京城機電股份
JINGCHENG MAC

北京京城機電股份有限公司
Beijing Jingcheng Machinery Electric Company Limited

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

(Stock Code: 0187)

2026 INTERIM RESULTS ANNOUNCEMENT

I. IMPORTANT NOTICES

1. **This interim results announcement is derived from the 2026 interim report. To comprehensively understand the operating results, financial position and future development plans of Beijing Jingcheng Machinery Electric Company Limited (the "Company"), investors should carefully read the full text of the 2026 interim report which will be disclosed later this month.**

2. **The board of directors (the "Board"), the directors (the "Directors") and senior management of the Company guarantee the authenticity, accuracy and completeness of the contents of the 2026 interim results announcement, in which there are no false representations, misleading statements contained, or material omissions, and assume several and joint responsibilities.**

3. **All Directors have attended the meetings of the Board.**

4. **The 2026 interim results have not been audited.**

5. **The proposal of distribution of profit for the period from 1 January 2026 to 30 June 2026 (the "Reporting Period") or the transfer of capital reserve to equity considered by the Board**

   Nil

II. BASIC INFORMATION OF THE COMPANY

1 Company profile

Basic Information of the Company's Shares

Type of shares	Place of listing of the shares	Stock abbreviation	Stock code	Stock abbreviation before changes
A share	Shanghai Stock Exchange	京城股份	600860	京城股份
H share	The Stock Exchange of Hong Kong Limited	JINGCHENG MAC	00187	JINGCHENG MAC

Contact persons and contact information

	Secretary to the Board	Securities affairs representative
Name	Luan Jie	Chen Jian
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2 Major financial data

Unit: Yuan
Currency: RMB

Principal Accounting Data	For the Reporting Period (January – June 2026)	For the same period last year	Increase/Decrease comparing the Reporting Period with the same period last year (%)
Operating income	652,122,001.04	680,343,762.00	-4.15
Total profit (loss to be listed with "-")	-76,640,992.42	-4,795,551.54	–
Net profit attributable to shareholders of the listed company (net loss to be listed with "-")	-62,633,850.04	-15,755,703.57	–
Net profit attributable to shareholders of the listed company after extraordinary items (net loss to be listed with "-")	-67,644,182.66	-22,602,812.49	–
Net cash flow from operating activities	-88,643,985.31	-89,952,567.51	–

	As at the end of the Reporting Period	As at the end of last year	Increase/Decrease comparing the end of the Reporting Period with the end of last year (%)
Net assets attributable to shareholders of the listed company	793,880,958.90	857,444,904.59	-7.41
Total assets	2,950,188,212.88	3,133,490,813.13	-5.85

3 Shareholdings of top ten shareholders

Total number of shareholders as at the end of the Reporting Period	37,608
Total number of shareholders of preference shares with voting rights restored at the end of the Reporting Period	0

Unit: share

Shareholdings of top ten shareholders (excluding shares lent through refinancing)

Name of shareholder (full name)	Increase/ decrease during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Number of shares held subject to selling restrictions	Pledged, tagged or frozen		Shareholder(s) nature
					Share status	Number	
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	0	245,735,052	44.88	0	Nil		State-owned legal person
HKSCC NOMINEES LIMITED	0	99,620,827	18.20	0	Unknown	–	Unknown
Xu Hui	4,248,300	4,248,300	0.78	0	Nil	–	Domestic natural person
Qingdao Eternal Economic Information Consulting Co., Ltd.	0	2,614,760	0.48	0	Nil	–	Domestic non-state owned legal person
Zhao Qing	-986,900	2,290,484	0.42	0	Nil	–	Domestic natural person
Sun Xiangrong	2,000,000	2,000,000	0.37	0	Nil	–	Domestic natural person
He Yong	-29,115	1,703,461	0.31	0	Nil	–	Domestic natural person
Liu Xingfang	1,300,000	1,300,000	0.24	0	Nil	–	Domestic natural person
Hong Kong Securities Clearing Company Limited	-1,219,504	1,272,636	0.23	0	Unknown	–	Unknown
Liu Xingliang	1,046,800	1,046,800	0.19	0	Nil	–	Domestic natural person

Shareholdings of top ten shareholders not subject to selling restrictions (excluding shares lent through refinancing)

Name of shareholder	Number of circulating shares held not subject to selling restrictions	Type and number of shares: Type	Number
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	245,735,052	RMB ordinary shares	245,735,052
HKSCC NOMINEES LIMITED	99,620,827	Overseas listed foreign shares	99,620,827
Xu Hui	4,248,300	RMB ordinary shares	4,248,300
Qingdao Eternal Economic Information Consulting Co., Ltd.	2,614,760	RMB ordinary shares	2,614,760
Zhao Qing	2,290,484	RMB ordinary shares	2,290,484
Sun Xiangrong	2,000,000	RMB ordinary shares	2,000,000
He Yong	1,703,461	RMB ordinary shares	1,703,461
Liu Xingfang	1,300,000	RMB ordinary shares	1,300,000
Hong Kong Securities Clearing Company Limited	1,272,636	RMB ordinary shares	1,272,636
Liu Xingliang	1,046,800	RMB ordinary shares	1,046,800
Description of special accounts for repurchase among the top ten shareholders	N/A		
Description of the proxy voting right, entrusted voting right and waiver of voting right of the aforesaid shareholders	N/A		
Description of the related party relationship of or the acting in concert among the aforesaid shareholders	The Company was not aware of any related party relationship among the aforesaid shareholders, nor was the Company aware of any parties acting in concert as defined in "Measures for Management on Information Disclosure of Changes in Shareholdings of Listed Company's Shareholders".		
Description of preferred shareholders whose voting rights have resumed and their shareholdings	N/A		

Notes:

(1) Beijing Jingcheng Machinery Electric Holding Co., Ltd. ("**Jingcheng Machinery Electric**") is the substantial shareholder of the Company, no share of which are being pledged or frozen.

(2) HKSCC NOMINEES LIMITED held shares on behalf of many of its clients and the Company has not been notified by HKSCC NOMINEES LIMITED that there was any holder of H shares who individually held 5% or more of the total share capital of the Company.

(3) As at 30 June 2026, Mr. Zhang Jiheng, a Director of the Company, was granted 150,000 restricted A shares, Ms. Feng Yongmei, Mr. Shi Fengwen, Mr. Li Xianzhe, senior management officers, and Mr. Luan Jie, the secretary to the Board, were each granted 100,000 restricted A shares, respectively. Save as disclosed above, as at 30 June 2026, so far as was known to the Directors, the Directors and chief executive of the Company or their respective associates did not have any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), to be notified to the Company and the Stock Exchange.

(4) Save as disclosed above, as at 30 June 2026, the Directors were not notified of any person (not being a Director or chief executive of the Company) having any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required pursuant to section 336 of the SFO.

(5) There is no provision for pre-emptive rights under the laws of the PRC and the articles of association of the Company.

(6) As of 30 June 2026, the Company did not issue any convertible securities, share options, warrants or any other similar right.

4 Particulars of the total number of shareholders of preference shares and top ten shareholders of preference shares as at the end of the Reporting Period

□ Applicable √ Not applicable

5 Changes in controlling shareholder or beneficial controller

□ Applicable √ Not applicable

6 Undue and unpaid or overdue corporate bonds

□ Applicable √ Not applicable

III. MANAGEMENT DISCUSSION AND ANALYSIS

The year 2026 marks the beginning of the 15th Five-Year Plan. In the first half of the year, the Company consistently adhered to its corporate development strategies, actively responded to the complex and ever-changing external environment, as well as various pressures and challenges, adopted a range of measures for quality enhancement and efficiency improvement, deepened reforms to overcome difficulties, and strengthened its core functions while enhancing its core competitiveness. The Company remained firmly focused on its annual objectives, namely expanding markets, prioritizing R&D, strengthening management, increasing effectiveness, and controlling risks, with all key initiatives progressing in an orderly manner.

1. Steady progress in market expansion, with continued optimization of the domestic and overseas sales structure

(1) Gas storage and transportation segment:

In the conventional cylinder industry, leveraging advantages such as safety and reliability, the Company has continuously increased its market share through cooperation with major customers, resulting in enhanced overall market recognition. The compound gas cylinders and system integration industry has focused on competitive products and intensified efforts to break into new markets. By implementing targeted promotional strategies, the Company has effectively captured incremental market demand, strengthened long-term partnerships with end customers, and made positive progress in expanding the diverse application scenarios for its products. The cryogenic industry has resolutely advanced reforms. Through innovative sales methods, products were allowed to penetrate end-user markets, thereby establishing a closed-loop service system. Brand recognition has been significantly improved, with sales volume and revenue from core products achieving rapid growth, and the business transformation began to yield results. In the international market, through in-depth market research and customer acquisition efforts, relevant products were precisely integrated into the supply chain systems of the market, thereby successfully disrupting the competitive landscape in certain regions that had long been dominated by other suppliers. Meanwhile, the Company improved product delivery efficiency, continuously kept abreast of customer needs, actively adhered to customer demand and philosophies, and enhanced aftersales customer satisfaction, in order to lay the foundation for further consolidation of overseas market share.

(2) Intelligent manufacturing segment:

In the first half of the year, the intelligent manufacturing business adhered to the principle of seeking progress while maintaining stability and taking proactive measures. Amid the complex and volatile external environment, the Company demonstrated resilience in its development, consolidated its existing partnerships in the traditional home appliance sector, actively expanded strategic collaborations in other production equipment sectors, deepened long-term partnerships with key customers, and broadened the scope for its business development. By strengthening the full-cycle project evaluation and refined cost control, and scientifically assessing order quality and profit margins, the Company effectively responded to fluctuations in the external environment, thus resulting in a steady enhancement of its core operational capabilities.

2. Achieving multiple breakthroughs in technological innovation and accelerating the pace of technology commercialization

(1) Gas storage and transportation segment:

Closely aligned with market demands and customers' pain points, and unwaveringly guided by market needs, the Company made positive progress in new product development, process optimization, and the expansion of application scenarios. The product portfolio across multiple fields was continuously enriched, with core technological capabilities being further strengthened, and the Company's technical influence within the industry was consistently consolidated. Centered on the strategic layout of core business segments, the Company systematically completed products and technology planning in alignment with the "15th Five-Year Plan", thereby providing clear guidance for subsequent R&D efforts. The Company deepened the mechanism of "industry-academia-research-application" for synergistic innovation, resulting in a closer integration between forward-looking technology reserves and industrial applications, while continuously improving the effectiveness of converting technological innovations into value. The Company's digital transformation has advanced in an orderly manner, and the development of digital teams has been further strengthened.

(2) Intelligent manufacturing segment:

Qingdao BYTQ United Digital Intelligence Co., Ltd.* (青島北洋天青數聯智能有限公司), a subsidiary of the Company, maintained a high level of R&D investment, thereby providing solid foundation for technological breakthroughs and industrial upgrades. The Company systematically advanced technical research and development for key production processes, thus developing efficient, precise, and intelligent integrated solutions, as well as significantly enhancing production line synergy. For large-scale product manufacturing scenarios, the Company achieved substantial process innovations, thereby significantly reducing the need for manual intervention and further consolidating its competitive advantages. By deepening the integrated innovation of vision technology, robotics applications, and information platforms, the Company has achieved substantial breakthroughs in key process stages, while effectively improving production line efficiency and product consistency, and steadily enhancing business profitability.

3. **Continuous deepening of operational management and steady implementation of key projects**

The procurement, technology, and manufacturing departments were coordinated to continuously advance cost-reduction measures through competitive negotiations, expansion of the high-quality supplier network, optimization of design and processes, and equipment modification, ensuring these initiatives yield tangible results. The Company has initially established a digital procurement platform, resulting in continued improvement in supply chain management efficiency. The management of "two types of funds" (accounts receivable and inventory) has been deepened through the establishment of dynamic early alert and tiered control mechanisms, resulting in a steady improvement in asset turnover efficiency. The quality management system operated smoothly, key certification requirements have been met in an orderly manner, special quality improvement initiatives were vigorously advanced, and long-term quality management mechanisms have been continuously refined. The reform of the remuneration and performance appraisals has been deeply advanced, effectively stimulating the vitality for innovation and entrepreneurship.

4. **Risk control and compliant operations remaining stable, with firm defenses being established and maintained**

The Company has consistently adhered to a bottom-line mindset, performed risk prevention and compliance management throughout the entire operation process, and systematically advanced risk control in key fields. The Company has coordinated the classification and resolution of existing matters alongside compliant governance, while adopting case-specific measures and targeted efforts to effectively safeguard the Company's legitimate rights and interests, as well as continuously strengthening the foundation for compliant operations. The Company has continuously refined its institutional framework and internal control systems, systematically enhanced the standardization of business processes, and strengthened closed-loop management of internal control evaluations and audit oversight, in order to steadily enhance its corporate governance capabilities in compliance with laws and regulations. The Company strictly upheld the bottom line for production safety, reinforced safety responsibilities at every level for all employees, and vigorously advanced safety improvement initiatives. Investment in safety protection measures and the intensity of emergency drills continued to increase, leading to a steady improvement in safety standards.

5. **Enhancing financial management to lay a solid foundation for high-quality development**

The Company optimized its financing structure, reduced interest expenses and financing costs, and continued to improve its financial leverage structure. Based on its actual production and operational needs, the Company completed the corresponding transformation of its financial management system and effectively controlled tax and compliance risks. The Company established a mechanism for monthly analysis of costs and expenses, continuously optimized the corresponding analysis templates, and closely tracked and compared changes in key financial data and indicators to support production and operational decision-making with financial data. By strengthening financial audits, the Company strengthened the organizational safeguards and oversight effectiveness of the finance department.

In the first half of 2026, the Company's business performance remained generally stable, with all key tasks carried out in an orderly manner. In the second half of the year, the Company will conduct in-depth analysis of market conditions and industry trends, closely align with customer needs, leverage its advantages in technological innovation, accelerate the R&D of high-quality products and the commercialization of research outcomes, continuously optimize its product mix and business layout, and comprehensively enhance its market competitiveness and brand influence. Meanwhile, it will continue to refine internal management mechanisms, strengthen the compliant governance system, and energize its talent pool, thereby leveraging lean management to empower the sustainable development of its business. With a strong sense of responsibility and urgency, the Company will take the initiative, actively address various risks and challenges, and strive to achieve new results and reach new heights in its high-quality development.

1. **Market expansion: consolidating existing customers and exploring additional customers**

   (1) Gas storage and transportation segment:

   The Company will further increase its market share in the conventional cylinder industry. By focusing on competitive products, it shall retain existing customers while actively acquiring additional customers. The Company will keep pace with demand of projects to ensure efficient utilization of production capacity. The Company will closely monitor industry policies and changes in the market environment for the compound gas cylinder and system integration sectors, proactively align with customer needs in key regions and diverse application scenarios to drive the implementation of projects and enhance the auxiliary value of products. The Company will deepen its collaborative partnerships in the cryogenic industry, strengthen customer relationships, and increase its market share. In the international market, the Company will remain steadfast in its commitment to development. The Company will accelerate its allocation of production capacity and optimization of product solutions, actively support customers in adapting to product upgrades, and optimize its comprehensive service capabilities, in order to expand growth opportunities in the market. By focusing on customer needs, the Company will advance product certification and delivery, consolidate strategic partnerships with customers, and simultaneously accelerate the promotion of products to open up new growth opportunities. The Company will continuously optimize overseas customer service level, deepen its partnerships, and expand the scale of end-user market.

(2) Intelligent manufacturing segment:

The Company will continuously consolidate its core order base, steadily advance the implementation of key projects and ensure high-quality acceptance and delivery, thereby guaranteeing the steady achievement of operational targets. The Company will accelerate its expansion into the non-standard automated equipment sector in related industries, broaden business channels, intensify efforts to master key technologies, and cultivate multiple profit growth drivers. The Company will promote synergy across all business lines to continuously enhance overall competitiveness and market share. The Company will also actively develop new customer resources and deepen business collaboration mechanisms, in order to establish a sustainable order backlog and growth prospects.

2. Innovation-driven development: accelerating R&D breakthroughs and improving transformation efficiency

(1) Gas storage and transportation segment:

The Company will resolutely implement the innovation-driven development strategy by focusing on the deployment of forward-looking technologies and the iteration of core products, while systematically advancing key technological breakthroughs and the commercialization of R&D outcomes. The Company will concentrate efforts on developing original technologies and ensure that R&D investments are prudent and efficient. The Company will meticulously plan science and innovation projects, deepen industry-academia-research collaboration with universities and research institutes, and strengthen the foundation for sustainable innovation. Centering on key priorities, the Company will accelerate the transformation of R&D achievements into tangible productivity, and ensure that technological innovations achievements can rapidly respond to market demands, in order to enrich and optimize its product portfolio. The Company will improve the management mechanism for intellectual property rights and build an innovation ecosystem characterized by openness, synergy, and efficient commercialization. The Company will accelerate the pace of digital transformation driven by data governance and the standardization of master data, in order to comprehensively advance the deep integration of digital technologies with production and operations.

(2) Intelligent manufacturing segment:

Leveraging its in-house R&D capabilities, the Company will continuously consolidate its competitive edge in product structure, intensify efforts to tackle core technological challenges and implement lean supply chain management to effectively reduce overall product costs. Focusing on core products across multiple categories, the Company will achieve continuous breakthroughs in key technologies, advance the iteration and upgrades of production lines, and steadily enhance its overall profitability. The Company will deeply optimize the product structure, extend the service life of core components, and improve equipment operational stability and customer satisfaction. The Company will expand the application of core products into a broader range of industries, and earn market trust through exceptional quality.

3. Operational quality improvement: adhering to lean management to reduce costs and increase revenue

Centered on cost reduction and efficiency improvement alongside lean management, the Company will systematically deepen internal operational controls. By anchoring its efforts to annual cost-reduction targets and implementing precise measures across the entire value chain featuring R&D, production, supply, and sales, the Company will develop its differentiated cost advantage and lay a solid foundation for long-term cost reduction. The Company will deepen the special governance of "two types of funds" (accounts receivable and inventory), implement dynamic oversight and a "one account, one strategy" management mechanism to improve capital utilization efficiency. The Company will strengthen the strict enforcement and dynamic management of the comprehensive budget, strictly control non-productive expenditures, and drive resources towards high-return areas. The Company will strengthen the foundation of quality management by conducting tiered and categorized quality training for all employees, strengthening system audits and on-site verification, thereby establishing a closed-loop management system for continuous improvement in quality and efficiency to effectively enhance product quality and safety standards as well as customer satisfaction.

4. Risk and compliance: moving the defense line forward to safeguard stable operations

The Company will strengthen financial oversight and capital management, coordinate financing management, optimize its financing structure, and effectively prevent and mitigate financial risks. The Company will deepen the development of internal controls and compliance systems, thoroughly conduct internal control evaluations and audit oversight, and ensure that all corrective actions are completed on schedule. The Company will strictly adhere to the red lines requiring production safety, reinforce safety responsibilities at every level for all employees, and regularly conduct hazard identification and rectification. The Company will deepen source-level control, increase the frequency of safety inspections, resolutely prevent all types of safety incidents, and build a solid defense for its stable operations.

Analysis of core competitiveness during the Reporting Period

(I) Analysis of the core competitiveness of the gas storage and transportation segment

After years of development, the Company has deeply consolidated its management quality and efficiency and innovation effectiveness amid continuous internal industry transformation, while closely aligning with customer needs and market orientation in the face of intense external market competition. Forging ahead with determination and courage, it has gradually formed the following competitive advantages in terms of scale and brand, technology, sales network and human resources:

1. Scale and Brand Advantages

The Company is a group company consisting of seven production bases for the manufacture of professional gas storage and transportation equipment and a company located in the United States. With over 20 years of operation and development, the Company has established a corporate image of fine technology foundation and product stability and reliability in the industry and the Tianhai brand has become one of the well-known brands in the industry.

2. Technology Advantages

After continuous technological research and development as well as innovation, the Company and its subsidiaries currently possess the design qualifications for Class B1 seamless cylinders, Class B3 fiber-wound cylinders, and Class B4 cryogenic insulated cylinders, as well as the manufacturing qualifications for Class A2 high-pressure vessels, Class B1 seamless cylinders, Class B3 fiber-wound cylinders, and Class B4 cryogenic insulated cylinders. It can currently produce over 800 types and specifications of seamless steel cylinders, wound cylinders, welded insulated cylinders, aluminum liner carbon fiber full-wound composite cylinders, plastic liner carbon fiber full-wound composite cylinders, vehicle-mounted gas supply systems, and filling stations, among others. The Company's products are widely applied in industries such as automobiles, chemicals, firefighting, medical care, petroleum, energy, urban construction, food, metallurgy, machinery, and electronics.

Meanwhile, with an accurate grasp of the clean energy and green energy markets, the Company is able to provide customers with LNG/CNG/GH2/LH2 system solutions, through integrating different aspects of gas storage and transportation equipment technologies in respect of LNG/CNG cylinders for vehicles, GH2/LH2 cylinders for vehicles, vehicle-mounted gas supply systems, and filling stations.

3. *Sales Network Advantages*

The Company has established a complete sales network. It has achieved full geographical coverage across the country, providing components to major automobile manufacturers in the domestic automotive industry. It has also set up several overseas sales offices mainly located in the United States, Singapore, South Korea, India, Australia and other countries. Relevant products have been accepted by a number of mainstream global gas companies. To build a bridge between the basic unit and the market, and to increase the vitality of the strategy execution unit and results of operation, the Company carried out transformation and upgrade of the internal management and control so that each of its subsidiaries could establish a business model of unifying research, production, supply and sales, so as to fully unleash the vitality of the organisation, respond flexibly and quickly responses to the changes in the market and effectively enhance the results of operation.

Leveraging advanced technology, outstanding management, reliable product quality and optimized aftersales service system, the Company is progressing towards becoming a globally leading manufacturing and service enterprise of energy gas storage devices.

4. *Human Resources Advantages*

In order to provide a career development platform where employees and the Company can grow together, and share the fruits of development, while creating a good corporate culture, the Company has established an internal organisational system and operational mechanism, performance appraisal mechanism and remuneration and welfare system which meet the requirements for market competition. It aims to retain talents with strong prospects, competitive remuneration and sense of belonging. It has established a core team of talents with ability and integrity, core competencies and professional accomplishments in respect of research and development, sales, management, operation and production.

(II) Analysis of the core competitiveness of the intelligent manufacturing segment

The Company closely monitors industry trends and policies, continuously tracks the movements of competitors, and closely aligns with market demands. It continues to deepen its presence in the home appliances industry. Leveraging its highly competitive and innovative product lines, it provides customers with the construction and upgrading of production line automation and informatisation, as well as overall solutions for smart factories. Its main products continue to expand in both depth and breadth within the home appliances industry, equipping the Company with the following advantages:

1. *Technology Advantages*

The Company focuses on the industrial automation field and deeply engages in the home appliances industry. With the enterprise informatisation business module as the driving core and customized intelligent manufacturing equipment as the base, it connects the equipment layer with the control, operation and decision-making layers, and has the ability to provide industrial automation, digitalisation, networking and intelligent products and services to customers.

2. *Sales Advantages*

The Company has established a strong sales team. It focuses on core customers, deeply understands customer needs, fully unleashes the vitality of the team, and is able to quickly adjust its marketing model in response to market changes. With advanced technology, reliable quality and an excellent sales management team, the Company targets the home appliances business sub-market and steadily expands its market share.

3. *Human Resources Advantages*

The Company has set up an efficient and professional team of staff, established a performance appraisal and remuneration and welfare system to fully mobilize employees' innovation initiatives, and provided a platform for employees to grow with the Company. The Company cultivates excellent talents with high professional quality in core positions such as technology, production, sales, management and operation.

The Company has established a modern enterprise management system covering the entire process of strategic planning, risk prevention and control, and compliant operation, thereby forming a scientific decision-making mechanism and a standardised implementation system to ensure the efficient operation and sustainable development of its businesses.

4. *Strategic Co-development Advantages*

Leveraging its strategic resources advantages, the Company has strengthened the vertical integration across the industry chain and achieved efficient synergies across areas such as technological R&D, production, and marketing channels through unified strategic planning. The Company has enhanced horizontal business linkage by establishing cross-enterprise and cross-departmental cooperation mechanisms to share R&D results and supply chain resources, thereby reducing operating costs. This approach has created a brand matrix linkage effect, integrating customer resources and service systems to enhance the ability to deliver comprehensive solutions. Through the development of ecosystems, the Company has expanded into related areas such as smart homes and industrial internet, striving to enhance the service capabilities across the entire value chain of the industry and strengthen its all-round competitiveness in resisting cyclical risks.

PRINCIPAL OPERATION DURING THE REPORTING PERIOD

(I) Analysis of principal businesses

1. *Table of movement analysis for the related items in financial statements*

Unit: Yuan
Currency: RMB

Item	Current period	Corresponding period of last year	Changes (%)
Operating income	652,122,001.04	680,343,762.00	-4.15
Operating cost	576,406,582.26	548,694,876.01	5.05
Sales expense	19,743,802.49	20,038,057.94	-1.47
Management expense	49,948,522.00	54,164,729.47	-7.78
Financial expense	12,836,549.73	5,231,447.28	145.37
Research and development expenditure	45,992,312.89	42,208,662.39	8.96
Net cash flows from operating activities	-88,643,985.31	-89,952,567.51	–
Net cash flows from investing activities	-20,854,869.08	-43,121,459.56	–
Net cash flows from financing activities	-134,855,334.13	11,929,283.99	–

Reasons for the change in operating income: Operating income decreased by 4.15% as compared with the same period last year, mainly due to the following factors: first, in the gas storage and transportation segment, the export business was affected by international trade frictions, thus resulting in pressure on demand from overseas markets; second, in the intelligent manufacturing segment, the revenue recognised during the current period declined as compared with the same period last year due to the pace of project implementation cycle; third, in other segments, the revenue declined as compared with the same period last year due to rent reductions;

Reasons for the change in operating cost: Operating cost increased by 5.05% as compared with the same period last year, mainly due to the following factors: first, fixed costs such as depreciation of assets increased as compared with the same period last year; second, due to intensified competition in both domestic and international markets, the reduction in selling prices of products outpaced the decline in unit costs, which collectively drove up overall costs;

Reasons for the change in sales expense: Sales expense decreased by 1.47% as compared with the same period last year, mainly due to a decrease in staff salaries during the current period;

Reasons for the change in management expense: Management expense decreased by 7.78% as compared with the same period last year, mainly due to a decrease in cost on employment of intermediary organizations and share-based payment during the current period;

Reasons for the change in financial expense: Financial expense increased by 145.37% as compared with the same period last year, mainly due to an increase in foreign exchange losses during the current period;

Reasons for the change in research and development expenditure: Research and development expenditure increased by 8.96% as compared with the same period last year, mainly due to increased R&D investment during the current period;

Reasons for the change in net cash flows from operating activities: Increased by approximately RMB1.3086 million as compared with the same period last year, mainly due to an increase in cash received from the sales of goods and provision of services during the current period;

Reasons for the change in net cash flows from investing activities: Increased by approximately RMB22.2666 million as compared with the same period last year, mainly due to a decrease in cash paid for the purchase and construction of fixed assets, intangible assets, and other long-term assets and a decrease in cash paid to acquire investments during the current period as compared with the same period last year; and

Reasons for the change in net cash flows from financing activities: Decreased by approximately RMB146.7846 million as compared with the same period last year, mainly due to a decrease in cash received from borrowings during the current period.

2. ***Details of the material changes in types of business, profit components or income sources of the Company in the current period***

□ Applicable √ Not applicable

(II) Description of material change in profit due to non-principal business

☐ Applicable √ Not applicable

(III) Analysis of assets and liabilities

√ Applicable ☐ Not applicable

1. Assets and liabilities

Unit: Yuan
Currency: RMB

Name of item	Balance at the end of the current period	Balance at the end of the current period over total assets (%)	Balance at the end of the corresponding period last year	Balance at the end of the corresponding period last year over total assets (%)	Change in amount at the end of the current period compared with the end of the corresponding period last year (%)	Description
Monetary funds	394,054,804.83	13.36	622,657,705.19	19.87	-36.71	Mainly due to a decrease in bank deposit of subsidiaries during the current period
Notes receivable	6,504,600.83	0.22	26,051,969.37	0.83	-75.03	Mainly due to a decrease in undue acceptance bills
Receivables financing	6,103,635.16	0.21	9,328,872.99	0.30	-34.57	Mainly due to a decrease in undue acceptance bills
Advances to suppliers	45,751,475.54	1.55	31,566,310.63	1.01	44.94	Mainly due to a decrease in advances from subsidiaries to suppliers during the current period
Construction in progress	36,932,009.19	1.25	14,754,194.27	0.47	150.32	Mainly due to an increase in construction in progress of subsidiaries during the current period
Other non-current assets	1,769,074.36	0.06	4,918,574.34	0.16	-64.03	Mainly due to a decrease in pre-payment for equipment of subsidiaries
Short-term loans	60,000,000.00	2.03	180,000,000.00	5.74	-66.67	Mainly due to a decrease in bank borrowings of subsidiaries during the current period

Name of item	Balance at the end of the current period	Balance at the end of the current period over total assets (%)	Balance at the end of the corresponding period last year	Balance at the end of the corresponding period last year over total assets (%)	Change in amount at the end of the current period compared with the end of the corresponding period last year (%)	Description
Employee benefits payable	23,859,090.88	0.81	35,607,575.26	1.14	-32.99	Mainly due to payment of remunerations payable for the previous year during the current period
Taxes payable	6,459,347.84	0.22	17,357,397.31	0.55	-62.79	Mainly due to payment of unpaid taxes at the end of the previous year during the current period
Non-current liabilities due within one year	30,603,340.00	1.04	20,158,264.58	0.64	51.82	Mainly due to an increase in long-term loans of subsidiaries due within one year during the current period
Other current liabilities	11,329,836.59	0.38	21,732,565.26	0.69	-47.87	Mainly due to a decrease in notes receivable of subsidiaries that did not meet the conditions of derecognition during the current period
Deferred income	16,063,222.72	0.54	12,196,070.50	0.39	31.71	Mainly due to an increase in government subsidy received by subsidiaries during the current period
Other comprehensive income	449,307.66	0.02	2,613,676.09	0.08	-82.81	Mainly due to a decrease in translation difference of foreign currency financial statements during the current period

Other descriptions

Nil

2. Overseas Assets

√ Applicable □ Not applicable

(1) Size of assets

Including: overseas assets of 122,834,147.78 (Unit: Yuan, Currency: RMB), accounting for 4.16% of the total assets.

(2) Relevant details of a higher proportion of overseas assets

□ Applicable √ Not applicable

Other descriptions

Nil

3. Major restricted assets at the end of the Reporting Period

√ Applicable □ Not applicable

Unit: Yuan
Currency: RMB

			End of the period	
Item	**Book balance**	**Book value**	**Type of restriction**	**Condition of restriction**
Fixed assets	68,549,406.62	45,723,328.79	Pledged property buildings	Security for borrowings and bank acceptance
Intangible assets	18,558,300.00	12,131,310.21	Mortgage of land use rights	Security for borrowings and bank acceptance
Monetary funds	89,860,783.26	89,860,783.26	Margin	Deposits for bank acceptance bills
	6,700,000.00	6,700,000.00	Funds frozen due to litigation	Funds frozen due to litigation
Notes receivable	825,000.00	825,000.00	Pledge of bank acceptance bills	Pledge of bank acceptance bills
Total	184,493,489.88	155,240,422.26	–	–

Item	Book balance	Book value	Beginning of the period Type of restriction	Condition of restriction
Fixed assets	140,245,290.33	73,396,224.44	Pledged property buildings	Security for borrowings and bank acceptance
Intangible assets	20,276,098.82	13,364,106.32	Mortgage of land use rights	Security for borrowings and bank acceptance
Monetary funds	71,723,630.05	71,723,630.05	Margin	Deposits for bank acceptance bills
	6,700,000.00	6,700,000.00	Funds frozen due to litigation	Funds frozen due to litigation
Notes receivable	9,333,049.02	9,333,049.02	Pledge of bank acceptance bills	Pledge of bank acceptance bills
Total	248,278,068.22	174,517,009.83	–	–

4. *Other descriptions*

□ Applicable √ Not applicable

(IV) Analysis of investments

1. *General analysis of external equity investments*

□ Applicable √ Not applicable

(1). Material equity investments

□ Applicable √ Not applicable

(2). Material non-equity investments

□ Applicable √ Not applicable

(3). Financial assets measured at fair value

□ Applicable √ Not applicable

(4). Securities investment

□ Applicable √ Not applicable

(5). Explanation on securities investment

□ Applicable √ Not applicable

(6). Private fund investment

□ Applicable √ Not applicable

(7). Derivatives investment

□ Applicable √ Not applicable

(V) Material disposal of assets and equity interest

□ Applicable √ Not applicable

(VI) Analysis of major subsidiaries and associates

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB
(Unless otherwise indicated)

Company name	Type of company	Principal business	Registered capital	Total assets	Net assets	Operating income	Operating profit (loss to be listed with "-")	Net profit (net loss to be listed with "-")
Beijing Tianhai Industry Co., Ltd.* (北京天海工業有限公司)	Subsidiary	Production and sale of gas cylinders, accumulator shells, pressure vessels and auxiliary equipment, etc.	748,759,761.19	2,274,465,971.39	788,847,042.90	631,336,577.35	-65,426,816.85	-66,777,362.33
Jingcheng Holding (Hong Kong) Company Limited* (京城控股(香港)有限公司)	Subsidiary	Import and export trade, investment holding and consultancy services, etc.	HK$1,000	84,247,070.32	4,368,968.95	133,382,680.60	990,622.72	990,622.72
Qingdao BYTQ United Digital Intelligence Co., Ltd.* (青島北洋天青數聯智能有限公司)	Subsidiary	Robots and automation equipment etc.	21,418,633	514,850,647.25	368,010,078.60	55,222,107.66	-10,753,666.18	-10,701,336.54

(VII) Structured entities under the control of the Company

□ Applicable √ Not applicable

(VIII) Potential risks

√ Applicable □ Not applicable

In the first half of 2026, the Company continued to promote high-quality development. At the same time, it was fully aware that it continues to face the following major potential risks in its strategic advancement and business operations which require prudent assessment and proactive response:

1. *Complexity of international economic and trade conditions, and market entry risk*

Currently, the global economy is generally slowing down, geopolitical conflicts persist and international trade rules and regional economic and trade relationships remain under adjustment, all of which have brought uncertainties to the Company's overseas business expansion. Trade barriers and compliance thresholds remain in place in traditional export markets, while emerging markets face challenges such as economic and political stability, exchange rate fluctuations and differences in localization policies. Pressures on efficiency of international supply chains and transportation costs have not yet been fully mitigated. The Company will increase the resilience of its international businesses by deepening market diversification, expediting the building of overseas localization service capability, reinforcing the compliance management and exchange rate risk hedging, as well as other means.

2. *Industry competition intensifying, and profit margin under pressure*

The gas storage and transportation equipment sector has a promising outlook, but the market competition is increasingly fierce. Leading enterprises continue expanding their production capacity, while competition based on product homogeneity persists, and price pressure might impact the gross profit level. Meanwhile, as downstream customers place increasingly higher requirements for product performance, cost and services, and material cost fluctuates and rising energy and labour costs, the Company is facing multiple pressures on profitability. The Company will highlight technological innovation and differentiated competition, optimize product structure, increase the percentage of high value-added products, while reducing its cost and increasing its efficiency through refined management and supply chain synergy, in order to consolidate its advantages in critical segments.

3. *Policy dependency and market uncertainty risk in new business incubation*

Hydrogen energy storage and transportation equipment and system are still in the initial stage of large-scale industrialization, and its development is heavily influenced by policies, infrastructure construction, expanded terminal application and other external factors. The technical paths, industrial standards, and business models continue to evolve, with the timing of a market boom subject to uncertainties, all of which might affect the release of capacity and investment return. In addition, intelligent manufacturing and other new business fields are also facing technology iteration and cross-industry competition. The Company will adhere to the principle of "balancing technological development with market cultivation", strengthen the collaborations with policy makers, industry partners and research institutions, take active part in the development of standards, flexibly adjust its business pace and strictly control investment risks.

In face of the foregoing risks, the Company will adhere to the bottom-line mindset and forward looking layout, continue to refine its risk identification, assessment, response and surveillance full process management system, drive the in-depth integration of risk management and business growth, and lay a solid safety foundation for sustainable development.

(IX) Other disclosures

√ Applicable □ Not applicable

1. Analysis of financial position

By implementing prudent financial policies, the Company established a strict risk control system for investment, financing and cash management to maintain a sound capital structure and solid financing channels. The Company kept the scale of its borrowings under strict control so that it could satisfy the capital needs for its operating activities while minimizing its financing costs and preventing financial risks by fully utilizing financial instruments, with a view to achieving sustainable growth and maximizing shareholder value.

Liquidity and capital structure:

	End of the period	Beginning of the period
(1) Debt-to-asset ratio	57.12%	57.01%
(2) Quick ratio	158.10%	164.50%
(3) Current ratio	200.39%	197.53%
(4) Gearing ratio	133.19%	132.59%

2. Bank loans

The Company prudently implemented its annual capital budget plan in accordance with changes in the market environment and the requirements of customers to strictly control its scale of bank borrowings. The Company fully utilized financial instruments to reduce its financing cost and prevent financial risks to improve the returns for the Company and shareholders while satisfying the capital needs for the operating activities of the Company. At the end of the Reporting Period, the Company's short-term loans decreased by RMB120,000,000 as compared with the beginning of the period, representing a decrease of 66.67% and its long-term loans decreased by RMB8,028,800 as compared with the beginning of the period, representing a decrease of 5.30%.

3. *Foreign exchange risk management*

The Company is mainly exposed to foreign exchange risk relating to the US dollars and euros. The main business activities of the Group are denominated and settled in RMB, except for subsidiaries of the Company including Beijing Tianhai Industry Co., Ltd.* (北京天海工業公司), BTIC America Corporation* (天海美洲公司), Jingcheng Holding (Hong Kong) Co., Ltd.* (京城控股(香港)有限公司) and Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd.* (北京明暉天海氣體儲運裝備銷售有限公司), which conduct their procurement and sales in US dollars and euros. Accordingly, it may be exposed to foreign exchange risk arising from changes in exchange rates among US dollars, euros and RMB. The Company actively adopted measures to reduce foreign exchange risk.

4. *Principal sources of funds and their use*

(1) Cash flows from operating activities

Cash inflows from operating activities of the Company during the Reporting Period were mainly derived from the sale of goods. Cash outflows were mainly used in expenses related to production and operating activities. During the Reporting Period, cash inflows from operating activities amounted to RMB573,979,500, while cash outflows amounted to RMB662,623,500. Net cash flows during the Reporting Period from operating activities amounted to RMB-88,644,000.

(2) Cash flows from investing activities

During the Reporting Period, cash inflows from investing activities of the Company amounted to RMB114,400, which mainly came from net cash received from the disposal of fixed assets, intangible assets and other long-term assets during the current period, while cash outflows from investing activities amounted to RMB20,969,200, which were mainly used in expenses for the purchase and construction of fixed assets and investments. Net cash flows from investing activities during the Reporting Period amounted to RMB -20,854,800.

(3) Cash flows from financing activities

Cash inflows from financing activities during the Reporting Period amounted to RMB13,190,000, which were mainly derived from bank borrowings. Cash outflows from financing activities during the Reporting Period amounted to RMB148,045,300, which were mainly due to the repayment of loan principals, payment of interest and payment of rent for the leasing business. Net cash flows from financing activities during the Reporting Period amounted to RMB-134,855,300.

During the Reporting Period, net cash flows from operating activities increased by approximately RMB1,308,600 as compared with the same period last year, which was mainly due to an increase in the cash received from the sales of goods and provision of services during the current period. Net cash flows from investing activities increased by approximately RMB22,266,600 as compared with the same period last year, which was mainly due to a decrease in cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets as compared with the same period last year and a decrease in cash paid to acquire investments during the current period. Net cash flows from financing activities decreased by approximately RMB146,784,600 compared with the same period last year, which was mainly due to a decrease in cash received from borrowings during the current period.

5. *Capital structure*

During the Reporting Period, the Company's capital structure consisted of shareholders' equity and liabilities. Shareholders' equity amounted to RMB1,265,140,200, of which minority shareholders' interest amounted to RMB471,259,300, and total liabilities amounted to RMB1,685,048,000. Total assets amounted to RMB2,950,188,200. As at the end of the period, the Company's debt-to-asset ratio was 57.12%.

Capital structure by liquidity:

Total current liabilities	RMB727,623,600	Accounting for 24.66% of assets
Total shareholders' equity	RMB1,265,140,200	Accounting for 42.88% of assets
Of which: Minority shareholders' interest	RMB471,259,300	Accounting for 15.97% of assets

6. *Contingent liabilities*

As at the end of the Reporting Period, the Group did not have any significant contingent liabilities requiring disclosure.

7. *Details of the Group's charges on assets*

Unit: Yuan Currency: RMB

			End of the period	
Item	**Book balance**	**Book value**	**Type of restriction**	**Condition of restriction**
Fixed assets	68,549,406.62	45,723,328.79	Pledged property buildings	Security for borrowings and bank acceptance
Intangible assets	18,558,300.00	12,131,310.21	Mortgage of land use rights	Security for borrowings and bank acceptance
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Total	184,493,489.88	155,240,422.26	–	–

			Beginning of the period	
Item	**Book balance**	**Book value**	**Type of restriction**	**Condition of restriction**
Fixed assets	140,245,290.33	73,396,224.44	Pledged property buildings	Security for borrowings and bank acceptance
Intangible assets	20,276,098.82	13,364,106.32	Mortgage of land use rights	Security for borrowings and bank acceptance
Monetary funds	71,723,630.05	71,723,630.05	Margin	Deposits for bank acceptance bills
	6,700,000.00	6,700,000.00	Funds frozen due to litigation	Funds frozen due to litigation
Notes receivable	9,333,049.02	9,333,049.02	Pledge of bank acceptance bills	Pledge of bank acceptance bills
Total	248,278,068.22	174,517,009.83	–	–

8. *Number of employees, employees' rewards, remuneration policy and training program during the Reporting Period*

(1) Number of employees

Number of employees during the Reporting Period was 1,328.

(2) Remunerations

Remunerations for employees during the Reporting Period were RMB89,090,000.

(3) Remuneration policies

The Company implemented a diversified remuneration system centered on position-based performance pay. Position-based performance pay is determined by establishing job classifications and staffing levels, assessing the relative value of each position through job evaluation, and setting salary levels with reference to labor market rates, so as to ensure the internal and external fairness of remuneration. On this basis, the remuneration policy is implemented subject to different personnel and different nature of work, adopting tiered, categorized and diversified remuneration policies such as the implementation of skills-based compensation and technological innovation incentives for technicians, the implementation of the sales commission approach for marketing staffs, the implementation of the piecework wage system for production workers, and the implementation of the annual salary system for the senior management.

(4) Training plan

As of the end of the Reporting Period, the Company accumulated 2,889 training attendances, with a total of 12,238 training hours (the average training hours per employee being 9 hours), thereby effectively strengthening the comprehensive performance capabilities of employees.

Training activities during the Reporting Period primarily covered four categories: (1) skills-themed trainings, which included vocation-graded specialized trainings on "6S" workshop management and benchworks, thereby strengthening on-site lean management and frontline practical skills; (2) management-themed trainings, which included specialized sessions focused on the performance capabilities of mid- to senior-level management and directors, compliance requirements for listed companies, and strategic leadership, where key personnel were also selected to participate in specialized trainings targeting senior positions, thereby continuously enhancing governance standards and comprehensive management capabilities; (3) business-themed trainings, which focused on sales team building. Through the teaching on product-specific knowledge and the sharing of real-world case studies, the marketing team's ability to penetrate markets and provide customer service was comprehensively improved; (4) technology-themed trainings, where key technical personnel were arranged to participate in the formulation, revision, and review of national-level gas cylinder standards, while benchmarking against cutting-edge industry standards to optimize technical processes and consolidate core technological advantages. At the same time, the Company concurrently completed trainings on integrity education, occupational health and others, thereby comprehensively strengthening the performance capabilities of all positions and providing a solid talent foundation for the steady and high-quality development of the Company.

9. Corporate governance

During the Reporting Period, the Company effectively ensured that the general meeting, the Board and managers of the Company have well-defined powers and responsibilities, allowing them to maintain checks and balances, coordinate with each other and operate in compliance with requirements. The Board and its strategy committee, audit committee, remuneration and monitoring committee and nomination committee carried out their work according to their responsibilities. The information of the Company was disclosed on a true, accurate, complete and timely basis. The actual situation of the Company's governance complies with relevant requirements.

10. Others

(1) During the Reporting Period, the Company's subsidiaries in China were subject to applicable enterprise income tax rates of 25% and 15% and its subsidiaries outside China were subject to applicable enterprise income tax rates of 16.5% and 21%.

(2) The unaudited 2026 interim report of the Company has been reviewed by the audit committee of the Board.

(3) The Company has been in compliance with the code provisions set out in Part 2 of Appendix C1 Corporate Governance Code of the Listing Rules of the Stock Exchange during the Reporting Period.

(4) During the Reporting Period, in respect of the transactions of securities by its Directors, the Company has adopted a set of code of conduct on terms no less exacting than the required standards of the Model Code set out in Appendix C3 of the Listing Rules of the Stock Exchange. After making specific enquiries with all Directors, the Company confirmed that, each of the Directors has complied with the required standards on securities transactions by directors as set out in the Model Code for the six months ended 30 June 2026.

(5) During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's stocks.

(6) There was a change in the scope of the consolidated financial statements as compared to the financial report for the same period of the previous year due to the following reason: On 4 December 2025, the Company received the Civil Ruling ((2025) Jing 01 Po Shen No. 1485) ((2025) 京01破申1485號)) of the Beijing First Intermediate People's Court forwarded by its subsidiary, Beijing Tianhai Cryogenic Equipment Co., Ltd.* ("**Tianhai Cryogenic**"), ruling to accept the creditor's application for bankruptcy liquidation of Tianhai Cryogenic. In the same month, the court appointed a bankruptcy administrator, and the company transferred its key information to the administrator. Tianhai Cryogenic entered the liquidation stage, and the Company lost control over it. Accordingly, it is no longer included in the scope of the consolidated financial statements as at 31 December 2025. For further details, please refer to the 2025 annual report and other relevant announcements of the Company.

IV. AUDIT OF INTERIM REPORT

√ Applicable □ Not Applicable

(I) Appointment and dismissal of accounting firms

Explanation on appointment and dismissal of accounting firms

√ Applicable □ Not Applicable

1. On 27 March 2026, the Company convened the eleventh meeting of the eleventh session of the Board, at which the "Resolution in relation to the Re-appointment of WUYIGE Certified Public Accountants LLP as the Auditor of the Company for 2026" was considered and approved.

2. On 29 June 2026, the Company convened the 2025 annual general meeting, at which the "Resolution in relation to the Re-appointment of WUYIGE Certified Public Accountants LLP as the Auditor for 2026" was considered and approved. The Company officially re-appointed WUYIGE Certified Public Accountants LLP as the auditor of the Company for its financial statements audit and internal control audit for 2026.

   Explanation on change of the accounting firms during the audit period

   □ Applicable √ Not Applicable

(II) Explanation of the Company on the "Non-Standard Auditors' Report" issued by the accounting firm

☐ Applicable √ Not Applicable

(III) Changes and handling of matters involved in "Non-Standard Audit Opinions" in the Annual Report for the previous year

☐ Applicable √ Not Applicable

V. MATTERS RELATING TO BANKRUPTCY AND REORGANISATION

☐ Applicable √ Not Applicable

VI. MATERIAL LITIGATIONS AND ARBITRATIONS

☐ The Company has material litigations and arbitrations during the Reporting Period
√ The Company has no material litigations nor arbitrations during the Reporting Period

VII. PUNISHMENT AND RECTIFICATION AGAINST THE COMPANY AND ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND BENEFICIAL CONTROLLERS

☐ Applicable √ Not applicable

VIII. DESCRIPTION OF THE CREDIT STATUS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS, BENEFICIAL CONTROLLERS DURING THE REPORTING PERIOD

√ Applicable ☐ Not applicable

During the Reporting Period, the Company and its controlling shareholders and beneficial controllers had good credit status.

IX. SHARE INCENTIVE SCHEME, EMPLOYEE SHARE SCHEME OR OTHER INCENTIVE MEASURES FOR EMPLOYEES OF THE COMPANY AND THEIR IMPACTS

(I) Relevant share incentive matters disclosed in the provisional announcements without progress or change in the follow-up implementation

√ Applicable □ Not applicable

Summary of Matters	Index for enquiry
The Company received the Certificate of Change in Registration of Securities issued by China Securities Depository and Clearing Corporation Limited on 28 December 2023. According to the Certificate of Change in Registration of Securities, the Company completed the registration of Initial Grant of Restricted Shares under the 2023 Restricted Share Incentive Scheme.	Website of Shanghai Stock Exchange www.sse.com.cn; HKExnews website of the Hong Kong Stock Exchange www.hkexnews.hk
According to the provisions of the "2023 Restricted Share Incentive Scheme of Beijing Jingcheng Machinery Electric Company Limited" (the "**Incentive Scheme**"), the reserved restricted shares under the Incentive Scheme of the Company were 1,350,000 shares. According to the relevant provisions of the Management Measures for Equity Incentives of Listed Companies and the Incentive Scheme, the participants under the reserved grant will be determined within 12 months after the Incentive Scheme has been considered and approved at the general meeting, A shares class meeting and H shares class meeting of the Company. If the participants are not specified for more than 12 months, the reserved entitlements will lapse. As of the disclosure date of this announcement, as there were 1,350,000 restricted shares reserved under the Incentive Scheme for which no participants have been specified for more than 12 months since the consideration and approval of the Incentive Scheme at the first extraordinary general meeting of 2023, the first A shares class meeting of 2023 and the first H shares class meeting of 2023 (13 November 2023) of the Company, and the reserved entitlements have lapsed.	

(II) Incentive conditions not disclosed in the provisional announcement or with subsequent progress

Incentive conditions

☐ Applicable √ Not applicable

Other descriptions

√ Applicable ☐ Not applicable

Explanation on the Failure of the Company's Performance for the Second Unlocking Period of the 2023 Restricted Share Incentive Scheme to Meet the Performance Targets and Repurchase and Cancellation of Part of the Restricted A Shares (for details, please refer to the relevant announcements of the Company dated 26 May 2026 and 29 June 2026):

On 26 May 2026, the Company convened the seventeenth extraordinary meeting of the eleventh session of the Board, at which the "Resolution in relation to the Failure of the Company's Performance to Meet the Unlocking Conditions for the Second Unlocking Period of the 2023 Restricted Share Incentive Scheme and the Repurchase and Cancellation of Part of Restricted A Shares" was considered and approved.

Given that one of the participants under the initial grant of the Incentive Scheme terminated the employment relationship with the Company due to job transfer, the Company will repurchase and cancel a total of 33,000 restricted A shares held by the participant that have been granted but subject to lock-up. Furthermore, since the performance metrics at the Company level did not meet the unlocking conditions as required for the second unlocking period of the initial grant under the Incentive Scheme, the Company will repurchase and cancel a total of 1,706,100 restricted A shares held by relevant participants that have been granted but subject to lock-up. Based on the above, the Company will repurchase and cancel a total of 1,739,100 restricted A shares held by the participants that have been granted but subject to lock-up. The above-mentioned resolution has been considered and approved by the remuneration and monitoring committee of the Board and the second meeting of the special meeting of independent Directors of the Company in 2026.

On 29 June 2026, the Company convened the 2025 annual general meeting, the first A shares class meeting of 2026 and the first H shares class meeting of 2026, at which the "Resolution in relation to the Repurchase and Cancellation of Part of the Restricted A Shares Granted but Subject to Lock-up" was considered and approved.

Specific details regarding the repurchase and cancellation of the restricted shares are as follows:

1. The reasons for and number of the repurchase and cancellation of part of the restricted shares

   (1) According to the relevant provisions of the Incentive Scheme: "If the Participant terminates his/her employment with the Company due to transfer of job, dismissal, retirement, death or incapacity, the exercisable portion (with clear vesting of interests) may be exercised within six months from the date of termination of employment (or when the portion can be exercised) if the exercisable time limit and performance assessment conditions have been met in that year, and the entitlement shall lapse after such six months. Any remaining portion in respect of which the performance assessment conditions for the year are not met will not be released and will be repurchased by the Company at the sum of the Grant Price plus interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People's Bank of China."

       Given that one of the participants under the initial grant of the Incentive Scheme terminated the employment relationship with the Company due to the transfer of job, the Company will repurchase and cancel a total of 33,000 restricted A shares that have been granted but subject to lock-up. The repurchase price shall be the sum of RMB7.33/share plus the interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People's Bank of China.

   (2) In accordance with the relevant provisions of the Incentive Scheme of the Company: "As a result of failing to meet the performance metrics at the Company level or the assessment at the individual level, all or part of the restricted A shares of the Participant that have not been unlocked for the current period shall not be unlocked or shall be deferred to the period that follows for unlocking, and shall be repurchased by the Company at the lower of the Grant Price and the market price at the time of repurchase."

       Since the performance metrics at the Company level did not meet the unlocking conditions as required for the second unlocking period of the initial grant under the Incentive Scheme, the Company shall repurchase and cancel a total of 1,706,100 restricted A shares held by relevant participants that have been granted but subject to lock-up at a repurchase price of RMB7.33/share.

       Based on the above, the Company repurchases and cancels a total of 1,739,100 restricted A shares held by relevant participants that have been granted but subject to lock-up, representing approximately 0.32% of the total share capital of the Company before the repurchase.

2. Total amount of funds and the source of funds for the repurchase

   The total amount of funds to be used for the repurchase of restricted shares is approximately RMB12,747,603 (plus interests payable for the time deposits in banks as required), which will be financed by the Company's own funds.

3. Table of Expected Changes in the Company's Shareholding Structure Before and After the Repurchase

	Before the change		Increase/ decrease in the change	After the change	
Class of shares	**Number of shares (shares)**	**Proportion (%)**	**Change in quantity (shares)**	**Number of shares (shares)**	**Proportion (%)**
Shares subject to lock-up (A shares)	3,445,200	0.63	-1,739,100	1,706,100	0.32
Shares not subject to lock-up (A shares)	444,040,788	81.10	0	444,040,788	81.36
H shares	100,000,000	18.27	0	100,000,000	18.32
Total	547,485,988	100.00	-1,739,100	545,746,888	100.00

Notes:

1. The "proportion" in this table is rounded to two decimal places;

2. The above changes in the structure of share capital are based on the table of the structure of share capital issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited upon the completion of the repurchase and cancellation;

3. The repurchase and cancellation of part of the restricted A shares shall not result in any change in the controlling shareholders of the Company, and the shareholding distribution of the Company still complies with the relevant provisions as specified in the Listing Rules of the Shanghai Stock Exchange and the Stock Exchange. The repurchase and cancellation will not have any substantial impact on the operating results and the financial position of the Company.

4. Impact of the Repurchase and Cancellation of Part of Restricted Shares on the Performance of the Company

The repurchase and cancellation of restricted A shares shall not affect the continuation of the Incentive Scheme. The number of interests lapsed due to the repurchase and cancellation of restricted shares will be adjusted for annual fees amortization according to the fair value determined on the grant date. The repurchase and cancellation of restricted shares as well as the adjustment on the repurchase prices shall have no material impact on the financial position and the operating results of the Company, and shall have no impact on the diligence and accountability of the management team of the Company. The management team of the Company will continue to duly perform their duties and responsibilities, while creating values for shareholders.

Employee share scheme

□ Applicable √ Not applicable

Other incentive measures

□ Applicable √ Not applicable

X. MATERIAL RELATED PARTY TRANSACTIONS

(I) Related party transactions related to daily operation

1. Matters disclosed in provisional announcements without progress or change in the follow-up implementation

☐ Applicable √ Not applicable

2. Matters disclosed in provisional announcements with progress or change in the follow-up implementation

☐ Applicable √ Not applicable

3. Matters which were not disclosed in provisional announcements

☐ Applicable √ Not applicable

(II) Related party transactions in relation to the acquisition of assets or acquisition or disposal of equity interests

1. Matters disclosed in provisional announcements without progress or change in the follow-up implementation

☐ Applicable √ Not applicable

2. Matters disclosed in provisional announcements with progress or change in the follow-up implementation

☐ Applicable √ Not applicable

3. Matters which were not disclosed in provisional announcements

☐ Applicable √ Not applicable

4. Results which are related to results agreements and shall be disclosed for the Reporting Period

☐ Applicable √ Not applicable

(III) Material related party transactions relating to common external investments

1. Matters disclosed in provisional announcements without progress or change in the follow-up implementation

☐ Applicable √ Not applicable

2. Matters disclosed in provisional announcements with progress or change in the follow-up implementation

☐ Applicable √ Not applicable

3. Matters which were not disclosed in provisional announcements

☐ Applicable √ Not applicable

(IV) Related creditors' rights and debt transactions

1. Matters disclosed in provisional announcements without progress or change in the follow-up implementation

☐ Applicable √ Not applicable

2. Matters disclosed in provisional announcements with progress or change in the follow-up implementation

☐ Applicable √ Not applicable

3. Matters which were not disclosed in provisional announcements

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Related party	Related party relationship	Provision of funds to related parties: Beginning balance	Amount occurred	Ending balance	Provision of funds by related parties to the listed company: Beginning balance	Amount occurred	Ending balance
Jiangsu Tianhai Special Equipment Co., Ltd.*	Joint venture	8,307,350.24	4,190,471.56	12,497,821.80	16,387,114.86	-7,724,935.53	8,662,179.33
Beijing Jingcheng Machinery Electric Holding Co., Ltd.*	Controlling shareholder	88,825.79	-88,825.79		910,386.51	-252.92	910,133.59
Beijing Lantianda Vehicle Clean Fuel Technology Co., Ltd.*	Others	2,300,032.77	-390,869.96	1,909,162.81	7,732,652.22	-5,494,780.22	2,237,872.00
Tianjin Seamless Investment Co. Ltd.*	Others	734,993.36	-734,993.36		1,228,073.87	-1,228,073.87	
Beijing Jingcheng Golden Sun Energy Technology Co., Ltd.*	Subsidiary of shareholders				66,271.92	81,483.47	147,755.39
Zhejiang Jingcheng Renewable Resources Co., Ltd.*	Subsidiary of shareholders				14,420.35	-14,420.35	
Beijing Jingcheng Green Energy Co., Ltd.*	Subsidiary of shareholders				250.00	-250.00	
Beijing Peitian Technology Co., Ltd.*	Subsidiary of shareholders				711,331.20	104,000.00	815,331.20
Sunwise Hydrogen Energy Technology (Beijing) Co., Ltd.*	Subsidiary of shareholders	15,870,400.00		15,870,400.00	1,880,400.00		1,880,400.00
Shanghai Sunwise New Energy System Co., Ltd.*	Subsidiary of shareholders	10,535,629.37	32,350.00	10,567,979.37	1,021,755.20	-83,000.00	938,755.20
Guangzhou Sunwise Hydrogen Energy Technology Co., Ltd.*	Subsidiary of shareholders	21,200.00	110,800.00	132,000.00			
Babcock & Wilcox Beijing Company Ltd.*	Subsidiary of shareholders	134,653.00	-134,653.00				
Beijing Jingcheng Yihe Urban Renewal Co., Ltd.*	Subsidiary of shareholders		124,754.74	124,754.74	563,925.40	-563,925.40	
Beijing Jingcheng Machinery Electric Industrial Investment Co., Ltd.*	Subsidiary of shareholders	188,679.25		188,679.25			
Beijing Jingcheng Talents Development Co., Ltd.*	Subsidiary of shareholders		240.00	240.00			

Related party	Related party relationship	Provision of funds to related parties Beginning balance	Amount occurred	Ending balance	Provision of funds by related parties to the listed company Beginning balance	Amount occurred	Ending balance
Beijing Tianhai Cryogenic Equipment Co., Ltd.*	Others	220,483,091.69		220,483,091.69			
Hubei Jingyuan Xihai Automobile Industry Co., Ltd.*	Joint venture	59,687,827.34	-5,061,513.24	54,626,314.10		5,092,093.07	5,092,093.07
Shaanxi Haichuang Shengshi Hydrogen Energy Technology Co., Ltd.*	Joint venture	6,417,600.00		6,417,600.00	980,000.00	-490,000.00	490,000.00
Total		324,770,282.81	-1,952,239.05	322,818,043.76	31,496,581.53	-10,322,061.75	21,174,519.78
Reasons for occurrence of related creditors' right and debt transactions		Under normal operation					
Effects of related creditors' rights and debts on the Company's operating results and financial position		None					

Note: Beijing Tianhai Cryogenic Equipment Co., Ltd. has been a subsidiary of the Company within the 12 months preceding the end of the Reporting Period.

(V) Financial business between the Company and its related financial company, and between financial company controlled by the Company and related parties

☐ Applicable √ Not applicable

(VI) Other major related party transactions

☐ Applicable √ Not applicable

(VII) Others

√ Applicable □ Not applicable

Continuing connected transactions:

1. *Continuing connected transaction in relation to the property leasing of Jingcheng Haitong*

   Beijing Tianhai Industry Co., Ltd.* (北京天海工業有限公司) ("**Beijing Tianhai**") and Beijing Jingcheng Haitong Technology Culture Development Co., Ltd.* (北京京城海通科技文化發展有限公司) ("**Jingcheng Haitong**") entered into the "Lease Agreement" on 4 September 2018 with a lease term of 18 years. While transferring the property, Beijing Tianhai, Beijing Jingcheng Machinery Electric Assets Management Co., Ltd.* (北京京城機電資產管理有限責任公司) ("**Jingcheng Asset**") and Jingcheng Haitong would sign an "Agreement on the Change of Party of the Lease" which would transfer all rights and obligations of Beijing Tianhai under the "Lease Agreement" to Jingcheng Asset in general. On 6 July 2022, the Company issued the "Announcement of Completion of the Project of Acquisition of 2% Equity Interest of Jingcheng Haitong by a Subsidiary of the Company Beijing Tianhai Industry Co., Ltd.". Upon completion of the acquisition, the Company held 51% equity interest in Jingcheng Haitong through Beijing Tianhai, and accordingly Jingcheng Haitong became a controlled subsidiary of the Company. In accordance with the listing rules of both stock exchanges, as Jingcheng Machinery Electric is the controlling shareholder of the Company, Jingcheng Asset is a connected person of the Company. Accordingly, the transaction contemplated under the Lease Agreement became a continuing connected transaction of the Company upon completion of the acquisition.

2. *Continuing connected transaction with Shanghai Sunwise*

   On 6 December 2024, Beijing Tianhai and Shanghai Sunwise entered into the Product Sale and Purchase Framework Agreement, pursuant to which Beijing Tianhai and its subsidiaries and Shanghai Sunwise and its subsidiaries will purchase or sell hydrogen energy products from or to each other from time to time, including cylinders and system integration products, valves and other components, and station equipment products, for a term of three years from 1 January 2025 to 31 December 2027.

At the relevant time, Jingcheng Machinery Electric holds 44.87% equity in the Company and is the Company's controlling shareholder, and a connected person of the Company under the listing rules of both stock exchanges. As Jingcheng Machinery Electric holds all the equity interest in Beijing Jingcheng Machinery Electric Industrial Investment Co., Ltd.* (北京京城機電產業投資有限公司), which in turn holds approximately 39.77% equity interest in Shanghai Sunwise, Shanghai Sunwise is an associate of Jingcheng Machinery Electric and a connected person of the Company. Accordingly, such transactions constitute continuing connected transactions of the Company under the listing rules of both stock exchanges.

In addition, as the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules of the Stock Exchange in respect of the proposed annual caps for the term of the Product Sale and Purchase Framework Agreement exceed 5% but are less than 25%, such transactions are subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules of the Stock Exchange. The Company has established an independent board committee to advise the independent shareholders on such transactions and the adoption of the proposed annual caps. The Company has also appointed Vinco Financial Limited as the independent financial adviser to advise the independent board committee and the independent shareholders in this regard.

On 6 December 2024, the Company convened the ninth extraordinary meeting of the eleventh session of the Board and the fourteenth meeting of the eleventh session of the supervisory committee, at which the "Resolution in relation to the Entering into of the Product Sale and Purchase Framework Agreement and Related Party Transactions between Beijing Tianhai Industry Co., Ltd. and Shanghai Sunwise New Energy System Co., Ltd." was considered and approved. The resolution was considered and passed at the fourth meeting of the special meeting of independent Directors of the Company in 2024, where the independent non-executive Directors of the Company expressed their prior approval opinions and independent opinions. On 28 April 2025, the Company convened the first extraordinary general meeting of 2025, at which the "Resolution in relation to the Entering into of the Renewed Product Sale and Purchase Framework Agreement (including the Proposed Annual Caps) between Beijing Tianhai Industry Co., Ltd. and Shanghai Sunwise New Energy System Co., Ltd." was considered and approved. For details of such continuing connected transaction, please refer to the announcement dated 6 December 2024 and the circular dated 3 April 2025 of the Company.

XI. MATERIAL CONTRACTS AND THEIR EXECUTION

1 Trust, contracting and leasing matters

√ Applicable □ Not applicable

(1) Trust

□ Applicable √ Not applicable

(2) Contracting

□ Applicable √ Not applicable

(3) Leasing

√ Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Name of lessor	Name of lessee	Details of lease of assets	Amount involved in lease of assets	Starting date of lease	Ending date of lease	Lease revenue	Determining basis for lease revenue	Impact of lease revenue on the Company	Is it a related party transaction	Related party relationship
Beijing Jingcheng Haitong Technology Culture Development Co., Ltd.* (北京京城海通科技文化發展有限公司)	Beijing Aidixi Data Technology Development Co., Ltd.* (北京艾迪希數據科技發展有限公司)	A leased area of 45,043.62 sq.m	22,273,073.82	1 January 2026	30 June 2026	22,273,073.82	Property leasing contract	Main operating income	No	Others
Beijing Jingcheng Machinery Electric Assets Management Co., Ltd.* (北京京城機電資產管理有限責任公司)	Beijing Jingcheng Haitong Technology Culture Development Co., Ltd.* (北京京城海通科技文化發展有限公司)	A leased area of 45,143.62 sq.m.	12,949,058.7	1 January 2026	30 June 2026	-12,949,058.7	Property leasing contract	Main operating cost	Yes	Fellow subsidiaries of the Group
Qingdao BYTQ United Digital Intelligence Co., Ltd.* (青島北洋天青數聯智能有限公司)	Qingdao Jiayishahua Intelligent Equipment Co., Ltd.* (青島佳藝沙華智能裝備有限公司)	A leased area of 910 sq.m.	99,918	1 January 2026	30 June 2026	99,918	Lease contract	Other operating income	No	Others
Qingdao BYTQ United Digital Intelligence Co., Ltd.* (青島北洋天青數聯智能有限公司)	Qingdao Wenyuexing Automation Co., Ltd.* (青島文悦興自動化有限公司)	A leased area of 455 sq.m.	49,959	1 January 2026	30 June 2026	49,959	Lease contract	Other operating income	No	Others

Name of lessor	Name of lessee	Details of lease of assets	Amount involved in lease of assets	Starting date of lease	Ending date of lease	Lease revenue	Determining basis for lease revenue	Impact of lease revenue on the Company	Is it a related party transaction	Related party relationship
Qingdao BYTQ United Digital Intelligence Co., Ltd.* (青島北洋天青數聯智能有限公司)	Qingdao Xinqihao Precision Machinery Equipment Manufacturing Co., Ltd.* (青島鑫企浩精密機械設備製造有限公司)	A leased area of 602 sq.m.	66,099.6	1 January 2026	30 June 2026	66,099.6	Lease contract	Other operating income	No	Others

Explanation on leases

Nil

2 Material guarantee and outstanding material guarantee during the Reporting Period

□ Applicable √ Not applicable

3 Other material contracts

□ Applicable √ Not applicable

XII. DETAILS OF EFFORTS TO CONSOLIDATE POVERTY ALLEVIATION ACHIEVEMENTS AND RURAL REVITALIZATION

√ Applicable □ Not applicable

The year 2026 marks a pivotal year for laying a solid foundation for the successful commencement of the "15th Five-Year Plan", and a year of continuous reinforcement for the transformation and development of the capital's support and cooperation initiatives. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company earnestly implements the spirit of the 20th National Congress of the Communist Party of China, and all Plenary Sessions of the 20th CPC Central Committee, while studying in depth the important speeches and instructions of General Secretary Xi Jinping on support and cooperation work. Through multiple initiatives, the Company provides assistance for support and cooperation regions in continuously enhancing their endogenous development capacity, consolidates and expands the achievements of poverty alleviation, effectively aligns them with rural revitalization, improves people's livelihood and well-being, promotes ethnic unity, and contributes to the high-quality development of support and cooperation regions.

As a municipal state-owned enterprise, the Company proactively assumes its social responsibilities, earnestly implements the directives in documents on consumption-based alleviation issued by the Municipal State-owned Assets Supervision and Administration Commission, the Municipal Federation of Trade Unions, the Municipal Support and Cooperation Office, and Jingcheng Machinery Electric, and actively participates in brand initiatives promoted by the Municipal Party Committee, the Municipal Government, and the Municipal State-owned Assets Supervision and Administration Commission, including "Jingcai Western Products* (京彩西品)", "Jing-selected Quality Goods, One County One Product* (京選好物、一縣一品)", "Mongolian Flavour Arrives* (蒙味襲來)", and "Jingcai Mongolian Products* (京彩蒙品)". The Company has organized dedicated campaigns to promote agricultural and sideline products from targeted assistance regions including Inner Mongolia, Tibet, and economically underdeveloped collective villages within Beijing. In the first half of 2026, the Company procured a total of RMB808,170 worth of alleviation products, of which the canteen purchased RMB492,370 worth of alleviation products, including RMB156,325 of poverty alleviation products and RMB336,045 of non-poverty-alleviation products, accounting for 32% of the total poverty alleviation procurement. The labour union purchased RMB315,800 worth of alleviation products (consolation goods), all of which were poverty alleviation products, representing a 100% procurement ratio. These efforts have had a positive effect in consolidating and expanding the achievements of poverty alleviation and promoting rural revitalization.

XIII. CONVERTIBLE CORPORATE BONDS

□ Applicable √ Not applicable

XIV. ENVIRONMENTAL INFORMATION OF THE COMPANY AND ITS MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES SUBJECT TO LEGAL ENVIRONMENTAL DISCLOSURE

√ Applicable □ Not applicable

Number of enterprises included in the list of enterprises subject to legal environmental disclosure		1
No.	**Name of Enterprise**	**Index for enquiry for Legal Environmental Information Disclosure Report**
1	Tianjin Tianhai High Pressure Container Co., Ltd.* (天津天海高壓容器有限責任公司)	Enterprise Environmental Information Disclosure System (Tianjin) (https://hjxxpl.sthj.tj.gov.cn:10800/#/gkwz/jcym)

Other Remarks

□ Applicable √ Not Applicable

XV. EXPLANATION ON OTHER IMPORTANT MATTERS

□ Applicable √ Not Applicable

Save as disclosed in this announcement, there were no important events affecting the Company and its subsidiaries which had occurred since the end of the six months ended 30 June 2026.

Save as disclosed in this announcement, there were no material changes in the current information of the Company in relation to matters as set out in paragraph 46(3) of Appendix D2 of the Listing Rules during the six months ended 30 June 2026, as compared with the relevant disclosures in the 2025 annual report of the Company.

XVI. FINANCIAL STATEMENT

Consolidated Balance Sheet
June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited *Unit: Yuan*
Currency: RMB

Item	*Note*	**30 June 2026 (unaudited)**	**31 December 2025 (audited)**
Current assets:			
Cash at bank and on hand		394,054,804.83	622,657,705.19
Settlement reserves			
Placements from banks and other financial institutions			
Financial assets held for trading			
Derivative financial assets			
Notes receivable		6,504,600.83	26,051,969.37
Accounts receivable		636,212,144.34	589,525,344.17
Receivables financing		6,103,635.16	9,328,872.99
Advances to suppliers		45,751,475.54	31,566,310.63
Premiums receivable			
Reinsurance premium receivable			
Reinsurance contract provision receivable			
Other receivables		5,169,198.57	6,837,130.59
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under agreements to resell			
Inventories		307,704,320.99	271,035,734.10
Of which: Information resources			
Contractual assets		29,850,302.94	30,646,907.15
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		26,710,873.41	33,482,602.95
Total current assets		1,458,061,356.61	1,621,132,577.14

Consolidated Balance Sheet (Continued)
June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	*Note*	30 June 2026 (unaudited)	31 December 2025 (audited)
Non-current assets:			
Disbursement of loans and advances to customers			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments		106,337,897.17	112,106,835.13
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets		827,479,110.14	846,943,355.65
Construction in progress		36,932,009.19	14,754,194.27
Productive biological assets			
Oil and gas assets			
Right-of-use assets		162,811,396.61	171,039,349.61
Intangible assets		157,305,740.76	162,678,164.43
Of which: Information resources			
Development expenditures			
Of which: Information resources			
Goodwill		168,996,039.10	168,996,039.10
Long-term deferred expenses		13,058,701.01	14,066,067.60
Deferred income tax assets		17,436,887.93	16,855,655.86
Other non-current assets		1,769,074.36	4,918,574.34
Total non-current assets		1,492,126,856.27	1,512,358,235.99
Total assets		2,950,188,212.88	3,133,490,813.13

Consolidated Balance Sheet (Continued)
June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	*Note*	30 June 2026 (unaudited)	31 December 2025 (audited)
Current liabilities:			
Short-term borrowings		60,000,000.00	180,000,000.00
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		129,264,783.26	114,056,555.05
Accounts payable		364,750,349.11	345,108,522.50
Advances from customers			
Contractual liabilities		64,553,091.20	52,183,269.47
Financial assets sold under agreements to repurchase			
Customer bank deposits and due to banks and other financial institutions			
Customer broking			
Securities underwriting			
Employee benefits payable		23,859,090.88	35,607,575.26
Taxes payable		6,459,347.84	17,357,397.31
Other payables		36,803,739.60	34,513,428.48
Including: Interest payable			
Dividends payable			
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		30,603,340.00	20,158,264.58
Other current liabilities		11,329,836.59	21,732,565.26
Total current liabilities		727,623,578.48	820,717,577.91

Consolidated Balance Sheet (Continued)
June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	Note	30 June 2026 (unaudited)	31 December 2025 (audited)
Non-current liabilities:			
Insurance contract reserves			
Long-term borrowings		143,565,661.71	151,594,466.85
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		199,820,421.36	207,696,873.72
Long-term payables		543,207,700.00	543,207,700.00
Long-term employee benefits payable		36,183,149.28	35,047,602.43
Provisions		14,719,214.91	11,324,097.72
Deferred income		16,063,222.72	12,196,070.50
Deferred income tax liabilities		3,865,024.60	4,471,217.03
Other non-current liabilities			
Total non-current liabilities		957,424,394.58	965,538,028.25
Total liabilities		1,685,047,973.06	1,786,255,606.16

Consolidated Balance Sheet (Continued)
June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited *Unit: Yuan*
Currency: RMB

Item	*Note*	**30 June 2026 (unaudited)**	**31 December 2025 (audited)**
Owner's equity (or shareholders' equity):			
Paid-up capital (or share capital)		547,485,988.00	547,485,988.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		1,023,703,195.82	1,022,910,641.69
Less: Treasury shares			
Other comprehensive income		449,307.66	2,613,676.09
Special reserves		2,718,193.32	2,276,474.67
Surplus reserves		45,665,647.68	45,665,647.68
General risk provision			
Undistributed profits		-826,141,373.58	-763,507,523.54
Total equity attributable to owners (or shareholders) of the parent company		793,880,958.90	857,444,904.59
Minority interests		471,259,280.92	489,790,302.38
Total owners' equity (or shareholders' equity)		1,265,140,239.82	1,347,235,206.97
Total liabilities and owners' equity (or shareholders' equity)		2,950,188,212.88	3,133,490,813.13

Person in charge of the Company:	*Person in charge of accounting:*	*Person in charge of the accounting firm:*
Mr. Li Zhongbo	**Ms. Feng Yongmei**	**Mr. Yang Yue**

Balance Sheet of Parent Company

June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	*Note*	30 June 2026 (unaudited)	31 December 2025 (audited)
Current assets:			
Cash at bank and on hand		38,078,413.43	28,394,556.14
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable		93,525,134.34	78,045,788.29
Receivables financing			440,150.00
Advances to suppliers		124,874.74	
Other receivables		434,996,954.55	431,166,974.28
Including: Interest receivable		61,162,999.56	55,657,582.87
Dividends receivable			
Inventories		496,239.91	
Of which: Information resources			
Contractual assets		21,172,304.86	23,362,172.74
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		1,500,218.93	
Total current assets		589,894,140.76	561,409,641.45

Balance Sheet of Parent Company (Continued)
June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	*Note*	30 June 2026 (unaudited)	31 December 2025 (audited)
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments		1,599,609,640.36	1,599,609,640.36
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets		50,190.25	61,629.73
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Of which: Information resources			
Development expenditures			
Of which: Information resources			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets		1,413,843.66	1,253,806.60
Other non-current assets			
Total non-current assets		1,601,073,674.27	1,600,925,076.69
Total assets		2,190,967,815.03	2,162,334,718.14

Balance Sheet of Parent Company (Continued)
June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	Note	30 June 2026 (unaudited)	31 December 2025 (audited)
Current liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		127,448,036.12	104,930,733.60
Advances from customers			
Contractual liabilities		6,540,364.41	415,000.00
Employee benefits payable		5,909,536.18	7,159,536.18
Taxes payable		869,413.00	820,454.17
Other payables		5,137,369.26	5,545,963.78
Including: Interest payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities		145,904,718.97	118,871,687.73
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		200,000,000.00	200,000,000.00
Long-term employee benefits payable			
Provisions			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		200,000,000.00	200,000,000.00
Total liabilities		345,904,718.97	318,871,687.73

Balance Sheet of Parent Company (Continued)
June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited *Unit: Yuan*
Currency: RMB

Item	*Note*	30 June 2026 (unaudited)	31 December 2025 (audited)
Owner's equity (or shareholders' equity):			
Paid-up capital (or share capital)		547,485,988.00	547,485,988.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		1,319,569,088.11	1,319,387,810.86
Less: Treasury stocks			
Other comprehensive income			
Special reserves			
Surplus reserves		38,071,282.24	38,071,282.24
Undistributed profits		-60,063,262.29	-61,482,050.69
Total owners' equity (or shareholders' equity)		1,845,063,096.06	1,843,463,030.41
Total liabilities and owners' equity (or shareholders' equity)		2,190,967,815.03	2,162,334,718.14

Person in charge of the Company:	*Person in charge of accounting:*	*Person in charge of the accounting firm:*
Mr. Li Zhongbo	**Ms. Feng Yongmei**	**Mr. Yang Yue**

Consolidated Income Statement
January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	**First half year of 2026**	**First half year of 2025**
I. Total operating revenue		652,122,001.04	680,343,762.00
Including: Operating revenue		652,122,001.04	680,343,762.00
Interest income			
Earned premiums			
Fee and commission income			
II. Total operating cost		708,973,600.45	675,114,273.71
Including: Operating cost		576,406,582.26	548,694,876.01
Interest expenditure			
Fee and commission expenses			
Cash surrender amount			
Net expenses of claim settlement			
Net provision for insurance contract reserves			
Policyholder dividend expenses			
Reinsurance expenses			
Taxes and surcharges		4,045,831.09	4,776,500.62
Selling expenses		19,743,802.49	20,038,057.94
Administrative expenses		49,948,522.00	54,164,729.47
R & D expenses		45,992,312.89	42,208,662.39
Financial expenses		12,836,549.73	5,231,447.28
Including: Interest expenses		9,101,732.38	11,431,716.95
Interest income		1,115,221.94	1,170,019.89

Consolidated Income Statement (Continued)
January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
Add: Other incomes		3,429,464.30	5,136,207.55
Investment income (loss to be listed with "-")		-5,357,197.25	877,021.41
Including: Income from investment in associates and joint ventures (loss to be listed with "-")		-5,768,937.96	-1,167,116.34
Derecognition income of financial asset measured at the amortized cost (loss to be listed with "-")			
Exchange gains (loss to be listed with "-")			
Net exposure hedging income (loss to be listed with "-")			
Income from changes in fair value (loss to be listed with "-")			
Credit impairment losses (loss to be listed with "-")		-2,478,518.10	-2,900,919.33
Asset impairment losses (loss to be listed with "-")		-18,402,409.64	-15,307,507.45
Income from assets disposal (loss to be listed with "-")		6,584.07	1,472,831.23
III. Operating profit (loss to be listed with "-")		-79,653,676.03	-5,492,878.30
Add: Non-operating revenue		3,043,952.04	1,088,038.32
Less: Non-operating expenses		31,268.43	390,711.56
IV. Total profit (total loss to be listed with "-")		-76,640,992.42	-4,795,551.54
Less: Income tax expenses		4,845,865.64	6,978,008.16

Consolidated Income Statement (Continued)
January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
V. Net profit (net loss to be listed with "-")		-81,486,858.06	-11,773,559.70
(I) Classified according to operating continuity			
1. Net profit from continuing operations (net loss to be listed with "-")		-81,486,858.06	-11,773,559.70
2. Net profit from discontinuing operations (net loss to be listed with "-")			
(II) Classified according to attribution of the ownership			
1. Net profit attributable to the owner of the parent company (net loss to be listed with "-")		-62,633,850.04	-15,755,703.57
2. Non-controlling interests		-18,853,008.02	3,982,143.87
VI. Net after-tax amount of other comprehensive income		-2,391,507.95	-310,835.69
(1) Net after-tax amount of other comprehensive income attributable to the owner of the parent company		-2,164,368.43	-281,553.58
1. Other comprehensive income that cannot be reclassified into profit or loss			
(1) Changes arising from remeasurement of the defined benefit plan			
(2) Other comprehensive income that cannot be converted to profit or loss under the equity method			
(3) Changes in fair value of other equity instrument investments			
(4) Changes in fair value of the enterprise's credit risk			

Consolidated Income Statement (Continued)
January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited *Unit: Yuan*
Currency: RMB

Type of audit: Unaudited

Item	*Note*	**First half year of 2026**	**First half year of 2025**
2. Other comprehensive income that will be reclassified into profit or loss (loss to be listed with "-")		-2,164,368.43	-281,553.58
(1) Other comprehensive income that can be converted to profit or loss under the equity method			1,558.12
(2) Changes in fair value of other debt investment			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for impairment of credit in other debt investments			
(5) Reserves for cash flow hedge			
(6) Translation difference of foreign currency financial statements		-2,164,368.43	-283,111.70
(7) Others			
(2) Net of tax of other comprehensive income attributable to minority shareholders		-227,139.52	-29,282.11
VII. Total comprehensive income (loss to be listed with "-")		-83,878,366.01	-12,084,395.39
(1) Total comprehensive income attributable to shareholders of the parent company		-64,798,218.47	-16,037,257.15
(2) Total comprehensive income attributable to minority shareholders		-19,080,147.54	3,952,861.76

Consolidated Income Statement (Continued)
January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
VIII. Earnings per share (loss to be listed with "-")			
(1) Basic earnings per share (RMB/ share)		-0.10	-0.03
(2) Diluted earnings per share (RMB/ share)		-0.10	-0.03

For the business combination under common control occurred during the current period, net profit of the acquiree realised before business combination was RMB0. Net profit of the acquiree realised during the last period was RMB0.

Person in charge of the Company:	*Person in charge of accounting:*	*Person in charge of the accounting firm:*
Mr. Li Zhongbo	**Ms. Feng Yongmei**	**Mr. Yang Yue**

Income Statement of Parent Company

January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited *Unit: Yuan*

Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
I. Operating revenue		1,813,081.11	2,011,457.25
Less: Operating cost			
Taxes and surcharges		11,909.62	46,611.15
Selling expenses			
Administrative expenses		4,489,593.21	5,811,861.23
R & D expenses			
Financial expenses		-5,275,053.42	-5,567,217.58
Including: Interest expenses			
Interest incomes		5,281,925.18	5,572,472.58
Add: Other incomes		7,271.10	14,133.53
Investment income (loss to be listed with “-”)			
Including: Income from investment in associates and joint ventures			
Derecognition income of financial asset measured at the amortized cost (loss to be listed with “-”)			
Net exposure hedging income (loss to be listed with “-”)			
Income from changes in fair value (loss to be listed with “-”)			
Credit impairment losses (loss to be listed with “-”)		-691,930.33	90,618.98
Asset impairment losses (loss to be listed with “-”)		51,782.12	91,642.17
Income from assets disposal (loss to be listed with “-”)			23,185.24

Income Statement of Parent Company (Continued)
June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited *Unit: Yuan*
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
II. Operating profit (loss to be listed with with "-")		1,953,754.59	1,939,782.37
Add: Non-operating revenue			
Less: Non-operating expenses			
III. Total profit (total loss to be listed with "-")		1,953,754.59	1,939,782.37
Less: Income tax expenses		534,966.19	988,717.32
IV. Net profit (net loss to be listed with "-")		1,418,788.40	951,065.05
(I) Net profit from continuing operations (net loss to be listed with "-")		1,418,788.40	951,065.05
(II) Net profit from discontinued operations (net loss to be listed with "-")			
V. Net of tax of other comprehensive income			
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1. Changes arising from remeasurement of the defined benefit plan			
2. Other comprehensive income that cannot be converted to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of the enterprise's credit risk			

Income Statement of Parent Company (Continued)
June 30, 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited *Unit: Yuan*
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
(II) Other comprehensive income that will be reclassified into profit or loss			
1. Other comprehensive income that can be converted to profit or loss under the equity method			
2. Changes in fair value of other debt investment			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for impairment of credit in other debt investments			
5. Reserves for cash flow hedge			
6. Translation difference of foreign currency financial statements			
7. Others			
VI. Total comprehensive incomes		1,418,788.40	951,065.05
VII. Earnings per share (loss to be listed with "-"):			
(1) Basic earnings per share (RMB/share)			
(2) Diluted earnings per share (RMB/share)			

Person in charge of the Company:	*Person in charge of accounting:*	*Person in charge of the accounting firm:*
Mr. Li Zhongbo	**Ms. Feng Yongmei**	**Mr. Yang Yue**

Consolidated Cash Flow Statement

January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		520,183,347.36	459,636,286.92
Net increase in deposits from customers and placements from banks and other financial institutions			
Net increase in borrowings from the central bank			
Net increase in placement from other financial institutions			
Cash received for receiving premiums of original insurance contract			
Net cash received from reinsurance business			
Net increase in policyholders' deposits and investment			
Cash received from interests, fees and commissions			
Net increase in placement from banks and other financial institutions			
Net increase from repurchasing business funds			
Net cash received from securities brokering			
Taxes and surcharges refunds		27,920,421.64	58,780,171.68
Other cash receipts related to operating activities		25,875,706.92	27,559,182.37
Subtotal of cash inflows from operating activities		573,979,475.92	545,975,640.97

Consolidated Cash Flow Statement (Continued)
January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	**First half year of 2026**	**First half year of 2025**
Cash paid for goods and services		406,867,538.53	370,819,988.79
Net increase in loans and advances to customers			
Net increase in deposits with the central bank and other financial institutions			
Cash paid for claim settlements on original insurance contract			
Net increase in placements from banks and other financial institutions			
Cash paid for interests, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		127,068,295.57	125,935,019.00
Taxes and surcharges payments		27,945,446.37	37,452,254.96
Other cash payments related to operating activities		100,742,180.76	101,720,945.73
Subtotal of cash outflows from operating activities		662,623,461.23	635,928,208.48
Net cash flows from operating activities		-88,643,985.31	-89,952,567.51

Consolidated Cash Flow Statement (Continued)
January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
II. Cash flows from investing activities:			
Cash received from return of investment			
Cash received from acquirement of investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		114,363.00	5,298,162.26
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts related to investing activities			
Subtotal of cash inflows from investing activities		114,363.00	5,298,162.26
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		20,479,232.08	28,419,621.82
Cash paid to acquire investments		490,000.00	20,000,000.00
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments related to investing activities			
Subtotal of cash outflows from investing activities		20,969,232.08	48,419,621.82
Net cash flows from investing activities		-20,854,869.08	-43,121,459.56

Consolidated Cash Flow Statement (Continued)

January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
III. Cash flows from financing activities:			
Cash received from absorbing investment			
Including: Cash received by subsidiaries from minority shareholders' investment			
Cash received from borrowings		13,190,000.00	191,900,000.00
Other cash receipts related to financing activities			
Subtotal of cash inflows from financing activities		13,190,000.00	191,900,000.00
Cash paid for repayments of debts		131,234,068.57	160,500,000.00
Cash paid for distribution of dividends, profits or interest repayment		3,453,278.77	5,122,505.55
Including: Dividends and profits paid to minority shareholders by subsidiaries			
Other cash payments related to financing activities		13,357,986.79	14,348,210.46
Subtotal of cash outflows from financing activities		148,045,334.13	179,970,716.01
Net cash flows from financing activities		-134,855,334.13	11,929,283.99
IV. Impact of foreign exchange rate changes on cash and cash equivalents		-2,385,865.05	2,813,553.52
V. Net increase in cash and cash equivalents		-246,740,053.57	-118,331,189.56
Add: Beginning balance of cash and cash equivalents		544,234,075.14	410,572,389.38
VI. Ending balance of cash and cash equivalents		297,494,021.57	292,241,199.82

Person in charge of the Company:	*Person in charge of accounting:*	*Person in charge of the accounting firm:*
Mr. Li Zhongbo	**Ms. Feng Yongmei**	**Mr. Yang Yue**

Cash Flow Statement of Parent Company
January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
I. Cash flows from operating activities:			
Cash received from sales of goods or provision of services		37,598,991.74	46,449,280.00
Taxes and surcharges refunds			
Other cash receipts related to operating activities		4,310,484.41	7,730,194.68
Subtotal of cash inflows from operating activities		41,909,476.15	54,179,474.68
Cash paid for goods and services		22,512,276.30	33,727,597.20
Cash paid to and for employees		4,399,336.15	4,654,377.49
Taxes and surcharges payments		421,701.79	1,031,538.07
Other cash payments related to operating activities		4,888,927.46	8,708,159.61
Subtotal of cash outflows from operating activities		32,222,241.70	48,121,672.37
Net cash flows from operating activities		9,687,234.45	6,057,802.31

Cash Flow Statement of Parent Company (Continued)

January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
II. Cash flows from investing activities:			
Cash received from return of investment			
Cash received from acquirement of investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts related to investing activities			
Subtotal of cash inflows from investing activities			
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets			
Cash paid to acquire investments			20,000,000.00
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments related to investing activities			
Subtotal of cash outflows from investing activities			20,000,000.00
Net cash flows from investing activities			-20,000,000.00

Cash Flow Statement of Parent Company (Continued)
January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Type of audit: Unaudited

Item	*Note*	First half year of 2026	First half year of 2025
III. Cash flows from financing activities:			
Cash received from absorbing investments			
Cash received from borrowings			
Other cash receipts related to financing activities			
Subtotal of cash inflows from financing activities			
Cash paid for repayment of debts			
Cash paid for distribution of dividends, profits or interest repayment			
Other cash payments related to financing activities			1,326,852.17
Subtotal of cash outflows from financing activities			1,326,852.17
Net cash flows from financing activities			-1,326,852.17
IV. Impact of foreign exchange rate changes on cash and cash equivalents		-3,377.16	
V. Net increase in cash and cash equivalents		9,683,857.29	-15,269,049.86
Add: Beginning balance of cash and cash equivalents		28,394,556.14	60,762,474.36
VI. Ending balance of cash and cash equivalents		38,078,413.43	45,493,424.50

Person in charge of the Company:	*Person in charge of accounting:*	*Person in charge of the accounting firm:*
Mr. Li Zhongbo	**Ms. Feng Yongmei**	**Mr. Yang Yue**

Consolidated Statement of Changes in Owners' Equity

January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	First half year of 2026														
	Equity attributable to owners of the parent company													Minority shareholders interest	Total owners' equity
	Paid-up capital (or share capital)	Other equity instruments: Preferred shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profit	Others	Subtotal		
I. Closing balance of the previous period	547,485,988.00				1,022,910,641.69		2,613,676.09	2,276,474.67	45,665,647.68		-763,507,523.54		857,444,904.59	489,790,302.38	1,347,235,206.97
Add: Changes in accounting policies															
Corrections of prior period errors															
Others															
II. Opening balance of the current period	547,485,988.00				1,022,910,641.69		2,613,676.09	2,276,474.67	45,665,647.68		-763,507,523.54		857,444,904.59	489,790,302.38	1,347,235,206.97
III. Movements of the current period (decrease to be listed with "-")					792,554.13		-2,164,368.43	441,718.65			-62,633,850.04		-63,563,945.69	-18,531,021.46	-82,094,967.15
(I) Total comprehensive income							-2,164,368.43				-62,633,850.04		-64,798,218.47	-19,080,147.54	-83,878,366.01
(II) Capital invested and reduced by owners					792,554.13								792,554.13	229,765.20	1,022,319.33
1. Common shares invested by owners															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment recognized as owners' equity					792,554.13								792,554.13	229,765.20	1,022,319.33
4. Others															
(III) Profit distribution															
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carry-over in owners' equity															
1. Transfer from capital reserves to capital (or share capital)															
2. Transfer from surplus reserves to capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried over from changes in defined benefit plans															
5. Retained earnings carried over from other comprehensive income															
6. Others															
(V) Special reserves								441,718.65					441,718.65	319,360.88	761,079.53
1. Appropriation in current period								3,140,957.81					3,140,957.81	1,753,391.65	4,894,349.46
2. Use in current period								-2,699,239.16					-2,699,239.16	-1,434,030.77	-4,133,269.93
(VI) Others															
IV. Closing balance of the current period	547,485,988.00				1,023,703,195.82		449,307.66	2,718,193.32	45,665,647.68		-826,141,373.58		793,880,958.90	471,259,280.92	1,265,140,239.82

Consolidated Statement of Changes in Owners' Equity (Continued)

January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	First half year of 2025														
	Equity attributable to owners of the parent company														
		Other equity instruments													
	Paid-up capital (or share capital)	Preferred shares	Perpetual bonds	Others	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profit	Others	Subtotal	Minority shareholders interest	Total owners' equity
I. Closing balance of the previous period	547,665,988.00				1,195,306,532.75		4,172,992.51	1,222,044.23	45,665,647.68		-709,876,579.95		1,084,156,625.22	328,000,614.33	1,412,157,239.55
Add: Changes in accounting policies															
Corrections of prior period errors															
Others															
II. Opening balance of the current period	547,665,988.00				1,195,306,532.75		4,172,992.51	1,222,044.23	45,665,647.68		-709,876,579.95		1,084,156,625.22	328,000,614.33	1,412,157,239.55
III. Movements of the current period (decrease to be listed with "-")	-180,000.00				2,528,599.46		-281,553.58	1,348,846.12			-15,755,703.57		-12,339,811.57	4,932,004.81	-7,407,806.76
(I) Total comprehensive income							-281,553.58				-15,755,703.57		-16,037,257.15	3,952,861.76	-12,084,395.39
(II) Capital invested and decreased by owners	-180,000.00				2,528,599.46								2,348,599.46	491,257.76	2,839,857.22
1. Common shares invested by owners															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment recognized as owners' equity					3,667,999.46								3,667,999.46	491,257.76	4,159,257.22
4. Others	-180,000.00				-1,139,400.00								-1,319,400.00		-1,319,400.00
(III) Profit distribution															
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carry-over in owners' equity															
1. Transfer from capital reserves to capital (or share capital)															
2. Transfer from surplus reserves to capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried over from changes in defined benefit plans															
5. Retained earnings carried over from other comprehensive income															
6. Others															
(V) Special reserves								1,348,846.12					1,348,846.12	487,885.29	1,836,731.41
1. Appropriation in current period								4,026,747.99					4,026,747.99	1,709,004.06	5,735,752.05
2. Use in current period								-2,677,901.87					-2,677,901.87	-1,221,118.77	-3,899,020.64
(VI) Others															
IV. Closing balance of the current period	547,485,988.00				1,197,835,132.21		3,891,438.93	2,570,890.35	45,665,647.68		-725,632,283.52		1,071,816,813.65	332,932,619.14	1,404,749,432.79

Person in charge of the Company:
Mr. Li Zhongbo

Person in charge of accounting:
Ms. Feng Yongmei

Person in charge of the accounting firm:
Mr. Yang Yue

Parent Company's Statement of Changes in Owners' Equity

January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	First half year of 2026										
	Paid-up capital (or share capital)	Other equity instruments: Preferred shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity
I. Closing balance of the previous period	547,485,988.00				1,319,387,810.86				38,071,282.24	-61,482,050.69	1,843,463,030.41
Add: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Opening balance of the current period	547,485,988.00				1,319,387,810.86				38,071,282.24	-61,482,050.69	1,843,463,030.41
III. Movements of the current period (decrease to be listed with "-")					181,277.25					1,418,788.40	1,600,065.65
(I) Total comprehensive income										1,418,788.40	1,418,788.40
(II) Capital invested and decreased by owners					181,277.25						181,277.25
1. Common shares invested by owners											
2. Capital invested by other equity instrument holders											
3. Amount of share-based payment recognized as owners' equity					181,277.25						181,277.25
4. Others											
(III) Profit distribution											
1. Appropriation to surplus reserves											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal carry-over in owners' equity											
1. Transfer from capital reserves to capital (or share capital)											
2. Transfer from surplus reserves to capital (or share capital)											
3. Recovery of losses by surplus reserves											
4. Retained earnings carried over from changes in defined benefit plans											
5. Retained earnings carried over from other comprehensive income											
6. Others											
(V) Special reserves											
1. Appropriation in current period											
2. Use in current period											
(VI) Others											
IV. Closing balance of the current period	547,485,988.00				1,319,569,088.11				38,071,282.24	-60,063,262.29	1,845,063,096.06

Parent Company's Statement of Changes in Owners' Equity (Continued)

January-June 2026

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	First half year of 2025										
	Paid-up capital (or share capital)	Other equity instruments: Preferred shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity
I. Closing balance of the previous period	547,665,988.00				1,320,831,896.72				38,071,282.24	-61,096,993.06	1,845,472,173.90
Add: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Opening balance of the current period	547,665,988.00				1,320,831,896.72				38,071,282.24	-61,096,993.06	1,845,472,173.90
III. Movements of the current period (decrease to be listed with "-")	-180,000.00				-1,161,100.71					951,065.05	-390,035.66
(I) Total comprehensive income										951,065.05	951,065.05
(II) Capital invested and reduced by owners	-180,000.00				-1,161,100.71						-1,341,100.71
1. Common shares invested by owners											
2. Capital invested by other equity instrument holders											
3. Amount of share-based payment recognized as owners' equity					642,599.29						642,599.29
4. Others	-180,000.00				-1,803,700.00						-1,983,700.00
(III) Profit distribution											
1. Appropriation to surplus reserves											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal carry-over in owners' equity											
1. Transfer from capital reserves to capital (or share capital)											
2. Transfer from surplus reserves to capital (or share capital)											
3. Recovery of losses by surplus reserves											
4. Retained earnings carried over from changes in defined benefit plans											
5. Retained earnings carried over from other comprehensive income											
6. Others											
(V) Special reserves											
1. Appropriation in current period											
2. Use in current period											
(VI) Others											
IV. Closing balance of the current period	547,485,988.00				1,319,670,796.01				38,071,282.24	-60,145,928.01	1,845,082,138.24

Person in charge of the Company:
Mr. Li Zhongbo

Person in charge of accounting:
Ms. Feng Yongmei

Person in charge of the accounting firm:
Mr. Yang Yue

Notes:

1. **Aging analysis of accounts receivable**

Unit: Yuan
Currency: RMB

Aging	**Book balance at the end of the period**	**Book balance at the beginning of the period**
Within one year	559,664,446.32	538,025,092.23
Subtotal within one year	559,664,446.32	538,025,092.23
One to two years	130,972,950.27	93,715,216.12
Two to three years	36,649,935.93	41,115,874.16
More than three years	–	–
Three to four years	33,819,673.61	29,406,431.45
Four to five years	3,955,366.88	18,988,748.03
More than five years	38,662,985.80	33,302,548.25
Total	**803,725,358.81**	**754,553,910.24**

2. **Aging analysis of accounts payable**

Significant payables with an age of over 1 year:

☐ Applicable √ Not Applicable

3. **Turnover**

The turnover shall include the received and receivable net sales value of different types of gas storage-transport vessels, spare parts, intelligent manufacturing, integration of automation equipment and net value of service provisions. Their analysis is shown as follows:

Unit: Yuan
Currency: RMB

Item	**Amount in the current period**	**Amount in the corresponding period of last year**
Gas storage and transportation product	551,356,934.79	573,586,539.10
Automated manufacturing equipment system integration	54,703,340.70	61,741,429.21
Others	22,273,073.82	29,952,528.31
Gross Sales	**628,333,349.31**	**665,280,496.62**
Less: Sales tax and other additional charges	4,045,831.09	4,776,500.62
Total	**624,287,518.22**	**660,503,996**

4. **Taxes**

(1) Main Tax Types and Tax Rate

Tax category	**Taxation basis**	**Tax rate**
Value-added tax	Taxable amount of added value	13%, 9%, 6%, 5%
Excise tax	–	–
Business tax	–	–
City maintenance and construction tax	VAT payable	7%, 5%, 1%
Corporate income tax	Taxable income	25%, 15%
Education surcharge	VAT payable	3%
Local education surcharge	VAT payable	2%
Property tax	70%-80% of the original property value and income from property leasing	1.2% and 12%
Hong Kong profits tax	Taxable income	16.50%
Corporate income tax (USA)	Taxable income	21%

(2) Description of taxpayers and the tax rates of different corporate income taxes:

Names of the taxpayer	Income tax rate
The Company	25%
Beijing Tianhai Industry Co., Ltd.*	25%
Tianjin Tianhai High Pressure Container Co., Ltd.*	15%
Shanghai Tianhai Composite Cylinders Co., Ltd.*	15%
Beijing Tianhai Cryogenic Equipment Co., Ltd.*	25%
Beijing Tianhai Hydrogen Energy Equipment Co., Ltd.*	15%
Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd.*	25%
Kuancheng Tianhai Pressure Container Co., Ltd.*	15%
BTIC AMERICA CORPORATION	21%
Jingcheng Holding (Hong Kong) Co., Ltd.*	16.50%
Qingdao BYTQ United Digital Intelligence Co., Ltd.*	15%
Beijing Jingcheng Haitong Technology Culture Development Co., Ltd.*	25%

(3) Tax preference

√ Applicable □ Not applicable

On December 8, 2023, Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, obtained a high-tech enterprise certificate with the certificate number GR202312003152. The certificate was jointly issued by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau and Tianjin Municipal Tax Service, State Taxation Administration. The validity of the certificate is three years. The corporate income tax is calculated at a preferential corporate income tax rate of 15% for the current period.

On December 12, 2023, Shanghai Tianhai Composite Cylinders Co., Ltd., a subsidiary of the Company, obtained a high-tech enterprise certificate with the certificate number GR202331006818. The certificate was jointly issued by Science and Technology Commission of Shanghai Municipality, Shanghai Municipal Finance Bureau and Shanghai Municipal Tax Service, State Taxation Administration. The validity of the certificate is three years. The corporate income tax is calculated at a preferential corporate income tax rate of 15% for the current period.

On November 30, 2023, Beijing Tianhai Hydrogen Energy Equipment Co., Ltd., a subsidiary of the Company, obtained a high-tech enterprise certificate with the certificate number GR202311005600 jointly issued by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration. The validity of the certificate is three years. The corporate income tax is calculated at a preferential corporate income tax rate of 15% for the current period.

On October 28, 2025, Kuancheng Tianhai Pressure Container Co., Ltd., a subsidiary of the Company, obtained a high-tech enterprise certificate with the certificate number GR202513000045 jointly issued by Hebei Provincial Department of Science and Technology, Hebei Provincial Finance Department, Hebei Provincial Tax Service, State Taxation Administration. The validity of the certificate is three years. The corporate income tax is calculated at a preferential corporate income tax rate of 15% for the current period.

On December 4, 2024, Qingdao BYTQ United Digital Intelligence Co., Ltd., a subsidiary of the Company, received a high-tech enterprise certificate numbered GR202437101841 from Qingdao Municipal Science and Technology Bureau, Qingdao Municipal Finance Bureau, and Qingdao Tax Service, State Taxation Administration, with a validity period of three years. The corporate income tax is calculated at a preferential corporate income tax rate of 15% for the current period.

According to the "Notice of the Ministry of Finance and the State Taxation Administration on Extending the Period of Loss Carryover of High-tech Enterprises and Technology-based SMEs" (Cai Shui [2018] No.76), since January 1, 2018, for enterprises qualified as high and new technologies enterprises or enterprises qualified as science and technology small and medium-sized enterprises at that year, their uncovered losses occurred in 5 years before the year when such qualifications are obtained are allowed to be carried forward to cover up in the following years, and the maximum carry-forward period is extended from 5 years to 10 years.

(4) Changes in taxation and taxation preferential policy

Corporate income tax of Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, shall be calculated at a preferential corporate income tax rate of 25% for the current period.

(5) Taxes

Unit: Yuan
Currency: RMB

Item	Amount in the current period	Amount in the corresponding period of last year
Income tax in the current period	6,033,290.14	8,525,117.06
Deferred income tax	-1,187,424.50	-1,547,108.90
Total	**4,845,865.64**	**6,978,008.16**

5. Earnings per share

(1) Basic earnings per share is calculated through dividing consolidated net profit attributable to the ordinary shareholders of the parent company by the weighted average outstanding ordinary shares.

Unit: Yuan
Currency: RMB

Item	Current period	Last period
Consolidated net profit attributable to the ordinary shareholders of the parent company	-62,633,850.04	-15,755,703.57
Consolidated net profit attributable to the ordinary shareholders of the parent company (after deducting non-recurring gains and losses)	-67,644,182.66	-22,602,812.49
The weighted average numbers of outstanding ordinary shares of the parent company	547,485,988	547,665,988
Basic earnings per share (RMB/share)	-0.10	-0.03
Basic earnings per share (RMB/share) (after deducting non-recurring gains and losses)	-0.11	-0.04

(2) Diluted earnings per share

Unit: Yuan
Currency: RMB

Item	Current period	Last period
Consolidated net profit attributable to the ordinary shareholders of the parent company after adjustment	-62,633,850.04	-15,755,703.57
Consolidated net profit attributable to the ordinary shareholders of the parent company (after deducting non-recurring gains and losses) after adjustment	-67,644,182.66	-22,602,812.49
The weighted average numbers of outstanding ordinary shares of the parent company after adjustment	547,485,988	547,665,988
Diluted earnings per share (RMB/share)	-0.10	-0.03
Diluted earnings per share (RMB/share) (after deducting non-recurring gains and losses)	-0.11	-0.04

6. Share capital

The change in the legal, issued and paid-up share capital of the Company was as follows. All the shares of the Company are ordinary shares with a face value of RMB1 per share.

Unit: shares

Item	Opening amount		Change in the current period					Closing amount	
	Amount	Ratio (%)	Issuing new shares	Bonus shares	Transfer from capital surplus to share capital	Others	Subtotal	Amount	Ratio (%)
Total restricted shares (non-tradable A share)	3,445,200	0.63	0	0	0	0	0	3,445,200	0.63
Unrestricted shares (tradable A share)	444,040,788	81.10	0	0	0	0	0	444,040,788	81.10
Total	447,485,988	81.73	0	0	0	0	0	447,485,988	81.73
Ordinary shares (RMB)	447,485,988	81.73	0	0	0	0	0	447,485,988	81.73
Overseas listed foreign shares	100,000,000	18.27	0	0	0	0	0	100,000,000	18.27
Total	547,485,988	100.00	0	0	0	0	0	547,485,988	100.00
Total shares	547,485,988	100.00	0	0	0	0	0	547,485,988	100.00

7. Dividend

No dividend was paid or declared during the first half of 2026. No dividend was declared after the end of the Reporting Period up to the date of this announcement (2025: nil).

For and on behalf of the Board
Beijing Jingcheng Machinery Electric Company Limited
Luan Jie
Company Secretary

Beijing, the PRC
14 August 2026

As at the date of this announcement, the Board of the Company comprises Mr. Zhang Jiheng as an executive director, Mr. Li Zhongbo, Mr. Wang Kai, Mr. Zhou Yongjun, Mr. Zhao Xihua, Mr. Tian Dongqiang and Ms. Niu Yunjing as non-executive directors, and Ms. Chen Junping, Mr. Lu Chenyu, Mr. Zhang Zheng and Mr. Chen Weiyong as independent non-executive directors.

* *For identification purposes only*