泰林科建控股有限公司
Tailam Tech Construction Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 6193

2026 INTERIM REPORT

BUILDING SOLID FOUNDATIONS TO DEFINE FUTURE

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Wong Han Yu Alice *(Chairperson)*
Mr. Wong Chiu Wai
Ms. Jiang Yin Juan

Non-Executive Director

Mr. Wong Leung Yau

Independent Non-Executive Directors

Ms. Wong Siu Yin Rosella
Mr. Lai Chun Yu
Mr. Wong Kit Wai

AUDIT COMMITTEE

Mr. Lai Chun Yu *(Chairperson)*
Ms. Wong Siu Yin Rosella
Mr. Wong Kit Wai

REMUNERATION COMMITTEE

Ms. Wong Siu Yin Rosella *(Chairperson)*
Ms. Wong Han Yu Alice
Mr. Wong Kit Wai

NOMINATION COMMITTEE

Ms. Wong Han Yu Alice *(Chairperson)*
Ms. Wong Siu Yin Rosella
Mr. Wong Kit Wai

COMPANY SECRETARY

Ms. Chan Siu Yin

AUTHORISED REPRESENTATIVES

Ms. Wong Han Yu Alice
Ms. Chan Siu Yin

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Qidong City
Nantong
Jiangsu Province
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

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Cayman Islands

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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16 Harcourt Road
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SOLICITORS

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As to Cayman Islands law:
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AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
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111 Connaught Road Central
Hong Kong

PRINCIPAL BANK

Bank of China (Hong Kong) Limited
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Hong Kong

STOCK CODE

6193

COMPANY'S WEBSITE

www.tailamgroup.com

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Tailam Tech Construction Holdings Limited (the "**Company**") is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with the comparative figures for the corresponding period in 2025 (the "**Corresponding Period**").

BUSINESS REVIEW

The Group manufactures and sells pre-stressed high-strength concrete piles (the "**PHC piles**") (a subset of tubular piles), commercial concrete and ceramsite concrete blocks in the People's Republic of China (the "**PRC**") and has a production plant in Qidong City, Nantong, Jiangsu Province, the PRC.

The Group's PHC piles are mainly sold to customers under the Group's own trademark and the PHC piles, commercial concrete and ceramsite concrete blocks are primarily used in buildings and infrastructure projects. During the Period, our products were mainly sold to municipal projects and construction companies in Jiangsu Province.

During the Period, the operating environment remained challenging. The commencement and progress of certain infrastructure projects involving PHC piles were slower than those in the Corresponding Period, which resulted in a decrease in delivery volume. Market competition also remained intense. The Group continued to adopt prudent project selection criteria, strengthen cost control and receivables collection, and adjust its production arrangements according to market demand. Revenue generated from commercial concrete remained relatively stable and partially offset the decrease in sales of PHC piles.

FINANCIAL REVIEW

Revenue

The Group's principal revenue-generating activities are the supply of building materials in Nantong and surrounding areas.

During the Period, the Group's revenue decreased by approximately RMB35.0 million, or 27.5%, from approximately RMB127.5 million for the Corresponding Period to approximately RMB92.5 million for the Period.

Revenue from sales of PHC piles decreased by approximately RMB33.5 million, or 42.3%, from approximately RMB79.1 million to approximately RMB45.6 million. The decrease was mainly attributable to the slower commencement and progress of certain infrastructure projects, which resulted in lower sales and delivery volume during the Period.

Revenue from sales of commercial concrete remained relatively stable, decreasing by approximately RMB1.7 million, or 3.6%, from approximately RMB48.4 million to approximately RMB46.6 million. Revenue from sales of ceramsite concrete blocks and commercial concrete processing fee income remained insignificant during the Period.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately RMB10.2 million, or 44.5%, from approximately RMB22.9 million for the Corresponding Period to approximately RMB12.7 million for the Period.

The Group's gross profit margin decreased from approximately 18.0% for the Corresponding Period to approximately 13.8% for the Period. The decrease was mainly attributable to intensified market competition, which continued to exert pressure on the selling prices of the Group's products, together with cost pressure arising from fluctuations in raw material prices. The challenging operating environment and slower progress of certain infrastructure projects also affected the Group's product mix and overall sales performance during the Period. The above adverse impacts were partially offset by the relatively stable performance of the commercial concrete business and the Group's continued procurement and cost-control measures.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and marketing expenses

The Group's selling and marketing expenses decreased by approximately RMB0.1 million, or 9.7%, from approximately RMB1.5 million for the Corresponding Period to approximately RMB1.4 million for the Period. The decrease was generally in line with the lower level of sales activities during the Period.

Administrative expenses

The Group's administrative expenses decreased by approximately RMB1.6 million, or 9.7%, from approximately RMB16.3 million for the Corresponding Period to approximately RMB14.7 million for the Period. The decrease was mainly attributable to lower employee benefit expenses, travelling and entertainment expenses and consulting fees during the Period.

Other income, other costs and other gains, net

The Group recorded other income, other costs and other gains, net of approximately RMB1.0 million for the Period, as compared with approximately RMB1.1 million for the Corresponding Period. During the Period, the Group recognised a gain on disposal of a financial asset at FVTPL of approximately RMB1.1 million, which was partially offset by net fair value losses on financial assets at FVTPL, exchange losses and a loss on disposal of property, plant and equipment.

Finance costs, net

The Group recorded net finance costs of approximately RMB0.7 million for the Period, as compared with approximately RMB0.2 million for the Corresponding Period. The increase was mainly attributable to interest expenses arising from bank borrowings during the Period.

Loss for the Period

As a result of the foregoing, the Group recorded a net loss of approximately RMB2.3 million for the Period, as compared with a net profit of approximately RMB6.4 million for the Corresponding Period.

The shift from profit to loss was mainly attributable to the continued weakness in the overall market environment and demand in the construction industry, together with the slower commencement and progress of certain infrastructure projects, which resulted in lower sales and delivery volumes and a decrease in the Group's revenue. Meanwhile, intensified industry competition continued to exert pressure on product selling prices, while fluctuations in raw material prices increased cost pressure, resulting in a decrease in the overall gross profit margin.

The above impacts were partially offset by the decrease in selling and marketing expenses and administrative expenses and the gain recognised on the disposal of a financial asset at FVTPL during the Period.

Bank borrowings

The Group's total bank borrowings decreased by approximately RMB7.0 million, or 10.8%, from approximately RMB64.5 million as at 31 December 2025 to approximately RMB57.6 million as at 30 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Looking ahead, the Group expects market conditions in the construction materials industry to remain challenging and competitive. The timing of project commencement and construction progress may continue to affect demand for PHC piles and other building materials.

The Group will continue to closely monitor the development of infrastructure projects in Nantong and surrounding areas, maintain prudent project and customer selection criteria and focus on orders with reasonable profitability and credit terms. The Group will also seek to maintain the performance of its commercial concrete business and capture suitable opportunities in transportation, municipal, shipbuilding and other infrastructure-related projects.

To improve operational resilience, the Group will continue to optimise production scheduling, strengthen procurement and production cost controls and maintain flexibility in production capacity utilisation. The Group will also closely manage trade receivables, inventory, raw material prepayments and other working capital items in order to safeguard cash flow and liquidity.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed approximately 46 full-time employees and 88 outsourced workers (31 December 2025: approximately 51 full-time employees and 201 outsourced workers). During the Period, the total staff costs incurred by the Group were approximately RMB6.0 million (the Corresponding Period: approximately RMB7.2 million).

The Group generally recruits employees through online recruitment platforms, and outsourced workers are provided by an employment agent. The Group's employees and outsourced workers are remunerated according to their job scope, responsibilities and performance. The Group pays its employees directly and pays the employment agent for services rendered by the outsourced workers. The Group's employees and outsourced workers (indirectly through the employment agent) are also entitled to a discretionary bonus depending on their respective performance and the profitability of the Group. The Group provides employers' liability insurance including work injury and medical insurance to both its employees and the outsourced workers.

Share options may also be granted to eligible employees of the Group and other eligible participants.

The Group's employees and outsourced workers received different training tailored to their respective departments and the scope of work. Training is provided internally on a regular basis. Typically, they are required to attend training sessions relating to the Group's quality control, environmental, health and workplace safety policies.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group's overall funding and treasury activities are currently managed and controlled by the Directors and senior management. The Directors and senior management will closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding needs.

The Group maintained cash and cash equivalents of approximately RMB58.4 million as at 30 June 2026 (31 December 2025: approximately RMB56.0 million).

As at 30 June 2026, the Group's borrowings amounted to approximately RMB57.6 million (31 December 2025: RMB64.5 million). All of the Group's borrowings were denominated in RMB, carried variable interest rates and were repayable within one year. The variable rate borrowings exposed the Group to cash flow interest rate risk. The Group closely monitors its interest rate exposure and will consider managing this risk in a cost-effective manner when appropriate, through a variety of means. The Group did not engage in any hedging activity during the Period. As at 30 June 2026, the gearing ratio, calculated as total borrowings divided by the total equity, was 28.8% (31 December 2025: 31.9%).

As at 30 June 2026, the current ratio (current assets/current liabilities) was 2.2 (31 December 2025: 1.9) and the net current assets amounted to approximately RMB106.2 million (31 December 2025: approximately RMB93.0 million).

The ageing analysis of trade payables and the profiles of borrowings are set out in notes 18 and 19 to the condensed consolidated interim financial statements of this interim report.

MARKET RISK

Market risk is the risk that may affect the Group's profitability or ability to meet its business objectives and arises from the movement in market prices, including foreign exchange rates, interest rates and equity prices. The management of the Group manages and monitors these risks to ensure appropriate measures are implemented in a timely and effective manner.

FOREIGN EXCHANGE RISK

Operations of the Group were mainly conducted in RMB and Hong Kong dollars ("**HK$**"). As at 30 June 2026, the Group's major non-RMB denominated assets and liabilities included cash and cash equivalents and other payables, which were denominated in HK$. Fluctuations in the exchange rate of RMB against HK$ could affect the Group's results of operations.

The Group currently does not have a foreign currency hedging policy, and manages its foreign currency risk by closely monitoring movements in the relevant exchange rates.

The Directors do not consider the Group's foreign exchange risk to be material and, accordingly, the Group did not enter into any forward foreign exchange contracts or other hedging arrangements during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

On 18 January 2024, Shanghai Yuanxintai Investment Management Co., Ltd.* (上海圓芯泰投資管理有限公司), an indirect wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with Taizhou Jingyi Gelan Technology Co., Ltd.* (台州精藝格蘭科技有限公司), an independent third party, to acquire 3,021,500 shares, representing 5% of the issued share capital of Zhejiang Erg Technology Joint Stock Co., Ltd.* (浙江爾格科技股份有限公司) ("**Zhejiang Erg**"), at a consideration of RMB15,107,500. The acquisition was completed on 29 January 2024.

During the Period, the Group completed the disposal of its entire equity interest in Zhejiang Erg at a consideration of approximately RMB17.1 million, and recorded a gain on disposal of approximately RMB1.1 million.

The net proceeds from the disposal were intended to be used for the Group's general working capital. Further details of the acquisition and disposal are set out in note 4(b) to the condensed consolidated interim financial statements of this interim report and the announcements of the Company dated 18 January 2024 and 30 April 2026, respectively.

As at 30 June 2026, the Group did not hold any significant investment. Save as disclosed above, there were no other material acquisitions or disposals of subsidiaries, associates or joint ventures during the Period.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2026.

PLEDGE OF ASSETS

As at 30 June 2026, the Group's buildings with a carrying amount of approximately RMB11,253,000 (31 December 2025: approximately RMB12,126,000) and land use rights with a carrying amount of approximately RMB10,230,000 (31 December 2025: approximately RMB10,456,000) were pledged as collateral for the Group's borrowings.

In addition, a bank borrowing of RMB3.1 million was secured by a property owned by, and guaranteed by, a Director.

Details of the Group's borrowings are set out in note 19 to the condensed consolidated interim financial statements of this interim report.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Period. As at 30 June 2026, the Company did not hold any treasury shares.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in shares of the Company (the "**Shares**"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) which were required to be entered in the register required to be kept under section 352 of the SFO or otherwise were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) and/or the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 (the "**Model Code**") to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), were as follows:

Name of Director/ chief executive	Nature of interests	Number of Shares[(2)]	Approximate percentage of the issued share capital of the Company[(1)]
Ms. Wong Han Yu Alice	Interest of a controlled corporation[(3)]	228,536,000 (L)	57.13%
Mr. Wong Leung Yau	Interest of a controlled corporation[(4)]	26,870,000 (L)	6.72%
	Interest of a controlled corporation[(5)]	14,960,000 (L)	3.74%

Notes:

1. The number of issued Shares as at 30 June 2026 was 400,000,000 Shares.

2. The letter "L" denotes the person's long position in the Shares.

3. These Shares are registered in the name of Apax Investment Holdings Limited ("**Apax Investment**"), which is 72.94% owned by Ms. Wong Han Yu Alice and 27.06% owned by her younger brother, Mr. Wong Chiu Wai (an executive Director). Apax Investment is controlled by Ms. Wong Han Yu Alice as Ms. Wong Han Yu Alice is the sole director of Apax Investment and Ms. Wong Han Yu Alice controls 72.94% of the shareholding of Apax Investment. Under the SFO, Ms. Wong Han Yu Alice is deemed to be interested in all the Shares registered in the name of Apax Investment.

4. These Shares are registered in the name of Glorycore Investment Holdings Limited ("**Glorycore Investment**"), which is wholly-owned by Mr. Wong Leung Yau. Under the SFO, Mr. Wong Leung Yau is deemed to be interested in all the Shares registered in the name of Glorycore Investment.

5. These Shares are registered in the name of Megacore Investment Holdings Limited ("**Megacore Investment**"), which is wholly-owned by Mr. Wong Leung Yau. Under the SFO, Mr. Wong Leung Yau is deemed to be interested in all the Shares registered in the name of Megacore Investment.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be entered in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2026, the persons (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Capacity	Number of Shares[(2)]	Approximate percentage of the issued share capital of the Company[(1)]
Apax Investment	Beneficial owner[(3)]	228,536,000 (L)	57.13%
Mr. Ma Wai Kwok	Interest of spouse[(4)]	228,536,000 (L)	57.13%
Glorycore Investment	Beneficial owner[(5)]	26,870,000 (L)	6.72%

Notes:

1. The issued share capital of the Company as at 30 June 2026 was 400,000,000 Shares.
2. The letter "L" denotes the person's long position in the Shares.
3. Apax Investment is beneficially owned as to 72.94% by Ms. Wong Han Yu Alice and as to 27.06% by Mr. Wong Chiu Wai. Apax Investment is controlled by Ms. Wong Han Yu Alice as Ms. Wong Han Yu Alice is the sole director of Apax Investment and controls 72.94% of the shareholding of Apax Investment. Under the SFO, Ms. Wong Han Yu Alice is deemed to be interested in all the Shares registered in the name of Apax Investment.
4. Pursuant to the SFO, Mr. Ma Wai Kwok, the spouse of Ms. Wong Han Yu Alice, is deemed to be interested in all the Shares in which Ms. Wong Han Yu Alice is deemed to be interested.
5. These Shares are registered in the name of Glorycore Investment, which is wholly-owned by Mr. Wong Leung Yau. Under the SFO, Mr. Wong Leung Yau is deemed to be interested in all the Shares registered in the name of Glorycore Investment.

Save as disclosed herein, as at 30 June 2026, the Directors are not aware of any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "**Share Option Scheme**") by a resolution of all the shareholders passed on 5 November 2019 (the "**Adoption Date**"), and the Share Option Scheme became unconditional on 18 December 2019 (the "**Listing Date**").

The purpose of the Share Option Scheme is to give the eligible persons an opportunity to have a personal stake in the Company and help motivate them to optimise their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain ongoing relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group must not, in aggregate, exceed 10% of the issued share capital of the Company as at the Listing Date, such 10% being equivalent to 40,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of this interim report.

No options have been granted, exercised, cancelled or lapsed under the Share Option Scheme since the Adoption Date and up to the date of this interim report, and no options were outstanding as at 1 January 2026 or 30 June 2026. The numbers of options available for grant under the scheme mandate as at 1 January 2026 and 30 June 2026 were 40,000,000 and 40,000,000, respectively. Accordingly, 40,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of this interim report, were available for grant under the Share Option Scheme.

The number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Period divided by the weighted average number of Shares in issue, excluding treasury shares, for the Period was nil.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance and considers that conducting business in an ethical and responsible manner will generate the highest level of benefits to its shareholders and the Group in the long term. The Board will continuously review and improve the Group's corporate governance practices in order to uphold a transparent and effective corporate governance function for the Group.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules as its own code of corporate governance. Save for the deviation from code provision C.2.1 of the CG Code as disclosed below, the Company has complied with the code provisions as set out in the CG Code during the Period.

Code provision C.2.1

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Ms. Wong Han Yu Alice is currently the chairperson of our Board and the chief executive officer of the Group, who is responsible for overall strategic planning and business direction and management of the Group. Having considered the nature and extent of the Group's operations, Ms. Wong Han Yu Alice's in-depth knowledge and experience in the industry and familiarity with the operations of the Group, and the fact that all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering advice on independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company and that it is in the best interests of the Group to have Ms. Wong Han Yu Alice taking up both roles of the chairperson and chief executive officer. As such, the roles of the chairperson and chief executive officer of the Group are not separate, as contemplated by code provision C.2.1 of the CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors have confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Period.

CHANGES IN THE BOARD AND THE DIRECTORS' INFORMATION

There was no change in the Board and the information of Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") currently has three members comprising, Mr. Lai Chun Yu (Chairman), Mr. Wong Kit Wai and Ms. Wong Siu Yin Rosella, all being independent non-executive Directors. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process, risk management and internal control systems of the Group, oversee the audit process and select external auditors and assess their independence and qualifications.

AUDIT COMMITTEE REVIEW

The financial information in this interim report has not been audited or reviewed by the Company's external auditor but has been reviewed by the Audit Committee.

PUBLICATION OF UNAUDITED INTERIM REPORT

The Company's 2026 interim report is published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.tailamgroup.com.

APPRECIATION

I wish to express my deepest gratitude to our shareholders for their unwavering trust, to the Board and our dedicated management and staff for their relentless commitment, and to our valued customers and business partners for their enduring support. These relationships remain the bedrock of our success, and we look forward to strengthening them in the years ahead.

By Order of the Board of
Tailam Tech Construction Holdings Limited

Wong Han Yu Alice
Chairperson, Executive Director and Chief Executive Officer

Hong Kong, 21 August 2026

CONDENSED CONSOLIDATED INTERIM 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 (Unaudited)
Revenue	6	**92,470**	127,456
Cost of sales	7	**(79,739)**	(104,537)
Gross profit		**12,731**	22,919
Selling and marketing expenses	7	**(1,361)**	(1,507)
Administrative expenses	7	**(14,732)**	(16,320)
Reversal of impairment losses on trade and other receivables, net	7	**16**	263
Other income, other costs and other gains, net	8	**986**	1,133
Operating (loss)/profit		**(2,360)**	6,488
Finance costs – net	9	**(650)**	(171)
(Loss)/profit before income tax		**(3,010)**	6,317
Income tax credit	10	**744**	131
(Loss)/profit for the period		**(2,266)**	6,448
Other comprehensive income			
– Currency translation differences		**191**	165
Other comprehensive income for the period		**191**	165
Total comprehensive (expense)/income for the period		**(2,075)**	6,613
(Loss)/earnings per share (expressed in RMB per share)			
– Basic and diluted	12	**(0.006)**	0.016

The notes on pages 19 to 36 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	13	95,256	100,320
Intangible assets		687	411
Deferred income tax assets		1,561	1,564
Financial assets at fair value through profit or loss	14	–	16,094
		97,504	118,389
Current assets			
Inventories		15,158	16,912
Trade, prepayments and other receivables	15	115,502	112,187
Financial assets at fair value through other comprehensive income		3,527	14,489
Financial assets at fair value through profit or loss	14	492	781
Restricted cash	16	1,195	1,947
Cash and cash equivalents		58,394	56,041
		194,268	202,357
Total assets		291,772	320,746
Equity			
Equity attributable to owners of the Company			
Share capital	17	3,584	3,584
Share premium		153,337	153,337
Other reserves		(14,691)	(15,869)
Retained earnings		57,668	60,921
Total equity		199,898	201,973

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		3,802	4,550
Borrowings		–	4,900
		3,802	9,450
Current liabilities			
Trade and other payables	18	27,238	46,426
Contract liabilities	6(b)	636	459
Current income tax liabilities		2,648	2,838
Borrowings	19	57,550	59,600
		88,072	109,323
Total liabilities		91,874	118,773
Total equity and liabilities		291,772	320,746

The notes on pages 19 to 36 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2026 (Audited)	3,584	153,337	(15,869)	60,921	201,973
Comprehensive income					
Loss for the period	–	–	–	(2,266)	(2,266)
Other comprehensive income					
Currency translation differences	–	–	191	–	191
Total comprehensive expense	–	–	191	(2,266)	(2,075)
Transactions with owners of the Company					
Appropriation to statutory reserves	–	–	987	(987)	–
	–	–	987	(987)	–
Balance at 30 June 2026 (Unaudited)	3,584	153,337	(14,691)	57,668	199,898
Balance at 1 January 2025 (Audited)	3,584	153,337	(16,152)	55,178	195,947
Comprehensive income					
Profit for the period	–	–	–	6,448	6,448
Other comprehensive income					
Currency translation differences	–	–	165	–	165
Total comprehensive income	–	–	165	6,448	6,613
Transactions with owners of the Company					
Appropriation to statutory reserves	–	–	993	(993)	–
	–	–	993	(993)	–
Balance at 30 June 2025 (Unaudited)	3,584	153,337	(14,994)	60,633	202,560

The notes on pages 19 to 36 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Operating activities		
Cash used in operating activities	**(6,049)**	(30,549)
Income tax paid	**(191)**	(50)
Net cash used in operating activities	**(6,240)**	(30,599)
Investing activities		
Purchase of property, plant and equipment	**(473)**	(2,164)
Purchase of intangible assets	**(445)**	(303)
Purchase of financial assets at fair value through profit or loss	**(116)**	(20,698)
Proceeds from disposal of property, plant and equipment	**56**	–
Proceeds from sale of financial assets at fair value through profit or loss	**17,324**	21,909
Net cash generated from/(used in) investing activities	**16,346**	(1,256)
Financing activities		
Proceeds from bank borrowings	**79,490**	86,500
Repayments of bank borrowings	**(86,440)**	(37,000)
Interest paid	**(803)**	(306)
Lease payments (including interest paid)	**–**	(114)
Net cash (used in)/generated from financing activities	**(7,753)**	49,080
Net increase in cash and cash equivalents	**2,353**	17,225
Cash and cash equivalents at 1 January	**56,041**	6,003
Effect of exchange rate changes	**–**	–
Cash and cash equivalents at 30 June	**58,394**	23,228

The notes on pages 19 to 36 form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 7 March 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sale of pre-stressed high-strength concrete piles (the "**PHC piles**"), ceramsite concrete blocks and commercial concrete in the People's Republic of China (the "**PRC**").

Ms. Wong Han Yu Alice ("**Ms. Wong**") is the ultimate controlling shareholder of the Company.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 18 December 2019.

The condensed consolidated interim financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated. The condensed consolidated interim financial statements were approved for issue by the board of directors of the Company on 21 August 2026.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2025 (the "**Financial Statements 2025**"), which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**", together with Hong Kong Accounting Standards ("**HKASs**") and Interpretations, collectively referred to as "**HKFRS**") issued by the HKICPA.

The condensed consolidated interim financial statements have not been audited or reviewed by the Company's external auditors, but have been reviewed by the audit committee of the Company.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis. Except for the adoption of the new and amended HKFRSs for annual periods beginning on 1 January 2026, the accounting policies and methods of computation used in the condensed consolidated interim financial statements are consistent with those described in the Financial Statements 2025.

(a) Adoption of new or revised HKFRS effective on 1 January 2026

During the interim period, the Group has adopted the following new and amended HKFRS which are first effective for the reporting period and are potentially relevant to the Group.

Standards	
HKFRS 9 and HKFRS 7 (Amendments)	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 adoption of the above amendments did not have any material impact on the amounts recognised in the current or prior periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's condensed consolidated interim financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Standards		**Effective for reporting periods beginning on or after**
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries Without Public Accountability: Disclosures	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18 Presentation and Disclosure in Financial Statements will replace HKAS 1 Presentation of Financial Statements and will be effective for annual periods beginning on or after 1 January 2027. The new standard is expected to affect the presentation and disclosures in the Group's future consolidated financial statements but will not affect the recognition or measurement of items therein. Based on the Group's assessment to date, the impact on the Group's results of operations and financial position is not expected to be material.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Recurring fair value measurements **As at 30 June 2026 (Unaudited)**	**Level 1** **RMB'000**	**Level 2** **RMB'000**	**Level 3** **RMB'000**	**Total** **RMB'000**
Financial assets				
Financial assets at fair value through profit or loss ("**FVTPL**")				
– Investments in Hong Kong listed equity securities	492	–	–	492
	492	–	–	492
Financial assets at fair value through other comprehensive income ("**FVOCI**")				
– Bank and commercial acceptance notes	–	–	3,527	3,527
Total financial assets	492	–	3,527	4,019

4. FAIR VALUE MEASUREMENTS (Continued)

Recurring fair value measurements As at 31 December 2025 (Audited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at FVTPL				
– Investments in unlisted equity securities	–	–	16,094	16,094
– Investments in Hong Kong listed equity securities	781	–	–	781
	781	–	16,094	16,875
Financial assets at FVOCI				
– Bank acceptance notes	–	–	14,489	14,489
Total financial assets	781	–	30,583	31,364

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. As at 30 June 2026 and 31 December 2025, level 1 instruments of the Group's assets mainly include investments in listed securities, classified as financial assets at FVTPL.

(b) Financial instruments in level 3

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

As at 30 June 2026, the Group's level 3 financial assets comprised bank and commercial acceptance notes. These financial assets are held for the collection of contractual cash flows and for sale. Their fair values are estimated using a discounted cash flow approach with discount rates quoted by major state-owned banks and are classified as financial assets at FVOCI.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. FAIR VALUE MEASUREMENTS (Continued)

(b) Financial instruments in level 3 (Continued)

As at 31 December 2025, the Group's level 3 financial assets also included an investment in Zhejiang Erg Technology Joint Stock Co., Ltd. ("**Zhejiang Erg**"), which was classified as a financial asset at FVTPL. During the six months ended 30 June 2026, the Group completed the disposal of its entire equity interest in Zhejiang Erg and the related financial asset was derecognised upon completion of the disposal. Accordingly, no carrying amount relating to Zhejiang Erg was included in the level 3 fair value hierarchy as at 30 June 2026.

The following table presents the changes in level 3 financial instruments for the six months ended 30 June 2026:

	Bank and commercial acceptance notes – financial assets at FVOCI RMB'000	Investment in Zhejiang Erg – financial asset at FVTPL RMB'000	Total RMB'000
At 1 January 2026	14,489	16,094	30,583
Additions	33,247	–	33,247
Gain recognised in profit or loss	–	1,055	1,055
Fair value gain/(loss) recognised in other comprehensive income	–	–	–
Settlements	(44,209)	–	(44,209)
Disposal	–	(17,149)	(17,149)
Transfers into or out of level 3	–	–	–
At 30 June 2026	3,527	–	3,527

The gain recognised in profit or loss in respect of the investment in Zhejiang Erg was included in "other income, other costs and other gains, net" in the Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income.

4. FAIR VALUE MEASUREMENTS (Continued)

(b) Financial instruments in level 3 (Continued)

Valuation process and techniques

As these instruments are not traded in an active market, their fair values have been determined using applicable valuation techniques.

For the investment in Zhejiang Erg held during the period, its fair value prior to the disposal was determined using the comparable companies approach. This valuation approach required significant judgements, assumptions and inputs, including the price-to-book ratio and discount for lack of marketability ("**DLOM**").

The investment in Zhejiang Erg was disposed of during the six months ended 30 June 2026 and, accordingly, no valuation of the investment was required as at 30 June 2026.

For bank and commercial acceptance notes, their fair values are estimated using a discounted cash flow approach with discount rates quoted by major state-owned banks.

There were no changes to the valuation techniques during the reporting period.

5. SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing the performance of the operating segment, has been identified as the executive directors of the Company.

The Group is principally engaged in the manufacturing and sale of commercial concrete, PHC piles and ceramsite concrete blocks in the PRC. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment. A measure of segment assets and liabilities is not disclosed as such measure is not regularly provided to the CODM.

The major operating entity of the Group is domiciled in the PRC. All of the Group's revenue is derived from the PRC, and accordingly no geographical segment information is presented.

As at 30 June 2026, the non-current assets other than deferred income tax assets of RMB88,934,000 (31 December 2025: RMB109,686,000) and RMB7,009,000 (31 December 2025: RMB7,139,000) were located in the PRC and Hong Kong respectively.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

6. REVENUE

(a) Disaggregation of revenue from contracts with customers

The Group derived its revenue from the transfer of goods at a point in time of the following major products and services:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Sales of PHC piles	**45,633**	79,099
Sales of commercial concrete	**46,614**	48,351
Sales of ceramsite concrete blocks	**87**	6
Commercial concrete processing fee income	**136**	–
	92,470	127,456

(b) Contract liabilities

The Group recognised the following revenue-related contract liabilities:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Commercial concrete	**585**	277
PHC piles	**51**	182
	636	459

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

6. REVENUE (Continued)

(c) Information about major customers

Revenue from major customers, each of which accounted for 10% or more of the Group's revenue, as set out below:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	**20,895**	N/A
Customer B	**12,283**	N/A
Customer C	**9,577**	18,241

7. EXPENSES BY NATURE

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Raw materials and consumables used	**61,359**	86,793
Freight charges	**8,700**	7,835
Employee benefit expenses	**5,975**	7,219
Depreciation of property, plant and equipment	**5,053**	5,085
Outsourcing labour costs	**4,684**	6,601
Changes in inventories of finished goods	**2,633**	(862)
Utilities	**1,952**	2,870
Consulting fees	**1,072**	1,748
Travelling and entertainment expenses	**779**	1,708
Business tax and surcharges	**568**	853
Maintenance costs	**332**	830
Amortisation charges	**291**	245
Reversal of impairment losses on trade and other receivables, net	**(16)**	(263)
Others	**2,434**	1,439
	95,816	122,101

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

8. OTHER INCOME, OTHER COSTS AND OTHER GAINS – NET

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Other income:		
– Rental income	**376**	1,018
– Value-added tax super deduction	**515**	361
	891	1,379
Other costs	**(514)**	(1,215)
Other gains – net:		
– Exchange losses – net	**(306)**	(242)
– Gain on disposal of financial assets at FVTPL	**1,055**	–
– Net fair value (losses)/gains on financial assets at FVTPL	**(205)**	246
– Loss on disposals of property, plant and equipment	**(69)**	–
– Others	**134**	965
	609	969
	986	1,133

9. FINANCE COSTS – NET

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Finance income:		
– Interest income from bank deposits	**153**	136
Finance costs:		
– Interest expenses on bank borrowings	**(803)**	(296)
– Interest expenses on long service payment	**–**	(5)
– Interest expenses on leases	**–**	(6)
	(803)	(307)
	(650)	(171)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

10. INCOME TAX CREDIT

The amount of income tax credit in the condensed consolidated interim statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
– PRC corporate income tax expense	**–**	432
Deferred income tax		
– PRC corporate income tax (credit)/expense	**(744)**	(563)
	(744)	(131)

PRC corporate income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and is exempted from payment of Cayman Islands income tax.

The subsidiaries incorporated in British Virgin Islands under the International Business Companies Acts of the British Virgin Islands are exempted from payment of British Virgin Islands income tax.

Subsidiaries incorporated in Hong Kong are subject to income tax at the prevailing rate of 16.5% (2025: 16.5%). Hong Kong profits tax has not been provided as there is no estimated assessable profit arising in or derived from Hong Kong during the Period.

The PRC Corporate Income Tax (the "**CIT**") is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for income tax purposes. The applicable corporate income tax rate for Mainland China subsidiaries is 25%, except for the subsidiary which is qualified as High and New Technology Enterprise (the "**HNTE**"). Tailam Technology (Jiangsu Nantong) Co., Ltd.* (previously known as Jiangsu Tailam Construction Co., Ltd.*) obtained the qualification of the HNTE in 2023, and the applicable income tax rate is 15% for the HNTE.

* *For identification purpose only*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

10. INCOME TAX CREDIT (Continued)

According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% of their eligible research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (the "**Super Deduction**"). The additional tax deduction amount of the qualified research and development expenses has been increased from 150% to 175%, effective from 2018 to 2020, and further increased to 200%, particularly for manufacturing enterprise, effective since 2021, according to a new tax incentive policy promulgated by the State Tax Bureau of the PRC. The Group has considered the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits for the Period.

PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied when the immediate holding companies of the PRC subsidiaries are incorporated or operated in Hong Kong and fulfil the requirements under the tax treaty arrangement between the PRC and Hong Kong.

11. DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

12. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share for the six months ended 30 June 2026 and 2025 are calculated by dividing the (loss)/profit of the Group attributable to owners of the Company by the weighted average number of ordinary shares deemed to be in issue during each respective period. The weighted average number of shares of the Company in issue during the six months ended 30 June 2026 was 400,000,000 shares (six months ended 30 June 2025: 400,000,000 shares).

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
(Loss)/profit attributable to equity holders of the Company (RMB'000)	**(2,266)**	6,448
Weighted average number of shares in issue (in thousands)	**400,000**	400,000
Basic (loss)/earnings per share for (loss)/profit attributable to shareholders of the Company during the period (expressed in RMB per share)	**(0.006)**	0.016

The Company did not have any potential ordinary shares outstanding during the Period or the six months ended 30 June 2025, so diluted (loss)/earnings per share are equal to basic (loss)/earnings per share.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at an aggregate cost amounting to approximately RMB473,000 (six months ended 30 June 2025: RMB2,164,000).

In addition, items of property, plant and equipment with net book value of approximately RMB125,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: nil), resulting in a loss on disposal of RMB69,000 (six months ended 30 June 2025: nil).

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include the following:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current assets		
Investment in unlisted equity securities	–	16,094
Current assets		
Investment in Hong Kong listed equity securities	**492**	781
	492	16,875

During the Period, the Group completed the disposal of its entire equity interest in Zhejiang Erg for a cash consideration of approximately RMB17.1 million. Upon completion of the disposal, the related financial asset at FVTPL was derecognised and a gain on disposal of approximately RMB1.1 million was recognised under "other income, other costs and other gains, net".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. TRADE, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables		
– Third parties	**109,229**	112,205
Less: provision for impairment of trade receivables	**(8,026)**	(8,042)
	101,203	104,163
Other receivables		
– Deposits	**1,721**	1,588
– Others	**352**	110
	2,073	1,698
Less: allowance for impairment of other receivables	**–**	–
	2,073	1,698
Prepayments for purchase of raw materials		
– Third parties	**12,226**	6,328
	115,502	112,187

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. TRADE, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

As of the end of the reporting period, the ageing analysis of trade receivables, based on invoice date, is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 month	**21,533**	31,865
1 to 6 months	**43,480**	44,941
6 months to 1 year	**29,255**	23,048
1 to 2 years	**6,353**	4,405
Over 2 years	**8,608**	7,946
	109,229	112,205

16. RESTRICTED CASH

Restricted cash represents guarantee deposits for issuance of bank acceptance bills and is denominated in RMB.

17. SHARE CAPITAL

The share capital balance as at 30 June 2026 and 31 December 2025 represented the issued and fully paid share capital of the Company as follows:

	Number of ordinary shares	**Share capital**	
	Shares	HK$	RMB'000
Authorised:			
As at 31 December 2025 and 30 June 2026	1,000,000,000	10,000,000	
Issued and fully paid:			
As at 31 December 2025 and 30 June 2026	400,000,000	4,000,000	3,584

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

18. TRADE AND OTHER PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables		
– Third parties	**24,911**	39,344
Notes payables	**800**	1,723
Accrued payroll	**1,093**	1,434
Other tax payables	**151**	1,394
Other payables		
– Third parties	**283**	2,531
	27,238	46,426

As at the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Up to 1 month	**7,365**	15,224
1 to 6 months	**9,936**	13,357
6 months to 1 year	**3,944**	7,853
1 to 2 years	**2,367**	1,594
Over 2 years	**1,299**	1,316
	24,911	39,344

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

19. BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current		
Long-term bank borrowings		
– Unsecured bank borrowings	–	5,000
Less: current portion	–	(100)
	–	4,900
Current		
Current portion of long-term bank borrowings		
– Unsecured bank borrowings	–	100
Short-term bank borrowings		
– Secured bank borrowings (Note (a))	57,550	50,000
– Unsecured bank borrowings	–	9,500
	57,550	59,600
Total	57,550	64,500

Notes:

(a) As at 30 June 2026, the Group's short-term bank borrowing of RMB54,450,000 was secured by the Group's buildings with carrying value of RMB11,253,000 and the Group's land use rights with carrying value of RMB10,230,000.

As at 30 June 2026, the Group's short-term bank borrowing of RMB3,100,000 was secured by a property owned by a director and guaranteed by a director.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

19. BORROWINGS (Continued)

Notes: (Continued)

(b) The Group's bank borrowings are repayable as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	**57,550**	59,600
Between 1 and 2 years	**–**	4,900
	57,550	64,500

(c) As at 30 June 2026, the carrying amounts of borrowings approximate their fair values, as the impact of discounting is not significant.

(d) As at 30 June 2026, all of the Group's borrowings are denominated in RMB.

20. RELATED PARTY TRANSACTIONS

Key management personnel remuneration

Key management remuneration, including salaries and other employee benefits, amounted to approximately RMB1,416,000 for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB1,383,000).

None of the related party transactions as disclosed above falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

21. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2026.

22. EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 30 June 2026 which would materially affect the Group's and the Company's operating and financial performance as of the date of this interim report.