德基科技

D&G TECHNOLOGY

# D&G TECHNOLOGY HOLDING COMPANY LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

STOCK CODE **1301**

# 2026
# Interim Report

# CONTENTS



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Ms. Choi Kwan Li, Glendy
*(Chairman and Chief Executive Officer)*
Mr. Choi Hon Ting, Derek
Mr. Liu Tom Jing-zhi
Mr. Lao Kam Chi

### Non-Executive Directors

Mr. Chan Lewis
Mr. Alain Vincent Fontaine

### Independent Non-Executive Directors

Mr. O'Yang Wiley
Mr. Lee Wai Yat, Paco
Ms. Hu Bingbing

## AUDIT COMMITTEE

Mr. O'Yang Wiley *(Chairman)*
Mr. Lee Wai Yat, Paco
Ms. Hu Bingbing

## REMUNERATION COMMITTEE

Ms. Hu Bingbing *(Chairman)*
Ms. Choi Kwan Li, Glendy
Mr. O'Yang Wiley

## NOMINATION COMMITTEE

Mr. Lee Wai Yat, Paco *(Chairman)*
Ms. Choi Kwan Li, Glendy
Mr. O'Yang Wiley

## RISK MANAGEMENT COMMITTEE

Ms. Choi Kwan Li, Glendy *(Chairman)*
Mr. Liu Tom Jing-zhi
Mr. O'Yang Wiley
Ms. Hu Bingbing

## COMPANY SECRETARY

Mr. Fok Wai Shun, Wilson

## AUTHORISED REPRESENTATIVES

Ms. Choi Kwan Li, Glendy
Mr. Fok Wai Shun, Wilson

# CORPORATE INFORMATION

## REGISTERED OFFICE

Cricket Square,
Hutchins Drive, PO Box 2681,
Grand Cayman, KY1-1111,
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

7/F, Hing Lung Commercial Building,
68-74 Bonham Strand,
Sheung Wan,
Hong Kong

## PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

No.12 Yinghua Road,
Yongqing Industrial Park,
Yongqing County,
Langfang City,
Hebei Province,
PRC

## HONG KONG BRANCH SHARE REGISTRAR

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

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## AUDITOR

PricewaterhouseCoopers
*Certified Public Accountants and Registered PIE Auditor*
*(proposed to remove as auditor of the Company, subject to the shareholders' approval at the next extraordinary general meeting)*
Deloitte Touche Tohmatsu
*Certified Public Accountants and Registered PIE Auditor*
*(proposed for appointment as auditor of the Company, subject to shareholders' approval at the next extraordinary general meeting)*

## LEGAL ADVISOR

MinterEllison LLP

## PRINCIPAL BANKERS

Bank of Cangzhou Co., Ltd
Industrial Bank Co., Ltd.
Nanyang Commercial Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

## COMPANY WEBSITE

www.dgtechnology.com

## BUSINESS REVIEW

### General Review

For the six months ended 30 June 2026 (the "**Period**"), D&G Technology Holding Company Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") continued to maintain its leading position in the road construction and maintenance industry. Building on its established presence in the People's Republic of China (the "**PRC**", "**China**", or "**Chinese Mainland**") along with an expanding overseas footprint, the Group continued to deliver smart road construction and conservation solutions. Its comprehensive product portfolio covers asphalt mixing plants of varying scales, recycled asphalt pavement ("**RAP**") crushing equipment, and sand manufacturing machinery. In addition to new plant sales, the Group also provides modification services to existing facilities, integrating advanced recycling and environmental protection features such as bitumen foaming devices for warm mix asphalt, and upgrading traditional AMP with RAP feeding and recycling modules, enabling the production of hot and warm mix asphalt using reclaimed materials. This diversified offering reflects the Group's continued commitment to technological innovation, environmental sustainability and operational efficiency to meet evolving needs across different markets.

The Group's asphalt mixing plants fall into two major categories: conventional hot-mix asphalt mixing plants ("**Conventional Plants**") and recycling hot-mix asphalt mixing plants ("**Recycling Plants**"). Conventional Plants are widely used in the construction and maintenance of roads and highways, supplying reliable and efficient asphalt mixtures for large-scale infrastructure projects. Recycling Plants produce recycled asphalt mixtures by combining reclaimed asphalt pavement with new materials such as bitumen and aggregates, thereby achieving both resource recovery and cost savings. By incorporating value-added solutions such as RAP crushing equipment, the Group enhances the functionality and versatility of its plants, further strengthening its competitive position in both domestic and overseas markets, and allowing it to address diversified customer needs from conventional road construction projects to those prioritising sustainability and environmental protection.

During the Period, the Group's domestic business remained broadly stable, supported by policy initiatives and continued infrastructure investment into transport network upgrades, rural road development, and greener construction practices. Fixed-asset investment in China's transportation sector reached RMB1.5 trillion in the first half of 2026, of which RMB1.0 trillion was directed to highways. Investment in rural roads totalled RMB144.3 billion, supporting the new construction and upgrades of 34,000 kilometres of rural roads, safety improvement works on a further 21,000 kilometres, and maintenance works on 65,000 kilometres nationwide. These investments have generated robust demand for road construction, maintenance and upgrading equipment, particularly in county-level and rural markets.

As a result of its earlier efforts to expand its presence and sales and service team, contributions from county-level projects increased during the Period. To better serve smaller-scale projects, the Group has also been refining its plant designs and configurations to provide more flexible and cost-effective solutions.

Meanwhile, the Group's overseas business recorded satisfactory growth during the Period, driven by higher sales volumes and an expanding geographical reach. Consistent with its strategy of expanding its international sales team and distribution network, the Group secured orders in countries and areas such as Thailand, Central Asia, while continuing to pursue opportunities in Saudi Arabia, Africa and Southeast Asia. As export orders typically feature a shorter cash conversion cycle, the increasing contribution from overseas markets has also further improved the Group's revenue mix and supported stronger operating cash flow and liquidity.

During the Period, the Group participated in a range of road construction and infrastructure projects in the PRC and overseas, including several landmark highway projects in China such as Wutian Expressway (武天高速), the G30 Beijing-Xinjiang Expressway (G30京新高速公路), the Beijing-Hong Kong-Macau Expressway expansion project (京港澳高速四改八擴建工程), and the Chengdu-Nanchong Expressway capacity expansion project (成都—南充高速公路擴容工程). Internationally, there were also breakthroughs in Brazil, as well as other regional connectivity projects under the Belt and Road initiatives.

In addition to the sales of asphalt mixing plants, revenue from modification services recorded a modest increase, underpinned by the resilient demand for cost-effective upgrades to existing facilities. The Group also extended these services to non-D&G plants, further broadening its addressable market, creating new revenue streams and value for customers.

Overall, revenue for the Period reached RMB230,288,000, representing a year-on-year increase of 7.1% (1H2025: RMB215,096,000). Gross profit decreased by 0.8% year-on-year to RMB72,772,000 (1H2025: RMB73,360,000), with gross profit margin decreased by 2.5 percentage points to 31.6% (1H2025: 34.1%), primarily attributable to the change in product mix. Along with improving cost control, the Group recorded a profit of RMB1,900,000 for the Period, as compared with a loss of RMB4,221,000 in the same period last year.

**Innovation and Research and Development ("R&D")**

Innovation and R&D remain the cornerstone of the Group's long-term development, driving its pursuit of smarter, cleaner and more versatile solutions for road construction and the broader industrial sectors. Its R&D focus spans combustion technology, sustainable energy solutions, artificial intelligence ("**AI**") applications and the development of mobile continuous asphalt mixing plants, with each aiming to enhance product performance, expand addressable markets, and meet the evolving needs of customers across industries and boundaries.

During the Period, the Group continued to advance its combustion technologies to optimise fuel consumption, reduce emissions, and comply with the increasingly stringent regulatory requirements. By integrating upgraded combustion systems into both new plants and modification projects, the Group was able to deliver measurable cost savings, improved energy efficiency and environmental benefits to its customers. This reflects the growing need for low-carbon asphalt production and the broader industry transition towards greener infrastructure.

Beyond energy conservation, the Group is progressively introducing AI applications across the Group's batching plant systems, with enhanced sensor technologies and energy monitoring and automated controls for material ratio and operating temperature adjustments being added under planned upgrades. Supported by intelligent feed matching and real-time process optimisation, these systems are expected to improve output quality, raise energy efficiency, and reduce material waste.

To support domestic county-level development and overseas ventures, the Group is developing mobile continuous plants to complement its established range of large-scale stationary batching plants, which are recognised for their high standards of quality control and advanced recycling capabilities. Designed primarily for overseas markets, where infrastructure projects are often geographically dispersed, mobile plants would offer greater flexibility, ease of deployment, and cost efficiency. By offering both stationary and mobile solutions, the Group is well-positioned to address a wider spectrum of customer and project requirements, driving sustainable revenue growth.

Through sustained investment in R&D, the Group has further reinforced its position as a leading player in the road construction and maintenance machinery industry, particularly in the medium- to large-scale asphalt mixing plant segment. As at 30 June 2026, the Group held 278 registered patents in the PRC, comprising 20 invention patents and 8 appearance patents, together with 33 software copyrights. In addition, 32 patent applications were pending approval.

## MARKETING AND AWARDS

The Group places strong emphasis on brand, product and service visibility through a combination of digital marketing and active industry engagement. It utilises a range of online platforms, including global B2B trading platforms, corporate websites, LinkedIn and WeChat, to deliver improved services to customers and strengthen its brand presence in both the PRC and overseas markets. During the Period, the Group participated in various promotional events, technical seminars and corporate social responsibility events, including Uz Mining Expo 2026, the 4th Annual Conference of the Zhongguancun Road Maintenance Industry Technology Innovation Alliance, and the 11th Conference on Asphalt Pavement Maintenance Technology for Green City Development 2026. The Group's commitment to sustainable manufacturing was also recognised with its designation as a "National Green Factory" by the Ministry of Industry and Information Technology. This accolade reflects the Group's achievements in low-carbon energy use, energy conservation and emissions reduction, renewable resource utilisation, green design, advanced production processes, and cleaner manufacturing.

### ESG Development and Awards

During the Period, the Group continued to advance its ESG initiatives through active participation in sustainability and community programs. In February 2026, the Group sponsored the Green Carnival, organised by the Green Council, for the tenth consecutive year. Featuring a variety of environmental-themed booths and activities, the event attracted strong public participation and helped promote greater awareness of sustainable living. The Group also sponsored Hong Kong Green Day for the eleventh consecutive year and took part in the Green Pledge programme, encouraging employees to support the Wearing Green Action in June 2026. The Group's longstanding efforts in environmental management were further recognised with the inaugural Carbon Awards 2026, presented by the Greater Bay Area Carbon Neutrality Association. This recognition reflects the Group's continued progress in enhancing energy efficiency, optimising resource utilisation, reducing carbon emissions and strengthening environmental management.

## OUTLOOK

Looking ahead, the Group remains well-positioned to capture emerging growth opportunities domestically, driven by China's supportive policy environment, evolving infrastructure needs, and broader industry trends. Under the 15th Five-Year Plan, China's transportation sector is entering a new stage of development, with establishing a modern, integrated transportation system being one of the major targets. Key priorities include the renewal and digital transformation of transport infrastructure, with approximately 80,000 kilometres of facilities expected to be upgraded by 2030. These initiatives are expected to generate sustained demand for advanced road construction and maintenance equipment.

In addition to major, large-scale projects, the Group will continue to deepen its penetration into county-level markets by further strengthening its domestic sales and after-sales service capabilities. As part of a new round of rural road improvement initiatives under the 15th Five-Year Plan, approximately 500,000 kilometres of rural roads are expected to be newly built or upgraded. This is expected to create additional opportunities in county-level markets, where local governments and contractors are showing increasing demand for modern, efficient and environmentally compliant road construction solutions.

Overseas expansion will remain another key growth driver. The Group plans to strengthen its international sales and service teams, while seeking cooperation with local distributors, contractors and service providers. The Group will continue to focus on markets including Central Asia, the Middle East, Southeast Asia, Belarus, and Brazil, where ongoing infrastructure investment is driving demand for both stationary and mobile asphalt mixing plants. By leveraging local partnerships and advanced technological expertise, the Group aims to broaden its customer base, reinforce its international presence, and increase revenue contribution from the high-margin, quick-conversion overseas markets.

From a technological perspective, the Group will continue to advance its product portfolio through the application of AI, enhanced sensor and automation capabilities, sustainable energy solutions, advanced combustion technologies, and the development of mobile continuous plants. These initiatives are expected to enhance output quality, energy efficiency and operational stability, while improving the overall performance and intelligence of the Group's plants. At the same time, the Group will remain focused on operational efficiency through tighter inventory control, disciplined cost management and improved cash conversion, laying the foundation for operational resilience and sustainable growth.

## FINANCIAL REVIEW

During the six months ended 30 June 2026, the Group recorded a total revenue of RMB230,288,000 (2025: RMB215,096,000), representing an increase of 7.1% as compared to the last corresponding period. Gross profit decreased from RMB73,360,000 for the six months ended 30 June 2025 to RMB72,772,000 for the six months ended 30 June 2026, representing a decrease of 0.8%. Gross profit margin decreased by 2.5 percentage points from 34.1% to 31.6%. The Group recorded a net profit attributable to owners of the Company of RMB1,900,000 compared with a net loss of RMB4,221,000 in the last corresponding period.

| | **Six months ended 30 June** | | |
|---|---|---|---|
| | **2026** | 2025 | Change |
| | ***RMB'000*** | *RMB'000* | |
| Sales of asphalt mixing plants | **173,794** | 170,213 | 2.1% |
| Sales of spare parts and modified equipment | **19,437** | 32,624 | -40.4% |
| Sales of other asphalt specialty equipment | **37,057** | 12,259 | 202.3% |
| | **230,288** | 215,096 | 7.1% |

**Sales of Asphalt Mixing Plants**

| | **Six months ended 30 June** | | |
|---|---|---|---|
| | **2026** | 2025 | Change |
| | ***RMB'000*** | *RMB'000* | |
| Revenue | **173,794** | 170,213 | 2.1% |
| Gross profit (Note) | **52,839** | 61,108 | -13.5% |
| Gross profit margin | **30.4%** | 35.9% | -5.5pp |
| Number of contracts | **24** | 23 | 1 |
| Average contract value | **7,241** | 7,401 | -2.2% |

During the six months ended 30 June 2026, revenue from sales of asphalt mixing plants increased by 2.1% to RMB173,794,000, compared to RMB170,213,000 in the same period last year. The number of contracts completed increased slightly from 23 in 2025 to 24 in 2026. The average contract value decreased by 2.2% to RMB7,241,000, primarily reflecting changes in the product mix during the period. Gross profit decreased by 13.5% to RMB52,839,000, while gross profit margin decreased by 5.5 percentage points to 30.4%, mainly due to changes in product mix and cost structure.

Note: Reversal of provision for impairment of inventories of RMB3,215,000 was made during the six months ended 30 June 2026 (six months ended 30 June 2025: Provision for impairment of inventories of RMB5,515,000) and charged to the "Cost of sales". The gross profit of the sales of asphalt mixing plants presented above and, in this section, has excluded the provision for impairment of inventories for analysis purpose.

*By Types of Plants*

| | **Six months ended 30 June** | | |
|---|---|---|---|
| | **2026** | 2025 | Change |
| | ***RMB'000*** | *RMB'000* | |
| **Recycling Plant** | | | |
| Revenue | **119,881** | 28,276 | 324.0% |
| Gross profit | **34,336** | 10,001 | 243.3% |
| Gross profit margin | **28.6%** | 35.4% | -6.8pp |
| Number of contracts | **13** | 4 | 9 |
| Average contract value | **9,222** | 7,069 | 30.5% |
| **Conventional Plant** | | | |
| Revenue | **53,913** | 141,937 | -62.0% |
| Gross profit | **18,503** | 51,107 | -63.8% |
| Gross profit margin | **34.3%** | 36.0% | -1.7pp |
| Number of contracts | **11** | 19 | -8 |
| Average contract value | **4,901** | 7,470 | -34.3% |

During the six months ended 30 June 2026, revenue from sales of Recycling Plants increased substantially by 324.0% to RMB119,881,000, compared to RMB28,276,000 in the same period last year. The increase was primarily attributable to the higher number of contracts completed, which increased from 4 in 2025 to 13 in 2026, as well as an increase in the average contract value by 30.5% to RMB9,222,000. Gross profit increased by 243.3% to RMB34,336,000. However, gross profit margin decreased by 6.8 percentage points to 28.6%, mainly due to changes in product mix and cost structure during the period.

In contrast, revenue from sales of Conventional Plants decreased by 62.0% to RMB53,913,000 during the period, compared to RMB141,937,000 in the same period last year. This was mainly attributable to a decrease in the number of contracts completed from 19 in 2025 to 11 in 2026, together with a 34.3% decrease in the average contract value to RMB4,901,000. Gross profit decreased by 63.8% to RMB18,503,000, while gross profit margin decreased by 1.7 percentage points to 34.3%, primarily reflecting changes in product mix during the period.

*By Geographical Location*

| | Six months ended 30 June | | |
|---|---|---|---|
| | **2026** | 2025 | Change |
| | ***RMB'000*** | *RMB'000* | |
| **PRC** | | | |
| Revenue | **135,562** | 160,269 | -15.4% |
| Gross profit | **40,954** | 56,753 | -27.8% |
| Gross profit margin | **30.2%** | 35.4% | -5.2pp |
| Number of contracts | **15** | 22 | -7 |
| Average contract value | **9,037** | 7,285 | 24.0% |
| **Overseas** | | | |
| Revenue | **38,232** | 9,944 | 284.5% |
| Gross profit | **11,885** | 4,354 | 173.0% |
| Gross profit margin | **31.1%** | 43.8% | -12.7pp |
| Number of contracts | **9** | 1 | 8 |
| Average contract value | **4,248** | 9,944 | -57.3% |

During the six months ended 30 June 2026, revenue from PRC sales decreased by 15.4% to RMB135,562,000, compared to RMB160,269,000 in the same period last year. The decrease was primarily attributable to a reduction in the number of contracts completed from 22 in 2025 to 15 in 2026. This was partly offset by an increase in the average contract value by 24.0% to RMB9,037,000. Gross profit decreased by 27.8% to RMB40,954,000, while gross profit margin decreased by 5.2 percentage points to 30.2%, mainly due to changes in product mix and cost structure during the period.

In contrast, revenue from overseas sales increased substantially by 284.5% to RMB38,232,000 during the period, compared to RMB9,944,000 in the same period last year. The increase was mainly attributable to the increase in the number of contracts completed from one in 2025 to nine in 2026. The average contract value decreased by 57.3% to RMB4,248,000, reflecting a greater proportion of smaller-value contracts completed during the period. Gross profit increased by 173.0% to RMB11,885,000; however, gross profit margin decreased by 12.7 percentage points to 31.1%, primarily due to changes in product mix.

**Sales of Spare Parts and Components and Modified Equipment**

| | **Six months ended 30 June** | | |
|---|---|---|---|
| | **2026** | 2025 | Change |
| | ***RMB'000*** | *RMB'000* | |
| Revenue | **19,437** | 32,624 | -40.4% |
| Gross profit | **8,748** | 15,194 | -42.4% |
| Gross profit margin | **45.0%** | 46.6% | -1.6pp |

During the six months ended 30 June 2026, the Group generated revenue of RMB19,437,000 from sales of spare parts, components and modified equipment, representing a decrease of 40.4% from RMB32,624,000 in the corresponding period of 2025.

The decrease in revenue was primarily attributable to lower customer demand for spare parts, components and modified equipment during the period. Gross profit decreased by 42.4% to RMB8,748,000, while gross profit margin decreased slightly by 1.6 percentage points to 45.0%, compared with 46.6% in the corresponding period of 2025.

### Sales of other Asphalt Specialty Equipment

| | Six months ended 30 June | | |
|---|---|---|---|
| | **2026** | 2025 | Change |
| | ***RMB'000*** | *RMB'000* | |
| Revenue | **37,057** | 12,259 | 202.3% |
| Gross profit | **7,970** | 2,573 | 209.8% |
| Gross profit margin | **21.5%** | 21.0% | 0.5pp |
| Number of contracts | **21** | 6 | 15 |
| Average contract value | **1,765** | 2,043 | -13.6% |

The Group offers other asphalt specialty equipment, including LAP series asphalt mixing plants, RAP crushing equipment, sand manufacturing machines and other machinery, as additional value-added solutions for its customers in the domestic and overseas asphalt mixing plant markets.

During the six months ended 30 June 2026, revenue from sales of other asphalt specialty equipment increased by 202.3% to RMB37,057,000 compared with RMB12,259,000 in the corresponding period 2025, primarily attributable to the higher number of contracts completed during the Period. Gross profit increased by 209.8% to RMB7,970,000, while gross profit margin remained broadly stable at 21.5%, compared with 21.0% in the corresponding period of 2025. The Group will continue to promote these products and provide comprehensive solutions to address the market's diversified needs.

### Other Income and Other Gains/(Losses), Net

During the period, other income and other gains/(losses), net mainly comprised government grants and net foreign exchange losses. The decrease was primarily attributable to a net foreign exchange losses of RMB1,259,000 during the six months ended 30 June 2026, compared with a net exchange gain of RMB437,000 in the corresponding period of 2025, which was partly offset by an increase in government grants of RMB916,000.

## Distribution Costs

Distribution costs mainly comprised freight and transportation expenses, staff costs, distributor commissions, professional fees, marketing expenses and entertainment expenses. For the six months ended 30 June 2026, distribution costs decreased by 24.4% to approximately RMB38,449,000, from approximately RMB50,872,000 in the corresponding period of 2025, despite revenue increasing by 7.1% to approximately RMB230,288,000.

The decrease was mainly attributable to lower local sales, which resulted in lower distribution fees, as well as the Group's enhanced cost control measures, including lower freight and transportation expenses, staff costs, marketing expenses and warranty costs. The decrease was partly offset by increases in professional fees, depreciation, travelling expenses and repair and maintenance expenses.

## Administrative Expenses

Administrative expenses mainly consisted of staff costs, research and development expenses, legal and professional fees, depreciation, and listing-related expenses. During the six months ended 30 June 2026, administrative expenses increased by approximately 11.7% to approximately RMB36,434,000, compared with approximately RMB32,631,000 in the corresponding period of 2025.

The increase was mainly attributable to higher research and development costs, depreciation, and staff costs, including staff salaries and social security contributions. The increase was partly offset by decreases in legal and professional fees, amortisation, rent and rates, marketing expenses, motor vehicle expenses, travelling expenses and telecommunication and utility expenses.

## Net (Provision for)/Reversal of Impairment Losses on Trade and Other Receivables

The amount represented the net provision for impairment losses on trade and other receivables of RMB446,000 (2025: net provision for impairment losses on trade receivables of RMB33,000). The provision for impairment loss during the period was mainly attributable to the recognition of expected credit losses on a small portion of long overdue trade receivables.

## Share of Profit of Associates, Net

The amount represented the share of profit of Topp Financial Leasing (Shanghai) Co., Ltd.* ("**Shanghai Topp**") of RMB468,000 (2025: RMB1,078,000) and share of loss of Hangzhou Honglian Intelligent Technology Co., Ltd. of RMB17,000 (2025: RMB1,000).

### Finance Income, Net

Finance income, net mainly included bank interest income and interest income on unwinding discounted trade receivables net-off by interest expenses on lease liabilities. The decrease in finance income, net during the period was mainly due to the decrease in interest income on bank deposits.

### Income Tax Credit (Expense)

The income tax credit for the six months ended 30 June 2026 was mainly attributable to the deferred tax credit arising from the provision of warranties.

### Profit Attributable to Owners of the Company

Profit attributable to owners of the Company amounted to approximately RMB1,900,000 for the six months ended 30 June 2026 compared with the loss attributable to owners of the Company of approximately RMB4,221,000 for the six months ended 30 June 2025. The improvement was mainly attributable to the increase in revenue and the Group's enhanced cost-control measures during the period.

### Working Capital Management

Net current assets of the Group amounted to RMB380,565,000 (31 December 2025: RMB376,210,000) with a current ratio of 2.7 times (31 December 2025: 3.0 times) as at 30 June 2026.

Inventories decreased by RMB13,326,000 from RMB217,065,000 as at 31 December 2025 to RMB203,739,000 as at 30 June 2026. Inventory turnover days decreased by 73 days from 314 days for the year ended 31 December 2025 to 241 days for the six months ended 30 June 2026. The decrease was mainly attributable to the utilisation of raw materials and work in progress for the completion and delivery of sales contracts during the period, together with the Group's continued efforts to manage its inventory levels and production schedule more efficiently.

Trade and bills receivables increased by RMB16,715,000 from RMB219,171,000 as at 31 December 2025 to RMB235,886,000 as at 30 June 2026, mainly attributable to the increase in revenue during the period and the timing of billings and collections for contracts completed close to the period end. Trade and bills receivables turnover days decreased by 5 days from 188 days for the year ended 31 December 2025 to 183 days for the six months ended 30 June 2026, reflecting the Group's continued efforts in managing its collection cycle, despite the increase in trade and bills receivables. The Group will continue to closely monitor the settlement status of its trade and bills receivables and enhance its collection efforts to improve working capital efficiency.

Trade and bills payables increased by RMB43,483,000 from RMB85,183,000 as at 31 December 2025 to RMB128,666,000 as at 30 June 2026, primarily due to an increase in purchases of raw materials and subcontracting services to support the Group's higher sales and production activities during the period. Trade and bills payables turnover days decreased by 6 days from 128 days for the year ended 31 December 2025 to 122 days for the six months ended 30 June 2026, mainly reflecting the timing of settlements with suppliers and subcontractors, as well as the increase in cost of goods sold during the period.

**Liquidity and Financial Resources**

The Group generally finances its operations with internally generated cash flows and facilities granted by its principal bankers. The treasury policies and objectives of the Group are to lower finance costs while enhancing returns on financial assets under a prudent and conservative approach.

As at 30 June 2026, the Group had cash and cash equivalents of RMB53,797,000 (31 December 2025: RMB32,149,000) and pledged bank deposits of RMB10,615,000 (31 December 2025: RMB12,304,000). In addition, the Group had bank borrowing of RMB1,000,000 (31 December 2025: Nil). The Group's cash and cash equivalents and pledged bank deposits were mostly denominated in Renminbi, Hong Kong dollars and US dollars.

During the six months ended 30 June 2026, the Group recorded net cash from operating activities of RMB31,229,000 (six months ended 30 June 2025: RMB19,485,000). Net cash used in investing activities amounted to RMB10,113,000 (six months ended 30 June 2025: RMB1,166,000) for the six months ended 30 June 2026. Net cash from financing activities for the six months ended 30 June 2026 amounted to RMB282,000 (six months ended 30 June 2025: Net cash used in financing activities of RMB10,576,000).

### Capital Commitments and Contingent Liabilities

Capital commitments as at 30 June 2026 and 31 December 2025 not provided for in the consolidated financial statements were as follows:

| | **At 30 June 2026** ***RMB'000*** | At 31 December 2025 *RMB'000* |
|---|---|---|
| Contracted for but not provided in: | | |
| – Property, plant and equipment | **293** | 228 |

As at 30 June 2026, there is no capital commitments authorised but not contracted for (31 December 2025: Same).

Certain customers financed their purchases of the Group's plants through finance leases provided by Shanghai Topp. With respect to these leasing arrangements, the Group provided guarantee to Shanghai Topp amounted up to RMB40,304,000 (31 December 2025: RMB54,661,000).

### Pledge of Assets

As at 30 June 2026, property, plant and equipment of RMB22,491,000 (31 December 2025: RMB22,491,000), land use right of RMB3,985,000 (31 December 2025: RMB4,049,000) and bank deposits of RMB10,615,000 (31 December 2025: RMB12,304,000) were pledged for bill payables and banking facilities of the Group.

### Foreign Exchange Risk

The reporting currency of the Group was Renminbi. The Group was exposed to foreign exchange risk through sales and purchases which were denominated in a foreign currency including US dollars and Euros. The appreciation or depreciation of Renminbi against these foreign currencies would increase or decrease the price of the Group's products which were sold to overseas market and might bring negative or positive impact on the Group's export sales. On the other hand, the appreciation or depreciation of Renminbi would also decrease or increase the cost of sales of the Group in respect of the purchases of raw materials from overseas. The management has continuously monitored the level of exchange rate exposure and shall adopt financial hedging instruments for hedging purpose when necessary. The Group did not use any financial instruments for hedging purpose for the six months ended 30 June 2026.

### Significant Investments and Material Acquisitions or Disposals

During the six months ended 30 June 2026, the Group did not have any significant investments or material acquisitions or disposals.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests or short positions of the directors of the Company (the "**Directors**"), the chief executives of the Company (the "**Chief Executives**") and their associates in the shares of the Company (the "**Shares**"), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") were as follows:

### (i) Interests in Shares and underlying shares

| Name of Director | Long/ Short position | Type of interest | Number of Shares and underlying shares held | Approximate percentage of shareholding in the Company |
|---|---|---|---|---|
| Ms. Choi Kwan Li, Glendy | Long | Interest in controlled corporation(1) | 345,696,000 | 55.14% |
| | Long | Beneficial owner | 4,150,000 | 0.66% |
| Mr. Choi Hon Ting, Derek | Long | Interest in controlled corporation(1) | 345,696,000 | 55.14% |
| | Long | Beneficial owner | 4,266,000 | 0.68% |
| Mr. Choi Hung Nang | Long | Beneficial owner | 57,236,000 | 9.13% |
| Mr. Liu Tom Jing-zhi | Long | Interest in controlled corporation(2) | 13,500,000 | 2.15% |
| | Long | Interest of spouse(2) | 150,000 | 0.02% |
| | Long | Beneficial owner | 2,000,000 | 0.32% |
| Mr. Lao Kam Chi | Long | Interest in controlled corporation(3) | 9,000,000 | 1.44% |
| | Long | Beneficial owner | 2,000,000 | 0.32% |

| Name of Director | Long/ Short position | Type of interest | Number of Shares and underlying shares held | Approximate percentage of shareholding in the Company |
|---|---|---|---|---|
| Mr. Chan Lewis | Long | Beneficial owner | 300,000 | 0.05% |
| Mr. Lee Wai Yat, Paco | Long | Beneficial owner | 300,000 | 0.05% |
| Mr. Alain Vincent Fontaine | Long | Beneficial owner | 293,113 | 0.05% |

**(ii) Interests in shares and underlying shares of associated corporation**

| Name of Director | Name of associated corporation | Long/ Short position | Type of interest | Approximate percentage of shareholding in the Company |
|---|---|---|---|---|
| Ms. Choi Kwan Li, Glendy | Prima DG | Long | Beneficial owner | 50% |
| Mr. Choi Hon Ting, Derek | Prima DG | Long | Beneficial owner | 50% |

Notes:

1. The 345,696,000 Shares were held by Prima DG, which is owned as to 50% by Ms. Choi Kwan Li, Glendy and 50% by Mr. Choi Hon Ting, Derek. Accordingly, by virtue of the SFO, each of Ms. Choi Kwan Li, Glendy and Mr. Choi Hon Ting, Derek is deemed to be interested in all the Shares in which Prima DG is interested.

2. The 13,500,000 Shares were held by Zacks Vroom Investment Company Limited, a company wholly-owned by Mr. Liu Tom Jing-zhi. The 150,000 Shares were held by his spouse, Ms. Thai Vanny. Accordingly, by virtue of the SFO, Mr. Liu is deemed to be interested in all the Shares in which Zacks Vroom Investment Company Limited and Ms. Thai Vanny are interested.

3. The 9,000,000 Shares were held by Denmike Investment Company Limited, a company wholly-owned by Mr. Lao Kam Chi. Accordingly, by virtue of the SFO, Mr. Lao is deemed to be interested in all the Shares in which Denmike Investment Company Limited is interested.

Save as disclosed above, as at 30 June 2026, none of the Directors, the Chief Executives nor their associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as known to the Directors, the following interests of 5% or more in the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

| Name of substantial shareholder | Long/ Short position | Type of interest | Number of Shares and underlying shares held | Approximate percentage of shareholding in the Company |
|---|---|---|---|---|
| Prima DG[1] | Long | Beneficial owner | 345,696,000 | 55.14% |
| Mr. Choi Hung Nang | Long | Beneficial owner | 57,236,000 | 9.13% |
| Sure Precision Limited | Long | Beneficial owner | 43,967,003 | 7.01% |

Note:

1. As at 30 June 2026, Prima DG directly held 345,696,000 Shares. Prima DG is owned as to 50% by Ms. Choi Kwan Li, Glendy and 50% by Mr. Choi Hon Ting, Derek. Accordingly, by virtue of the SFO, each of Ms. Choi Kwan Li, Glendy and Mr. Choi Hon Ting, Derek is deemed to be interested in all the Shares in which Prima DG is interested.

Save as disclosed above, as at 30 June 2026, no other interests or short positions in the Shares or underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

The Company's Share Option Scheme was adopted pursuant to the resolutions of all the shareholders passed on 18 June 2026 and shall be valid and effective for a period of 10 years commencing from 18 June 2026. The purpose of the Share Option Scheme is to reward and recognise the contributions of the employees and directors of the members of the Group and other selected participants and to motivate them to contribute to the long-term growth and success of the Group.

The board of Directors (the "**Board**") may at its absolute discretion (subject to any conditions as it may think fit) grant options to any employee and director (including executive director, non-executive director and independent non-executive director) of any member of the Group and any other eligible participants (the "**Eligible Participants**") upon the terms set out in the Share Option Scheme.

The subscription price of a Share payable on the exercise of any particular option granted under the Share Option Scheme shall be such price as our Board in its absolute discretion shall determine, save that such price shall at least be the highest of: (i) the nominal value of the Shares; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer, which must be a day on which the Stock Exchange is open for the business of dealing in securities ("**Business Day**"); and (iii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of offer or (where applicable) such price as from time to time adjusted pursuant to the Share Option Scheme. HK$1.00 is payable by an Eligible Participant on acceptance of an offer of option. The period within which the Shares must be taken up under an option shall be determined by the Board at its absolute discretion and in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Share Option Scheme. There is no general requirement that an option must be held for any minimum period before it can be exercised.

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other schemes of our Group must not in aggregate exceed 10% of the total number of Shares in issue as at 18 June 2026, being the date on which the Share Option Scheme was approved by the Shareholders (the "**Limit**"), i.e. 62,698,400 Shares representing approximately 10% of the issued Shares as at the date of approval of the Share Option Scheme. Options which have lapsed in accordance with the terms of the Share Option Scheme (or any other schemes of the Group) will not be counted for the purpose of calculating the Limit.

During the six months ended 30 June 2026, no options were granted, exercised, cancelled or lapsed under the Share Option Scheme.

No share-based payment expense in respect of options granted under the Share Option Scheme was recognised during the period ended 30 June 2026 and 30 June 2025.

There is no outstanding share option as at 30 June 2026 and 30 June 2025.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this interim report, the Company has maintained a sufficient public float of not less than 25% of the Company's issued Shares as required under the Listing Rules for the six months ended 30 June 2026.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had approximately 352 employees (31 December 2025: 349). The total staff costs for the six months ended 30 June 2026 amounted to approximately RMB37,310,000 (six months ended 30 June 2025: RMB38,502,000).

The remuneration policy of the Group was based on performance of employees, market conditions, business demands and expansion plans. The Group offered different remuneration packages to the employees based on their positions, which includes salaries, discretionary bonuses, contributions to pension schemes, housing and other allowances and benefits in kind subject to applicable laws, rules and regulations. The Group also provided training to employees on a regular basis. In accordance with the relevant requirements, the Group made contributions to pension and provided other employees benefits.

The Company has adopted a share option scheme of the Company pursuant to which employees may be granted options to subscribe for shares of the Company as incentives or rewards for their services rendered to the Group. No option has been granted during the six months ended 30 June 2026 and 2025.

## INTERIM DIVIDEND

No interim dividend was proposed by the Board for the six months ended 30 June 2026 (six months ended 30 June 2025: same).

## PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities.

During the six months ended 30 June 2025, the Company repurchased a total of 5,184,000 of its own shares at a cost of approximately RMB2,962,000. In addition, the Company cancelled 12,424,000 shares with a total value of approximately RMB7,795,000. There were no sales of the Company's listed securities during the period.

## CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2026, the Company has complied with all the code provisions of the Corporate Governance Code (the "**Code**") as set out in Part 2 of Appendix C1 to the Listing Rules, except for the following deviations:

Code provision C.2.1 in Part 2 of the Code provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. In this period, Ms. Choi Kwan Li, Glendy, in addition to her role as Chief Executive Officer, was also appointed as the Chairman of the Board. The Board has ensured that appropriate measures and safeguards are in place to maintain effective checks and balances, preserving the independence of the Board and the robust operation of the Company's corporate governance framework.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct for its Directors dealing in securities of the Company. The Company has made specific enquiry to all Directors and all Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2026.

## REVIEW OF INTERIM RESULTS

The Company has an audit committee (the "**Audit Committee**") which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting system, risk management and internal control systems. The Audit Committee comprises three members, namely Mr. O'Yang Wiley (Chairman), Mr. Lee Wai Yat, Paco and Ms. Hu Bingbing. All of them are independent non-executive Directors. The interim results of the Group for the six months ended 30 June 2026 have been reviewed by the Audit Committee.

## EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on 22 July 2026, the Company offered to grant an aggregate of 41,297,456 share options under the share option scheme adopted by the Company on 18 June 2026. The proposed grants of 7,837,300 share options to Ms. Choi Kwan Li, Glendy and 7,210,316 share options to Mr. Choi Hon Ting, Derek are conditional upon, and subject to, approval by the independent Shareholders. Please refer to the announcement of the Company dated 22 July 2026 for further details.

Save as disclosed in this announcement, there were no other important events affecting the Group that had occurred after 30 June 2026 and up to the date of this announcement.

## CHANGE OF DIRECTORS' INFORMATION

There is no change of director's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*FOR THE SIX MONTHS ENDED 30 JUNE 2026*

| | Notes | Six months ended 30 June | |
|---|---|---|---|
| | | **2026** | 2025 |
| | | ***RMB'000*** | *RMB'000* |
| | | **(unaudited)** | (unaudited) |
| **Revenue** | 6 | **230,288** | 215,096 |
| Cost of sales | | **(157,516)** | (141,736) |
| **Gross profit** | | **72,772** | 73,360 |
| Other income and other gains or losses, net | 7 | **1,463** | 1,952 |
| Distribution costs | | **(38,449)** | (50,872) |
| Administrative expenses | | **(36,434)** | (32,631) |
| Net provision for impairment losses on trade and other receivables under expected credit loss model | | **(446)** | (33) |
| **Operating loss** | 8 | **(1,094)** | (8,224) |
| Finance income, net | | **2,261** | 3,259 |
| Share of results of associates | 12 | **468** | 1,077 |
| **Profit (loss) before income tax** | | **1,635** | (3,888) |
| Income tax credit (expense) | 9 | **265** | (333) |
| **Profit (loss) for the period attributable to owners of the Company** | | **1,900** | (4,221) |
| **Earnings (loss) per share attributable to owners of the Company during the period** | | | |
| – Basic and diluted *(RMB cents)* | 10 | **0.30** | (0.66) |

## CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

*FOR THE SIX MONTHS ENDED 30 JUNE 2026*

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| **Profit (loss) for the period** | **1,900** | (4,221) |
| **Other comprehensive expense for the period** | | |
| *Item that may be reclassified subsequently to profit or loss* | | |
| Currency translation differences | **(1,468)** | (2,442) |
| **Total comprehensive income (expense) attributable to owners of the Company for the period** | **432** | (6,663) |

The above condensed consolidated statement of total comprehensive income should be read in conjunction with the accompanying notes.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AS AT 30 JUNE 2026*

| | Notes | **30 June 2026** ***RMB'000*** **(unaudited)** | 31 December 2025 *RMB'000* (audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 11 | **96,939** | 101,391 |
| Intangible assets | 11 | **915** | 1,122 |
| Interests in associates | 12 | **61,307** | 60,839 |
| Deferred tax assets | | **11,878** | 11,613 |
| **Total non-current assets** | | **171,039** | 174,965 |
| **Current assets** | | | |
| Inventories | | **203,739** | 217,065 |
| Trade and bills receivables | 13 | **235,886** | 219,171 |
| Prepayments, deposits and other receivables | | **86,319** | 84,715 |
| Financial asset at fair value through profit or loss ("**FVTPL**") | | **10,000** | – |
| Pledged bank deposits | | **10,615** | 12,304 |
| Cash and cash equivalents | | **53,797** | 32,149 |
| **Total current assets** | | **600,356** | 565,404 |
| **Total assets** | | **771,395** | 740,369 |
| **EQUITY** | | | |
| Share capital | 16 | **4,961** | 4,961 |
| Other reserves | | **519,452** | 520,920 |
| Retained earnings | | **20,265** | 18,365 |
| **Total equity** | | **544,678** | 544,246 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

*AS AT 30 JUNE 2026*

| | Notes | **30 June 2026 RMB'000 (unaudited)** | 31 December 2025 RMB'000 (audited) |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | | **2,426** | 2,429 |
| Deferred tax liabilities | | **4,500** | 4,500 |
| **Total non-current liabilities** | | **6,926** | 6,929 |
| **Current liabilities** | | | |
| Bank borrowing | 14 | **1,000** | – |
| Trade and other payables | 15 | **178,568** | 134,983 |
| Contract liabilities | 15 | **38,458** | 52,911 |
| Lease liabilities | | **1,209** | 746 |
| Income tax payable | | **556** | 554 |
| **Total current liabilities** | | **219,791** | 189,194 |
| **Total liabilities** | | **226,717** | 196,123 |
| **Total equity and liabilities** | | **771,395** | 740,369 |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*FOR THE SIX MONTHS ENDED 30 JUNE 2026*

| | Attributable to owners of the Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share capital<br>*RMB'000*<br>Note 16(a) | Share premium<br>*RMB'000*<br>Note 16(b) | Capital reserve<br>*RMB'000*<br>Note 16(c) | Statutory reserve<br>*RMB'000*<br>Note 16(d) | Exchange reserve<br>*RMB'000* | Retained earnings<br>*RMB'000* | Total equity<br>*RMB'000* |
| **At 1 January 2025 (audited)** | 5,059 | 387,236 | 60,457 | 47,466 | 29,697 | 35,364 | 565,279 |
| Loss for the period | – | – | – | – | – | (4,221) | (4,221) |
| Currency translation differences | – | – | – | – | (2,442) | – | (2,442) |
| **Total comprehensive expense** | – | – | – | – | (2,442) | (4,221) | (6,663) |
| Transfer to statutory reserve | – | – | – | 1,067 | – | (1,067) | – |
| Shares repurchased (Note 16(a)) | – | – | (2,962) | – | – | – | (2,962) |
| | – | – | (2,962) | 1,067 | – | (1,067) | (2,962) |
| At 30 June 2025 (unaudited) | 5,059 | 387,236 | 57,495 | 48,533 | 27,255 | 30,076 | 555,654 |
| **At 1 January 2026 (audited)** | **4,961** | **387,236** | **57,593** | **48,481** | **27,610** | **18,365** | **544,246** |
| **Profit for the period** | **–** | **–** | **–** | **–** | **–** | **1,900** | **1,900** |
| **Currency translation differences** | **–** | **–** | **–** | **–** | **(1,468)** | **–** | **(1,468)** |
| **Total comprehensive (expense) income** | **–** | **–** | **–** | **–** | **(1,468)** | **1,900** | **432** |
| **At 30 June 2026 (unaudited)** | **4,961** | **387,236** | **57,593** | **48,481** | **26,142** | **20,265** | **544,678** |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

*FOR THE SIX MONTHS ENDED 30 JUNE 2026*

| | Note | Six months ended 30 June 2026 RMB'000 (unaudited) | 2025 RMB'000 (unaudited) |
|---|---|---|---|
| **Cash flows from operating activities** | | **31,229** | 19,485 |
| **Cash flows from investing activities** | | | |
| Purchase of financial asset at FVTPL | | **(10,000)** | – |
| Payments for acquisition of property, plant and equipment | | **(318)** | (1,298) |
| Payments for purchases of intangible assets | | **(35)** | – |
| Interest received | | **239** | 332 |
| Proceeds from disposal of property, plant and equipment | | **1** | – |
| Investment in an associate | | **–** | (200) |
| **Net cash used in investing activities** | | **(10,113)** | (1,166) |
| **Cash flows from financing activities** | | | |
| Bank borrowing raised | | **1,000** | – |
| Principal elements of lease payments | | **(666)** | (673) |
| Interest paid | | **(52)** | (27) |
| Addition of restricted bank deposits | | **–** | (6,914) |
| Payment for shares repurchased | 16 | **–** | (2,962) |
| **Net cash from (used in) financing activities** | | **282** | (10,576) |
| **Net increase in cash and cash equivalents** | | **21,398** | 7,743 |
| **Cash and cash equivalents at beginning of the period** | | **32,149** | 48,926 |
| Effect of foreign exchange rate changes | | **250** | (787) |
| **Cash and cash equivalents at end of the period** | | **53,797** | 55,882 |

## 1. GENERAL INFORMATION

The Group is principally engaged in manufacturing, distribution, research and development of asphalt mixing plants, other asphalt speciality equipment and sales of spare parts and modified equipment.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The condensed consolidated financial information is presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

## 2. BASIS OF PREPARATION

This condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, "**Interim Financial Reporting**" as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards.

## 3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2025, except for the adoption of amendments to HKFRS Accounting Standards as set out below.

## 3. ACCOUNTING POLICIES (CONTINUED)

**Application of amendments to HKFRS Accounting Standards**

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial information:

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

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

## 4. FINANCIAL RISK MANAGEMENT

**Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

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

There have been no changes in the risk management policies since 31 December 2025.

**Fair value estimation**

The carrying amounts of the Group's financial assets and liabilities with a maturity of less than one year, including trade and bills receivables, deposits and other receivables, cash and cash equivalents, pledged bank deposits, trade and other payables and lease liabilities approximate their fair values.

## 5. ESTIMATES

The preparation of the condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of the Group for the year ended 31 December 2025.

## 6. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company who make strategic decisions.

The Group has determined that it only has one major operating segment which is the sales of asphalt mixing plants, spare parts, modified equipment and other asphalt specialty equipment.

Revenue consists of the following:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026**<br>***RMB'000***<br>**(unaudited)** | 2025<br>*RMB'000*<br>(unaudited) |
| **Revenue from contracts with customers within the scope of HKFRS 15** | | |
| Sales of asphalt mixing plants | **173,794** | 170,213 |
| Sales of spare parts and modified equipment | **19,437** | 32,624 |
| Sales of other asphalt specialty equipment | **37,057** | 12,259 |
| | **230,288** | 215,096 |
| **Revenue from contracts with customers recognised** | | |
| – at a point in time | **230,288** | 215,096 |

## 6. SEGMENT INFORMATION (CONTINUED)

### (a) Revenue from external customers by country

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Chinese Mainland | **186,942** | 198,656 |
| Outside Chinese Mainland | **43,346** | 16,440 |
| | **230,288** | 215,096 |

### (b) Non-current assets

The geographical location of the non-current assets, excluding deferred tax assets, is based on the physical location of the assets.

| | **30 June** | 31 December |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (audited) |
| Chinese Mainland | **110,235** | 113,100 |
| Outside Chinese Mainland | **48,926** | 50,252 |
| | **159,161** | 163,352 |

### (c) Information about major customer

No customer with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2026 and 2025.

## 7. OTHER INCOME AND OTHER GAINS OR LOSSES, NET

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| **Other income** | | |
| Government grants (Note) | **2,040** | 1,124 |
| Others | **–** | 111 |
| | **2,040** | 1,235 |
| **Other gains (losses), net** | | |
| Exchange gain (loss), net | **(1,259)** | 437 |
| Loss on disposal of property, plant and equipment | **(1)** | – |
| Others | **683** | 280 |
| | **(577)** | 717 |
| | **1,463** | 1,952 |

Note: Government grants mainly represent the financial support provided by the local government to assist with operating activities. There were no unfulfilled conditions and other contingencies attached to these grants.

## 8. OPERATING LOSS

Operating loss is stated after charging (crediting) the followings:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Cost of inventories | **154,343** | 132,049 |
| Employee benefit expenses | **37,310** | 38,502 |
| Depreciation and amortisation (Note 11) | | |
| – Property, plant and equipment | **4,067** | 3,578 |
| – Intangible assets | **232** | 234 |
| Net provision for impairment losses on trade and other receivables under expected credit loss model | **446** | 33 |
| Net (reversal of) provision for impairment of inventories (included in cost of sales) | **(3,215)** | 5,515 |
| Research and development expenses (included in administrative expenses) | **12,691** | 8,389 |

## 9. INCOME TAX (CREDIT) EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Deferred income tax | **(265)** | 333 |

No provision for Hong Kong profits tax was made for the current period (six months ended 30 June 2025: Nil) as the Group had no assessable profits subject to Hong Kong profits tax for the period.

No provision for the People's Republic of China (the "**PRC**") enterprise income tax was made for the current period (six months ended 30 June 2025: Nil) as the Group had no assessable profits subject to PRC enterprise income tax for the period.

## 9. INCOME TAX (CREDIT) EXPENSE (CONTINUED)

The Group's operations in the Chinese Mainland are subject to PRC enterprise income tax at a statutory rate of 25% (2025: 25%).

According to the PRC enterprise income tax law and its relevant regulations, a wholly-owned subsidiary of the Company, Langfang D&G Machinery Technology Company Limited ("**Langfang D&G**") is qualified as a "high and new technology enterprise" under the tax law and entitled to a preferential income tax rate of 15% (2025: 15%).

Under the PRC enterprise income tax law and its relevant regulations, a 100% (2025: 100%) additional tax deduction is allowed for qualified research and development expenses.

## 10. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the profit (loss) attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period.

The calculations of the basic earnings (loss) per share are as follows:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026 (unaudited)** | 2025 (unaudited) |
| Profit (loss) attributable to owners of the Company *(RMB'000)* | **1,900** | (4,221) |
| Weighted average number of ordinary shares in issue | **626,984,000** | 638,516,000 |
| Basic earnings (loss) per share *(expressed in RMB cents per share)* | **0.30** | (0.66) |

For the six months ended 30 June 2026 and 2025, diluted earnings (loss) per share is the same as earnings (loss) per share as there were no potential dilutive shares.

## 11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

| | Right-of-use assets *RMB'000* | Other property, plant and equipment *RMB'000* | Total *RMB'000* | Intangible assets *RMB'000* |
|---|---|---|---|---|
| **Net book value** | | | | |
| **At 1 January 2026 (audited)** | **54,080** | **47,311** | **101,391** | **1,122** |
| Additions | **1,148** | **318** | **1,466** | **35** |
| Disposal | **–** | **(1)** | **(1)** | **–** |
| Amortisation (Note 8) | **–** | **–** | **–** | **(232)** |
| Depreciation (Note 8) | **(734)** | **(3,333)** | **(4,067)** | **–** |
| Exchange difference | **(1,747)** | **(103)** | **(1,850)** | **(10)** |
| **At 30 June 2026 (unaudited)** | **52,747** | **44,192** | **96,939** | **915** |
| **Net book value** | | | | |
| **At 1 January 2025 (audited)** | 54,382 | 45,698 | 100,080 | 1,485 |
| Additions | 114 | 1,298 | 1,412 | – |
| Disposal | – | (2) | (2) | – |
| Amortisation (Note 8) | – | – | – | (234) |
| Depreciation (Note 8) | (693) | (2,885) | (3,578) | – |
| Exchange difference | (1,434) | (83) | (1,517) | (4) |
| **At 30 June 2025 (unaudited)** | 52,369 | 44,026 | 96,395 | 1,247 |

## 12. INTERESTS IN ASSOCIATES, NET

The movements of the investments in associates during the current and prior periods are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Balance at 1 January (audited) | **60,839** | 64,072 |
| Addition | **–** | 200 |
| Share of results | **468** | 1,077 |
| Balance at 30 June (unaudited) | **61,307** | 65,349 |

Certain customers financed their purchases of the Group's plants through finance leases provided by an associate of the Group, Topp Financial Leasing (Shanghai) Co., Ltd ("**Shanghai Topp**"). With respect to these leasing arrangements, the Group provided guarantee to Shanghai Topp amounted up to RMB40,304,000 (31 December 2025: RMB54,661,000).

## 13. TRADE AND BILLS RECEIVABLES

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (audited) |
| Trade receivables from third parties | **301,653** | 285,037 |
| Less: loss allowance | **(63,376)** | (63,249) |
| Less: discounting impact | **(4,234)** | (3,990) |
| | **234,043** | 217,798 |
| Bills receivables | **1,843** | 1,373 |
| Total trade and bill receivables | **235,886** | 219,171 |

## 13. TRADE AND BILLS RECEIVABLES (CONTINUED)

(a) Trade receivables under credit sales arrangement are due for payment in accordance with specific payment terms as agreed with individual customers on a case-by-case basis, subject to the fulfilment of conditions as stipulated in the respective sales contracts. Credit terms up to 18 months were generally granted to the Group's customers.

(b) The ageing analysis of the trade receivables as at the end of the reporting period based on the date of revenue recognition as follows:

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (audited) |
| Within 1 year | **219,838** | 205,410 |
| 1 to 2 years | **16,158** | 17,745 |
| 2 to 3 years | **4,852** | 1,489 |
| Over 3 years | **60,805** | 60,393 |
| | **301,653** | 285,037 |

Certain trade receivables relating to customers with known financial difficulties or significant doubt on settlement of receivables are assessed individually for provision for impairment allowance. Expected credit losses are estimated by grouping the remaining trade receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer and its ageing category, and applying the expected credit loss rates to the respective gross carrying amounts of the trade receivables.

## 14. BANK BORROWING

During the six months ended 30 June 2026, the Group has drawn new bank borrowing of RMB1,000,000 (six months ended 30 June 2025: Nil). The bank borrowing carried interest at a rate of 2.2% per annum (31 December 2025: N/A) and is repayable in December 2026.

## 15. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

| | **30 June 2026** ***RMB'000*** **(unaudited)** | 31 December 2025 *RMB'000* (audited) |
|---|---|---|
| Trade payables | **67,380** | 44,438 |
| Bills payables (Note) | **61,286** | 40,745 |
| | **128,666** | 85,183 |
| Amount due to an associate | **–** | 6,473 |
| Amount due to a related party (Note 19(a)) | **84** | 83 |
| Other payables and accruals | **49,818** | 43,244 |
| | **49,902** | 49,800 |
| Total trade and other payables | **178,568** | 134,983 |
| Contract liabilities | **38,458** | 52,911 |
| | **217,026** | 187,894 |

Note: The Group's bills payables of RMB61,286,000 (31 December 2025: RMB40,745,000) were secured by the Group's pledged bank deposits of RMB5,868,000 (31 December 2025: RMB7,471,000), buildings of RMB22,491,000 (31 December 2025: RMB22,491,000) and land use rights of RMB3,985,000 (31 December 2025: RMB4,049,000).

## 15. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

The ageing analysis of trade and bills payables as at the end of the reporting period based on invoice date is as follows:

| | **30 June 2026** *RMB'000* **(unaudited)** | 31 December 2025 *RMB'000* (audited) |
|---|---|---|
| Within 3 months | **112,780** | 61,661 |
| After 3 months but within 6 months | **6,640** | 13,853 |
| After 6 months but within 1 year | **5,913** | 7,377 |
| Over 1 year | **3,333** | 2,292 |
| | **128,666** | 85,183 |

## 16. SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES

### (a) Share capital

Authorised:

| | **Number of ordinary shares of HK0.01 each** | **Nominal value of ordinary shares** *HK* |
|---|---|---|
| **At 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026** | 2,000,000,000 | 20,000,000 |

## 16. SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES (CONTINUED)

### (a) Share capital (continued)

Issued and fully paid:

| | Number of shares *('000)* | *HK$'000* | *RMB'000* |
|---|---|---|---|
| **At 1 January 2025 (audited)** | 639,408 | 6,395 | 5,059 |
| Cancellation of shares repurchased (Note) | (12,424) | (125) | (98) |
| At 31 December 2025 (audited) and 30 June 2026 (unaudited) | 626,984 | 6,270 | 4,961 |

Note: During the six months ended 30 June 2026, the Company did not repurchase or cancel any of its own shares. During the six months ended 30 June 2025, the Company repurchased a total of 5,184,000 of its own shares at an aggregated cost of RMB2,962,000. In addition, the Company cancelled a total of 12,424,000 repurchased shares with an aggregated cost of RMB7,795,000 during the six months ended 30 June 2025. Such amount includes the balance of 7,240,000 repurchased shares with an aggregated cost of RMB4,833,000 which were yet to be cancelled as at 1 January 2025.

### (b) Share premium

Under the Companies Law of the Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

### (c) Capital reserve

Capital reserve comprises contributions by the controlling shareholder arising from transactions with owners in their capacity as the equity owners.

## 16. SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES (CONTINUED)

### (d) Statutory reserve

Statutory general reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the Chinese Mainland. Appropriations to the reserves were approved by the respective companies' boards of directors.

For the entities concerned, statutory general reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

***Specific reserve for designated safety production funds***

Pursuant to the relevant PRC regulations, the Chinese Mainland companies comprising the Group are required to transfer designated safety production funds at fixed rates based on production volume to a specific reserve accounts. The designated safety production funds could be utilised when expenses or capital expenditures on maintenance, production and safety measures are incurred. The amount of designated safety production funds utilised would be transferred from the specific reserve account to retained earnings.

## 17. DIVIDEND

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

## 18. CAPITAL COMMITMENTS

Capital commitments not provided for in the condensed consolidated financial information were as follows:

| | **30 June 2026** ***RMB'000*** **(unaudited)** | 31 December 2025 *RMB'000* (audited) |
|---|---|---|
| Contracted for but not provided in: property, plant and equipment | **293** | 228 |

As at 30 June 2026, there were no capital commitments authorised but not contracted for.

## 19. RELATED PARTY TRANSACTIONS AND BALANCES

The Group is controlled by Prima DG Investment Holding Company Limited (incorporated in the British Virgin Islands), which owns approximately 55% of the Company's shares. The remaining approximately 45% of the shares are widely held. The ultimate controlling party of the Group is Choi Family (Mr. Choi Hung Nang, Mr. Choi Hon Ting, Derek and Ms. Choi Kwan Li, Glendy).

### (a) Balances

| | Note | **30 June 2026** ***RMB'000*** **(unaudited)** | 31 December 2025 *RMB'000* (audited) |
|---|---|---|---|
| Included in other payables: | | | |
| Amount due to a related party | | | |
| – An entity controlled by Choi Family | (i) | **84** | 83 |

Note (i): As at 30 June 2026 and 31 December 2025, the amount due to a related party was unsecured, interest-free and repayable on demand.

## 20. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on 22 July 2026, the Company offered to grant an aggregate of 41,297,456 share options under the share option scheme adopted by the Company on 18 June 2026. The proposed grants of 7,837,300 share options to Ms. Choi Kwan Li, Glendy and 7,210,316 share options to Mr. Choi Hon Ting, Derek are conditional upon, and subject to, approval by the independent Shareholders. Please refer to the announcement of the Company dated 22 July 2026 for further details.