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無錫盛力達科技股份有限公司

Wuxi Sunlit Science and Technology Company Limited*

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

(Stock Code: 1289)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	Change
	(RMB'000)	(RMB'000)	
Revenue	131,282	136,682	−4.0%
Gross profit	34,741	39,336	−11.7%
Profit before income tax	23,910	26,281	−9.0%
Profit for the period	20,609	21,955	−6.1%
Profit for the period attributable to shareholders of the Company	20,609	21,955	−6.1%
Earnings per share attributable to shareholders of the Company for the period (expressed in RMB cents)			
— Basic and diluted	16.10	17.15	−6.1%

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of 無錫盛力達科技股份有限公司 (Wuxi Sunlit Science and Technology Company Limited*) (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results 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 unaudited interim financial statements have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

(All amounts in RMB thousands unless otherwise stated)

		Six months ended 30 June	
		2026	2025
	Note	Unaudited	Unaudited
Revenue	6	131,282	136,682
Cost of sales	7	<u>(96,541)</u>	<u>(97,346)</u>
Gross profit		34,741	39,336
Selling expenses	7	(1,875)	(3,020)
Administrative expenses	7	(16,080)	(16,704)
Net reversal of impairment losses on financial assets	21	5,371	683
Other income	8	4,409	5,528
Other losses — net	9	<u>(3,439)</u>	<u>(132)</u>
Operating profit		23,127	25,691
Finance income	11	<u>783</u>	<u>590</u>
Profit before income tax		23,910	26,281
Income tax expense	12	<u>(3,301)</u>	<u>(4,326)</u>
Profit for the period attributable to shareholders of the Company		<u>20,609</u>	<u>21,955</u>
Earnings per share attributable to shareholders of the Company for the period (expressed in RMB cents)			
— Basic and diluted earnings per share	13	<u>16.10</u>	<u>17.15</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in RMB thousands unless otherwise stated)

	Six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
Profit for the period	20,609	21,955
Other comprehensive income	<u>—</u>	<u>—</u>
Total comprehensive income for the period attributable to shareholders of the Company	<u>20,609</u>	<u>21,955</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(All amounts in RMB thousands unless otherwise stated)

		30 June 2026	31 December 2025
	Note	Unaudited	Audited
ASSETS			
Non-current assets			
Right-of-use assets	14	19,040	19,348
Property, plant and equipment	15	66,688	70,327
Investment properties	16	11,298	12,551
Properties held for sale	19	4,056	4,034
Intangible assets		38	51
Trade and other receivables	21	12,190	19,579
Deferred income tax assets — net	17	23,424	24,904
Other assets		13,822	13,637
		<u>150,556</u>	<u>164,431</u>
Current assets			
Inventories	18	295,700	195,871
Properties held for sale	19	1,398	2,123
Prepayments	20	13,592	8,474
Trade and other receivables	21	167,250	129,181
Contract assets	22	19,713	22,191
Restricted cash	23	67,445	60,012
Time deposits	23	278,321	280,940
Cash and cash equivalents	23	48,271	68,552
		<u>891,690</u>	<u>767,344</u>
Total assets		<u><u>1,042,246</u></u>	<u><u>931,775</u></u>
EQUITY			
Share capital	24	128,000	128,000
Share premium	24	311,464	311,464
Reserves	25	86,759	84,735
Retained earnings		210,495	212,390
Total equity		<u><u>736,718</u></u>	<u><u>736,589</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(All amounts in RMB thousands unless otherwise stated)

		30 June 2026	31 December 2025
	Note	Unaudited	Audited
LIABILITIES			
Current liabilities			
Trade and other payables	26	188,375	97,442
Contract liabilities		98,838	97,731
Current income tax liabilities		306	13
Dividend payables		18,009	—
		<u>305,528</u>	<u>195,186</u>
Total liabilities		<u>305,528</u>	<u>195,186</u>
Total equity and liabilities		<u>1,042,246</u>	<u>931,775</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(All amounts in RMB thousands unless otherwise stated)

1 GENERAL INFORMATION OF THE GROUP

Wuxi Sunlit Science and Technology Company Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) are principally engaged in the manufacturing and sale of a range of equipment for steel wire production lines and standalone machineries.

The Company was incorporated in the People’s Republic of China (the “**PRC**”) as a limited liability company on 21 March 2006. The Company was converted into a joint stock company with limited liabilities under relevant PRC laws and regulations on 24 July 2012. The address of the Company’s registered office is No.1 East Yanxin Road, Huishan Economic Development Zone, Wuxi, Jiangsu Province, the PRC.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 November 2014.

This interim condensed consolidated financial information is presented in Renminbi thousands (RMB’000), unless otherwise stated.

This interim condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, ‘Interim financial reporting’. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), and any public announcements made by the Group during the interim reporting period.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those applied in the annual financial statements for the year ended 31 December 2025, as described in those annual financial statements.

- (a) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(b) New and amended standards and interpretation to standards adopted by the Group

The Group has applied the following new and amended standards and interpretation to standards for the first time for the Group's financial year commencing 1 January 2026.

Standards/Amendments/Interpretation	Subject
Amendment to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature dependent Electricity
Amendment to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

The new and amended standards and interpretation to standards listed above did not have significant impact on the condensed consolidated interim financial information.

(c) New and amended standards and interpretation to standards that have been issued but are not effective

The following new and amended standards and interpretation to standards have been issued but are not effective for the financial year beginning 1 January 2026 and have not been early adopted by the Group:

Standards/Amendments/Interpretation	Subject	Effective for annual years 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
Amendment to HKFRS 19	Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendment to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendment to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027 (has incorporated the references to HKFRS 18)
Amendment 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 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact on the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the consolidated income statement, which will affect how the Group presents and discloses financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the consolidated income statement, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

Except for the above-mentioned changes in presentation and disclosure, according to the preliminary assessment made by the directors of the Group, it is expected that the above new standards and amendments and interpretations to standards will not have a significant impact on the Group’s operating results or financial position when they become effective.

4 ESTIMATES

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

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

5 FAIR VALUE ESTIMATION

Financial instruments carried at fair value are measured by different valuation methods. The inputs to valuation methods are categorised into three levels within a fair value hierarchy, as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The carrying amounts of the Group’s other financial assets (including trade and other receivables, restricted cash, time deposits and cash and cash equivalents) and short-term liabilities (including trade and other payables and borrowings) approximate their fair values due to their short-term maturities.

6 REVENUE

The chief operating decision-maker (“**CODM**”) has been identified as the executive directors of the Company. The CODM regards the Group’s business as a single operating segment and reviews the financial statements accordingly.

The Group is principally engaged in the manufacturing and sale of a range of equipment for manufacturing steel wire products and leasing. Revenue from sales of goods and rental income for the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Sales of production lines		
— Brass electroplating wire production lines	21,850	52,615
— Other production lines	8,119	1,725
Sales of standalone machines	91,912	75,030
Sales of other mould repairing equipment, component parts and accessories	7,809	4,975
Rental income	1,592	2,337
	131,282	136,682

For the six months ended 30 June 2026 and 2025, the geographical information on the total revenue is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Revenue		
— PRC	130,064	121,480
— Others	1,218	15,202
	131,282	136,682

The Group's revenues were derived from the following external customers that individually contributed more than 10% of the Group's revenues.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Company A	122,419	104,119
Company B	N/A¹	15,160
Company C	N/A¹	N/A ¹

^{1.} The corresponding revenue did not contribute 10% or more of the Group's total revenue during respective period.

7 EXPENSES BY NATURE

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Changes in inventories of finished goods and work in progress	(102,564)	70,943
Raw materials used	174,174	17,570
Employee benefit expenses (<i>note 10</i>)	13,931	11,826
Depreciation and amortisation	5,256	5,544
Other tax charges	1,356	2,383
Outsourced installation fee and transportation expenses	13,377	2,209
Entertainment expenses	1,052	1,331
Professional fees	1,628	1,107
Travelling expenses	986	685
Office expenses	899	522
Auditor's remuneration	547	472
Allowance for impairment of inventories	2,043	—
Other expenses	1,811	2,478
	<u>114,496</u>	<u>117,070</u>
Total cost of sales, selling expenses and administrative expenses	114,496	117,070

8 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Interest income from time deposit	3,382	4,162
Value added tax ("VAT") deduction amount (<i>note (a)</i>)	669	178
Government subsidies (<i>note (b)</i>)	358	1,262
Others	—	(74)
	<u>4,409</u>	<u>5,528</u>

Notes:

- (a) According to the relevant tax regulations, the Company was entitled an additional 5% deduction of current deductible input VAT until December 2027.
- (b) Government subsidies mainly represented subsidies for the contribution of stabilising staff employment.

9 OTHER LOSSES — NET

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Gains on disposal of properties held for sale	393	294
Foreign exchange losses	(3,963)	(430)
(Losses)/gains on disposal of property, plant and equipment	(14)	4
Fair value gains on financial assets at fair value through profit or loss	15	—
Others	130	—
	<u>(3,439)</u>	<u>(132)</u>

10 EMPLOYEE BENEFIT EXPENSES

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Wages, salaries and discretionary bonuses	10,400	8,169
Other social security costs, housing benefits and other employee benefits	2,404	2,589
Pension costs — defined contribution plans	1,127	1,068
	<u>13,931</u>	<u>11,826</u>

11 FINANCE INCOME

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Bank interest income	768	565
Amortisation of unearned financial income	15	25
	<u>783</u>	<u>590</u>

12 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Current income tax — PRC corporate income tax	1,821	3,304
Deferred income tax (<i>note 17</i>)	1,480	1,022
Income tax expense	<u>3,301</u>	<u>4,326</u>

Except for the PRC corporate income tax (“CIT”), the Group is not subject to income tax of other jurisdictions.

CIT is provided on the assessable income of entities within the Group established in the PRC.

Pursuant to the PRC Corporate Income Tax Law (the “**New CIT Law**”), the Company’s applicable CIT rate is 25%. Under the relevant regulations of the New CIT Law, the Company was qualified as High/New Tech Enterprise and applied a reduced CIT rate of 15% for the six months ended 30 June 2026 (Six months ended 30 June 2025: 15%).

Under the relevant regulations of the New CIT Law, for eligible enterprises which meet the criteria of Small and Micro Enterprise, the taxable income that is not more than RMB3 million shall be recognized at 25% of income and be subject to a CIT rate of 20%. For the six months ended 30 June 2026, Wuxi Haisheng Software Technology Co., Ltd. (“**Haisheng Software**”) and Jiangsu Sunlit Equipment Technology Co., Ltd (“**Jiangsu Sunlit**”) were eligible for Small and Micro Enterprise and subject to stated preferential income tax rates (Six months ended 30 June 2025: Haisheng Software was eligible for Small and Micro Enterprise and subject to stated preferential income tax rates).

The applicable corporate income tax rate for Sunlit (Hong Kong) International Trade Limited for the six months ended 30 June 2026 is 16.5% (Six months ended 30 June 2025: 16.5%).

13 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit for the period attributable to equity shareholders of the Company (<i>RMB'000</i>)	20,609	21,955
Weighted average number of ordinary shares in issue (<i>thousand</i>)	128,000	128,000
Basic and diluted earnings per share (<i>RMB cents</i>)	16.1	17.15

As the Company did not have any dilutive potential ordinary shares outstanding as at 30 June 2026 and 30 June 2025, diluted earnings per share is equal to basic earnings per share.

14 LEASES

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Right-of-use assets		
Land use rights	<u>19,040</u>	<u>19,348</u>

- (a) All the land use rights of the Group are located in Mainland China and are held on leases for 50 years.
- (b) Amortisation of the Group's land use rights were included in the administrative expenses and cost of sales in the amount of RMB114,000 and RMB194,000 for the six months ended 30 June 2026 (Six months ended 30 June 2025: RMB114,000 and RMB195,000), respectively.
- (c) **The Group's leasing activities**

The Group leases out properties, rental contracts are typically made for periods of more than one year.

15 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery	Vehicles	Computer and electronic equipment	Office equipment	Interior decoration	Construction in progress	Total
At 1 January 2026 (Audited)								
Cost	110,150	28,859	8,552	7,011	2,690	6,147	—	163,409
Accumulated depreciation	(57,216)	(14,707)	(7,340)	(6,560)	(2,284)	(4,975)	—	(93,082)
Net book amount	<u>52,934</u>	<u>14,152</u>	<u>1,212</u>	<u>451</u>	<u>406</u>	<u>1,172</u>	<u>—</u>	<u>70,327</u>
Six months ended								
30 June 2026 (Unaudited)								
Opening net book amount	52,934	14,152	1,212	451	406	1,172	—	70,327
Additions	—	—	—	86	78	—	—	164
Transfers from investment properties	554	—	—	—	—	—	—	554
Disposals	—	(103)	—	(18)	—	—	—	(121)
Depreciation charge	(2,519)	(1,046)	(181)	(112)	(80)	(298)	—	(4,236)
Closing net book amount	<u>50,969</u>	<u>13,003</u>	<u>1,031</u>	<u>407</u>	<u>404</u>	<u>874</u>	<u>—</u>	<u>66,688</u>
At 30 June 2026 (Unaudited)								
Cost	110,704	28,756	8,552	7,079	2,768	6,147	—	164,006
Accumulated depreciation	(59,735)	(15,753)	(7,521)	(6,672)	(2,364)	(5,273)	—	(97,318)
Net book amount	<u>50,969</u>	<u>13,003</u>	<u>1,031</u>	<u>407</u>	<u>404</u>	<u>874</u>	<u>—</u>	<u>66,688</u>
At 1 January 2025 (Audited)								
Cost	110,150	27,424	7,562	6,838	2,664	6,147	—	160,785
Accumulated depreciation	(52,380)	(12,629)	(6,970)	(6,169)	(2,116)	(3,957)	—	(84,221)
Net book amount	<u>57,770</u>	<u>14,795</u>	<u>592</u>	<u>669</u>	<u>548</u>	<u>2,190</u>	<u>—</u>	<u>76,564</u>
Six months ended								
30 June 2025 (Unaudited)								
Opening net book amount	57,770	14,795	592	669	548	2,190	—	76,564
Additions	—	1,357	1,022	78	26	—	—	2,483
Depreciation charge	(2,418)	(1,017)	(162)	(213)	(84)	(528)	—	(4,422)
Closing net book amount	<u>55,352</u>	<u>15,135</u>	<u>1,452</u>	<u>534</u>	<u>490</u>	<u>1,662</u>	<u>—</u>	<u>74,625</u>
At 30 June 2025 (Unaudited)								
Cost	110,150	28,781	8,584	6,916	2,690	6,147	—	163,268
Accumulated depreciation	(54,798)	(13,646)	(7,132)	(6,382)	(2,200)	(4,485)	—	(88,643)
Net book amount	<u>55,352</u>	<u>15,135</u>	<u>1,452</u>	<u>534</u>	<u>490</u>	<u>1,662</u>	<u>—</u>	<u>74,625</u>

Notes:

Depreciation charges were included in the following categories in the interim condensed consolidated income statement:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Cost of sales	2,464	2,350
Administrative expenses	1,769	2,071
Selling expenses	3	1
	<u>4,236</u>	<u>4,422</u>

16 INVESTMENT PROPERTIES

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Six months ended 30 June		
Opening balance at 1 January	12,551	14,151
Transfers to property, plant and equipment	(554)	—
Depreciation and amortisation charge	(699)	(800)
	<u>11,298</u>	<u>13,351</u>
Closing balance at 30 June		
At 30 June		
Cost	32,692	36,925
Accumulated depreciation and amortisation	(21,394)	(23,574)
	<u>11,298</u>	<u>13,351</u>
Net book amount		
	<u>11,298</u>	<u>13,351</u>

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or capital appreciation or both, and are not occupied by the Group. Investment properties are initially measured at cost and subsequently carried at cost less accumulated depreciation and amortisation and accumulated impairment losses. Investment properties are depreciated on a straight line basis, at rates sufficient to write off their costs over their estimated useful lives. The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate at each balance sheet date. The effects of any revision are included in the interim condensed consolidated income statement when the changes arise.

The following amounts have been recognised in the interim condensed consolidated income statement:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Rental income	1,592	2,337
Direct operating expenses that generate rental income	(699)	(800)
	893	1,537

17 DEFERRED TAX ASSETS — NET

The movement in deferred tax assets is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Opening balance at 1 January	24,904	29,789
Charged to the interim condensed consolidated income statement	(1,480)	(1,022)
Closing balance at 30 June	23,424	28,767

18 INVENTORIES

	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
Raw materials	33,909	35,263
Work in progress	18,626	49,342
Finished goods	251,928	118,648
Cost	304,463	203,253
Allowance for impairment	(8,763)	(7,382)
Net book amount	295,700	195,871

19 PROPERTIES HELD FOR SALE

	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
Cost	32,995	37,482
Less: allowance for impairment	(27,541)	(31,325)
Net book amount	5,454	6,157

20 PREPAYMENTS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Prepayments for purchase of raw materials	10,725	6,711
Prepayments for value added tax and other taxes	2,867	1,763
	<u>13,592</u>	<u>8,474</u>

21 TRADE AND OTHER RECEIVABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables		
Accounts receivable (<i>note (a)</i>)	225,223	218,157
Less: allowance for impairment of accounts receivable	<u>(87,562)</u>	<u>(100,250)</u>
Accounts receivable — net	<u>137,661</u>	<u>117,907</u>
Commercial acceptance notes (<i>note (b)</i>)	42,137	15,860
Less: allowance for impairment of commercial acceptance notes	<u>(7,572)</u>	<u>(1,659)</u>
Commercial acceptance notes — net (<i>note (b)</i>)	<u>34,565</u>	<u>14,201</u>
Bank acceptance notes (<i>note (b)</i>)	<u>4,754</u>	<u>11,871</u>
Trade receivables — net	<u>176,980</u>	<u>143,979</u>
Other receivables		
Other receivables	3,339	5,837
Less: unearned financial income	(50)	(61)
Less: allowance for impairment of other receivables	<u>(829)</u>	<u>(995)</u>
Other receivables — net	<u>2,460</u>	<u>4,781</u>
	<u>179,440</u>	<u>148,760</u>
Non-current portion	12,190	19,579
Current portion	<u>167,250</u>	<u>129,181</u>
	<u>179,440</u>	<u>148,760</u>

Notes:

- (a) For sale of production lines, standalone machines and equipment, the Group grants less than 180 days credit terms to customers. For sale of components parts and accessories, the Group grants 30 to 90 days credit terms to certain customers.
- (b) Notes receivable of the Group include bank acceptance notes and commercial acceptance notes, and are usually settled within six months or one year from the date of issue.

As at 30 June 2026, no note receivable was pledged as security for the Group's notes payable (31 December 2025 : Nil).

Aging analysis based on recognition date of the gross accounts receivables at the respective balance sheet dates are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Within 1 year	110,820	70,236
1–2 years	17,872	28,904
2–3 years	25,032	41,024
Over 3 years	71,499	77,993
	225,223	218,157

Movements of allowance for impairment of accounts receivable, commercial acceptance notes and other receivables are as follows:

	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Opening balance at 1 January	102,904	114,170
Net reversal of impairment losses	(4,488)	(2,247)
Receivables written off as uncollectible	(2,453)	—
Closing balance at 30 June	95,963	111,923

22 CONTRACT ASSETS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Contract assets	21,999	25,360
Less: allowance for impairment of contract assets	<u>(2,286)</u>	<u>(3,169)</u>
Contract assets — net	<u>19,713</u>	<u>22,191</u>

Contract assets are due for collection upon the expiry of product quality warranty period, which is usually 12 or 18 months from the acceptance by the customer of the equipment.

Aging analysis based on recognition date of the gross contract assets at the respective balance sheet dates are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Within 1 year	18,745	17,246
Over 1 years	<u>3,254</u>	<u>8,114</u>
	<u>21,999</u>	<u>25,360</u>

Movements of allowance for impairment of contract assets are as follows:

	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Opening balance at 1 January	3,169	6,189
Net (reversal)/allowance of impairment losses	<u>(883)</u>	<u>1,564</u>
Closing balance at 30 June	<u>2,286</u>	<u>7,753</u>

23 CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cash at bank and on hand	48,271	68,552
Bank deposits	<u>345,766</u>	<u>340,952</u>
	394,037	409,504
Less: Restricted cash (<i>note (a)</i>)	(67,445)	(60,012)
Less: Time deposits (<i>note (b)</i>)	<u>(278,321)</u>	<u>(280,940)</u>
Cash and cash equivalents	<u><u>48,271</u></u>	<u><u>68,552</u></u>

Notes:

The Group's cash and cash equivalents, restricted cash and time deposits are denominated in the following currencies:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
RMB	277,037	311,075
USD	116,957	98,377
HKD	<u>43</u>	<u>52</u>
	<u><u>394,037</u></u>	<u><u>409,504</u></u>

- (a) Pursuant to agreements with a customer, the Group received cash advances from the customer as first installment of the orders. Accordingly, the Group pledged certain cash and issued letters of guarantee with amounts equivalent to 60% or 90% of respective contract amounts, to the customer as security, such letters of guarantee will be released upon delivery of the goods.
- (b) The initial term of time deposits was over 3 months and less than 3 years. The weighted average effective interest rate of time deposits as at 30 June 2026 was 2.47% per annum (31 December 2025: 2.38% per annum).

24 SHARE CAPITAL AND SHARE PREMIUM

	Number of issued shares (shares)	Share capital	Share premium	Total
At 30 June 2026 (Unaudited) and 31 December 2025 (Audited)	128,000,000	128,000	311,464	439,464

25 RESERVES

	Capital reserves	Statutory reserves	Special reserves	Total
At 1 January 2026 (Audited)	17,637	52,389	14,709	84,735
Transfer to statutory reserves	—	2,171	—	2,171
Use of safety fund (<i>note (a)</i>)	—	—	(147)	(147)
At 30 June 2026 (Unaudited)	17,637	54,560	14,562	86,759
At 1 January 2025 (Audited)	17,637	49,162	12,439	79,238
Transfer to statutory reserves	—	2,186	—	2,186
Use of safety fund (<i>note (a)</i>)	—	—	(43)	(43)
At 30 June 2025 (Unaudited)	17,637	51,348	12,396	81,381

Note:

- (a) Pursuant to certain regulations issued by the State of Administration of Work Safety in 2012, certain group entities are required to set aside an amount to a safety fund at certain percentage of revenue. The fund can be used for improvement of safety for machinery manufacturing, and is not available for distribution to shareholders. Upon incurring safety expenditure, an equivalent amount is transferred from safety fund to retained earnings.

26 TRADE AND OTHER PAYABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Note payables (<i>note (a)</i>)	95,144	30,255
Trade payables (<i>note (b)</i>)	80,452	53,377
Provision for quality warranty expenses	1,824	1,831
Quality warranty deposits from suppliers	2,597	2,596
Employee benefits payable	2,567	2,808
Other taxes payable	816	787
Payables for property, plant and equipment	79	208
Others	4,896	5,580
	<u>188,375</u>	<u>97,442</u>

Notes:

(a) The note payables are secured by pledge of cash deposits to banks.

(b) The aging analysis of the trade payables is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Within 1 year	78,530	48,905
1–2 years	1,701	4,393
Over 2 years	221	79
	<u>80,452</u>	<u>53,377</u>

27 DIVIDENDS

A final dividend in respect of the year ended 31 December 2025 of RMB0.16 per share, amounting to a total dividend of RMB20,480,000 was approved by the shareholders at the Annual General Meeting on 26 June 2026. The dividend has been paid on 17 July 2026.

The directors of the Company do not recommend the declaration of a dividend in respect of the six months ended 30 June 2026 (Six months ended 30 June 2025: Nil).

28 CAPITAL COMMITMENTS

Capital expenditure contracted and not provided for in the consolidated financial statements are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Property, plant and equipment	<u>91</u>	<u>173</u>

29 RELATED PARTY TRANSACTIONS

The Group is ultimately controlled by Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Zhang Jinghua, who held 60.34% direct equity interest in the Company as at 30 June 2026.

During the six months ended 30 June 2026 and 2025, no significant transaction has been carried out between the Group and related parties.

(a) Key management compensation

Key management includes directors, supervisors and senior managements of the Company. The key management compensation for the six months ended 30 June 2026 and 2025 are set out as below:

	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Key management compensation		
— Wages, salaries and bonuses	1,307	1,252
— Welfare and pension	<u>281</u>	<u>296</u>
	<u>1,588</u>	<u>1,548</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2026, the Group continued to focus on its core businesses, leveraging refined operational management as a key driver, while steadily strengthening its internal control systems and advancing R&D, production, delivery and market development activities in an orderly manner.

In the first half of 2026, the domestic passenger vehicle market exhibited a development pattern characterised by a subdued domestic demand, a robust external demand and intensifying structural differentiation. According to statistics from the China Association of Automobile Manufacturers, from January to June 2026, passenger vehicle production and sales reached 12.721 million units and 12.720 million units, respectively, representing year-on-year decreases of 5.9% and 6%, respectively. Vehicle exports recorded breakthrough growth, with cumulative exports of complete vehicles reaching 5.096 million units in the first half of the year, representing a year-on-year increase of 65.3%, making exports as a key growth pillar for the industry.

As of 30 June 2026, the Group achieved revenue of RMB131.28 million, representing a decrease of 4.0% compared to RMB136.7 million in the corresponding period of last year.

As of 30 June 2026, the Group recorded a net profit of RMB20.61 million, representing a decrease of 6.1% compared to the corresponding period of last year.

Revenue

The breakdown of revenue by segment is as follows:

	For the six months ended 30 June					
	2026			2025		
	<i>Unit(s) sold</i>	<i>RMB'000</i>	<i>%</i>	<i>Unit(s) sold</i>	<i>RMB'000</i>	<i>%</i>
Sales of brass electroplating wire production lines	2	21,850	16.6	5	52,615	38.5
Sales of other production lines	13	8,119	6.2	2	1,725	1.3
Sales of standalone machinery	853	91,912	70.0	689	75,030	54.9
Sales of mould repairing equipment, component parts and accessories	N/A	7,809	5.9	N/A	4,975	3.6
Rental income	N/A	1,592	1.2	N/A	2,337	1.7
		<u>131,282</u>	<u>100</u>		<u>136,682</u>	<u>100.0</u>

Our revenue for the Period was RMB131.3 million, representing a decrease of 5.4 million, or approximately 4.0%, from RMB136.7 million for the corresponding period of 2025.

The decrease in revenue was mainly due to the reduction in customer acceptance testing and commissioning of production lines and standalone machines during the Period.

Brass electroplating wire production lines. Revenue from the sales of brass electroplating wire production lines for the Period was RMB21.9 million, representing a decrease of approximately 58.5% from RMB52.6 million for the corresponding period in 2025. The decrease was mainly due to the decrease in sales volume. 2 sets of brass electroplating wire production lines were accepted by the customers in the Period while 5 sets were accepted by the customers in the corresponding period of 2025.

Other production lines. Revenue from the sales of other production lines amounted to RMB8.1 million for the Period, representing an increase of approximately 370.7% as compared with RMB1.7 million for the corresponding period in last year. The increase was primarily attributable to the increase in total volume of sales of other production lines.

Standalone machines. Revenue from the sales of standalone machines for the Period was RMB91.9 million, representing an increase of approximately 22.5% from RMB75.0 million for the corresponding period in 2025. The increase was attributable to the increase in sales volume of standalone machines. 853 sets of standalone machines were accepted by our customers during the Period, while 689 sets were accepted for the corresponding period in 2025.

Mould repairing equipment, component parts and accessories. Revenue from the sales of mould repairing equipment, component parts and accessories for the Period was RMB7.8 million, representing an increase of approximately 57.0% from RMB5.0 million for the corresponding period in 2025.

Rental income. The rental income remained relatively stable at RMB1.6 million for the Period. The decrease was primarily attributable to the decrease in area leased out during the Period.

Gross profit and gross profit margin

Gross profit for the Period amounted to RMB34.7 million, representing a decrease of approximately 11.7% from RMB39.3 million for the corresponding period in 2025. Overall gross profit margin for the Period and the six months ended 30 June 2025 were approximately 26.5% and 28.8%, respectively representing a decrease of approximately 2.3 percentage point. Such decrease in gross profit margin was mainly due to the decrease in overall selling price of the production lines and standalone machines during the Period.

Administrative expenses

Our administrative expenses amounted to RMB16.1 million, representing a decrease of RMB0.6 million as compared with RMB16.7 million for the corresponding period in 2025.

Net reversal of impairment losses on financial assets

The Group recorded a net reversal of impairment losses on financial assets of RMB5.4 million for the Period, which was primarily due to the decrease in trade receivables with an aging of more than two years, from RMB147.9 million as at 31 December 2025 to RMB114.4 million as at 30 June 2026.

Other losses — net

The Group recorded net other loss of RMB3.4 million for the Period, as compared to the net other loss of RMB0.13 million for the corresponding period in 2025. Net other losses mainly included foreign exchange losses.

Finance income

The Group recorded finance income of RMB0.8 million for the Period, as compared to the finance income of RMB0.6 million for the corresponding period in 2025. The increase in finance income was primarily attributable to the increase in bank interest income.

Income tax expense

The Group recorded income tax expense of RMB3.3 million for the Period, as compared to income tax expense of RMB4.3 million for the corresponding period in 2025. The decrease in income tax expense was mainly due to the decrease in taxable income.

Contract assets and trade receivables

As at 30 June 2026, contract assets amounted to RMB22.0 million, representing a decrease of approximately 13.3% as compared with that of RMB25.4 million as at 31 December 2025, which was mainly due to the decrease in remaining unfulfilled obligations of the Group as at 30 June 2026.

As at 30 June 2026, trade receivables amounted to RMB272.1 million, representing an increase of approximately 10.7% as compared with that of RMB245.9 million as at 31 December 2025, which was primarily attributable to the increase in commercial acceptance notes receivables.

Inventories

Our inventories increased by 51.0% from RMB195.9 million as at 31 December 2025 to RMB295.7 million as at 30 June 2026, which is mainly due to a increase in finished goods as a result of the increase in production orders.

Trade and notes payables

As at 30 June 2026, trade and note payables amounted to RMB175.6 million, representing an increase of approximately 110.0% as compared with that of RMB83.6 million as at 31 December 2025, which was primarily attributable to the increase in procurement amount in this Period.

Cash position and fund available

During the Period, the Group maintained a healthy liquidity position with working capital being financed by its operating cash flows. There was no outstanding bank borrowings of the Group as at 30 June 2026.

As at 30 June 2026, the total cash and bank balances of the Group amounted to RMB394.0 million (31 December 2025: RMB409.5 million), which were principally denominated in RMB and comprised cash and cash equivalents of RMB48.3 million (31 December 2025: RMB68.6 million), restricted cash of RMB67.4 million (31 December 2025: RMB60.0 million) and time deposits of RMB278.3 million (31 December 2025: RMB280.9 million). The Group did not enter into any financial instrument for hedging purpose during the Period.

As at 30 June 2026, the current ratio of the Group was 2.92 times (31 December 2025: 3.93 times). The decrease in the current ratio was primarily due to the increase in dividend payables.

As at 30 June 2026, the gearing ratio of the Group (calculated as total borrowings divided by total equity) was nil (31 December 2025: Nil).

SIGNIFICANT INVESTMENTS

During the Period, the Group did not have any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

During the Period, there were no material acquisitions or disposals of subsidiaries, associates, joint ventures or assets of the Group.

CHARGES ON GROUP ASSETS

As at 30 June 2026, the cash deposits in the amount of RMB67.4 million (31 December 2025: RMB60.0 million) were pledged to banks as security for notes payable and letter of guarantee. Save as disclosed above, the Group did not have any charges on assets as at 30 June 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS

In the future, the Group will continue to implement its diversified development strategy and proactively identify potential investment opportunities.

Save as disclosed in the prospectus of the Company dated 30 October 2014 (the “**Prospectus**”) or in this announcement, the Group had no future plans for material investments as at 30 June 2026.

CAPITAL EXPENDITURES

For the Period, the Group’s capital expenditures amounted to RMB0.5 million (six months ended 30 June 2025: RMB2.5 million), which mainly relates to the purchase of machinery and tools.

PROPERTIES HELD FOR SALE

In 2018, the Group purchased 166 residential units of Tong Xing Garden, No. 269 Guangxing Road, Kenli District, Dongying City, Shandong Province, the PRC (the “**Properties**”), which have a total gross floor area of 18,920.9 square metres for residential units and 3,331.2 square metres for ancillary facilities. The Group has an intention to sell the Properties and, accordingly, such rights are recognised as properties held for sale upon the completion of the transfer of the title of the Properties from the vendor to the Company on 29 May 2018.

During the Period, the Group sold 9 of the residential units at a total consideration of approximately RMB1.4 million, and the carrying amount of the unsold units as at 30 June 2025 was approximately RMB5.5 million, representing 0.5% of the total assets of the Group.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had RMB0.1 million capital expenditures contracted for but not incurred (31 December 2025: RMB0.2 million).

CAPITAL STRUCTURE

There was no change in the capital structure of the Group during the Period. The capital of the Group only comprises ordinary shares. During the Period, the Company did not hold or sell any treasury shares of the Company (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

FOREIGN CURRENCY RISK

Foreign exchange risk arises when business transaction or recognised assets or liabilities are denominated in a currency that is not the entity’s functional currency.

The Group operates in the PRC with most of the Group’s transactions denominated and settled in RMB, except that certain trade receivables and bank deposits are denominated in US dollar (“**USD**”) which are exposed to foreign currency exchange risk. During the Period, the Group has not entered into any foreign currency investments which were hedged by currency borrowings or any other hedging instruments.

If the USD had strengthened/weakened by 5% against the RMB while all other variables had been held constant, the Group’s net results for the Period would have been approximately RMB5.1 million (six months ended 30 June 2025: RMB3.9 million) better/worse, due to various financial assets denominated in USD.

USE OF NET PROCEEDS FROM THE LISTING

The Company’s H shares have been listed (the “**Listing**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 11 November 2014 (the “**Listing Date**”). The net proceeds from the Listing after the deduction of underwriting commissions, fees and listing-related expenses amounted to approximately HK\$209.5 million (equivalent to approximately RMB165.3 million).

With a view to improving efficiency in the use of the Company’s temporary idle proceeds, on the condition that the construction of the committed projects and planned usage of the proceeds for such construction will not be affected, the Board proposed to utilise part of the temporary idle proceeds to purchase wealth management products in order to increase capital revenue. The purposes are to improve the efficiency and effectiveness in the use of the Company’s temporary idle proceeds, which will in turn further enhance the overall revenue of the Company, and to pursue better investment return for the Company and the shareholders as a whole. For more details regarding the change of the use of net proceeds from the Listing, please refer to the announcement of the Company dated 29 March 2016 (the “**Announcement**”).

The Company will continue to apply the net proceeds from the Listing, together with the income to be generated from the wealth management products, for the construction of the new manufacturing facility located in Wuxi, Jiangsu Province of the PRC (the “**New Wuxi Facility**”) and the new research & development centre to be established in the New Wuxi Facility (the “**New Research & Development Centre**”) and for other purposes in accordance with the Prospectus and the Announcement.

As at the beginning of the Period, the unutilised balance of the net proceeds brought forward from the year ended 31 December 2025 was approximately HK\$37.44 million. The status of the use of proceeds during the Period is as follows:

The status of the use of proceeds is as follows:

	Planned use of net proceeds from the Listing	Utilised up to 30 June 2026	Interest income up to 30 June 2026	Utilised amount during the year ended 30 June 2026	Unutilised balance up to 30 June 2026	Expected timeline for unutilised net proceeds from the Listing
Funding the construction of the New Wuxi Facility and the New Research & Development Centre	HK\$163,000,000.00	HK\$141,056,000.00	HK\$15,252,000.00	HK\$331,000.00	HK\$37,196,000.00	By 31 December 2027
Developing certain targeted research and development projects	HK\$25,500,000.00	HK\$26,634,000.00	HK\$1,134,000.00	—	HK\$0.00	
General working capital and other general corporate purposes	HK\$21,000,000.00	HK\$21,000,000.00	—	—	HK\$0.00	
Total:	<u>HK\$209,500,000.00</u>	<u>HK\$188,690,000.00</u>	<u>HK\$16,386,000.00</u>	<u>HK\$331,000.00</u>	<u>HK\$37,196,000.00</u>	

Notes:

- (1) The net proceeds allocated have been adjusted and recalculated with reference to (1) the actual net proceeds from the Listing of approximately HK\$209.50 million after the deduction of underwriting commissions, fees and listing related expenses; and (2) the percentage of the use of proceeds allocated to each of the purposes as disclosed in the Prospectus.
- (2) As at 30 June 2026, the unutilised proceeds for funding the construction of the New Wuxi Facility and the New Research & Development Centre amounted to approximately HK\$37.196 million. Among the unutilised proceeds of approximately HK\$37.196 million, the unutilised proceeds, including the net proceeds of HK\$21.944 million and interest from net proceeds of HK\$15.252 million, were deposited in licensed banks in the PRC.
- (3) Net proceeds of HK\$25.50 million and interest therefrom of HK\$1.13 million have been utilised to develop certain targeted research and development projects.

There has been a delay in the utilisation of the net proceeds from the Listing to the construction of the New Wuxi Facility and the New Research and Development Centre as there was a change in business development strategies with the reasons set out in the Announcement. There has been further delay in the use of the net proceeds for the construction of the New Wuxi Facility and the New Research and Development Centre as a result of the change in economic and business environment and customers' demand, which caused a delay in the construction schedule. However, the Company will utilise the unutilised portion of the net proceeds from the Listing according to the disclosure in the Prospectus and the Announcement.

PROSPECTS

Looking ahead, 2026 marks the inaugural year of the “15th Five-Year Plan”. With the implementation of consumption-boosting policies and the orderly relaxation of restrictive automotive consumption measures, coupled with the continued effects of various macroeconomic policies, the development of the automotive industry and its upstream and downstream supply chains will be driven forward, generating endogenous growth momentum for the radial tyre steel cord equipment industry. At the same time, the industry continues to face multiple challenges, including prominent overcapacity in the domestic tyre and steel cord sectors, rising global trade protectionism, and uncertainties in the overseas geopolitical and trade environment. However, the accelerating popularity of new energy vehicles is imposing higher standards on tyre strength and load-bearing performance, while leading domestic tyre and steel cord manufacturers are accelerating their overseas production capacity expansion, presenting incremental opportunities for the Group's business.

The Group will continue to adhere to its strategic focus on “high-end, intelligent, international and green”, and further advance the dual-drive development model of “overseas expansion + high-end upgrading”. Leveraging its technical expertise and brand advantages accumulated over years of deep engagement in the steel cord equipment sector, the Group will continue to increase R&D investment, collaborate with upstream and downstream industry players to jointly develop core technologies for high-strength and energy-efficient steel cord equipment, and drive further iteration and upgrades towards intelligent and low-energy equipment. The Group will further enhance its sales and marketing systems both domestically and internationally, optimise customer service and relationship management, and proactively capture equipment renewal and new investment opportunities arising from overseas plant construction and product technology upgrades of downstream customers, with a commitment to achieving steady and sustainable development.

EMPLOYEE AND REMUNERATION INFORMATION

As at 30 June 2026, the Group employed a total of 161 full-time employees (31 December 2025: 153 full-time employees), including administrative, finance, internal audit, research and development, technical application, quality control, manufacturing, procurement, sales and marketing staff. For the Period, the Group's total employee remuneration was approximately RMB13.9 million (six months ended 30 June 2025: approximately RMB11.8 million), representing approximately 10.6% of the Group's total revenue.

The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability and the staff performance, the Group may also provide a discretionary bonus to employees as an incentive for their contribution to the Group. The primary goal of the remuneration policy with regards to the remuneration packages of the Group's executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved.

A remuneration committee is set up for reviewing the Group's remuneration policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Group places great emphasis on recruiting and training of quality personnel by providing orientation programmes to the new employees and on-going internal training to the existing employees to enhance their industrial, technical and product knowledge, their work ethics, as well as their knowledge of industry quality standards and work safety standards. Furthermore, the Group encourages its employees to take advanced courses and obtain professional certifications.

The Group is confident that its employees will continue to provide a solid foundation for the success of the Group and will maintain a high standard of service to the customers.

The Group has not experienced any disruption of its normal business operations due to labour disputes or significant turnover of staff. The Directors consider that the Group has maintained a very good relationship with its staff.

SHARE SCHEME

During the Period, the Company did not have any share scheme (as defined under Chapter 17 of the Listing Rules) in force. There is no outstanding option or share award granted by the Company as at 30 June 2026.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to upholding a high standard of corporate governance and business ethics in the firm belief that they are essential for enhancing investors' confidence and maximising shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of stakeholders, comply with increasingly stringent regulatory requirements and fulfill its commitment to excellence in corporate governance.

The Company has adopted the code provisions in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code for corporate governance. The Board is satisfied that the Company has complied with all code provisions under the CG Code during the Period and up to the date of this announcement.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS OF DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding securities transactions by the Directors and supervisors of our Company. Upon making specific enquiries of all of the Directors and supervisors by the Company, all the Directors and supervisors of the Company confirmed that each of them had fully complied with the required standards set out in the Model Code during the Period and up to the date of this announcement.

Any employee of the Company or director or employee of any subsidiary of the Company who, because of their office in the Company, are likely to be in possession of inside information in relation to the securities of the Company, have also been requested not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 June 2026, the interests or short positions of the Directors, supervisors and the chief executive in 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 (Cap. 571 of the laws of Hong Kong) (the “SFO”)) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code, will be as follows:

(i) Interests of the Directors in the shares of the Company

Name of Director	Class of shares	Number of shares	Nature of interest	Approximate percentage in the relevant class of share capital <i>(Note 1)</i>	Approximate percentage in the total issued share capital <i>(Note 1)</i>
Mr. Zhang Degang	Domestic Shares	26,821,504	Beneficial owner	27.94%	20.96%
	Domestic Shares	50,410,496	Interest held jointly with another person <i>(Note 2)</i>	52.51%	39.38%
	Domestic Shares	4,416,000	Interest in controlled corporation <i>(Note 3)</i>	4.60%	3.45%
Mr. Zhang Deqiang	Domestic Shares	29,983,104	Beneficial owner	31.23%	23.42%
	Domestic Shares	47,248,896	Interest held jointly with another person <i>(Note 2)</i>	49.22%	36.92%
	Domestic Shares	4,416,000	Interest in controlled corporation <i>(Note 3)</i>	4.60%	3.45%
Ms. Zhang Jinghua	Domestic Shares	20,427,392	Beneficial owner	21.28%	15.96%
	Domestic Shares	61,220,608	Interest held jointly with another person <i>(Note 2)</i>	63.77%	47.83%

Notes:

- The calculation is based on the total number of 128,000,000 ordinary shares of the Company in issue as at 30 June 2026, which comprised 96,000,000 domestic shares and 32,000,000 H shares.
- Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Zhang Jinghua are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by each other. By the acting in concert agreement dated 26 July 2013, each of Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Zhang Jinghua confirmed that they have exercised their voting rights at the meetings of the shareholders and/or directors of the members of the Group in unanimity since the establishment of 江陰三知工控機械有限公司 (Jiangyin Sanzhi Gongkong Machinery Company Limited*) on 17 April 2009, and will continue to do so.
- These Shares were owned by 無錫順欣投資企業 (有限合夥) (Wuxi Shunxin Investment Enterprise (Limited Partnership*)) (“Shunxin”). Mr. Zhang Degang and Mr. Zhang Deqiang are two of the general partners of Shunxin and are therefore deemed to be interested in the shares held by Shunxin.

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

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at 30 June 2026, no persons or corporations (other than the Directors, chief executive or supervisors of the Company) had or deemed or taken to have an interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

DIRECTORS' MATERIAL INTEREST IN CONTRACTS

Save as disclosed in the Prospectus or above, no Director had any material interests in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Period.

COMPETING BUSINESS

During the Period, the Directors were not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective close associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

DIVIDENDS

The proposal for the payment of a final dividend of RMB0.16 per Share (before tax) totalling RMB20.48 million (before tax) for the year ended 31 December 2025 to the shareholders was approved at the Annual General Meeting. The 2025 final dividend has been paid on 17 July 2026.

The Directors have resolved not to recommend any interim dividend in respect of the Period (six months ended 30 June 2025: nil).

REVIEW BY AUDIT COMMITTEE

The Audit Committee has held meetings to discuss the risk management, internal control systems and financial reporting matters of the Company, including the review of the unaudited interim results and the unaudited interim condensed consolidated financial information of the Group for the Period. The interim condensed consolidated financial information of the Group for the Period in this announcement has not been audited or reviewed by the auditor of the Company but has been reviewed by the Audit Committee.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed minimum public float under the Listing Rules up to the date of this announcement.

IMPORTANT EVENTS AFTER REPORTING PERIOD

There is no significant events occurred subsequent to 30 June 2026 and up to the date of this announcement which requires disclosure.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.wxsunlit.com). The interim report for the Period containing all relevant information required by Appendix D2 to the Listing Rules will be published by the Company and made available on the above websites according to the Listing Rules.

By order of the Board
無錫盛力達科技股份有限公司
Wuxi Sunlit Science and Technology Company Limited*
Zhang Degang
Chairman

Hong Kong, 21 August 2026

As at the date of this announcement, the executive Directors are Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Feng Lili, the non-executive Director is Ms. Zhang Jinghua, and the independent non-executive Directors are Mr. Leung Yiu Cho, Mr. Yu Jianfeng and Mr. Zhong Ruifeng.

** For identification purpose only*