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德 基 科 技

D&G TECHNOLOGY

D&G TECHNOLOGY HOLDING COMPANY LIMITED

<INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY>

STOCK CODE 1301



# 2025

## INTERIM

## REPORT



中國香港BOCHK  
中國證券交易所上市



中國香港BOCHK  
中國證券交易所上市



中國香港BOCHK  
中國證券交易所上市



HK&GA  
香港綠色企業大獎  
HONG KONG GREEN AWARDS  
CORPORATE LEADERSHIP  
Corporate Green Excellence Award



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Ms. Choi Kwan Li, Glendy  
*(Chairman and Chief Executive Officer)*  
*(Appointed on 23 June 2025)*  
Mr. Choi Hon Ting, Derek  
Mr. Liu Tom Jing-zhi  
Mr. Lao Kam Chi  
Mr. Choi Hung Nang *(Chairman)*  
*(Resigned on 23 June 2025)*

#### Non-Executive Directors

Mr. Chan Lewis  
Mr. Alain Vincent Fontaine

#### Independent Non-Executive Directors

Mr. O'Yang Wiley  
Mr. Lee Wai Yat, Paco  
Ms. Hu Bingbing  
*(Appointed on 1 September 2025)*  
Mr. Fok Wai Shun, Wilson  
*(Resigned on 1 September 2025)*  
Mr. Li Zongjin *(Resigned on 23 June 2025)*

### AUDIT COMMITTEE

Mr. O'Yang Wiley *(Chairman)*  
Mr. Lee Wai Yat, Paco  
Ms. Hu Bingbing  
*(Appointed on 1 September 2025)*  
Mr. Fok Wai Shun, Wilson  
*(Resigned on 1 September 2025)*  
Mr. Li Zongjin *(Resigned on 23 June 2025)*

### REMUNERATION COMMITTEE

Ms. Choi Kwan Li, Glendy  
Mr. O'Yang Wiley  
Ms. Hu Bingbing *(Chairman)*  
*(Appointed on 1 September 2025)*  
Mr. Fok Wai Shun, Wilson *(Chairman)*  
*(Resigned on 1 September 2025)*

### NOMINATION COMMITTEE

Mr. Lee Wai Yat, Paco *(Chairman,*  
*appointed Chairman on 23 June 2025,*  
*existing member prior to appointment)*  
Ms. Choi Kwan Li, Glendy  
*(Appointed on 30 June 2025)*  
Mr. Choi Hon Ting, Derek  
*(Appointed on 23 June 2025 and*  
*resigned on 30 June 2025)*  
Mr. Choi Hung Nang *(Chairman)*  
*(Resigned on 23 June 2025)*  
Mr. Li Zongjin *(Resigned on 23 June 2025)*

### RISK MANAGEMENT COMMITTEE

Ms. Choi Kwan Li, Glendy *(Chairman)*  
Mr. Liu Tom Jing-zhi  
Mr. O'Yang Wiley  
Ms. Hu Bingbing  
*(Appointed on 1 September 2025)*  
Mr. Fok Wai Shun, Wilson  
*(Resigned on 1 September 2025)*  
Mr. Yeung Tsz Kit Alban  
*(Resigned on 1 September 2025)*

### COMPANY SECRETARY

Mr. Fok Wai Shun, Wilson  
*(Appointed on 1 September 2025)*  
Mr. Yeung Tsz Kit Alban  
*(Resigned on 1 September 2025)*

### AUTHORISED REPRESENTATIVES

Ms. Choi Kwan Li, Glendy  
Mr. Fok Wai Shun, Wilson  
*(Appointed on 1 September 2025)*  
Mr. Yeung Tsz Kit Alban  
*(Resigned on 1 September 2025)*

## CORPORATE INFORMATION

### REGISTERED OFFICE

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

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

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

### HONG KONG BRANCH SHARE REGISTRAR

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

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountant and  
Registered PIE Auditor*

### LEGAL ADVISOR

MinterEllison LLP

### PRINCIPAL BANKERS

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

### COMPANY WEBSITE

[www.dgtechnology.com](http://www.dgtechnology.com)

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### General Review

For the six months ended 30 June 2025, D&G Technology Holding Company Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) continued to be a leading market player in the road construction and maintenance machinery industry in the People’s Republic of China (the “**PRC**”, “**China**” or “**Mainland China**”) and overseas markets. The Group offers smart road construction and conservation solution for clients by offering a full range of asphalt mixing plants from small to large scale, recycled asphalt pavement (“**RAP**”) crushing equipment and sand manufacturing machine. Additionally, the Group provided modification services by adding recycling and environmental protection functions, such as bitumen foaming device for warm mix asphalt to existing plants.

The asphalt mixing plants, being the core products are divided into two main categories: (i) conventional hot-mix asphalt mixing plant (“**Conventional Plant**”) and (ii) recycling hot-mix asphalt mixing plant (“**Recycling Plant**”). The asphalt mixtures produced by the asphalt mixing plants of the Group can be applied in the construction and maintenance of all levels of roads and highways. The Recycling Plants of the Group, in addition to producing regular asphalt mixtures, can also produce recycled asphalt mixtures which contain a combination of reclaimed asphalt pavement and new materials such as bitumen, aggregates and fillers. Our recycling plant operations successfully accomplish the goals of resource recovery and cost reduction in the production of asphalt mixtures. Furthermore, in recent years, we have developed advanced technologies, including RAP crushing equipment and sand manufacturing machinery. When integrated with our established expertise in asphalt mixture production, these innovative solutions comprehensively address the needs of our clientele.

In the first half of 2025 (the “**Period**”), the gross domestic product of China was projected to go up by 5.3 percent year on year, showing the steady economic development despite globally challenging environment. China’s road construction industry maintained strong momentum, supported by increased government investment and the ongoing expansion of national infrastructure projects. National infrastructure projects progressed steadily, with the average commencement rate of national engineering machinery standing at 44.8% for the Period. Additionally, road maintenance activities have contributed to this growth, serving as an important driver alongside new construction efforts.

## MANAGEMENT DISCUSSION AND ANALYSIS

Infrastructure investment across the country has shown a trend of ‘blossoming in multiple areas’, providing sustained momentum for economic development. Total fixed-asset investment reached RMB24.87 trillion during the Period, with infrastructure spending increasing by 4.6% year-on-year. The transportation sector alone attracted approximately RMB1.2 trillion in investment in the first five months of 2025, fueling 83 major projects across 27 provinces.

Amid this favorable market environment, the Group completed 23 sales contracts for asphalt mixing plants (compared to 10 contracts in 1H2024), with most contracts were from China market, contributing to substantial revenue growth of approximately 51.7% to RMB215,096,000 (1H2024: RMB141,811,000). Gross profit also rose by 48.6% to RMB73,360,000 (1H2024: RMB49,368,000). While achieving strong revenue growth, the Group continued to implement disciplined cost control and inventory management strategies, steadily progressing toward profitability. The Group remains optimistic, driven by a strong order book and the potential to secure more orders and improve margins going forward.

In response to government-led infrastructure initiatives and increased demand from road construction enterprises, the Group scaled up its marketing and promotional efforts to seize new growth opportunities and strengthen its market position. During the Period, the Group successfully completed several landmark highways construction and maintenance projects in the PRC, such as Hunan Luci Expressway (湖南爐慈高速), Shangpu Expressway (上浦高速公路), Chongqing Outer Ring Expressway Connection Line (重慶外環高速連接線), Jingha (Beijing-Harbin) Expressway Expansion and Reconstruction (京哈改擴建) and Hechi-Baise New Expressway (河池-百色高速公路).

Aside from the Chinese market, the Group also made concerted efforts to expand into Southeast Asia and countries along the Belt and Road, offering a diverse range of products tailored to meet their specific needs. For instance, it continued to expand the presence in Thailand and Malaysia, where there has been strong demand for recycling plant solutions. It also leveraged the “Belt and Road Initiative” to boost sales in Hong Kong, Africa, and Europe.

Innovation remained at the forefront of the Group’s long-term strategy. The Group has been proactively collaborating with LiuGong Machinery, a prominent player in China’s construction machinery industry, to jointly develop a range of mid-end asphalt mixing machinery solutions targeted at overseas and domestic market players. It was also expanding its line of eco-friendly equipment, including machines for Recycled Asphalt Pavement (RAP) crushing and sand manufacturing. These solutions are well-positioned to meet the construction industry’s evolving demand for low-emission, resource-efficient technologies.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group has heavily invested in research and development to elevate its product portfolio, incorporating specialised machinery that complies with upcoming regulatory standards and modern construction practices. By embracing sustainability, the Group not only contributes to the worldwide transition towards greener infrastructure but also fortifies its market distinctiveness, establishing a robust groundwork for sustained, innovation-driven expansion.

### DEVELOPMENT OF UPSTREAM AND DOWNSTREAM ASPHALT RELATED BUSINESS

Asphalt mixture, the vital material for asphalt road construction, holds great importance for the Group. With a strong emphasis on diversifying income sources and increasing profits, the Group is dedicated to the development of asphalt-related businesses along the supply chain. To harness the power of local expertise and maximise synergies, the Group actively seeks potential strategic partners to collaborate on the production and sale of asphalt mixtures. By forging these strategic alliances, the Group aims to create a robust and thriving asphalt mixture business.

### DEVELOPMENT OF COMBUSTION TECHNOLOGY

During the period, the Group continued to conduct research on the combustion technology to develop the business of manufacturing and sales of burner combustion equipment and the provision of related technical support services. The burner combustion equipment can be applied in a wide spectrum including asphalt mixing plants, furnace, heating system, etc. As at 30 June 2025, 59 (31 December 2024: 60) patents of combustion technology were registered, 4 patents were pending registration.

### RESEARCH AND DEVELOPMENT

The Group continued to maintain its strong research and development capabilities to maintain its position as a leading market player in the road construction and maintenance machinery industry focusing on medium to large-scale asphalt mixing plants. As at 30 June 2025, the Group owns 262 registered patents in the PRC (of which 16 were invention patents and 8 were appearance patents) and 31 software copyrights. In addition, the registration of 29 patents were pending approval as at 30 June 2025.



## MANAGEMENT DISCUSSION AND ANALYSIS

### MARKETING AND AWARDS

The Group places great emphasis on the marketing and promotion of its brands, products and services offered and leverages different online platforms, including global trading B2B online platforms, mobile websites, LinkedIn and the WeChat platform to offer better services to customers and establish a better brand image in both the PRC and overseas markets.

During the period, the Group participated in various promotional events, technical seminars, and corporate social responsibility activities. Notable events included the Southwest Asphalt Recycling Equipment Technical Exchange in Chengdu, the 10th Asphalt Pavement Maintenance Technology Forum in Wuhan, the 3rd Highway Maintenance Alliance Annual Meeting and Technology Awards Ceremony in Nanjing, the High-Quality Development Technology Forum for Construction and Maintenance Machinery in Puyang, the Green Road Maintenance Technology Exchange in Guizhou, the 9th Asphalt Pavement Maintenance Technology Forum and New Technology Achievement Exhibition in Changsha, the China Top 50 Engineering Machinery Summit Forum in Changsha, and the Russian International Construction and Engineering Machinery Exhibition (CTT Expo) in Moscow.

In May 2025, the Group was recognised as one of the China Top 50 Specialised Construction Machinery Manufacturers, ranking 45th at the TSO Summit of World Construction Machinery Industry. In July 2025, the Group was awarded the UNSDG Achievement Awards Hong Kong 2025 – Sustainable Organisation Merit Award which was organised by the Green Council. In August 2025, the Group was awarded as an “EcoChallenger” and “10 Years+ EcoPioneer” in the BOCHK Corporate Environmental Leadership Awards which was organised by the Federation of Hong Kong Industries and Bank of China (Hong Kong) Limited. The awards are recognition of the Group’s contribution to the promotion of environmental protection.



## MANAGEMENT DISCUSSION AND ANALYSIS

### OUTLOOK

Entering the second half of 2025, the Group remains optimistic about China's road construction market, supported by sustained government investment. National Infrastructure spending is projected to exceed RMB3 trillion this year, with transportation development remaining a top priority. Key initiatives include expanding the national expressway network and upgrading rural road systems – trends that continue to drive market demand for high-performance road construction equipment. As a leading supplier in the sector, the Group is well positioned to benefit from this surge in investment and expects steady growth in equipment orders, further strengthening its presence in the domestic market.

Research shows that the Asian market, driven by China's growth, is set to represent nearly 60% of global infrastructure spending by 2025. Growing urbanisation in emerging markets such as Philippines and Indonesia would boost spending for vital infrastructure sectors such as transportation. The Group is dedicated to expanding globally, focusing on lucrative Asian markets. With its expertise and quality products, the Group aims to seize opportunities and grow in these regions.

Diversified product offering is crucial for the Group's development. By forging a strategic partnership with a Canadian company specializing in road construction vehicles, the Group is tapping into opportunities in this sector. This new venture complements the Group's current equipment lines, boosting revenue and expanding its footprint in the infrastructure equipment sector.

As the Group continues to explore new opportunities, maintaining stable operations and a forward-looking vision remains essential for sustained long-term growth. Ms. Choi Kwan Li, Glendy, the Chief Executive Officer, has been appointed Chairman of the Board, effective 23 June 2025. With extensive expertise in the trading and manufacturing of specialised engineering equipment, along with long-term management experience within the Company, Ms. Choi is well-positioned to guide the Company towards lasting stability and sustainable growth in both domestic and international markets.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

During the six months ended 30 June 2025, the Group recorded a total revenue of RMB215,096,000 (2024: RMB141,811,000), representing an increase of approximately 51.7% as compared to the last corresponding period. Gross profit increased from RMB49,368,000 for the six months ended 30 June 2024 to RMB73,360,000 for the six months ended 30 June 2025, representing an increase of approximately 48.6%. Gross profit margin decreased by 0.7 percentage points from 34.8% to 34.1%. The Group recorded a net loss attributable to owners of the Company of RMB4,221,000 compared with a net loss of RMB5,683,000 in the last corresponding period.

	Six months ended 30 June		
	2025 RMB'000	2024 RMB'000	Change
Sales of asphalt mixing plants	170,213	112,578	51.2%
Sales of spare parts and modified equipment	32,624	21,906	48.9%
Sales of other asphalt specialty equipment	12,259	7,327	67.3%
	215,096	141,811	51.7%

### Sales of Asphalt Mixing Plants

	Six months ended 30 June		
	2025 RMB'000	2024 RMB'000	Change
Revenue	170,213	112,578	51.2%
Gross profit (Note)	61,108	34,773	75.7%
Gross profit margin	35.9%	30.9%	5.0pp
Number of contracts	23	10	13
Average contract value	7,401	11,258	-34.3%

## MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 June 2025, revenue from sales of asphalt mixing plants increased significantly by 51.2% to RMB170,213,000, compared to RMB112,578,000 in the same period last year. This growth was supported by an increase in the number of contracts completed, rising from 10 in 2024 to 23 in 2025, representing an additional 13 contracts. The average contract value decreased by 34.3% to RMB7,401,000, reflecting a higher proportion of smaller capacity plants sold during the period. Despite this shift towards smaller scale contracts, the gross profit margin improved by 5.0 percentage points to 35.9%, driven by effective cost management. Gross profit increased substantially by 75.7% to RMB61,108,000, demonstrating the Group's success in balancing volume growth with profitability amid a competitive industry environment.

Note: Provision for impairment of inventories of RMB5,515,000 was made during the six months ended 30 June 2025 (six months ended 30 June 2024: Reversal of provision for impairment of inventories of RMB3,199,000) and charged to the "Cost of sales". The gross profit of the sales of asphalt mixing plants presented above and, in this section, has excluded the provision for impairment of inventories for analysis purpose.

### *By Types of Plants*

	Six months ended 30 June		
	2025 RMB'000	2024 RMB'000	Change
<b>Recycling Plant</b>			
Revenue	28,276	75,139	-62.4%
Gross profit	10,001	23,773	-57.9%
Gross profit margin	35.4%	31.6%	3.8pp
Number of contracts	4	5	-1
Average contract value	7,069	15,028	-53.0%
<b>Conventional Plant</b>			
Revenue	141,937	37,439	279.1%
Gross profit	51,107	11,000	364.6%
Gross profit margin	36.0%	29.4%	6.6pp
Number of contracts	19	5	14
Average contract value	7,470	7,488	-0.2%

## MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 June 2025, revenue from the sales of Recycling Plants decreased by 62.4% to RMB28,276,000, compared to RMB75,139,000 in the same period last year. This decline was mainly due to a decrease in the number of contracts completed, falling from 5 in 2024 to 4 in 2025, along with a 53.0% drop in the average contract value to RMB7,069,000. Although the gross profit margin improved by 3.8 percentage points to 35.4%, reflecting better cost control and operational efficiency, overall gross profit decreased due to the completion of a significant contract last year, resulting in a lower number of contracts completed and fewer capacity models sold this year.

In contrast, revenue from the sales of Conventional Plants increased substantially by 279.1% to RMB141,937,000 in the period, compared to RMB37,439,000 in the prior period. This increase was driven by a rise in the number of contracts completed from 5 to 19, though the average contract value decreased slightly to RMB7,470,000. The gross profit margin also improved by 6.6 percentage points to 36.0%, supported by operational efficiencies and a favorable product mix.

### *By Geographical Location*

	Six months ended 30 June		
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
<b>PRC</b>			
Revenue	<b>160,269</b>	73,800	117.2%
Gross profit	<b>56,754</b>	21,784	160.5%
Gross profit margin	<b>35.4%</b>	29.5%	5.9pp
Number of contracts	<b>22</b>	8	14
Average contract value	<b>7,285</b>	9,225	-21.0%
<b>Overseas</b>			
Revenue	<b>9,944</b>	38,778	-74.4%
Gross profit	<b>4,354</b>	12,989	-66.5%
Gross profit margin	<b>43.8%</b>	33.5%	10.3pp
Number of contracts	<b>1</b>	2	-1
Average contract value	<b>9,944</b>	19,389	-48.7%

## MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 June 2025, revenue from PRC sales increased significantly by 117.2% to RMB160,269,000, compared to RMB73,800,000 for the same period last year. This growth was primarily driven by a substantial increase in the number of contracts completed, rising from 8 to 22, despite the average contract value decreased by 21.0% to RMB7,285,000. The gross profit margin improved by 5.9 percentage points to 35.4%, reflecting a higher proportion of sales involving larger capacity plants, which generally yield higher gross profit margins. Consequently, gross profit rose materially by 160.5% to RMB56,753,000, supported by both volume growth and enhanced profitability.

In contrast, overseas sales revenue declined by 74.4% to RMB9,944,000 from RMB38,778,000 in the prior period, primarily due to a reduction in the number of contracts completed from 2 to 1 and a nearly 48.7% decrease in average contract value. Nevertheless, the gross profit margin improved by 10.3 percentage points to 43.8%, driven by the completion of a significant contract with a high margin during the period. Gross profit from overseas sales decreased by 66.5% to RMB4,354,000, reflecting the lower revenue base.

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

	Six months ended 30 June		
	2025 RMB'000	2024 RMB'000	Change
Revenue	<b>32,624</b>	21,906	48.9%
Gross profit	<b>15,194</b>	9,989	52.1%
Gross profit margin	<b>46.6%</b>	45.6%	1.0pp

During the six months ended 30 June 2025, the Group generated total revenue of RMB32,624,000 from the sales of spare parts, components, and modified equipment, representing an increase of 48.9% compared to RMB21,906,000 in the same period last year. Revenue from spare parts and components amounted to RMB17,137,000 (six months ended 30 June 2024: RMB13,439,000), while revenue from modified equipment was RMB15,487,000 (six months ended 30 June 2024: RMB8,467,000).

The increase in revenue was primarily due to an increase in overall customer demand for modifications and spare parts of Conventional Plants. Gross profit for the period was RMB15,194,000, with a gross profit margin of 46.6%, slightly higher than the 45.6% margin recorded in the prior period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Sales of Other Asphalt Specialty Equipment

	Six months ended 30 June		
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
Revenue	<b>12,259</b>	7,327	67.3%
Gross profit	<b>2,573</b>	1,407	82.9%
Gross profit margin	<b>21.0%</b>	19.2%	1.8pp
Number of contracts	<b>6</b>	3	3
Average contract value	<b>2,043</b>	2,442	-16.3%

The Group launched several new series of brand of asphalt specialty equipment since 2021 which included the LiuGong Asphalt Plant (“**LAP**”) series asphalt mixing plants, the recycled asphalt pavement (“**RAP**”) crushing equipment and the sand manufacturing machine.

The Group has become the exclusive supplier of the LAP series asphalt mixing plants since May 2021. This strategic partner will further penetrate the mid-end asphalt mixing plant market to win more orders and expand its revenue stream. There were 3 sales contracts completed during the period. We continue to explore more business opportunities with the sales channel with LiuGong in our coming future.

The Group considered the sales of RAP crushing equipment and the sand manufacturing machine as the new source of revenue for domestic and overseas asphalt mixing plants markets and to its customers as value-added services as well as provided solutions to meet the diversified needs of the customers. Three RAP crushing equipment were sold during the period. As both equipments were new to the market, we expect to give proactive and determined effort to offer this comprehensive asphalt solution to the customers.

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

During the period, other income and other gains/(losses), net mainly represented government grants and net exchange gain. The increase was mainly due to the increase in net foreign exchange gain by RMB1.6 million (2024: exchange loss of RMB1.2 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Distribution Costs

Distribution costs mainly included freight and transportation, staff salaries, distributor commissions, professional and marketing fees, and entertainment expenses. For the six months ended 30 June 2025, these costs increased by 52%, matching revenue growth. The increase was due to higher logistics expenses, increased sales and marketing staff costs, and greater distributor commissions. Marketing costs and warranty costs also grew, supporting stronger promotion and after-sales efforts, partly offset by lower repair and installation expenses. Overall, the increase reflects expanded sales activities and enhanced marketing compared to the prior period.

### Administrative Expenses

Administrative expenses mainly consisted of staff costs, research and development expenses, and legal and professional fees. During the period, administrative expenses increased by 3.3% compared to the prior period, primarily due to higher research and development costs and increased staff costs. While travelling expenses also rose to support business expansion, legal and professional fees decreased, partly net-off the overall increase in administrative expenses.

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

The amount represented the net provision for impairment losses on trade receivables of RMB33,000 (2024: net reversal of impairment losses on trade receivables of RMB3,350,000). The provision for impairment loss during the period was minimal, mainly attributable to the recognition of expected credit losses on a small portion of long overdue trade receivables.

### Share of Profit of Associates, Net

The amount represented the share of profit of Topp Financial Leasing (Shanghai) Co., Ltd.\* (“**Shanghai Topp**”) of RMB1,078,000 (2024: RMB1,066,000) and share of loss of Hangzhou Honglian Intelligent Technology Co., Ltd. of RMB1,000 (2024: Nil).

### Finance Income, Net

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

\* For identification purpose only



## MANAGEMENT DISCUSSION AND ANALYSIS

### Income Tax Expense

The income tax expense for the six months ended 30 June 2025 was mainly attributable to the deferred tax expense arisen from the provision of warranties.

### Loss Attributable to Owners of the Company

Loss attributable to owners of the Company amounted to approximately RMB4,221,000 for the six months ended 30 June 2025 compared with the loss attributable to owners of the Company of approximately RMB5,683,000 for the six months ended 30 June 2024. The reduction in loss for the period was mainly due to the increase in revenue and gross profit as discussed above.

### Working Capital Management

Net current assets of the Group amounted to RMB386,600,000 (31 December 2024: RMB393,386,000) with a current ratio of 2.8 times (31 December 2024: 3.3 times) as at 30 June 2025.

Inventories increased by RMB6,335,000 from RMB212,960,000 as at 31 December 2024 to RMB219,295,000 as at 30 June 2025. Inventory turnover days was 276 days for the six months ended 30 June 2025, representing a decrease of 38 days as compared to 314 days for the year ended 31 December 2024. The increase in inventories was mainly due to the increase in raw materials purchased and work in progress for sales contracts signed but not yet recognised.

Trade and bills receivables increased by RMB43,699,000 from RMB169,189,000 as at 31 December 2024 to RMB212,888,000 as at 30 June 2025. Trade and bills receivables turnover days was 164 days for the six months ended 30 June 2025, representing an increase of 33 days as compared to 131 days for the year ended 31 December 2024. The increase in turnover days during the period was mainly attributable to the higher proportion of contracts with PRC customers being completed close to the period end, resulting in accounts receivable that are not yet due for payment, alongside higher sales volume in the period. The Group remains committed to closely monitoring the collection of trade receivables with the objective of improving the overall collection cycle and working capital efficiency.

## MANAGEMENT DISCUSSION AND ANALYSIS

Trade and bills payables increased by RMB26,875,000 from RMB90,398,000 as at 31 December 2024 to RMB117,273,000 as at 30 June 2025. Trade and bills payables turnover days was 133 days for the six months ended 30 June 2025, representing an increase of 7 days as compared to 126 days for the year ended 31 December 2024. The rise in trade and bills payables and turnover days during the period was mainly driven by more favorable payment terms negotiated with suppliers and sub-contractors, despite an increase in sales orders and cost of goods sold. This reflects the Group's effective management of its payment cycle while sustaining higher sales and production levels.

### Liquidity and Financial Resources

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

As at 30 June 2025, the Group had cash and cash equivalents of RMB55,882,000 (31 December 2024: RMB48,926,000) and pledged bank deposits of RMB24,986,000 (31 December 2024: RMB21,672,000). In addition, the Group had no borrowings (31 December 2024: same). The Group's cash and cash equivalents and pledged bank deposits were mostly denominated in Renminbi, Hong Kong dollars and US dollars.

During the six months ended 30 June 2025, the Group recorded net cash generated from operating activities of RMB19,485,000 (six months ended 30 June 2024: cash used in operating activities of RMB29,834,000). Net cash used in investing activities amounted to RMB1,166,000 (six months ended 30 June 2024: Net cash generated from investing activities of RMB7,408,000) for the six months ended 30 June 2025. Net cash used in financing activities for the six months ended 30 June 2025 amounted to RMB10,576,000 (six months ended 30 June 2024: RMB42,231,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Capital Commitments and Contingent Liabilities

Capital commitments as at 30 June 2025 and 31 December 2024 not provided for in the consolidated financial statements were follows:

	<b>At 30 June 2025 RMB'000</b>	<b>At 31 December 2024 RMB'000</b>
Contracted for – Property, plant and equipment	<b>663</b>	648

As at 30 June 2025, there is no capital commitments authorised but not contracted for (31 December 2024: same).

Certain customers financed their purchases of the Group's plants through finance leases provided by Shanghai Topp. With respect to these leasing arrangements, the Group provided guarantee to Shanghai Topp amounted up to RMB94,333,000 (31 December 2024: RMB85,756,000).

### Pledge of Assets

As at 30 June 2025, property, plant and equipment of RMB23,619,000 (31 December 2024: RMB24,749,000), land use right of RMB4,116,000 (31 December 2024: RMB4,180,000) and bank deposits of RMB24,986,000 (31 December 2024: RMB21,672,000) were pledged for bill payables and banking facilities of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Foreign Exchange Risk

The reporting currency of the Group was Renminbi. The Group was exposed to foreign exchange risk through sales and purchases which were denominated in a foreign currency including US dollars and Euros. The appreciation or depreciation of Renminbi against these foreign currencies would increase or decrease the price of the Group's products which were sold to overseas market and might bring negative or positive impact on the Group's export sales. On the other hand, the appreciation or depreciation of Renminbi would also decrease or increase the cost of sales of the Group in respect of the purchases of raw materials from overseas. The management has continuously monitored the level of exchange rate exposure and shall adopt financial hedging instruments for hedging purpose when necessary. The Group did not use any financial instruments for hedging purpose for the six months ended 30 June 2025.

### Significant Investments and Material Acquisitions or Disposals

During the six months ended 30 June 2025, the Group did not have any significant investments or material acquisitions or disposals.

## OTHER INFORMATION

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

As at 30 June 2025, the interests or short positions of the directors of the Company (the **"Directors"**), the chief executives of the Company (the **"Chief Executives"**) and their associates in the shares of the Company (the **"Shares"**), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the **"SFO"**)), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the **"Listing Rules"**) were as follows:

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

Name of Director	Long/ Short position	Type of interest	Number of Shares and underlying shares held	Approximate percentage of shareholding in the Company
Mr. Choi Hung Nang <sup>(1)</sup>	Long	Interest in controlled corporation	345,696,000	55.14%
	Long	Beneficial owner	57,236,000	9.13%
Ms. Choi Kwan Li, Glendy	Long	Beneficial owner	4,150,000	0.64%
Mr. Choi Hon Ting, Derek	Long	Beneficial owner	4,150,000	0.64%
Mr. Liu Tom Jing-zhi	Long	Interest in controlled corporation <sup>(2)</sup>	13,500,000	2.15%
	Long	Interest of spouse <sup>(2)</sup>	150,000	0.02%
	Long	Beneficial owner	2,000,000	0.32%
Mr. Lao Kam Chi	Long	Interest in controlled corporation <sup>(3)</sup>	9,000,000	1.44%
	Long	Beneficial owner	2,000,000	0.32%

## OTHER INFORMATION

Name of Director	Long/ Short position	Type of interest	Number of Shares and underlying shares held	Approximate percentage of shareholding in the Company
Mr. Chan Lewis	Long	Beneficial owner	300,000	0.05%
Mr. Li Zongjin	Long	Beneficial owner	300,000	0.05%
Mr. Lee Wai Yat, Paco	Long	Beneficial owner	300,000	0.05%
Mr. Fok Wai Shun, Wilson <sup>(4)</sup>	Long	Beneficial owner	400,000	0.06%
Mr. Alain Vincent Fontaine	Long	Beneficial owner	293,113	0.05%

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

Name of Director	Name of associated corporation	Long/ Short position	Type of interest	Approximate percentage of shareholding interest
Mr. Choi Hung Nang <sup>(1)</sup>	Prima DG Investment Holding Company Limited ("Prima DG")	Long	Beneficial owner	40%
Ms. Choi Kwan Li, Glendy	Prima DG	Long	Beneficial owner	20%
Mr. Choi Hon Ting, Derek	Prima DG	Long	Beneficial owner	20%

## OTHER INFORMATION

### Notes:

1. Mr. Choi Hung Nang resigned as Chairman and executive director of the Company with effect from 23 June 2025. As at 30 June 2025, Mr. Choi remains a substantial shareholder of the Company. The 345,696,000 Shares were held by Prima DG, which is directly held as to 40% by Mr. Choi Hung Nang. Accordingly, by virtue of the Securities and Futures Ordinance (the “SFO”), Mr. Choi is deemed to be interested in all the Shares in which Prima DG is interested. In addition, he holds 57,236,000 Shares, in aggregate representing approximately 64.27% of the total shareholding in the Company.
2. The 13,500,000 Shares were held by Zacks Vroom Investment Company Limited, a company wholly-owned by Mr. Liu Tom Jing-zhi. The 150,000 Shares were held by his spouse, Ms. Thai Vanny. Accordingly, by virtue of the SFO, Mr. Liu is deemed to be interested in all the Shares in which Zacks Vroom Investment Company Limited and Ms. Thai Vanny are interested.
3. The 9,000,000 Shares were held by Denmike Investment Company Limited, a company wholly-owned by Mr. Lao Kam Chi. Accordingly, by virtue of the SFO, Mr. Lao is deemed to be interested in all the Shares in which Denmike Investment Company Limited is interested.
4. Mr. Fok Wai Shun, Wilson resigned as an independent non-executive director of the Company with effect from 1 September 2025. As at 30 June 2025, Mr. Fok held a beneficial interest in 400,000 Shares, representing approximately 0.06% of the total shareholding in the Company.

Save as disclosed above, as at 30 June 2025, none of the Directors, the Chief Executives nor their associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## OTHER INFORMATION

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

As at 30 June 2025, so far as known to the Directors, the following interests of 5% or more in the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Long/ Short position	Underlying type of interest	Number of Shares and shareholding in shares held	Approximate percentage of the Company
Prima DG <sup>1</sup>	Long	Beneficial owner	345,696,000	55.14%
Mr. Choi Hung Nang <sup>1</sup>	Long	Interest in controlled corporation	345,696,000	55.14%
	Long	Beneficial owner	57,236,000	9.13%
SURE PRECISION LIMITED	Long	Interest in controlled corporation	43,967,003	7.01%

Note:

1. Prima DG directly held 345,696,000 Shares. Prima DG is directly held as to 40% by Mr. Choi Hung Nang. Accordingly, by virtue of the SFO, Mr. Choi Hung Nang is deemed to be interested in all the Shares in which Prima DG is interested.

Save as disclosed above, as at 30 June 2025, no other interests or short positions in the Shares or underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

## OTHER INFORMATION

### SHARE OPTION SCHEME

The Company's Share Option Scheme was adopted pursuant to the resolutions of all the shareholders passed on 6 May 2015 and shall be valid and effective for a period of 10 years commencing from 6 May 2015. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions of the employees and directors of the members of the Group and other selected participants.

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

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

## OTHER INFORMATION

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other schemes of our Group must not in aggregate exceed 10% of the total number of Shares in issue as at the date on which the Shares were listed on the main board of the Stock Exchange on 27 May 2015 (the **"Limit"**), i.e. 60,000,000 Shares representing approximately 9.38% of the issued Shares as at the date of this interim report. Options which have lapsed in accordance with the terms of the Share Option Scheme (or any other schemes of the Group) will not be counted for the purpose of calculating the Limit. Subject to the approval of the shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Company may refresh the Limit at any time provided that: (i) the Limit as refreshed does not exceed 10% of the Shares in issue as at the date of the approval by the refreshed Limit; (ii) the options previously granted (including those outstanding, cancelled, lapsed in accordance with the provisions of the Share Option Scheme or exercised options) will not be counted for the purpose of calculating the Limit as refreshed; and (iii) a circular containing the information and the disclaimer, respectively required under Rule 17.02(2)(d) and Rule 17.02(4) of the Listing Rules shall be despatched to the shareholders together with the notice of the relevant general meeting. Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme at any time shall not exceed 30% of the Shares in issue from time to time.

The total number of Shares issued and which fall to be issued upon exercise of the options granted under the Share Option Scheme and any other schemes of the Group (including both exercised and outstanding options) to each Eligible Participant in any period of 12 consecutive months up to and including the date of grant of the options shall not exceed 1% of the Shares in issue as at the date of grant of the options.

On 20 April 2016 and 5 June 2018 (the **"Dates of Grant"**), options to subscribe for an aggregate of 24,700,000 Shares and 23,100,000 Shares were granted respectively to certain Eligible Participants under the Share Option Scheme. The exercise price in respect of each option granted under the Share Option Scheme on 20 April 2016 and 5 June 2018 is HK\$0.88 and HK\$1.12 per Share respectively. The adjusted closing price of the Shares immediately before the Dates of Grant was HK\$0.866 and HK\$1.120 per Share respectively. There was no Eligible Participant with options granted in excess of the individual limit.

During the six months ended 30 June 2025, none of the above share options was cancelled, exercised or has lapsed and no share option has been granted under the Share Option Scheme.

No share option expenses recognised during the period ended 30 June 2025 and 30 June 2024.

## OTHER INFORMATION

There is no outstanding exercisable share option as at 30 June 2025 and 30 June 2024.

The fair value of the share options granted on 20 April 2016 and 5 June 2018 were estimated as at that date by an independent firm of professionally qualified valuers using the binomial option pricing model and taking into account the terms and conditions upon which the options were granted.

The binomial option pricing model required input of subjective assumption such as the expected stock price volatility. Change in subjective input may materially affect the fair value estimates.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this interim report, the Company has maintained a sufficient public float of not less than 25% of the Company's issued Shares as required under the Listing Rules for the six months ended 30 June 2025.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had approximately 352 employees (31 December 2024: 330). The total staff costs for the six months ended 30 June 2025 amounted to approximately RMB38,502,000 (six months ended 30 June 2024: RMB33,511,000).

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

The Company has adopted a share option scheme of the Company pursuant to which employees may be granted options to subscribe for shares of the Company as incentives or rewards for their services rendered to the Group. No option has been granted during the six months ended 30 June 2025 and 2024.

## INTERIM DIVIDEND

No interim dividend was proposed by the Board for the six months ended 30 June 2025 (six months ended 30 June 2024: same).

## OTHER INFORMATION

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

During the six months ended 30 June 2025, the Company purchased a total of 5,184,000 of its own shares at a cost of approximately RMB2,962,000. In addition, the Company cancelled 12,424,000 shares with a total value of approximately RMB7,795,000. There were no sales of the Company's listed securities during the period (six months ended 30 June 2024: neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities).

### CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2025, the Company has complied with all the code provisions of the Corporate Governance Code (the “**Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules, except for the following deviations:

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

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Specific enquiry has been made to all the Directors and all the Directors have confirmed that they have complied with the Model Code throughout the period.

### REVIEW OF INTERIM RESULTS

The Company has an audit committee (the “**Audit Committee**”) which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting system, risk management and internal control systems. The Audit Committee comprises three members, namely Mr. O'Yang Wiley (Chairman), Mr. Lee Wai Yat, Paco and Mr. Fok Wai Shun, Wilson. All of them are independent non-executive Directors. The interim results of the Group for the six months ended 30 June 2025 have been reviewed by the Audit Committee.

## OTHER INFORMATION

The Company's auditor, PricewaterhouseCoopers, has also reviewed the unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## CHANGE OF DIRECTORS' INFORMATION

Mr. Choi Hung Nang resigned as Chairman and Executive Director of the Company with effect from 23 June 2025.

Ms. Choi Kwan Li, Glendy was appointed as Chairman with effect from 23 June 2025 and a member of the Nomination Committee with effect from 30 June 2025. She is also the Chief Executive Officer and Executive Director of the Company.

Mr. Li Zongjin resigned as Independent Non-Executive Director, a member of the Audit Committee, and a member of the Nomination Committee of the Company with effect from 23 June 2025.

Mr. Lee Wai Yat, Paco was appointed as the Chairman of the Nomination Committee of the Company with effect from 23 June 2025. He was also the independent Non-Executive Director and a member of the Audit Committee.

Mr. Choi Hon Ting, Derek was appointed as a member of the Nomination Committee with effect from 23 June 2025 and resigned from the Nomination Committee with effect from 30 June 2025. He was also the executive director of the Company.

Mr. O'Yang Wiley has renewed his service agreement with the Company for a further period of three years commencing from 1 May 2025. His emolument has not changed upon the renewal of the service agreement and other terms and conditions of the service agreement remained the same.

Mr. Fok Wai Shun, Wilson has resigned as an independent non-executive Director and has been appointed as the Chief Financial Officer, the Company Secretary and the Authorised Representative, and will cease to be the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Risk Management Committee and the Remuneration Committee.

Ms. Hu Bingbing has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Risk Management Committee and the Remuneration Committee with effect from 1 September 2025. Ms. Hu Bingbing has entered into a service agreement with the Company in relation to her appointment as an Independent Non-Executive Director for a fixed term of three years commencing from 1 September 2025.

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



## TO THE BOARD OF DIRECTORS OF D&G TECHNOLOGY HOLDING COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

### INTRODUCTION

We have reviewed the interim financial information set out on pages 30 to 52, which comprises the interim condensed consolidated statement of financial position of D&G Technology Holding Company Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at 30 June 2025 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the HKICPA. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the HKICPA.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 29 August 2025

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Unaudited Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
<b>Revenue</b>	6	<b>215,096</b>	141,811
Cost of sales		<b>(141,736)</b>	(92,443)
<b>Gross profit</b>		<b>73,360</b>	49,368
Other income and other gains/(losses), net	7	<b>1,952</b>	422
Distribution costs		<b>(50,872)</b>	(33,537)
Administrative expenses		<b>(32,631)</b>	(31,598)
Net (provision for)/reversal of impairment losses on trade receivables		<b>(33)</b>	3,350
<b>Operating loss</b>	8	<b>(8,224)</b>	(11,995)
Finance income, net		<b>3,259</b>	5,714
Share of profit of associates, net	12	<b>1,077</b>	1,066
<b>Loss before income tax</b>		<b>(3,888)</b>	(5,215)
Income tax expense	9	<b>(333)</b>	(468)
<b>Loss for the period attributable to owners of the Company</b>		<b>(4,221)</b>	(5,683)
<b>Loss per share attributable to owners of the Company during the period</b>			
– Basic and diluted (RMB cents)	10	<b>(0.66)</b>	(0.89)

The above interim condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
<b>Loss for the period</b>	<b>(4,221)</b>	(5,683)
<b>Other comprehensive loss</b>		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	<b>(2,442)</b>	(1,060)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(2,442)</b>	(1,060)
<b>Total comprehensive loss attributable to owners of the Company for the period</b>	<b>(6,663)</b>	(6,743)

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

# **INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2025

		<b>Unaudited 30 June 2025 RMB'000</b>	<b>Audited 31 December 2024 RMB'000</b>
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>96,395</b>	100,080
Intangible assets	11	<b>1,247</b>	1,485
Investment in associates	12	<b>65,349</b>	64,072
Deferred tax assets		<b>10,761</b>	11,094
<b>Total non-current assets</b>		<b>173,752</b>	176,731
<b>Current assets</b>			
Inventories		<b>219,295</b>	212,960
Trade and bills receivables	13	<b>212,888</b>	169,189
Prepayments, deposits and other receivables		<b>84,086</b>	108,198
Income tax recoverable		<b>–</b>	2
Pledged bank deposits		<b>24,986</b>	21,672
Cash and cash equivalents		<b>55,882</b>	48,926
<b>Total current assets</b>		<b>597,137</b>	560,947
<b>Total assets</b>		<b>770,889</b>	737,678
<b>EQUITY</b>			
Share capital	15	<b>5,059</b>	5,059
Other reserves		<b>520,519</b>	524,856
Retained earnings		<b>30,076</b>	35,364
<b>Total equity</b>		<b>555,654</b>	565,279

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2025

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	Note		
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		198	338
Deferred tax liabilities		4,500	4,500
<b>Total non-current liabilities</b>		<b>4,698</b>	4,838
<b>Current liabilities</b>			
Trade and other payables	14	160,343	125,302
Contract liabilities	14	49,696	41,320
Lease liabilities		498	939
<b>Total current liabilities</b>		<b>210,537</b>	167,561
<b>Total liabilities</b>		<b>215,235</b>	172,399
<b>Total equity and liabilities</b>		<b>770,889</b>	737,678

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Unaudited						
	Attributable to owners of the Company						
	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 15(a)	Note 15(b)	Note 15(c)	Note 15(d)			
Unaudited:							
Balance at 1 January 2024	5,059	427,134	65,290	46,900	27,622	31,517	603,522
Comprehensive loss							
– Loss for the period	–	–	–	–	–	(5,683)	(5,683)
Other comprehensive loss							
– Currency translation differences	–	–	–	–	(1,060)	–	(1,060)
Total comprehensive loss	–	–	–	–	(1,060)	(5,683)	(6,743)
Transactions with owners in their capacity as owners							
– Dividend paid	–	(39,898)	–	–	–	–	(39,898)
Balance at 30 June 2024	5,059	387,236	65,290	46,900	26,562	25,834	556,881
Unaudited:							
Balance at 1 January 2025	5,059	387,236	60,457	47,466	29,697	35,364	565,279
Comprehensive loss							
– Loss for the period	–	–	–	–	–	(4,221)	(4,221)
Other comprehensive loss							
– Currency translation differences	–	–	–	–	(2,442)	–	(2,442)
Total comprehensive loss	–	–	–	–	(2,442)	(4,221)	(6,663)
Transactions with owners in their capacity as owners							
– Transfer to statutory reserve	–	–	–	1,067	–	(1,067)	–
– Shares repurchased (Note 15(a))	–	–	(2,962)	–	–	–	(2,962)
Total transactions with owners	–	–	(2,962)	1,067	–	(1,067)	(2,962)
Balance at 30 June 2025	5,059	387,236	57,495	48,533	27,255	30,076	555,654

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Unaudited Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations		19,485	(27,683)
Income tax paid		–	(2,151)
<b>Net cash generated from/(used in) operating activities</b>		<b>19,485</b>	<b>(29,834)</b>
<b>Cash flows from investing activities</b>			
Payments for acquisition of property, plant and equipment		(1,298)	(828)
Payments for purchases of intangible assets		–	(42)
Proceeds from disposal of property, plant and equipment, net of tax		–	7
Interest received		332	8,271
Investment in an associate		(200)	–
<b>Net cash (used in)/generated from investing activities</b>		<b>(1,166)</b>	<b>7,408</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		–	(922)
Payment for shares repurchased	15(b)	(2,962)	–
Principal elements of lease payments		(673)	(738)
Interest expenses paid		(27)	(564)
Addition of restricted bank deposits		(6,914)	(109)
Dividend paid		–	(39,898)
<b>Net cash used in financing activities</b>		<b>(10,576)</b>	<b>(42,231)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,743</b>	<b>(64,657)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>48,926</b>	<b>161,654</b>
Effect of foreign exchange rate changes		(787)	(1,849)
<b>Cash and cash equivalents at end of the period</b>		<b>55,882</b>	<b>95,148</b>



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

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

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

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 27 May 2015.

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

## 2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

## 3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2024, except for the adoption of new and amended standards as set out below.

### (a) Amended standards adopted by the Group

The Group has adopted the following amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on 1 January 2025:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The adoption of the above amendments to standards did not have any significant financial impact on this interim condensed consolidated financial information.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 3 ACCOUNTING POLICIES (CONTINUED)

#### (b) New and amended standards and interpretations not yet adopted

The following are new and amendments to standards and interpretations that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2025 or later periods, but have not been early adopted by the Group.

Standards	Subject	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
New standard – HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
New standard – HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of assessing potential impact of the above new and amendments to standards and interpretations that are relevant to the Group upon initial application. It is not yet in a position to state whether these new and amendments to standards and interpretations will have a significant impact on the Group's results of operations and financial position.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 4 FINANCIAL RISK MANAGEMENT

#### (a) Financial risk factors

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

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2024.

There have been no changes in the risk management policies since 31 December 2024.

#### (b) Fair value estimation

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

### 5 ESTIMATES

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

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2024.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 6 SEGMENT INFORMATION

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

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

Revenue consists of the following:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Sales of asphalt mixing plants	<b>170,213</b>	112,578
Sales of spare parts and modified equipment	<b>32,624</b>	21,906
Sales of other asphalt specialty equipment	<b>12,259</b>	7,327
	<b>215,096</b>	141,811
<b>Revenue from contracts with customers recognised</b>		
– at a point in time	<b>215,096</b>	141,811

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 6 SEGMENT INFORMATION (CONTINUED)

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

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Mainland China	198,656	97,388
Outside Mainland China	16,440	44,423
	<b>215,096</b>	141,811

#### (b) Non-current assets

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

	Unaudited At 30 June 2025 RMB'000	Audited At 31 December 2024 RMB'000
Mainland China	111,910	112,580
Outside Mainland China	51,081	53,057
	<b>162,991</b>	165,637

#### (c) Information about major customer

During the six months ended 30 June 2024, revenue from customer A of the Group's outside Mainland China segment amounting to approximately HK\$34,018,000, which represented approximately 24% of the Group's revenue.

Other than disclosed above, no customer with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2025 and 2024.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 7 OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
<b>Other income</b>		
Government grants (Note)	1,124	1,034
Others	111	31
	<b>1,235</b>	1,065
<b>Other gains/(losses), net</b>		
Fair value gain on a financial asset at fair value through profit or loss	–	240
Interest income from a financial asset at fair value through profit or loss	–	409
Loss on disposal of property, plant and equipment	–	(260)
Exchange gain/(loss), net	437	(1,187)
Others	280	155
	<b>717</b>	(643)
	<b>1,952</b>	422

Note:

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 8 OPERATING LOSS

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

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cost of inventories	132,049	87,607
Employee benefit expenses	38,502	33,511
Depreciation and amortisation (Note 11)		
– Property, plant and equipment	3,578	3,885
– Intangible assets	234	424
Net provision for/(reversal of) impairment losses on trade receivables	33	(3,350)
Net provision for/(reversal of) impairment of inventories	5,515	(3,199)

### 9 INCOME TAX EXPENSE

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Deferred income tax	333	468

**9 INCOME TAX EXPENSE (CONTINUED)**

No provision for Hong Kong profits tax was made for the current period (2024: Nil) as the Group had no assessable profits subject to Hong Kong profits tax for the period.

No provision for PRC enterprise income tax was made for the current period (2024: Nil) as the Group had no assessable profits subject to PRC enterprise income tax for the period.

The Group's operations in the Mainland China are subject to PRC enterprise income tax at a statutory rate of 25% (2024: 25%).

According to the PRC enterprise income tax law and its relevant regulations, a wholly-owned subsidiary of the Company, Langfang D&G Machinery Technology Company Limited ("**Langfang D&G**") is qualified as a "high and new technology enterprise" under the tax law and entitled to a preferential income tax rate of 15% (2024: 15%).

Under the PRC enterprise income tax law and its relevant regulations, a 100% (2024: 100%) additional tax deduction is allowed for qualified research and development expenses.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION

10 LOSS PER SHARE

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

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

	Unaudited Six months ended 30 June	
	2025	2024
Loss attributable to owners of the Company <i>(RMB'000)</i>	<b>(4,221)</b>	(5,683)
Weighted average number of ordinary shares in issue	<b>638,516,000</b>	639,408,000
Basic loss per share <i>(expressed in RMB cents per share)</i>	<b>(0.66)</b>	(0.89)

For the periods ended 30 June 2025 and 2024, diluted loss per share is the same as basic loss per share as there were no potential dilutive shares.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

	Property, plant and equipment			Intangible assets
	Right-of-use assets	Other property, plant and equipment	Total	
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Unaudited:</b>				
<b>Six months ended</b>				
<b>30 June 2025</b>				
<b>Net book value</b>				
<b>At 1 January 2025</b>	54,382	45,698	100,080	1,485
Additions	114	1,298	1,412	–
Disposal	–	(2)	(2)	–
Amortisation (Note 8)	–	–	–	(234)
Depreciation (Note 8)	(693)	(2,885)	(3,578)	–
Exchange difference	(1,434)	(83)	(1,517)	(4)
<b>At 30 June 2025</b>	<b>52,369</b>	<b>44,026</b>	<b>96,395</b>	<b>1,247</b>
<b>Unaudited:</b>				
<b>Six months ended</b>				
<b>30 June 2024</b>				
<b>Net book value</b>				
<b>At 1 January 2024</b>	53,138	50,444	103,582	2,147
Additions	1,074	828	1,902	42
Disposals	–	(267)	(267)	–
Loss on early termination	(37)	–	(37)	–
Amortisation (Note 8)	–	–	–	(424)
Depreciation (Note 8)	(731)	(3,154)	(3,885)	–
Exchange difference	1,159	77	1,236	4
<b>At 30 June 2024</b>	<b>54,603</b>	<b>47,928</b>	<b>102,531</b>	<b>1,769</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 12 INVESTMENT IN ASSOCIATES, NET

The movement of the investment in associates during the period is as follows:

	Unaudited	
	2025 RMB'000	2024 RMB'000
Balance at 1 January	64,072	62,256
Addition	200	—
Share of profit, net	1,077	1,066
Balance at 30 June	65,349	63,322

Certain customers financed their purchases of the Group's plants through finance leases provided by Shanghai Topp. With respect to these leasing arrangements, the Group provided guarantee to Shanghai Topp amounted up to RMB94,333,000 (31 December 2024: RMB85,756,000).

### 13 TRADE AND BILLS RECEIVABLES

	Unaudited At 30 June 2025 RMB'000	Audited At 31 December 2024 RMB'000
Trade receivables from third parties	277,733	230,749
Less: loss allowance	(63,673)	(63,640)
Less: discounting impact	(4,528)	(3,984)
	209,532	163,125
Bills receivables	3,356	6,064
Total trade and bill receivables	212,888	169,189

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 13 TRADE AND BILLS RECEIVABLES (CONTINUED)

- (a) Trade receivables under credit sales arrangement are due for payment in accordance with specific payment terms as agreed with individual customers on a case-by-case basis, subject to the fulfilment of conditions as stipulated in the respective sales contracts. Credit terms up to 18 months were generally granted to the Group's customers.
- (b) The ageing analysis of the trade receivables as at the end of the reporting period based on the date of revenue recognition as follows:

	<b>Unaudited At 30 June 2025 RMB'000</b>	<b>Audited At 31 December 2024 RMB'000</b>
Within 1 year	<b>207,566</b>	147,779
1 to 2 years	<b>4,584</b>	19,022
2 to 3 years	<b>5,122</b>	3,282
Over 3 years	<b>60,461</b>	60,666
	<b>277,733</b>	230,749

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 14 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	Unaudited At 30 June 2025 RMB'000	Audited At 31 December 2024 RMB'000
Trade payables	60,568	26,307
Bills payables (Note)	56,705	64,091
	117,273	90,398
Amount due to a related party (Note 18(a))	252	252
Other payables and accruals	42,818	34,652
	43,070	34,904
Total trade and other payables	160,343	125,302
Contract liabilities	49,696	41,320
	210,039	166,622

Note:

The Group's bills payables of RMB56,705,000 (31 December 2024: RMB64,091,000) were secured by the Group's pledged bank deposits of approximately RMB20,080,000 (31 December 2024: RMB16,729,000), buildings of RMB23,619,000 (31 December 2024: RMB24,749,000) and land use right of RMB4,116,000 (31 December 2024: RMB4,180,000).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 14 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

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

	<b>Unaudited At 30 June 2025 RMB'000</b>	<b>Audited At 31 December 2024 RMB'000</b>
Within 3 months	<b>107,950</b>	56,814
After 3 months but within 6 months	<b>5,311</b>	28,082
After 6 months but within 1 year	<b>1,916</b>	3,342
Over 1 year	<b>2,096</b>	2,160
	<b>117,273</b>	90,398

### 15 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES

#### (a) Share capital

Authorised:

	<b>Number of ordinary shares of HK\$0.01 each</b>	<b>Nominal value of ordinary shares HK\$</b>
<b>At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025</b>	<b>2,000,000,000</b>	<b>20,000,000</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 15 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES (CONTINUED)

#### (a) Share capital (continued)

Issued and fully paid:

	Number of shares (‘000)	HK\$’000	RMB’000
<b>At 1 January 2024, 30 June 2024 and 1 January 2025</b>	639,408	6,395	5,059
Cancellation of shares repurchased (Note)	(12,424)	–	–
<b>At 30 June 2025</b>	<b>626,984</b>	<b>6,395</b>	<b>5,059</b>

Note: During the six months ended 30 June 2025, the Company repurchased a total of 5,184,000 of its own shares at an aggregated cost of approximately RMB2,962,000 (six months ended 30 June 2024: Nil). In addition, the Company cancelled a total of 12,424,000 repurchased shares with an aggregated cost of approximately RMB7,795,000 (six months ended 30 June 2024: Nil) during this period. Such amount include the balance of 7,240,000 repurchased shares with an aggregated cost of approximately RMB4,833,000 which were yet to be cancelled as at 1 January 2025.

#### (b) Share premium

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

#### (c) Capital reserve

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 15 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES (CONTINUED)

#### (d) Statutory reserve

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

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

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

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

### 16 DIVIDEND

No interim dividend was paid, declared or proposed during the six months ended 30 June 2025 (2024: Nil).



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 17 CAPITAL COMMITMENTS

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

	<b>Unaudited At 30 June 2025 RMB'000</b>	Audited At 31 December 2024 RMB'000
Contracted for: Property, plant and equipment	<b>663</b>	648

As at 30 June 2025, there were no capital commitments authorised but not contracted for (31 December 2024: same).

### 18 RELATED PARTY TRANSACTIONS AND BALANCES

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

#### (a) Year end balances

	Note	<b>Unaudited At 30 June 2025 RMB'000</b>	Audited At 31 December 2024 RMB'000
Included in other payables: Amount due to a related party – Entity controlled by Choi Family	(i)	<b>252</b>	252

Note:

- (i) As at 30 June 2025 and 31 December 2024, the amount due to a related party was unsecured, interest free and repayable on demand.