SAPPHIRE CORPORATION LIMITED

Incorporated in the Republic of Singapore
Company Registration Number: 198502465W

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group		
	Notes	1H2026 RMB'000	1H2025 RMB'000	Change %
Revenue	4.2	186,038	202,035	(7.9)
Cost of sales		(182,729)	(198,336)	(7.9)
Gross profit		3,309	3,699	(10.5)
Other income	5	659	1,794	(63.3)
Administrative expenses		(10,496)	(8,399)	25.0
Impairment losses on other receivables	13	-	(2,365)	(100.0)
Reversal of provision for liabilities	16	-	946	(100.0)
Reversal of provision for covered guarantee	16	-	853	(100.0)
Other expenses		(1,367)	(350)	290.6
Loss from operating activities		(7,895)	(3,822)	106.6
Finance costs	6	(1,172)	(1,107)	5.9
Share of profits from equity-accounted associates, net of tax		10,137	6,635	52.8
Profit before tax	7	1,070	1,706	(37.3)
Tax expense	8	(384)	(234)	64.1
Profit for the period		686	1,472	(53.4)
Other comprehensive income/(loss) after tax:				
Items that may be reclassified to profit or loss:				
Foreign currency translation differences arising from foreign operations		(199)	5	N/M
Share of other comprehensive income/(loss) of associates		244	199	22.6
Total other comprehensive income/(loss) for the period		45	204	(77.9)
Total comprehensive income/(loss) for the period		731	1,676	(56.4)
Profit attributable to:				
Owners of the Company		1,417	1,420	(0.2)
Non-controlling interests		(731)	52	N/M
Profit for the period		686	1,472	(53.4)
Total comprehensive income attributable to:				
Owners of the Company		1,462	1,624	(10.0)
Non-controlling interests		(731)	52	N/M
Total comprehensive income for the period		731	1,676	(56.4)
Earnings per share				
Basic and diluted (RMB cents)		0.35	0.35	-

N/M: Not meaningful used to indicate that the current and prior year figures are not comparable, not meaningful, or if the percentage change exceeds 1,000%

B. Condensed interim statements of financial position

		Group		Company	
	Notes	30.06.2026 RMB'000	31.12.2025 RMB'000	30.06.2026 RMB'000	31.12.2025 RMB'000
ASSETS					
Property, plant and equipment	9	67,143	72,462	175	277
Intangible assets		336	363	-	-
Investment in subsidiaries		-	-	361,188	374,755
Investment in associates	10	479,831	469,450	-	-
Total non-current assets		547,310	542,275	361,363	375,032
Other investments	11	1,111	1,463	1,111	1,463
Inventories	12	2,412	2,450	-	-
Trade receivables	13	75,419	67,650	-	-
Other receivables	13	49,274	87,550	291	216
Cash and cash equivalents	14	40,131	33,240	327	50
Total current assets		168,347	192,353	1,729	1,729
Total assets		715,657	734,628	363,092	376,761
EQUITY					
Share capital	15	350,874	350,874	350,874	350,874
Reserves		235,234	233,772	(15,073)	617
Equity attributable to owners of the Company		586,108	584,646	335,801	351,491
Non-controlling interests		13,403	13,554	-	-
Total equity		599,511	598,200	335,801	351,491
LIABILITIES					
Provisions	16	12,627	12,627	-	-
Lease liabilities	17	24,841	28,254	-	91
Other payables	19	-	-	26,226	22,257
Total non-current liabilities		37,468	40,881	26,226	22,348
Lease liabilities	17	6,782	6,448	178	187
Borrowings	18	15,000	-	-	-
Trade payables	19	18,715	44,930	-	-
Other payables	19	38,181	44,169	887	2,735
Total current liabilities		78,678	95,547	1,065	2,922
Total liabilities		116,146	136,428	27,291	25,270
Total equity and liabilities		715,657	734,628	363,092	376,761

C. Condensed interim statements of changes in equity

Group	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
	<-----Attributable to owners of the Company----->								
At 1 January 2025	350,874	(7,585)	(14,205)	(8,968)	944	258,194	579,254	11,982	591,236
Profit for the period	-	-	-	-	-	1,420	1,420	52	1,472
Other comprehensive (loss)/income:									
Foreign currency translation differences	-	-	-	-	5	-	5	-	5
Share of other comprehensive loss of an associate	-	-	-	-	199	-	199	-	199
Total other comprehensive loss	-	-	-	-	204	-	204	-	204
Total comprehensive (loss)/income for the financial period	-	-	-	-	204	1,420	1,624	52	1,676
Transactions with owners recognised directly in equity									
Non-controlling interests arising from incorporation of a new subsidiary	-	-	-	-	-	-	-	98	98
At 30 June 2025	350,874	(7,585)	(14,205)	(8,968)	1,148	259,614	580,878	12,132	593,010

Group	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
	<------------------------------Attributable to owners of the Company------------------------------>								
At 1 January 2026	350,874	(7,585)	(14,205)	(8,968)	1,449	263,081	584,646	13,554	598,200
Profit for the period	-	-	-	-	-	1,417	1,417	(731)	686
Other comprehensive (loss)/income:									
Foreign currency translation differences	-	-	-	-	(199)	-	(199)	-	(199)
Share of other comprehensive income of associates	-	-	-	-	244	-	244	-	244
Total other comprehensive income	-	-	-	-	45	-	45	-	45
Total comprehensive income for the financial period	-	-	-	-	45	1,417	1,462	(731)	731
Transactions with owners recognised directly in equity									
Non-controlling interests arising from capital contributions to a subsidiary	-	-	-	-	-	-	-	580	580
At 30 June 2026	350,874	(7,585)	(14,205)	(8,968)	1,494	264,498	586,108	13,403	599,511

Company	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000	Total equity RMB'000
At 1 January 2025	350,874	(8,294)	(14,205)	(8,968)	40,821	(9,247)	350,981
Loss for the period	-	-	-	-	-	(1,908)	(1,908)
Other comprehensive income:							
Foreign currency translation differences	-	-	-	-	16,308	-	16,308
Total comprehensive income for the financial period	-	-	-	-	16,308	(1,908)	14,400
At 30 June 2025	350,874	(8,294)	(14,205)	(8,968)	57,129	(11,155)	365,381
At 1 January 2026	350,874	(8,294)	(14,205)	(8,968)	46,029	(13,945)	351,491
Loss for the period	-	-	-	-	-	(3,035)	(3,035)
Other comprehensive loss:							
Foreign currency translation differences	-	-	-	-	(12,655)	-	(12,655)
Total comprehensive income for the financial period	-	-	-	-	(12,655)	(3,035)	(15,690)
At 30 June 2026	350,874	(8,294)	(14,205)	(8,968)	33,374	(16,980)	335,801

D. Condensed interim consolidated statement of cash flows

	Note	Group 1H2026 RMB'000	Group 1H2025 RMB'000
Operating activities			
Profit before tax		1,070	1,706
Adjustments for:			
Amortisation of intangible assets		27	44
Depreciation of property, plant and equipment		5,322	5,649
Change in fair value of financial asset designated as fair value through profit or loss		352	(195)
Gain on disposal of property, plant and equipment		-	(101)
Impairment loss on other receivables		-	2,365
Reversal of provision for liabilities		-	(946)
Reversal of provision for covered guarantee		-	(853)
Interest income		(30)	(1,023)
Interest expense		1,172	1,107
Share of profit of associates, net of tax		(10,137)	(6,635)
Operating income/(loss) before working capital changes		(2,224)	1,118
Changes in working capital:			
Inventories		38	(1,338)
Trade and other payables		(30,788)	(1,967)
Trade and other receivables		30,507	(5,376)
Cash used in operations		(2,467)	(7,563)
Income tax paid		(384)	(234)
Net cash used in operating activities		(2,851)	(7,797)
Investing activities			
Interest received		30	1,023
Purchase of plant and equipment	(a)	(26)	(26)
Proceeds from disposal of plant and equipment		-	229
Net cash generated from/(used in) investing activities		4	1,226
Financing activities			
Proceeds from bank loans		15,000	-
Payment of lease liabilities		(4,306)	(3,961)
Interest/factoring expenses paid		(1,172)	(1,107)
Payment for amount owing to shareholders		(340)	-
Payments to a related party		-	(1,132)
Cash received from minority shareholders' investment in a subsidiary		580	-
Net cash generated from/(used in) financing activities		9,762	(6,200)
Net decrease in cash and cash equivalents		6,915	(12,771)
Cash and cash equivalents at beginning of the period		33,240	61,802
Effect of exchange rate changes on the balances held in foreign currencies		(24)	20
Cash and cash equivalents at end of the period (Note 14)		40,131	49,051

Note:

(a) During the financial period, the property, plant and equipment of the Group (including rights-of-use assets) increased by RMB 26,000 (1H2025: RMB 542,000) of which (i) RMB 26,000 were paid (1H2025: RMB 26,000) and (ii) RMB Nil (1H2025: RMB 516,000) were added under operating lease arrangement.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Sapphire Corporation Limited (the "**Company**") is incorporated and domiciled in Singapore and whose shares are publicly traded on the mainboard of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activities of the Company are those of investment management, provision of management services and holding company. The principal activities of the subsidiaries and the associates are set out in notes 11 and 12 to the financial statements, respectively, in the annual report for the year ended 31 December ("**FY**") 2025 (the "**Annual Report 2025**").

During the year 2026, the Group acquired a subsidiary, Sichuan Shengshi Yuda Technology Co., Ltd. whose principal activities have been disclosed in the announcement released separately on 12 August 2026.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Section E Note 2.1.

The functional currency of the Company is in Singapore dollar. The condensed interim financial statements are presented in in Chinese Renminbi ("**RMB**") as the Group considers RMB to be the most appropriate presentation currency. All financial information is presented in RMB have been rounded to the nearest thousand, unless otherwise stated.

2.1. New and amended standards adopted by the Group

The Group has adopted all the amendments to SFRS(I)s that are effective for annual financial periods beginning on or after 1 January 2026. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. In addition, the adoption of these amendments did not have any material effect on the financial performance or position of the Group and the Company.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made 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.

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 consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used in applying accounting policies and areas involving a high degree of judgement are described below.

(a) Judgements made in applying accounting policies

(i) Identification of functional currency

The functional currency of each entity in the Group is the currency of the primary economic environment in which it operates. Determination of the functional currency involves significant judgement and other companies may make different judgements based on similar facts. Management reconsiders the functional currency if there is a change in the underlying transactions, events and conditions which determines its primary economic environment.

The determination of functional currency affects the carrying amount of the non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the statement of comprehensive income. It also impacts the exchange gains and losses included in the statement of comprehensive income.

(ii) Income tax

The Group is primarily exposed to income taxes in Singapore and the People's Republic of China. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable as at 30 June 2026 is Nil (30 June 2025: Nil).

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based on its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values. The Group reviews the estimated useful lives of the assets regularly based on the factors that include asset utilisation, technological changes, environmental and anticipated use of the assets in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use of these assets and the Group's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets. Any changes in the economic useful lives and residual values could impact the depreciation charge and consequently impact the Group's results.

(ii) Allowance for expected credit losses ("**ECL**") on trade and other receivables and contract assets

Allowance for ECL of trade and other receivables and contract assets are based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past collection history, existing market conditions as well as forward looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group and the Company apply the 3-stage general approach to determine ECL for third parties and related parties. ECL is measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL for Stage 2 or Stage 3 assets. An asset moves from Stage 1 to Stage 2 when its credit risk increases significant and subsequently to Stage 3 as it becomes credit impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date.

The carrying amount of the Group's and the Company's trade and other receivables are disclosed in Section E Note 13.

(iii) Accounting for investment in an associate

In applying the equity method on the Group's interest in an associate, Ranken Railway Construction Group Co., Ltd ("**Ranken Railway**", together with its subsidiaries, "**Ranken Group**"), for the six months ended 30 June 2026, management has made certain adjustments to the financial results of Ranken Group to align the accounting policies of Ranken Group with those of the Group.

These adjustments included (a) impairment losses recognised on Ranken Group's trade and other receivables and contract assets in accordance with SFRS(I) 9 - *Financial Instruments*, (b) the accounting of Ranken Group's share of associates' profits for the operators of a public private partnership ("**PPP**") arrangement to build, operate and transfer (i) the first phase of Chengdu Wuhou District Liveable Riverbank Project, Xi River Sewage Treatment Plant 2 Project and (ii) Xijiang River Chenganyu Hi-Speed to Chengan Hi-Speed Section Comprehensive Management Engineering Project, (c) the effects on depreciation and amortisation on Ranken Group's non-financial assets arising from the purchase price allocation exercise carried out in FY2020.

These adjustments involve the use of significant accounting estimates such as (a) the assumptions used in the ECL model in determining the adequacy of the provision for impairment loss recognised, (b) the estimation of the fair value of the construction service contracts during the construction and maintenance phases of the service concession arrangement projects and the service concession receivables which take into account budgeted construction costs, project value (including service concession rights) and profit margin applied on the service concession arrangements undertaken by the associates of Ranken Group and (c) changes in the useful lives of Ranken Group's non-financial assets which affect the amount of depreciation and amortisation expenses recorded.

(iv) Provision for liabilities

Pursuant to the share transfer and capital increase agreement dated 28 May 2020 (the "**Ranken Disposal Agreement**") and as set out in the circular in respect of the Group's disposal of Ranken Group to Shandong Hi-Speed Road & Bridge Group Co., Ltd (the "**Investo**r") dated 9 October 2020 (the "**Ranken Disposal Circular**"), the Group, through its 98%-owned subsidiary Chengdu Kai Qi Rui Business Management Co., Ltd. ("**Chengdu KQR**"), effectively guaranteed the collection of receivables owing to Ranken Group as at 31 August 2019 (the "**Guaranteed Receivables**"). In the event that Ranken Group fails to collect any of the Guaranteed Receivables within 5 years from the date on which such receivables become due (the "**Overdue Guaranteed Receivables**"), the Investor shall have the right to offset the Overdue Guaranteed Receivables against the dividends payables to Chengdu KQR (the "**Offset**"), if any, and the Group shall reimburse the remaining balance of the Overdue Guaranteed Receivables after the Offset. After which, the uncollected Overdue Guaranteed Receivables will then be assigned to the Group.

As at 30 June 2026, the management performed an assessment and no provision was recognised during 1H2026 (FY2025: no provision was recognised) based on the ECL model in accordance with SFRS(I) 9 - Financial Instruments. Please refer to Section E Notes 10, 13 and 16 for further details.

3. Seasonal operations

As the Group's operations are primarily in China, the Group and Ranken Railway's business operations are generally slower in the first half of each year affected by cold weather and the Chinese New Year Break. Other than the aforesaid, the Group's businesses are not affected significantly by seasonal or cyclical factors for the current financial period.

4. Segment and revenue information

4.1. Reportable Segment

The Group is principally engaged in (i) providing services for urban renewal and redevelopment; and urban infrastructure; (ii) investment holding and management; and (iii) providing cultural and artistic exchange services.

For the six months ended 30 June 2026 and 30 June 2025, the Group has only one reportable segment, the infrastructure segment.

Under the infrastructure segment, the main operating units for the Group comprise:

(a) property and facilities management services for urban renewal and redevelopment; urban infrastructure, undertaken by Chengdu Shengshi Jialong City Management Service Co., Ltd ("**Jialong**");

(b) leasing of warehouse and equipment; and procurement and supply of materials (including trading) for urbanisation and infrastructure related projects, undertaken by Sichuan Yilong Equipment Co., Ltd. ("**Yilong**"); and

(c) investment holding and management, that the Group invests and jointly manages the engineering, procurement and construction ("**EPC**") projects for land transport infrastructure and environmental conservation in China; undertaken by its associate, Ranken Railway, in which the Group owns a 48.82% effective interest.

The wholesale operation, which comprises wholesale, rental and leasing of industrial machinery and other equipment and provision of immersive performances and virtual simulations event were not significant in FY 2026; and was thus included as "Other" under the Infrastructure Segment.

These operating segments are reported in a manner consistent with internal reporting provided to the CEO who is responsible for allocating resources and assessing performance of the operating segments.

The unallocated items comprise both the Company's and Ranken Holding Co., Limited's performance and assets.

	Infrastructure Segment				
Group	**Jialong RMB'000**	**Yilong RMB'000**	**Chengdu KQR RMB'000**	**Other RMB'000**	**Total RMB'000**
1H2026					
Revenue and expenses					
External revenues	8,137	174,297	-	3,604	186,038
Interest income	1	5	24	-	30
Factoring/interest expenses	(833)	(248)	(77)	(9)	(1,167)
Depreciation and amortisation	(3,324)	(1,641)	(86)	(203)	(5,254)
Share of profit of associates, net of tax	-	-	10,137	-	10,137
Reportable segment (loss)/profit before tax	(1,883)	(492)	9,405	(1,555)	5,475
As at 30 June 2026					
Other segment information					
Reportable segment assets	35,559	133,802	539,663	3,790	712,814
Capital expenditures:					
− Property, plant and equipment	-	-	(26)	-	(26)
Reportable segment liabilities	(41,409)	(50,415)	(15,191)	(358)	(107,373)

	Infrastructure Segment				
Group	**Jialong RMB'000**	**Yilong RMB'000**	**Chengdu KQR RMB'000**	**Other RMB'000**	**Total RMB'000**
1H2025					
Revenue and expenses					
External revenues	9,496	191,866	-	673	202,035
Interest income	2	5	1,015	-	1,022
Factoring/interest expenses	(957)	(50)	(78)	(11)	(1,096)
Depreciation and amortisation	(3,553)	(1,856)	(26)	(160)	(5,595)
Share of profit of associates, net of tax	-	-	6,635	-	6,635
Reportable segment (loss)/profit before tax	(1,361)	399	6,607	(553)	5,092

As at 30 June 2025					
Other segment information					
Reportable segment assets	43,720	123,183	541,937	3,050	711,890
Capital expenditures:					
− Property, plant and equipment	(527)	(9)	-	(6)	(542)
Reportable segment liabilities	(52,735)	(28,432)	(31,699)	(470)	(113,336)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items:

	Group	
	1H2026 RMB'000	**1H2025 RMB'000**
Revenue		
Total revenue for reportable segments	186,038	202,035
Profit or loss		
Total profit before tax for reportable segments	5,475	5,092
Unallocated amounts:		
− Other income	1	6
− Other expense (head office expenses)	(4,406)	(3,392)
− Tax expense	(384)	(234)
Consolidated profit for the period	686	1,472
Assets		
Total assets for reportable segments	712,814	711,890
Other unallocated amounts	2,843	3,627
Consolidated total assets	715,657	715,517
Liabilities		
Total liabilities for reportable segments	107,373	113,336
Other unallocated amounts	8,773	9,171
Consolidated total liabilities	116,146	122,507

	Reportable segment total RMB'000	Unallocated amounts RMB'000	Consolidated total RMB'000
1H2026			
Other material items			
Interest income	30	-	30
Factoring/interest expenses	(1,167)	(5)	(1,172)
Depreciation and amortisation	(5,254)	(95)	(5,349)
Capital expenditures:			
− Property, plant and equipment	(26)	-	(26)
1H2025			
Other material items			
Interest income	1,022	1	1,023
Factoring/interest expenses	(1,096)	(11)	(1,107)
Depreciation and amortisation	(5,595)	(98)	(5,693)
Capital expenditures:			
− Property, plant and equipment	(542)	-	(542)

Geographical information

	Revenue		Non-current assets	
	1H2026 RMB'000	1H2025 RMB'000	1H2026 RMB'000	FY2025 RMB'000
Malaysia	1,547	673	500	785
China	184,491	201,362	546,810	541,490
Total	186,038	202,035	547,310	542,275

4.2. Revenue

	Group	
	1H2026 RMB'000	1H2025 RMB'000
Revenue from contracts with customers	184,675	200,208
Warehouse, equipment and premise leasing	1,363	1,827
	186,038	202,035

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products and service lines, geographical markets and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segment.

	Notes	Group 1H2026 RMB'000	Group 1H2025 RMB'000
Major products/service lines			
Infrastructure:			
− Sale of goods, including trading	(a)	174,568	190,947
− Rendering of services		10,107	9,261
		184,675	200,208
Primary geographical markets			
Malaysia		1,547	673
China		183,128	199,535
		184,675	200,208
Timing of revenue recognition			
Products transferred at a point in time		174,568	190,947
Products and services transferred over time		10,107	9,261
		184,675	200,208

Notes:

(a) The top 10 customers account for 99.8% of total sale of goods revenue during 1H2026.

(b) The above excludes revenue from warehouse, equipment and premise leasing.

5. Other income

	Group 1H2026 RMB'000	Group 1H2025 RMB'000
Interest income:		
− Banks	30	312
− Loan to an associate	-	711
Covered guarantee fee from an associated company	420	640
Gain on disposal of property, plant and equipment	-	101
Others	209	30
	659	1,794

6. Finance costs

	Group 1H2026 RMB'000	Group 1H2025 RMB'000
Interest expense:		
− Lease liabilities	840	972
− Loan from a related party	72	72
− Bank borrowings	117	-
− Factoring and guarantee expenses	125	46
Bank charges	18	17
	1,172	1,107

7. Profit before tax

Profit before tax is arrived at after charging/(crediting) the following:

	Group	
	1H2026 RMB'000	1H2025 RMB'000
Change in fair value of financial asset designated as fair value through profit or loss	352	(195)
Amortisation of intangible assets	27	44
Depreciation of property, plant and equipment	5,322	5,649
Gain on disposal of property, plant and equipment	-	(101)

8. Tax expense

	Group	
	1H2026 RMB'000	1H2025 RMB'000
Current year	158	234
Under-provision in prior years	226	-
	384	234

9. Property, plant and equipment

The property, plant and equipment inclusive that of right-of-use assets amounting to RMB 67,143,000 as at 30 June 2026 (FY2025: RMB 72,462,000), During the six months ended 30 June 2026, the Group acquired assets for an aggregate cost of RMB 26,000 (FY2025: RMB 1,268,000) of which (i) RMB nil (FY2025: RMB 516,000) relate to addition of right-of-use assets through tenancy agreements; and (ii) RMB 26,000 (FY2025: RMB 752,000) relate to acquisition of plant and equipment. There is no disposal of assets during the period (FY2025: RMB 181,000).

10. Investment in associates

The Group invests and manages EPC projects for land transport infrastructure and environmental conservation in China; undertaken by its associate, Ranken Railway, in which the Group owns a 48.82% effective interest. During the financial year ended 2025, Shengshi Fanmu (Sichuan) Cultural and Creative Development Co., Ltd. incorporated an associate company in China, Benxishi Benxihu Industrial Tourism Co., Ltd. ("BITC"), in which it holds a 35% equity interest. BITC's principal activities include provision of tourism services and the construction of cultural relic protection projects.

	Group	
	30.06.2026 RMB'000	31.12.2025 RMB'000
Interests in associates	479,831	469,450
Group's interest in the net assets of associates:		
At beginning of the period/year	469,450	458,909
Dividends declared during the period/year	-	(8,067)
Group's share of profit from Ranken Group	10,137	17,727
Group's share of other comprehensive income/(loss)	244	486
	479,831	469,055
Group's share of profit from BITC	-	395
At end of the period/year	479,831	469,450

Based on the unaudited financial statements of Ranken Railway, the working capital position for Ranken Railway was RMB 0.6 billion as at 30 June 2026 (FY2025: RMB 0.6 billion).

Pursuant to the Ranken Disposal Agreement dated 28 May 2020 and as set out in the Ranken Disposal Circular dated 9 October 2020, the followings are certain pertinent conditions to the Ranken Disposal Agreement such as the Guaranteed Receivables (as defined below) and provisions of loans to meet continuous operating requirements, including the Covered Guaranteed (as defined below); and the financial effects of which have been included and reported in the financial statements of the Group since the completion of the Ranken Disposal Agreement. Specifically:

1. the Group, through Chengdu KQR, effectively guaranteed the collection of receivables owing to Ranken Group as at 31 August 2019 (the "**Guaranteed Receivables**"). In the event that Ranken Group fails to collect any of the Guaranteed Receivables within 5 years from the date on which such receivables become due (the "**Overdue Guaranteed Receivables**"), the Investor shall have the right to offset the Overdue Guaranteed Receivables against the dividends payables to Chengdu KQR (the "**Offset**"), if any and the Group shall reimburse the remaining balance of the Overdue Guaranteed Receivables after the Offset. After which, the uncollected Overdue Guaranteed Receivables will then be assigned to the Group;

2. Chengdu KQR will remain a 49.82% shareholder of Ranken Railway after completion of the Ranken Disposal Agreement. Accordingly, Ranken Railway may, from time to time, require capital support from Chengdu KQR – whether in the form of equity or loan – given the scale of its operations, as required under PRC laws and the requirements of the Shenzhen Stock Exchange (as informed by the Investor to the Company), as disclosed in the Ranken Disposal Circular. As such, given that the equity shareholding of the Investor and Chengdu KQR are equal in Ranken Railway,

    a. any working capital loans as may be extended by the Investor to Ranken Railway after completion of the Ranken Disposal Agreement would have to be extended and/or matched by Chengdu KQR in accordance with its 49.82% shareholding in Ranken Railway and shall be on the same terms with that of the Investor; and

    b. any full guarantee(s) provided by the Investor to the lender(s) for banking facilities granted to Ranken Railway ("**Principal Guarantee**") would have to be secured by a covered guarantee from Chengdu KQR in respect of the Principal Guarantee based on its 49.82% shareholding in Ranken Railway (the "**Covered Guarantee**"). In the event of default by Ranken Railway, the Investor shall fulfil its payment obligations in full under the Principal Guarantee and seek recourse from Chengdu KQR under the Covered Guarantee.

3. It was further disclosed in the Ranken Disposal Circular that *"Ranken Railway would be placed in a more favourable position to secure project contracts in the PRC, and may be able to enjoy lower interest rates on external borrowings from financial institutions, given its status as an indirect SOE following the Proposed Transaction"* (the "**Guarantee Rationale**"). As such, management understands from the Investor that the provision of Principal Guarantee would allow Ranken Railway to borrow at lower interest rates compare to other non-secured financing facilities.

11. Other investments

Equity investments – mandatorily at FVTPL

Financial assets mandatorily at fair value to profit and loss comprise the following:

	Group		Company	
	30.06.2026 RMB'000	**31.12.2025 RMB'000**	**30.06.2026 RMB'000**	**31.12.2025 RMB'000**
Hong Kong listed equity securities				
China Vanadium Titano-Magnetite Mining Company Limited ("**CVT**")	1,111	1,463	1,111	1,463

During the interim period, the Group had not disposed any of its quoted investments. The quoted investment represents 0.91% in the capital of CVT. A director of the Company holds a non-executive director position in CVT.

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets measured at fair value:

	Group and Company			
	Level 1 RMB'000	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
As at 30.06.2026				
Equity investments – mandatorily at FVTPL	1,111	-	-	1,111
As at 31.12.2025				
Equity investments – mandatorily at FVTPL	1,463	-	-	1,463

12. Inventories

	Group	
	30.06.2026 RMB'000	31.12.2025 RMB'000
Finished goods	2,412	2,450

The cost of inventories recognised as an expense and included in profit or loss amounted to RMB 171,722,000 (FY2025: RMB 437,836,000)

13. Trade and other receivables

		Group	
	Notes	30.06.2026 RMB'000	31.12.2025 RMB'000
Trade receivables			
Third parties	(a)	53,011	16,892
Associate	(b)	19,290	49,636
Bills receivables from an associate	(c)	4,044	2,048
		76,345	68,576
Less: Impairment loss		(926)	(926)
Net		75,419	67,650

Notes:

(a) Trade receivables owing by third parties are non-interest bearing and the credit terms are 7 to 90 days (FY2025: 7 to 90 days). Approximately RMB 28.0 million or 52.8% has been collected as at the date of this announcement.

(b) Trade receivables owing by an associate are non-interest bearing and the credit terms are 30 to 90 days (FY2025: 30 to 90 days). Approximately RMB 1.5 million or 7.8% has been collected as at the date of this announcement.

(c) Bills receivables from associate are non-interest bearing and credit terms are up to 12 months.

		Group		Company	
	Notes	30.06.2026 RMB'000	31.12.2025 RMB'000	30.06.2026 RMB'000	31.12.2025 RMB'000
Other receivables					
Other receivables due from third parties	(a)	23,882	24,372	275	216
Amount due from a former subsidiary		14,859	14,859	14,859	14,859
Less: Impairment loss		(27,153)	(27,153)	(14,859)	(14,859)
		11,588	12,078	275	216
Amount due from an associate		8,167	8,067	-	-
Financial assets at amortised costs		19,755	20,145	275	216
Prepayments		29,519	67,405	16	-
Net		49,274	87,550	291	216

Notes:

(a) Other receivables are unsecured and non-interest bearing. Of which, RMB 20.6 million relates to Overdue Guaranteed Receivables assigned by Ranken Railway to Chengdu KQR. No impairment loss was recognised during 1H2026 (2025: RMB 6.9 million). Please refer to Section E Note 10 for further details.

The movements in allowance for impairment in respect of trade and other receivables, and contract assets were as follow:

	Group		Company	
	30.06.2026 RMB'000	31.12.2025 RMB'000	30.06.2026 RMB'000	31.12.2025 RMB'000
At the beginning of the period/year	28,079	21,875	14,859	14,859
Impairment losses recognised	-	6,204	-	-
At the end of the period/year	28,079	28,079	14,859	14,859

At each reporting date, the Group identifies trade receivables and contract assets that are credit-impaired and measures loss allowance at an amount equal to lifetime ECL using a provision matrix. There have been no changes to the movement in the allowance for impairment loss in respect of trade receivables, and contract assets during the period.

<u>The Guaranteed Receivables</u>

As disclosed in Section E Note 10, pursuant to the Ranken Disposal Agreement and as set out in the Ranken Disposal Circular, the Group, through Chengdu KQR, effectively guaranteed the collection of receivables owing to Ranken Group before completion of the Ranken Disposal Agreement. In the event that Ranken Group fails to collect any of the Guaranteed Receivables within 5 years from the date on which such receivables become due, the Investor shall have the right to offset the Overdue Guaranteed Receivables against the dividends payables to Chengdu KQR, if any, and the Group shall reimburse the remaining balance of the Overdue Guaranteed Receivables after the Offset. After which, the reimbursed balance of the Overdue Guaranteed Receivables will then be assigned to the Group.

The Overdue Guaranteed Receivables, once assigned to the Chengdu KQR, will be recorded as Other Receivables.

The aging of the Guaranteed Receivables is as follow:

	Ranken Group	
	30.06.2026	**31.12.2025**
	RMB'000	**RMB'000**
Not past due		
Current	189,997	198,281
Past due		
< 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
3 to 4 years	-	-
4 to 5 years	-	163
> 5 years ("**Overdue Guaranteed Receivables**")	22,555	22,948
	22,555	23,111
Total Guaranteed Receivables	212,552	221,392

As at 30 June 2026:

- the total amount of the Guaranteed Receivables was RMB 212.6 million (FY2025: RMB 221.4 million);
- the total amount of the Overdue Guaranteed Receivables was RMB 22.6 million (FY2025: RMB 22.9 million) (as detailed in the above table);
- the total Overdue Guaranteed Receivables which had been assigned to Chengdu KQR and recorded as other receivables was RMB 20.6 million in aggregate;
- management has performed an internal assessment on the status of the Guaranteed Receivables and the Overdue Guaranteed Receivables. Based on the currently available information, management has represented to the Board that the accounting provisions of the above receivables, including impairment loss, is adequate as at the date of this announcement. No provision was recognised in 1H2026 (FY2025: RMB Nil provision recognised), as disclosed in Section E Note 2.2(b)(iv); and
- the Group will conduct ECL assessment and engage its component auditors to perform audit procedures on the status of the Guaranteed Receivables and the Overdue Guaranteed Receivables in its annual audit for the financial year ending 31 December 2026 ("**FY2026**"). The Group will then update and disclose the related financial effects in its consolidated financial statements for FY2026.

14. Cash and cash equivalents

	Group		Company	
	30.06.2026	**31.12.2025**	**30.06.2026**	**31.12.2025**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Cash and bank balances	40,131	33,240	327	50

15. Share capital

	Group and Company			
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
	No. of ordinary shares ('000)		RMB'000	RMB'000
Issued and paid up:				
At the beginning and end of the period/year	407,590	407,590	350,874	350,874

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

16. Provisions

		Group	
	Notes	30.06.2026 RMB'000	31.12.2025 RMB'000
Provision for liabilities	(a)	9,475	9,475
Provision for covered guarantee	(b)	3,152	3,152
		12,627	12,627

Notes:

(a) This relates to the provision for a guarantee provided by the Group to the Investor for the recoverability of outstanding receivable balances in Ranken Railway as at 31 August 2019. Please refer to Section E Notes 2.2(b)(iv), 10 and 13 for further details.

No provision for liabilities was recognised during 1H2026 (During FY2025, no provision was recognized). The estimate has been made by identifying receivables that are credit-impaired and the ECL model was applied to determine the amount of provision required in accordance with judgements and estimates made in applying the related accounting policies. The overdue guaranteed receivables were RMB 22.6 million as at 30 June 2026 (FY2025: RMB 22.9 million).

(b) The Group did not recognize any provision relating to the Covered Guarantee for the banking facilities of Ranken Railway during 1H2026 (During FY2025, no provision was recognised). The Group's 49.82% share of the covered guarantee provided for banking facilities of Ranken Railway amounts to RMB 129.5 million (FY2025: RMB 88.1 million).

(c) Please refer to Section E Note 10 for further details in relation to the Principal Guarantee, the Covered Guarantee, and the Guarantee Rationale.

In providing such guarantee, management has considered (i) the requirements for the Covered Guarantee and the Guarantee Rationale (as set out in Section E Note 10, including pertinent conditions to the Ranken Disposal Agreement and relevant disclosure in the Ranken Disposal Circular); and (ii) the financial position, profitability and credit standing of Ranken Railway.

17. Lease liabilities

	Group		Company	
	30.06.2026 RMB'000	31.12.2025 RMB'000	30.06.2026 RMB'000	31.12.2025 RMB'000
Undiscounted lease payments due:				
− Later than five years	4,222	6,671	-	-
− Later than one year and not later than five years	23,797	25,450	-	92
− No later than one year	8,237	8,049	182	195
	36,256	40,170	182	287
Less: Future interest costs	(4,633)	(5,468)	(4)	(9)
	31,623	34,702	178	278
Represented by:				
− Non-current	24,841	28,254	-	91
− Current	6,782	6,448	178	187
	31,623	34,702	178	278

The lease liabilities relate to right-of-use assets – shop spaces and premises with carrying value of RMB 24,181,000 as at 30 June 2026 (FY2025: RMB 27,513,000)

18. Borrowings

	Group	
	30.06.2026 RMB'000	31.12.2025 RMB'000
Unsecured		
Bank borrowings	15,000	-

The Group's unsecured bank borrowings comprise loans from three banks. The loans are denominated in Renminbi, repayable within 12 months, and bear a fixed effective interest rate of 1.9% per annum (2025: Nil) for a tenure of 12 months.

19. Trade and other payables

		Group	
	Notes	30.06.2026 RMB'000	31.12.2025 RMB'000
Trade payables			
Third parties	(a)	17,950	44,165
Associated company	(b)	765	765
		18,715	44,930

Notes:

(a) Trade payables owing to the third parties was related to project costs such as labour, materials and other incidental costs. The amount is non-interest bearing and credit terms are between 90 to 180 days (FY2025: 90 to 180 days).

(b) Trade payables owing to an associate was related to project costs such as labour, materials and other incidental costs. The amount is non-interest bearing and the credit terms are between 30 to 90 days (FY2025: 30 to 90 days).

		Group		Company	
	Notes	30.06.2026 RMB'000	31.12.2025 RMB'000	30.06.2026 RMB'000	31.12.2025 RMB'000
Other payables					
Amounts due to a subsidiary		-	-	26,226	22,257
Amounts due to shareholders	(a)	7,709	8,049	-	-
Amounts due to an associate	(b)	20,588	20,588	-	-
Accrued expenses		1,506	3,004	887	2,735
Security deposits		2,432	2,494	-	-
Other payables		4,181	4,700	-	-
Financial liabilities at amortised costs		36,416	38,835	27,113	24,992
Other tax payables		1,765	5,334	-	-
		38,181	44,169	27,113	24,992

Notes:

(a) The amount due to shareholders comprises advances, which are non-trade, unsecured, non-interest bearing and repayable on demand.

(b) The amounts due to an associate relate to the total amount of the Overdue Guaranteed Receivables which had been assigned by Ranken Railway to Chengdu KQR. Refer to Section E Notes 10 and 13 for further details on Guaranteed Receivables and Overdue Guaranteed Receivables.

	Group		Company	
	30.06.2026 RMB'000	31.12.2025 RMB'000	30.06.2026 RMB'000	31.12.2025 RMB'000
Represented by:				
Current	38,181	44,169	887	2,735
Non-current	-	-	26,226	22,257
	38,181	44,169	27,113	24,992

20. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2026 and 31 December 2025:

	Group		Company	
	30.06.2026 RMB'000	31.12.2025 RMB'000	30.06.2026 RMB'000	31.12.2025 RMB'000
Financial Assets				
Equity investments – mandatorily at FVTPL	1,111	1,463	1,111	1,463
Trade and other receivables (Amortised cost)	95,174	87,795	275	216
Cash and bank balances	40,131	33,240	327	50
	136,416	122,498	1,713	1,729
Financial Liabilities				
Provisions	12,627	12,627	-	-
Borrowings	15,000	-	-	-
Trade and other payables and lease liabilities (Amortised cost)	86,754	118,467	27,291	25,270
	114,381	131,094	27,291	25,270

21. Related party transactions

	Note	Group 1H2026 RMB'000	Group 1H2025 RMB'000
Transaction with key management personnel:			
Directors' remunerations		(1,189)	(713)
Transactions with an associate:			
− Leasing income		147	262
− Sale of goods		28,158	16,971
− Rendering of services		1,059	1,179
− Covered guarantee fee income		420	640
− Interest income		-	711
Transaction with other related parties:			
Interest expenses		(72)	(72)

	Note	Group 30.06.2026 RMB'000	Group 31.12.2025 RMB'000
Balances with an associate:			
Covered guarantee provided for banking facilities	(a)	129,532	88,181

Note:

(a) Based on Chengdu KQR's 49.82% share of covered guarantees provided on banking facilities utilised by the associate amounting to RMB 260.0 million as at 30 June 2026 (FY2025: RMB 177.0 million). Please refer to Section E Notes 10 and 16 for further details.

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

22. Subsequent events

There are no material events subsequent to the six months ended 30 June 2026.

F. Other information required by Listing Rule Appendix 7.2.

1. Review

The condensed consolidated statement of financial position of the Company and the Group as at 30 June 2026 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Review of Condensed interim consolidated statement of profit or loss and other comprehensive income (1H2026 vs 1H2025)

Revenue decreased by RMB 16.0 million to RMB 186.0 million in 1H2026, mainly due to lower revenues from Yilong's trading business, which supplies infrastructure construction materials for urban renewal and redevelopment services under its existing supply chain networks. In addition, there was also a decrease in revenue for (i) services rendered for urban infrastructure construction and renewal projects, and (ii) leasing of warehouses.

Correspondingly, gross profit decreased by RMB 0.4 million to RMB 3.3 million in 1H2026 while the profit margin remained unchanged at 1.8% year-on-year.

Other income decreased by RMB 1.1 million to RMB 0.7 million in 1H2026 mainly due to decrease in (i) interest income from an associate of RMB 0.7 million; (ii) covered guarantee fee income of RMB 0.2 million from Ranken Railway; and (iii) gain on disposal of plant and equipment of RMB 0.1 million.

Administrative expenses comprise mainly directors' remuneration, staff cost, professional fees (including corporate compliance related), travelling and other general office expenses, which increased by RMB 2.1 million to RM10.5 million mainly due to (i) addition of new operating subsidiaries, (ii) normalisation of remuneration for executive director and (iii) one-off voluntary redundancy pay on rationalisation of management structures.

No impairment losses on other receivables was recognized in 1H 2026, in relation to the overdue guaranteed receivables assigned by Ranken Railway to Chengdu KQR (1H2025: impairment of RMB 2.4 million) .

No provision for liabilities was recognized in 1H2026 as the overdue guaranteed receivables decreased to RMB 212.6 million (FY2025: RMB 221.4 million), whereas there was a reversal of such provision of RMB 0.9 million in 1H2025.

Whilst the guaranteed banking facilities for Ranken Railway increased to RMB 129.5 million (FY2025: RMB 88.2 million), no additional provision for covered guarantees was recognised during the period, having considered the financial position, profitability and credit standing of Ranken Railway. (Please refer to Note 16 "Provisions" for further details). Management will perform reassessment at the current financial year end. There was a reversal of such provision of RMB 0.85 million in 1H2025.

Other expenses increased by RMB 1.0 million to RMB 1.4 million in 1H2026 mainly due to (i) higher property taxes; and (ii) fair value loss of RMB 0.4 million in other investment as compared to a fair value gain of RMB 0.2 million in 1H2025.

Finance costs increased slightly by RMB 0.1 million to RMB 1.2 million mainly due to guarantee fees relating to the bank loans and interest expense as a result of higher bank borrowings.

Share of profits of an associate, net of tax, increased by RMB 3.5 million to RMB 10.1 million, mainly due to higher profits derived from Ranken Railway given costs control measures. However, during 1H2026, Ranken Railway clinched and completed fewer projects amidst lower infrastructure-related spending in China while management further noted that the Group's operating environment in China remain highly competitive.

Tax expenses increased by RMB 0.2 million to RMB 0.4 million mainly due to under provision of prior year's taxes, now recorded.

Given the above, net profit decreased by RMB 0.8 million to RMB 0.7 million in 1H2026.

Review of Financial Position (30 June 2026 vs 31 December 2025)

Total assets

Total non-current assets increased by RMB 5.0 million. Significant changes are as follows:

- Property, plant and equipment (including right-of-use assets) decreased by RMB 5.3 million mainly due to depreciation during the period; and
- Investment in an associate rose by RMB 10.3 million due to the Group's share of profit of Ranken Railway.

Total current assets decreased by RMB 24.0 million. Significant changes are as follows:

- Other investment decreased by RMB 0.4 million due to fair value loss for quoted investment;
- Trade receivables increased by RMB 7.8 million, mainly due to high volume of Yilong's trading business for urban renewal and redevelopment services transacted in June 2026. Approximately RMB 29.5 million or 38.7% of the trade receivables has since been collected as at the date of this announcement;
- Other receivables decreased by RMB 38.3 million mainly due to lower prepayments to suppliers; and
- Cash and cash equivalents increased by RMB 6.9 million mainly due to lower net cash used in operating activities, and higher net proceeds from financing activities for 1H2026. Please refer to review of cash flows below for further details.

Total liabilities

Total non-current liabilities decreased by RMB 3.4 million mainly due to the repayment of lease liabilities.

Total current liabilities decreased by RMB 16.9 million. Significant changes are as follows:

- Bank borrowings, as offered under competitive financing terms and supported by the government initiatives, increased by RMB15.0 million for working capital.
- Trade payables decreased by RMB 26.2 million mainly due to lower third party trade payables as a result of lower purchases of materials on the back of lower sales volume;
- Other payables decreased by RMB 6.0 million mainly due to (i) repayment of amount due to shareholders of RMB 0.3 million, (iii) accrued expenses and other payables, including advances received from customers, decreased by an aggregate of RMB 2.0 million. and (iii) decrease in other tax payables of RMB 3.6 million, which included mainly value added taxes; and
- Lease liabilities relating to finance lease increased by RMB 0.3 million due to rent adjustment for shop spaces.

Total equity

Total equity attributable to owners of the Company or shareholders' equity increased by RMB 1.5 million to RMB 586.1 million as at 30 June 2026 due to profit for the period of RMB 1.4 million, and foreign currency translation gain of RMB 0.1 million in 1H2026.

Review of Cash Flows (1H2026 vs 1H2025)

The net operating cash outflow for 1H2026 was RMB 2.9 million after accounting for (i) operating loss before working capital changes of RMB 2.2 million, after adjusting mainly for total non-cash adjustments arose from depreciation, fair value change in financial asset, and share of profit of an associate during the period; (ii) net working capital outflows of RMB 0.3 million as a result of decrease of trade and other payables of RMB 30.8 million; and decrease in trade and other receivables of RMB 30.5 million (as explained in the above review of financial position); and (iii) tax payment of RMB 0.4 million.

There were no significant cash flows from investing activities during the period.

Net cash generated from financing activities amounted to RMB 9.8 million, primarily attributable to bank loan drawdowns of RMB 15.0 million and (ii) capital contribution from minority shareholders of RMB 0.6 million in a non-principal subsidiary during the period. This was partially offset by (i) lease liability payments of RMB 4.3 million, (ii) interest and factoring expense payments of RMB 1.2 million, and (iii) repayments of shareholder's loan of RMB 0.3 million.

Given the above, cash and cash equivalents as at 30 June 2026 increased by RMB 6.9 million to RMB 40.1 million.

3.1. Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share Capital

There was no change in the Company's issued capital since the previous period reported on.

Treasury Shares

The Company does not have any treasury shares and does not have any subsidiary that holds shares issued by the Company as at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

Convertible Securities

The Company has no outstanding convertible securities as at end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

3.2. To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at end of the immediately preceding year

	30.06.2026	31.12.2025
Total number of issued shares excluding treasury shares	407,589,893	407,589,893

3.3. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on

There were no treasury shares as at end of the current financial period.

4. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures are based on management accounts and have not been audited or reviewed by our auditors and may be subject of adjustments and/or reclassification.

5. Where the figures have been audited, or reviewed, the auditors' report (including any qualification or emphasis of a matter)

Not applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	30.06.2026 RMB cents	30.06.2025 RMB cents
Basic and fully diluted basis	0.35	0.35

Basic earnings per share for the six months ended 30 June 2026 and 30 June 2025 was computed based on profit attributable to owners of the Company divided by the weighted average number of shares of 407,589,893.

The weighted average number of shares during the year is the number of shares outstanding at the beginning of the year, adjusted by the number of shares issued during the year multiplied by a time-weighting factor.

7. Net asset value (for the issuer and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and the immediately preceding financial year

	Group		Company	
	30.06.2026 RMB cents	31.12.2025 RMB cents	30.06.2026 RMB cents	31.12.2025 RMB cents
Net asset value per ordinary share	143.8	143.4	82.4	86.2

Net asset value per share at the end of the current financial period reported on and the immediately preceding financial year was calculated based on total issued shares of 407,589,893.

8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

9. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Our financial performance depends on government investments in the infrastructure sector. As previously disclosed, we remain focused in implementation of our focused strategies, which we:

(i) provide services for urban renewal and redevelopment; urban infrastructure and projects related (including leasing);

(ii) procure and supply infrastructure construction materials (including trading business) for urbanisation related projects; and

(iii) invest and jointly manage investment in EPC projects for land transport infrastructure and environmental conservation in China via our significant equity interest in Ranken Railway (which we effectively owns 48.82%). The net asset position of Ranken Railway remains robust and our share of this investment was close to RMB 480 million as at 30 June 2026

We observe that China's macroeconomic environment continues to be characterised by a moderate economic growth while its economic model has been undergoing a structural transition and transformation, pivoting away from real estate and massive debts-driven investments toward high-quality technological and innovation-led development.

The Chinese government continues to step up efforts in stimulating the business dynamism and boosting the operating scales of China’s private sector while navigating the country’s economic risk amidst industrial overcapacity, weak domestic consumption sentiment, supply-and-demand mismatch and ongoing geopolitical tensions.

More recently, we are encouraged by certain key policy initiatives announced under the Fifteenth Five-Year Plan (2026–2030) specifically, the "Strategic Infrastructure Development". This includes potential large-scale investments in, among others, new-type and next-gen networks; integrated logistics and water systems infrastructure; and urban underground utility networks. However, it remains to be seen if some of these initiatives would lead to meaningful project pipelines for us as we continue to evaluate market opportunities for our core businesses ahead. We will monitor the development of these policy initiatives closely.

Meanwhile, we note that many industries in China are still dealing with increasingly higher operating costs and excess capacity concerns under the existing challenging external environment. In view of this, we will continue to adopt a more progressive and less aggressive business expansion strategy.

10. Dividend

(a) Current Financial Period Reported on – any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year – any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

11. If no dividend has been declared/recommended, a statement to that effect and the reasons for the decision

No dividend has been declared or recommended for 1H2026 as the Company seeks to conserve its cash for its existing working capital requirements and projected capital investments for business growth.

12. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions and there are no other interested person transactions of S$100,000 and above entered into in 1H2026**.**

13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

14. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 30 June 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wang Heng	**Cheung Wai Suen**
Group Chief Executive Officer	**Executive Chairman**
12 August 2026	**12 August 2026**