as at 30 June 2026.

To the best knowledge of the Company based on publicly available information, as at the Listing Date, the interests and short positions of the following persons (other than the Directors and chief executives of the Company) in the Shares, underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which the persons (other than the Directors and chief executives of the Company) were taken or deemed to have under such provisions of the SFO) or interests or short positions in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name of Shareholders	Nature of Interest	Shares and class of shares held[(1)]	Approximate percentage of total number of Shares in issue[(1)] (%)
Mr. Lv	Beneficial owner	3,172,978 H Shares (L)	6.20
	Interest held jointly with other persons[(2)]	13,774,435 H Shares (L)	26.91
Xu Xiande	Interest in controlled corporation[(3)]	6,975,000 H Shares (L)	13.63
Redbanyan Venture Capital	Beneficial owner[(3)]	6,975,000 H Shares (L)	13.63

Notes:

(1) All interests stated are long positions.

(2) Pursuant to the Acting in Concert Agreement, Mr. Lv acknowledges and confirms that he will consult with Mr. Zhou and reach a unanimous decision with Mr. Zhou before exercising his Shareholder's right, especially on the rights to convene a Shareholders' meeting, propose and vote. If no consensus can be reached after full discussions, Mr. Lv will act according to the decision of Mr. Zhou. For details, see the section headed "History, Development and Corporate Structure – Establishment and Major Shareholding Changes of our Company – (d) Acting in Concert Agreement" In the Prospectus. By virtue of the SFO, each of Mr. Zhou and Mr. Lv is deemed to be interested in the Shares held by each other.

(3) As at the Listing Date, Redbanyan Venture Capital Co., Ltd. was owned as to 48.86% by Xu Xiande, 30.16% by Li Zhongliang, 11.36% by Xu Chaodan and 9.62% by Yu Qingchao. By virtue of the SFO, Xu Xiande is deemed to be interested in the Shares held by Redbanyan Venture Capital.

Save as disclosed above, as at the Listing Date, to the best knowledge of the Directors, no person (not being the Directors and chief executive of the Company) had any interests or short positions in the Shares or underlying Shares which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of the SFO, to be recorded in the register maintained by the Company.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Audited)
Revenue	5	**1,010,785**	795,671
Cost of sales		**(870,025)**	(670,060)
Gross profit		**140,760**	125,611
General and administrative expenses		**(46,555)**	(32,951)
Selling and marketing expenses		**(11,363)**	(10,521)
Research and development expenses		**(28,908)**	(25,994)
Impairment losses on financial assets		**(400)**	(2,590)
Other income	6	**1,992**	2,524
Other losses	8	**(8,017)**	(3,970)
Operating profit		**47,509**	52,109
Finance income	10	**295**	801
Finance costs	10	**(6,709)**	(4,184)
Finance (costs)/income, net		**(6,414)**	(3,383)
Profit before income tax	7	**41,095**	48,726
Income tax expense	11	**(6,305)**	(5,690)
Profit for the period		**34,790**	43,036
Attributable to:			
– Owners of the Company		**35,446**	43,036
– Non-controlling interests		**(656)**	–
		34,790	43,036

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June **2026** **RMB'000** **(Unaudited)**	 2025 RMB'000 (Audited)
Other comprehensive expenses for the period			
Items that may be reclassified to profit or loss in subsequent periods, net of tax:			
Currency translation differences of foreign operations		**(2,317)**	(443)
Other comprehensive expenses for the period, net of tax		**(2,317)**	(443)
Attributable to:			
– Owners of the Company		**(2,317)**	(443)
– Non-controlling interests		**–**	–
		(2,317)	(443)
Total comprehensive income for the period		**32,473**	42,593
Attributable to:			
– Owners of the Company		**33,129**	42,593
– Non-controlling interests		**(656)**	–
		32,473	42,593
Earnings per share (expressed in RMB per share)			
Basic and diluted	13	**0.77**	0.93

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**As at 30 June 2026 RMB'000 (Unaudited)**	As at 31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	15	**539,252**	540,063
Right-of-use assets	16	**50,346**	53,193
Deferred tax assets	18	**6,769**	7,786
Intangible assets		**2,708**	2,702
Investments in associates	14	**5,336**	–
Other financial assets at fair value through other comprehensive income		**20,139**	20,783
Other non-current asset		**18,920**	2,915
Total non-current assets		**643,470**	627,442
Current assets			
Inventories	20	**653,091**	525,322
Prepayments and other receivables		**16,198**	5,755
Trade and notes receivables	19	**336,379**	382,064
Other financial assets at fair value through other comprehensive income		**66,859**	28,753
Cash and cash equivalents	21	**261,455**	143,796
Term deposits and restricted cash	21	**1,300**	8,070
Other current assets		**27,367**	12,538
Total current assets		**1,362,649**	1,106,298
Total assets		**2,006,119**	1,733,740

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Borrowings	22	**153,971**	93,273
Lease liabilities	16	**2,279**	4,816
Deferred tax liabilities	18	**1,570**	1,858
Deferred income		**35,596**	37,394
Total non-current liabilities		**193,416**	137,341
Current liabilities			
Borrowings	22	**305,685**	323,289
Trade and notes payables	23	**482,290**	266,229
Contract liabilities	5	**4,811**	14,729
Lease liabilities	16	**3,565**	3,241
Current income tax liabilities		**8,128**	2,381
Accruals and other payables		**110,269**	117,414
Provisions		**–**	10,684
Other current liabilities		**519**	622
Total current liabilities		**915,267**	738,589
Net current assets		**447,382**	367,709
TOTAL LIABILITIES		**1,108,683**	875,930
EQUITY			
Equity attributable to owner of the Company			
– Share capital	24	**46,067**	46,067
– Other reserves		**416,148**	410,998
– Retained earnings		**435,221**	399,775
		897,436	856,840
Non-controlling interests		**–**	970
Total equity		**897,436**	857,810
TOTAL LIABILITIES AND EQUITY		**2,006,119**	1,733,740

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Capital Reserves RMB'000	Statutory reserve RMB'000	Other comprehensive income reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non – controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2026 (Audited)	46,067	385,880	24,183	3,303	(2,368)	399,775	856,840	970	857,810
Profit for the period	–	–	–	–	–	35,446	35,446	(656)	34,790
Other comprehensive expenses	–	–	–	–	(2,317)	–	(2,317)	–	(2,317)
Total comprehensive (expenses)/income for the period	–	–	–	–	(2,317)	35,446	33,129	(656)	32,473
Share-based payment	–	–	7,467	–	–	–	7,467	–	7,467
Capital contributions from the non-controlling interests	–	–	–	–	–	–	–	1,320	1,320
Other decreases	–	–	–	–	–	–	–	(1,634)	(1,634)
Balance at 30 June 2026 (Unaudited)	46,067	385,880	31,650	3,303	(4,685)	435,221	897,436	–	897,436

	Attributable to owners of the Company						
	Share capital RMB'000	Share premium RMB'000	Capital Reserves RMB'000	Statutory reserve RMB'000	Other comprehensive income reserve RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2025 (Audited)	46,067	385,880	18,263	3,303	(548)	319,282	772,247
Profit for the period	–	–	–	–	–	43,036	43,036
Other comprehensive expenses	–	–	–	–	(443)	–	(443)
Total comprehensive (expenses)/income for the period	–	–	–	–	(443)	43,036	42,593
Share-based payment	–	–	(866)	–	–	–	(866)
Balance at 30 June 2025 (Audited)	46,067	385,880	17,397	3,303	(991)	362,318	813,974

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Audited)
Cash flows from operating activities			
Profit before income tax for the period		**41,095**	48,726
Adjustments for:			
Interest income	10	**(295)**	(801)
Finance costs		**6,709**	4,184
Depreciation and amortisation of non-current assets	7	**27,841**	16,039
Net losses on disposal of property, plant and equipment and other non-current assets	8	**272**	537
Impairment losses on financial assets		**400**	2,590
Impairment provision for inventories	7	**218**	8,350
Gains on disposal of financial assets		**–**	(85)
Net foreign exchange losses	8	**7,095**	2,376
Share-based compensation expenses	9	**7,467**	(866)
Others		**(1,798)**	(1,777)
Change in working capital:			
Increase in receivables		**(16,693)**	(109,925)
Increase in payables		**179,064**	85,255
Increase in inventories		**(127,989)**	(167,635)
Cash generated from/(used in) operations		**123,386**	(113,032)
Interest received		**295**	801
Income tax paid		**–**	(10,875)
Net cash generated from/(used in) operating activities		**123,681**	(123,106)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Audited)
Cash flows from investing activities			
Payments for purchase of investments		**(4,000)**	(21,476)
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets		**56**	539
Withdraw of wealth management products		**–**	47,000
Investment income received from wealth management products		**–**	85
Placement of wealth management products		**–**	(47,000)
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		**(24,736)**	(63,395)
Cash outflow on disposal of subsidiaries		**(1,532)**	–
Net cash used in investing activities		**(30,212)**	(84,247)
Cash flows from financing activities			
Proceeds from bank borrowings		**302,136**	152,468
Government grant received in relation to loans		**–**	607
Repayments of bank borrowings		**(251,115)**	(32,540)
Principal elements of lease payments		**(16,043)**	(1,352)
Interests paid		**(5,592)**	(3,228)
Payments of listing expenses to be capitalised		**(1,791)**	–
Others		**1,320**	(107)
Net cash generated from financing activities		**28,915**	115,848
Net increase/(decrease) in cash and cash equivalents		**122,384**	(91,505)
Cash and cash equivalents at the beginning of the period		**143,796**	178,355
Effects of exchange rate changes on cash and cash equivalents		**(4,725)**	(2,950)
Cash and cash equivalents at the end of the period		**261,455**	83,900

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

DKE Holding Company Limited (浙江東方科脈電子股份有限公司) (hereinafter referred to as the "**Company**"), formerly known as Dalian Dongfang Kemai Electronics Co., Ltd. (大連東方科脈電子股份有限公司), is a joint stock company with limited liability incorporated in the People's Republic of China (the "**PRC**") on 28 October 2005. The registered office of the Company is located at Room 130, Building 2, No.16, Fuxing Avenue, Xitang Town, Jiashan County, Jiaxing City, Zhejiang Province PRC. The ultimate controlling shareholder of the Company is Mr. Zhou Aijun.

The Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are a manufacturer and service provider of electronic paper ("**e-paper**") display modules integrating the research and development("**R&D**"), design, production and sales of various types of e-paper display modules.

The Historical Financial Information are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousands (RMB'000) except when otherwise indicated. These unaudited interim condensed consolidated financial statements were approved for issue by the Board of Directors on 23 August 2026.

These unaudited interim condensed consolidated financial statements have not been audited but have been reviewed by the Audit Committee.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong on 9 July 2026.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting. 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 historical financial information for the years ended 31 December 2023, 2024 and 2025 (the "**Historical Financial Information**") as disclosed in Appendix I to the prospectus issued by the Company. 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.

3. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of the unaudited 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 IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards -Volume 11

Amendments to IFRS 9 and IFRS 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 ("**ESG**") 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 FVOCI 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the unaudited interim condensed consolidated financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The unaudited interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies and critical accounting estimates and judgments adopted in the Historical Financial Information as disclosed in Appendix I to the prospectus issued by the Company.

5. OPERATING SEGMENT INFORMATION

(a) Description of Segments and Principal Activities

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**"). The executive directors assess the financial performance and position of the Group and make strategic decisions. The executive directors, which have been identified as being the CODM, consist of the executive director, the chief financial officer and the managers for each business unit. The CODM review the Group's internal reporting in order to assess performance, allocate resources, and determine the operating segment based on these reports.

For management purposes, the Group operates in one business unit based on its products and services, and has one reportable segment being the segment which principally engages in the development and commercialisation of e-paper display modules.

(b) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Revenue from contracts with customers		
At a point in time		
– Sale of goods	**994,689**	790,904
– Others *(i)*	**16,444**	3,191
Other revenue, net *(ii)*	**(348)**	1,576
	1,010,785	795,671

(i) Others mainly represents sales of raw materials.

(ii) Other revenue represents lease income.

(c) Revenue from Major Customers

The major customer who contributed 10% or more of the Group's revenue for the six months ended 30 June 2026 and 2025 is set out below:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Customer A	**322,235**	133,228
Customer B	**291,768**	230,624
Customer C	**275,133**	287,444

5. OPERATING SEGMENT INFORMATION (Continued)

(d) Geographical Information

The Company is domiciled in Chinese mainland. The amount of the Group's revenue from contracts with customers by location is shown in the table below:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Chinese mainland	**481,640**	390,627
Vietnam	**366,089**	287,143
Other Asian countries and regions *(i)*	**92,089**	51,946
Europe	**47,723**	65,222
Others	**23,244**	733
	1,010,785	795,671

(i) Other Asian countries and regions included Hong Kong, India, Japan, Malaysia, Singapore, South Korea, and the Taiwan region of China.

(e) Contract Liabilities

During the six months ended 30 June 2026, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liabilities were primarily due to the recognition of revenues upon fulfillment of performance obligations.

	As at 30 June 2026	As at 31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contract liabilities	**4,811**	14,729

The following table shows how much of the revenue, which was included in the contract liabilities at the beginning of the year, recognised during the six months ended 30 June 2026 relates to carried-forward contract liabilities:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Revenue recognised that was included in the beginning balance	**14,580**	715

Management expects that the unsatisfied obligation of RMB5,885,000 and RMB4,811,000 as at 30 June 2025 and 2026, respectively, will be recognised as revenue during the next twelve months.

6. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Government grants	**1,946**	2,446
Others	**46**	78
	1,992	2,524

7. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cost of inventories sold *(i)*	**757,548**	589,562
Employee benefit expenses *(ii, Note 9)*	**120,953**	87,976
Depreciation and amortisation *(iii)*	**27,841**	16,039
Impairment losses on inventories	**218**	8,350
Professional services and other consulting fees	**3,443**	1,655
Listing expenses	**3,011**	–
Auditor's remuneration	**134**	128
Rental expenses for short-term leases and leases of low-value asset	**721**	2
	956,851	739,526

(i) Cost of inventories sold includes the cost of raw materials, work-in-progress and finished goods of RMB661,996,000 (six months ended 30 June 2025:RMB519,158,000), staff costs of RMB79,533,000 (six months ended 30 June 2025: RMB62,463,000) and depreciation of RMB16,019,000 (six months ended 30 June 2025: RMB7,941,000).

(ii) Employee benefit expenses include RMB79,534,000 (six months ended 30 June 2025: RMB62,463,000) in cost of sales, RMB20,184,000 (six months ended 30 June 2025:RMB12,423,000) in general and administrative expenses, RMB3,248,000 (six months ended 30 June 2025:RMB2,045,000) in selling and marketing expenses and RMB17,987,000 (six months ended 30 June 2025: RMB11,045,000) in research and development expenses.

(iii) Depreciation and amortisation include RMB16,019,000 (six months ended 30 June 2025: RMB7,941,000) in cost of sales, RMB10,273,000 (six months ended 30 June 2025:RMB6,855,000) in general and administrative expenses, RMB44,000 (six months ended 30 June 2025:RMB33,000) in selling and marketing expenses and RMB1,505,000 (six months ended 30 June 2025: RMB1,210,000) in research and development expenses.

8. OTHER LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Net foreign exchange differences	**(7,095)**	(2,376)
Penalties	**(10)**	–
Net losses on disposal of property, plant and equipment and other long-term assets	**(272)**	(537)
Others	**(640)**	(1,057)
	(8,017)	(3,970)

9. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTOR'S REMUNERATION)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Salaries, wages and bonuses	**89,177**	70,659
Share-based compensation expenses	**7,467**	(866)
Housing fund, medical insurance and other social insurance	**8,529**	7,016
Pension costs *(i)*	**9,502**	6,942
Other employee benefits	**6,278**	4,225
	120,953	87,976

(i) The Group is required to make contributions for its employees in the PRC to the state-sponsored retirement plan at a certain rate based on the qualified salaries of the individual employees. The PRC government is responsible for the pension liability of the retired employees.

During the six months ended 30 June 2025 and 2026, no forfeited contributions were utilised by the Group to reduce its contributions for the current period.

10. FINANCE (COSTS)/INCOME, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Finance income:		
Interest income from financial assets held for cash management purposes	**295**	801
Finance costs:		
Interest expenses on lease liabilities	**(94)**	(190)
Interest expenses on bank borrowings	**(5,763)**	(2,939)
Losses on the discounting of other financial assets at FVOCI	**(852)**	(1,055)
Finance costs total	**(6,709)**	(4,184)
Finance (costs)/income, net	**(6,414)**	(3,383)

11. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Group calculates the period income tax expense/(credit) using the tax rate that would be applicable to the expected total annual loss. The major components of income tax expense/(credit) in the interim condensed consolidated statement of profit or loss and other comprehensive income are:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Current income tax	**5,729**	10,198
Deferred income tax	**576**	(4,508)
	6,305	5,690

12. DIVIDENDS

The Board did not declare any interim dividend for the reporting period (six months ended 30 June 2025: Nil).

13. EARNINGS PER SHARE

(a) Basic Earnings Per Share

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Audited)
Profit attributable to ordinary shareholders of the Company (RMB'000)	**35,446**	43,036
Weighted average number of ordinary shares in issue (thousands)	**46,067**	46,067
Basic EPS (RMB per share)	**0.77**	0.93

(b) Diluted Earnings Per Share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary share.

For the six months ended 30 June 2025 and 2026, the diluted earnings per share equal to basic earnings per share as there was no potential ordinary share in issue.

14. INVESTMENT IN ASSOCIATES

The amounts of investments in associates recognised in the Historical Financial Information are as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Associates	**5,336**	–
	5,336	–

14. INVESTMENT IN ASSOCIATES (Continued)

The movements of investments in associates during the six months ended 30 June 2026 are as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
At the beginning of the year	–	–
Additional investments	5,336	–
At the end of the period	**5,336**	–

The associates of the Group have been accounted based on the financial information prepared under the accounting policies consistent with the Group.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Leasehold improvement RMB'000	Total RMB'000
At 1 January 2026 (audited)							
Cost	316,424	14,459	279,235	2,591	21,655	15,475	649,839
Accumulated depreciation	(45,397)	(7,042)	(46,751)	(2,251)	–	(8,335)	(109,776)
Carrying amounts	271,027	7,417	232,484	340	21,655	7,140	540,063
Opening carrying amounts	271,027	7,417	232,484	340	21,655	7,140	540,063
Additions	–	186	58	–	32,267	143	32,654
Transfers from construction in progress	314	1,367	24,265	285	(26,231)	–	–
Transfers to construction in progress	–	–	(216)	–	216	–	–
Disposals and others	–	(171)	(653)	–	(2,385)	–	(3,209)
Currency translation differences	(1,696)	(37)	(2,313)	(4)	(315)	(2)	(4,367)
Depreciation charges	(7,533)	(1,395)	(13,548)	(145)	–	(3,268)	(25,889)
Closing carrying amounts	262,112	7,367	240,077	476	25,207	4,013	539,252
At 30 June 2026 (unaudited)							
Cost	314,981	15,794	299,814	2,872	25,207	15,535	674,203
Accumulated depreciation	(52,869)	(8,427)	(59,737)	(2,396)	–	(11,522)	(134,951)
Carrying amounts	262,112	7,367	240,077	476	25,207	4,013	539,252

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings RMB'000	Office equipment RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Leasehold improvement RMB'000	Total RMB'000
At 1 January 2025 (audited)							
Cost	251,535	12,045	131,446	2,591	67,179	14,512	479,308
Accumulated depreciation	(32,622)	(4,504)	(48,355)	(2,148)	–	(5,798)	(93,427)
Carrying amounts	218,913	7,541	83,091	443	67,179	8,714	385,881
Opening carrying amounts	218,913	7,541	83,091	443	67,179	8,714	385,881
Additions	9,089	59	1,639	–	179,290	882	190,959
Transfers from construction in progress	56,442	2,408	181,774	–	(240,624)	–	–
Transfers to construction in progress	–	–	(16,309)	–	16,309	–	–
Disposals and others	–	(5)	(914)	–	–	–	(919)
Currency translation differences	(627)	(8)	(798)	–	(499)	–	(1,932)
Depreciation charges	(12,790)	(2,578)	(15,999)	(103)	–	(2,456)	(33,926)
Closing carrying amounts	271,027	7,417	232,484	340	21,655	7,140	540,063
At 31 December 2025(audited)							
Cost	316,424	14,459	279,235	2,591	21,655	15,475	649,839
Accumulated depreciation	(45,397)	(7,042)	(46,751)	(2,251)	–	(8,335)	(109,776)
Carrying amounts	271,027	7,417	232,484	340	21,655	7,140	540,063

(a) Property, plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter of lease term as follows:

Buildings	20 years
Plant and machinery	3–10 years
Office equipment	3–10 years
Motor vehicles	4–5 years
Leasehold improvements	Shorter of their useful lives and lease terms

(b) The Group has pledged buildings with carrying amount of approximately RMB206,702,000 and RMB209,694,000 as at 31 December 2025 and 30 June 2026, respectively to secure bank borrowings (Note 22(b)) granted to the Group.

16. LEASE

16.1 The Group as the lessee

(a) Amounts Recognised in the Consolidated Statements of Financial Position

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Right-of-use assets		
Land use right	**45,998**	46,747
Buildings	**4,348**	6,446
	50,346	53,193
Lease liabilities		
Current	**3,565**	3,241
Non-current	**2,279**	4,816
	5,844	8,057

(i) Additions to the right-of-use assets during the year ended 31 December 2025 and the six months ended 30 June 2026 were nil and nil, respectively.

(ii) The Group has pledged land use right with carrying amount of approximately RMB40,051,000 and RMB39,587,000 as at 31 December 2025 and 30 June 2026, respectively to secure bank borrowings (Note 22(b)) granted to the Group.

(b) The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. The discount rate used during the year ended 31 December 2025 and the six months ended 30 June 2026 were ranged from 3.45% to 4.75% and 3.45% to 4.75%.

16. LEASE (Continued)

16.1 The Group as the lessee (Continued)

(c) Amounts Recognised in the Consolidated Statements of Profit or Loss

The consolidated statements of profit or loss and the consolidated statements of cash flows contain the following amounts relating to leases:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Depreciation charge of right-of-use assets:		
– Land use right	**543**	545
– Buildings	**1,201**	1,716
	1,744	2,261

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Interest expense (including in finance cost)	**94**	190
Expense relating to short-term and low value leases not included in lease liabilities	**721**	2
	815	192

The total cash outflows for lease payments during the six months ended 30 June 2025 and 2026 were approximately RMB1,461,000 and RMB2,106,000, respectively.

As a lessee, the Group leases properties, offices, and land use rights. Lease contracts typically have fixed terms, ranging from 1 to 10 years for properties and offices, and 43 to 50 years for land use rights. They are stated at cost less accumulated depreciation and accumulated impairment losses.

16.2 The Group as the lessor

(a) Operating Lease

(i) Lease Income

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Lease income	**(348)**	1,576

16. LEASE (Continued)

16.2 The Group as the lessor (Continued)

(a) Operating Lease (Continued)

(ii) Assets leased out under operating leases

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Property, plant and equipment	**6,221**	11,983
Land use right	**2,786**	2,817
	9,007	14,800

(iii) Undiscounted lease payments to be received arising from non-cancellable leases based on the lease contract signed with lessee

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	**807**	1,512
1 to 2 years	**807**	–
2 to 3 years	**606**	–
	2,220	1,512

17. FINANCIAL INSTRUMENTS BY CATEGORY

The detail information of financial instruments by category During the six months ended 30 June 2026 is as below:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Financial assets		
Financial assets measured at fair value:		
Notes receivables at FVOCI	**66,859**	28,753
Equity instruments at FVOCI	**20,139**	20,783
Financial assets measured at amortised cost:		
Trade and notes receivables *(Note 19)*	**336,379**	382,064
Cash and cash equivalents *(Note 21)*	**261,455**	143,796
Other receivables	**13,124**	4,608
Restricted cash *(Note 21)*	**1,300**	8,070

17. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Financial liabilities		
Financial liabilities measured at amortised cost:		
Borrowings *(Note 22)*	459,656	416,562
Trade and notes payables *(Note 23)*	482,290	266,229
Lease liabilities *(Note 16)*	5,844	8,057
Accruals and other payables (excluding non-financial liabilities)	84,082	85,423

18. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority. The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Gross deferred tax assets	31,830	33,961
Offsetting against deferred tax liabilities	(25,061)	(26,175)
Net deferred tax assets	6,769	7,786
Gross deferred tax liabilities	26,631	28,033
Offsetting against deferred tax assets	(25,061)	(26,175)
Net deferred tax liabilities	1,570	1,858

18. DEFERRED TAX (Continued)

The movements in deferred tax assets and liabilities before offsetting are as follows:

(a) Deferred Tax Assets

	Tax losses	Loss provisions and impairment reserves	Government grants	Unrealised internal profits	Lease liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	2,066	14,937	6,291	62	2,740	135	26,231
Credited/(debited) to profit or loss *(Note 11)*	5,055	(1,007)	(560)	994	51	3,284	7,817
Debited to equity	–	(87)	–	–	–	–	(87)
At 31 December 2025	7,121	13,843	5,731	1,056	2,791	3,419	33,961
At 1 January 2026	**7,121**	**13,843**	**5,731**	**1,056**	**2,791**	**3,419**	**33,961**
Credited/(debited) to profit or loss *(Note 11)*	**1,672**	**(1,743)**	**(280)**	**180**	**(1,584)**	**(223)**	**(1,978)**
Debited to equity	**–**	**(153)**	**–**	**–**	**–**	**–**	**(153)**
At 30 June 2026	**8,793**	**11,947**	**5,451**	**1,236**	**1,207**	**3,196**	**31,830**

(b) Deferred Tax Liabilities

	Right of use assets	Accelerated tax depreciation	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2025	2,712	13,428	16,140
(Credited)/debited to profit or loss *(Note 11)*	(175)	12,068	11,893
At 31 December 2025	2,537	25,496	28,033
At 1 January 2026	**2,537**	**25,496**	**28,033**
(Credited)/debited to profit or loss *(Note 11)*	**(1,450)**	**48**	**(1,402)**
At 30 June 2026	**1,087**	**25,544**	**26,631**

19. TRADE AND NOTES RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Notes receivables	605	12,121
Trade receivables	354,886	390,736
Less: credit loss allowance	(19,112)	(20,793)
	336,379	382,064

(a) Notes receivables represent short-term bank acceptance notes receivables that entitle the Group to receive the full face amount from the banks at maturity, which generally within 12 months from the date of issuance. Historically, the Group had experienced no credit losses on notes receivables. The Group from time to time endorses bank acceptance notes to suppliers in order to settle trade payables.

For these notes, the directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, the Group continued to recognise the full carrying amounts of the Endorsed Notes. As at 31 December 2025 and 30 June 2026, the aggregate carrying amounts of the trade payables settled by such Endorsed Notes to which the suppliers have recourse were RMB409,000 and nil, respectively.

(b) The normal credit term to the customers is generally ranging from 30 to 90 days. The aging analysis of trade receivables based on revenue recognition date is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	351,634	388,924
1 to 2 years	1,911	467
2 to 3 years	27	33
3 to 4 years	2	439
4 to 5 years	439	200
Over 5 years	873	673
	354,886	390,736

20. INVENTORIES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Raw materials	353,625	253,150
Finished goods	263,786	244,346
Work in progress	62,370	66,934
Goods in transit	15,436	11,685
Others	4,845	4,633
Less: provision for impairment	(46,971)	(55,426)
	653,091	525,322

(i) The cost of inventories carried forward to the profit or loss during the year is mainly recognised as the cost of sales. For the six months ended 30 June 2025 and 2026, the cost of inventories carried forward to the cost of sales amounted to approximately RMB654,518,000 and RMB862,630,000, respectively.

(ii) Provision/reversal for inventories recorded as cost of sales during the six months ended 30 June 2025 and 2026, were RMB8,350,000 and RMB218,000, respectively.

(iii) The written off of provisions for inventories during the six months ended 30 June 2025 and 2026 were RMB3,377,000, and RMB8,101,000, respectively.

21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and Cash Equivalents

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Cash and bank balances	262,755	151,866
Less: restricted cash *(i)*	(1,300)	(8,070)
Cash and cash equivalents	261,455	143,796

(i) As at 31 December 2025 and 30 June 2026, the Group's bank deposits amounting to RMB1,800,000 and RMB1,300,000 were pledged as security for the letters of guarantee and customs security deposits provided for the Group.

As at 31 December 2025, another RMB6,270,000 deposits placed with banks were temporarily frozen for pending litigations.

22. BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current		
Bank borrowings		
– Secured and unguaranteed	129,910	53,203
– Unsecured and unguaranteed	24,061	40,070
	153,971	93,273
Current		
Bank borrowings		
– Secured and unguaranteed	49,719	76,955
– Unsecured and unguaranteed	255,966	246,334
	305,685	323,289

(a) As at 31 December 2025 and 30 June 2026, the annual interest rate of short-term borrowings was ranged from 1.24% to 3.00% and 1.24% to 3.10%, respectively.

As at 31 December 2025 and 30 June 2026, the annual interest rate of long-term borrowings was ranged from 2.60% to 3.80% and 2.53% to 3.10%, respectively.

(b) As at 31 December 2025, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB129,953,000 secured by the land use right and buildings;

As at 30 June 2026, secured bank borrowings mainly included: (i) borrowings with a principal equivalent to approximately RMB179,350,000 secured by the land use right and buildings;

(c) As at 31 December 2025 and 30 June 2026, the Group's borrowings were repayable as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	305,685	323,289
Between 1 and 2 years	54,082	53,203
Between 2 and 5 years	99,888	40,070
	459,656	416,562

22. BORROWINGS (Continued)

(d) Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since either the interest payable on those borrowings is close to current market rates, or the borrowings are of a short-term nature.

23. TRADE AND NOTES PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade and notes payables		
– Trade payables	**482,290**	266,229
	482,290	266,229

An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	**482,193**	266,198
1 to 2 years	**94**	10
2 to 3 years	**–**	21
Over 3 years	**3**	–
	482,290	266,229

24. SHARE CAPITAL

	As at 30 June 2026		As at 31 December 2025	
	Share capital RMB'000	**Number of shares '000**	Share capital RMB'000	Number of shares '000
At the beginning of the period	**46,067**	**46,067**	46,067	46,067
At the end of the period	**46,067**	**46,067**	46,067	46,067

25. SHARE INCENTIVE SCHEME

The Group operates three employee share incentive schemes (the "**Share Incentive Schemes**"), details of which are set out in the Appendix I to the prospectus issued by the Company.

Share-based compensation expenses recognised in profit or loss for the six months ended 30 June 2026 amounted to RMB7,467,000 (six months ended 30 June 2025: reversal of RMB866,000), and are included within staff costs.

Movements in the number of outstanding restricted shares granted under the Share Incentive Schemes during the period are summarised as follows:

	Six months ended 30 June 2026 ('000)	Year ended 31 December 2025 ('000)
At 1 January	**2,014**	1,879
Granted during the period/year	**–**	291
Forfeited during the period/year	**(30)**	(156)
At the end of the period/year	**1,984**	2,014

No new grants of share awards were made during the six months ended 30 June 2026.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

The Group has contingent liabilities in respect of claims or other legal procedures arising in its ordinary course of business from time to time. As at 30 June 2026, the directors of the Company did not anticipate that any material liabilities will arise from the contingent liabilities other than those provided for in the Financial Information.

26.2 Capital Commitments

The following shows the major capital commitments of the Group:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Property, plant and equipment and intangible assets commitments:		
– Contracted, but not provided for	**52,418**	23,210

27. RELATED PARTY TRANSACTIONS

(a) Names and Relationship with Related Parties

Related parties are those parties that have the ability, directly and indirectly, to control, jointly control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control and common joint control in the controlling shareholder's families. Members of key management and their close family member of the Group are also considered as related parties.

The directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group for the year ended 31 December 2025 and the six months ended 30 June 2026:

Name of the related parties	Relationship with the Group
Mr. Zhou Aijun	Ultimate Controlling Persons of the Group
Shenzhen Guohua Optoelectronic Tech. Co., Ltd. (深圳市國華光電科技有限公司)	An independent non-executive director of the Company is the ultimate controlling shareholder of this entity. *(i)*
Zhejiang Xingyong Electronics Co., Ltd. (浙江星湧電子有限公司)	An associate of the Group

(i) This independent non-executive director was resigned from the position of company director in February 2022 for personal development. Since then, the Company's related relationship with Shenzhen Guohua Optoelectronic Tech. Co., Ltd was terminated. However, following his reappointment as an Independent Non-executive Director in September 2025, the related relationship with the Company has been reinstated.

The following transactions and balances were carried out between the Group and its related parties during the six months ended 30 June 2026. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. In addition to those disclosed elsewhere in the Historical Financial Information, the Group has the following transactions with related parties:

(b) Material Transactions with Related Parties

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Leasing land use right and buildings to an associate of the Group	**175**	–
Sales of goods to an independent non-executive director of the Company who is the ultimate controlling shareholder of this entity	**–**	375
	175	375

27. RELATED PARTY TRANSACTIONS (Continued)

(c) Balance with Related Parties

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade nature		
Trade receivables from an associate of the Group	202	–
	202	–

(d) Key Management Compensation

Compensation of the key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 9, was as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Audited)
Salaries, wages and bonuses	2,659	4,547
Share-based compensation expenses	2,051	(1,708)
Pension costs, housing fund, medical insurance and other social benefits	564	756
	5,274	3,595

28. EVENTS AFTER THE REPORTING PERIOD

Save for the completion of the Global Offering on the Listing Date as disclosed in the section headed "Significant Events after the Reporting Period", there has been no event since 30 June 2026 that has had a material impact on the Group.

DEFINITIONS

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:

"Acting in Concert Agreement"	the acting in concert agreement dated 16 April 2018 entered into between Mr. Lv and Mr. Zhou, as further described in the section headed "History, Development and Corporate Structure – Establishment and Major Shareholding Changes of our Company – (d) Acting in Concert Agreement" in the Prospectus
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Company" or "our Company"	DKE Holding Company Limited (浙江東方科脈電子股份有限公司), a company established as a limited liability company in the PRC on 28 October 2005 which was converted into a joint stock company with limited liability on 11 December 2015 and the H Shares of which are listed on the Stock Exchange (stock code: 1770)
"Concert Party Group"	Mr. Zhou and Mr. Lv, both of whom are parties to the Acting in Concert Agreement
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to our group of Shareholders comprising Mr. Zhou, Mr. Lv, Dalian Longgu, Jiaxing Longxi and Jiaxing Longguan
"Corporate Governance Code" or "CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Corresponding Period"	six-month period from 1 January 2025 to 30 June 2025
"PRC" or "The People's Republic of China"	The People's Republic of China, for the purpose of this interim report and for geographical reference only and except where the context requires otherwise, references in this interim report to "China" or "PRC" do not include Hong Kong, Macau and Taiwan
"Dalian Longgu"	Dalian Longgu Investment Advisory Management Partnership (Limited Partnership) (大連龍谷投資諮詢管理合夥企業(有限合夥)), a limited partnership established on 29 December 2015 in the PRC, one of our incentive platforms and one of our Controlling Shareholders
"Director(s)"	the director(s) of our Company

"Employee Incentive Schemes"	the three employee share incentive schemes of the Company, details of which are set out in Note 33 of Appendix I to the Prospectus
"Global Offering"	the initial public offering of 5,118,600 H Shares of the Company with a nominal value of RMB1.00 per H Share at HK$78.64 per H Share, comprising the Hong Kong Public Offering to public investors in Hong Kong and the International Placing to professional, institutional and other investors
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Stock Exchange
"HK$" or "Hong Kong dollars" or "HK dollars"	the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Public Offering"	has the meaning given to that expression in the Prospectus
"International Placing"	has the meaning given to that expression in the Prospectus
"Jiaxing Longguan"	Jiaxing Longguan Advisory Management Partnership (Limited Partnership) (嘉興龍觀諮詢管理合夥企業(有限合夥)), a limited partnership established on 23 December 2020 in the PRC, one of our incentive platforms and one of our Controlling Shareholders
"Jiaxing Longxi"	Jiaxing Longxi Advisory Management Partnership (Limited Partnership) (嘉興龍溪諮詢管理合夥企業(有限合夥)), a limited partnership established on 17 December 2020 in the PRC, one of our incentive platforms and one of our Controlling Shareholders
"Listing"	the listing of our H Shares on the Main Board
"Listing Date"	9 July 2026 (Thursday), being the date of the listing of the H Shares on the Stock Exchange and on which the H Shares are permitted to be dealt on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"Model Code"	pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix C3 to the Listing Rules
"Mr. Lv"	Mr. Lv Zhongren (呂忠仁), one of our Controlling Shareholders and a member of the Concert Party Group
"Mr. Zhou"	Mr. Zhou Aijun (周愛軍), our Chairman, executive Director and general manager, one of our Controlling Shareholders and a member of the Concert Party Group
"Prospectus"	the prospectus of the Company dated 29 June 2026
"Redbanyan Venture Capital"	Redbanyan Venture Capital Co., Ltd. (紅榕創業投資股份有限公司)
"Reporting Period" or "Period"	six-month period from 1 January 2026 to 30 June 2026
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
"Share(s)"	ordinary share(s) with nominal value RMB1.00 each in the share capital of our Company, comprising H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Unlisted Shares"	ordinary Share(s) issued by our Company with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange prior to the Listing

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DKE HOLDING COMPANY LIMITED

浙江東方科脈電子股份有限公司