



Huajin International Holdings Limited

華津國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2738

INTERIM REPORT

2025



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CONTENTS

	Page(s)
FINANCIAL HIGHLIGHTS	2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4-5
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	7-8
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	9-31
MANAGEMENT DISCUSSION AND ANALYSIS	32-44
OTHER INFORMATION	45-56
CORPORATE INFORMATION	57-58

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2025 (unaudited)	2024 (unaudited)	
Revenue (RMB million)	732.9	3,206.5	-77.1%
Gross (loss) profit (RMB million)	(540.2)	94.2	n/a
Gross (loss) profit margin (%)	(73.7%)	2.9%	
(Loss) profit attributable to owners of the Company (RMB million)	(523.1)	16.9	n/a
Net loss profit margin (%)	(71.4%)	0.5%	
Basic (loss) earnings per Shares (RMB cent)	(87.19)	2.81	
Diluted (loss) earnings per Shares (RMB cent)	(87.19)	2.81	
Sales volume (tonne) (note 1)	145,494	678,887	-78.6%

	As at 30.6.2025 (unaudited)	As at 31.12.2024 (audited)	Change
Total assets (RMB million)	3,302.5	3,716.7	-11.1%
Net (liabilities) assets (RMB million)	(99.6)	423.8	n/a
Net (liabilities) assets per Share (RMB)	(0.17)	0.71	n/a
Borrowings (RMB million)	2,362.1	2,510.4	-5.9%
Gearing ratio (%) (note 2)	71.5%	67.5%	

Notes:

1. It represents the sales volume of cold-rolled steel products and galvanized steel products during the reporting period.
2. Gearing ratio is calculated based on total borrowings divided by total assets.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTES	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	3	732,906	3,206,463
Cost of sales		(1,273,119)	(3,112,274)
Gross (loss) profit		(540,213)	94,189
Other income, other gains and losses, (net)		(2,122)	24,510
Selling expenses		(13,829)	(16,844)
Administrative expenses		(31,972)	(36,941)
(Loss) profit before investment gain, net finance costs and taxation		(588,136)	64,914
Investment gain		—	6,055
Finance income	4	809	1,724
Finance costs	4	(29,472)	(53,216)
Finance costs, net	4	(28,663)	(51,492)
(Loss) profit before taxation		(616,799)	19,477
Income tax credit (expense)	5	93,651	(2,592)
(Loss) profit for the period	6	(523,148)	16,885
Other comprehensive expense which may be subsequently reclassified to profit or loss — exchange differences arising on translation of foreign operations		(254)	—
Total comprehensive (expense) income for the period		(523,402)	16,885
(Loss) profit for the period attributable to owners of the Company		(523,148)	16,885
(Loss) earnings per share attributable to owners of the Company	7		
— basic (RMB cents)		(87.19)	2.81
— diluted (RMB cents)		(87.19)	2.81

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	NOTES	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,881,936	1,878,583
Right-of-use assets	9	240,296	243,780
Deposits paid for acquisition of property, plant and equipment		1,383	50,622
Equity investments designated at fair value through other comprehensive income ("FVTOCI")		1,405	1,405
Restricted bank deposits		10,000	10,000
Deferred tax assets		137,303	43,653
		2,272,323	2,228,043
CURRENT ASSETS			
Inventories		45,880	308,467
Trade, bills and other receivables	10	847,619	963,668
Tax recoverable		11,608	11,775
Restricted bank deposits		119,906	169,431
Bank balances and cash		5,200	35,268
		1,030,213	1,488,609
CURRENT LIABILITIES			
Trade, bills and other payables and accrued expenses	11	314,333	423,414
Contract liabilities		712,664	340,912
Tax payables		—	371
Amounts due to related parties	12	1,201	3,177
Borrowings — due within one year	13	1,097,686	1,473,822
Lease liabilities		471	1,426
		2,126,355	2,243,122
NET CURRENT LIABILITIES		(1,096,142)	(754,513)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,176,181	1,473,530

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	NOTES	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Borrowings — due more than one year	13	1,264,376	1,036,621
Lease liabilities		8,145	8,197
Deferred income		3,300	4,950
		1,275,821	1,049,768
NET (LIABILITIES) ASSETS			
		(99,640)	423,762
CAPITAL AND RESERVES			
Share capital	14	4,999	4,999
Reserves		(106,369)	417,033
(Deficit) equity attributable to owners of the Company			
		(101,370)	422,032
Non-controlling interests		1,730	1,730
TOTAL (DEFICIT) EQUITY			
		(99,640)	423,762

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Equity attributable to owners of the Company										
	Share capital	Share premium	Statutory reserve	Capital reserve	Share-based payments reserve	Fair value reserve of equity investments designated at FVTOCI	Translation reserve	Retained Profits (accumulated losses)	Subtotal	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	4,999	184,003	65,728	63,840	9,448	(410)	(5,012)	190,229	512,825	1,924	514,749
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	16,885	16,885	-	16,885
Recognition of equity-settled share-based payments	-	-	-	-	250	-	-	-	250	-	250
At 30 June 2024 (unaudited)	4,999	184,003	65,728	63,840	9,698	(410)	(5,012)	207,114	529,960	1,924	531,884
At 31 December 2024 (audited)	4,999	184,003	65,728	63,840	9,951	-	(5,012)	98,523	422,032	1,730	423,762
Loss for the period	-	-	-	-	-	-	-	(523,148)	(523,148)	-	(523,148)
Other comprehensive expense	-	-	-	-	-	-	-	-	-	-	-
— Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(254)	-	(254)	-	(254)
Lapse of share option	-	-	-	-	(3,976)	-	-	3,976	-	-	-
At 30 June 2025 (unaudited)	4,999	184,003	65,728	63,840	5,975	-	(5,266)	(420,649)	(101,370)	1,730	(99,640)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
OPERATING ACTIVITIES		
(Loss) Profit before taxation	(616,799)	19,477
Adjustments for:		
Depreciation of property, plant and equipment	4,244	7,128
Depreciation of right-of-use assets	3,411	2,587
Impairment losses of trade receivables under expected credit loss model	—	1,654
Finance costs	29,472	53,216
Share-based payments expenses	—	250
Investment gain on financial assets at fair value through profit or loss ("FVTPL")	—	(6,055)
Others	3,971	(6,256)
Operating cash flows before movements in working capital	(575,701)	72,001
Decrease in inventories	312,545	94,039
Decrease (increase) in trade, bills and other receivables	115,944	(618,689)
Decrease in trade, bills and other payables and accrued expenses	(110,731)	(13,418)
Increase (decrease) in contract liabilities	371,752	(135,179)
Cash generated from (used in) operations	113,809	(601,246)
Income taxes paid	(204)	(2,533)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	113,605	(603,779)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
INVESTING ACTIVITIES		
Placement of restricted bank deposits	—	(430,749)
Deposit paid for acquisition and purchase of property, plant and equipment	(15,900)	(275,906)
Upfront payments for right-of-use assets	—	(21,423)
Receipts arising from net settlement of derivative financial instruments	—	6,055
Withdrawal of restricted bank deposits	49,525	323,340
Proceeds from disposal of property, plant and equipment	2,804	76
Interest received	809	1,724
NET CASH FROM (USED IN) INVESTING ACTIVITIES	37,238	(396,883)
FINANCING ACTIVITIES		
New borrowings raised	458,977	1,579,675
Repayment of borrowings	(607,358)	(557,231)
Repayment to related parties	(1,976)	(10,415)
Advance from related parties	—	8,917
Interest paid	(29,253)	(65,861)
Repayment of lease liabilities	(1,226)	(753)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(180,836)	954,332
NET DECREASE IN CASH AND CASH EQUIVALENTS	(29,993)	(46,330)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	35,268	98,386
Effect of foreign exchange rate changes	(75)	(36)
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by cash and cash equivalents	5,200	52,020

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

Huajin International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is a public limited company incorporated in the Cayman Islands as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate and ultimate holding company is Haiyi Limited, a company incorporated in the British Virgin Islands and ultimately controlled by Mr. Xu Songqing (“Mr. Xu”).

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

In preparing the condensed consolidated financial statements of the Group, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by RMB1,096,142,000 and net liabilities of RMB99,640,000 as at 30 June 2025, and had capital commitments contracted for but not provided in the condensed consolidated financial statements of RMB100,929,000 on the same date, of which RMB8,988,000 expect to due for payment in the next twelve months from 30 June 2025.

In the opinion of the directors of the Company, the Group will be able to continue as a going concern at least in the coming twelve months taking into consideration that the available bank facilities from various banks for the operation requirements of the Group based on the past history of renewal of such facilities and the working capital estimated to be generated from operating activities. As at 30 June 2025, the Group had total banking facilities relating to bank borrowings (excluding those related to factoring of bills receivable) and bills payables amounted to approximately RMB2,855,235,000, of which approximately RMB1,646,358,000 had been utilised, and the unutilised banking facilities amounted to RMB1,208,877,000. In addition, based on the best estimation of the directors of the Company, all of the currently utilised financing facilities would be renewed upon expiry.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION *(Continued)*

Based on the aforesaid factors, the directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

2. ACCOUNTING POLICIES *(Continued)*

Application of amendments to HKFRS Accounting Standards *(Continued)*

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors, Mr. Xu and Mr. Luo Canwen ("Mr. Luo"), being the chief operating decision maker (the "CODM"), in order to allocate resources to segments and to assess their performance. During the periods ended 30 June 2025 and 2024, the CODM assesses the operating performance and allocates the resources of the Group as a whole as the Group is primarily engaged in production and sales of cold-rolled steel products and galvanized steel products. Therefore, the management considers that the Group has one operating segment only. The Group mainly operates in the PRC and the Group's non-current assets are also located in the PRC.

A disaggregation of revenue from contracts with customers by types of goods is as follow:

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Sales of cold-rolled steel products		
— steel strips and sheets	317,925	1,669,663
— welded steel tubes	23,111	67,910
Sales of galvanized steel products	209,050	1,148,899
Sales of hot-rolled steel products and others	182,820	319,991
	732,906	3,206,463

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

All revenue of the Group are recognised at a point in time. All products are delivered within a period less than one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The Group's revenue is derived from customers located in the PRC (including Hong Kong) and the Southeast Asia. The Group's revenue by the geographical locations of the customers, determined based on the destination of goods delivered, irrespective of the origin of goods, is detailed below:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
PRC (including Hong Kong)	730,331	3,173,171
Southeast Asia	2,575	33,292
	732,906	3,206,463

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance costs		
— Interest expense on borrowings, net of amounts capitalised in the cost of qualifying assets of RMB4,340,000 (six months ended 30 June 2024: RMB12,645,000)	(29,253)	(52,986)
— Interest expense on lease liabilities	(219)	(230)
	(29,472)	(53,216)
Finance income		
— Interest income from bank deposits	809	1,724
Finance costs, net	(28,663)	(51,492)

The finance costs have been capitalised at rates ranging from 2.90% to 7.11% during the six months ended 30 June 2025 (six months ended 30 June 2024: 3.10% to 7.11%) per annum to expenditure on qualifying assets.

5. INCOME TAX (CREDIT) EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax charge:		
— PRC Enterprise Income Tax ("EIT")	—	3,398
Deferred tax	(93,651)	(806)
Income tax (credit) expense for the period	(93,651)	2,592

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

6. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss) profit for the period has been arrived at after charging (crediting):		
Directors' remuneration		
— fees	215	236
— other emoluments, salaries, allowances and other benefits	536	621
— equity-settled share-based payments	—	71
— retirement benefit scheme contributions	38	55
	789	983
Staff salaries, allowances and other benefits	46,128	61,776
Equity-settled share-based payments, excluding those of directors	—	174
Retirement benefit scheme contributions, excluding those of directors	10,448	7,355
Total employee benefits expenses	57,365	70,288
Depreciation of property, plant and equipment	54,202	51,120
Less: amount capitalised as cost of inventories manufactured	(49,958)	(43,992)
	4,244	7,128
Depreciation of right-of-use assets	3,411	3,490
Less: amount capitalised as cost of construction in progress	(898)	(903)
	2,513	2,587
Cost of inventories recognised as an expense	1,273,119	3,112,274
Loss on disposal of property, plant and equipment	4,780	139

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

7. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
(Loss) earnings:		
(Loss) profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss) earnings per share	(523,148)	16,885
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	600,000,000	600,000,000
Effect of dilutive potential ordinary shares brought by share options (Note)	—	—
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	600,000,000	600,000,000

Note: The computation of diluted (loss) earnings per share for each interim period does not assume the exercise of the Company's options because the adjusted exercise price of vested options are both higher than the average market price for shares during both interim periods.

8. DIVIDENDS

No interim dividend has been proposed for the period ended 30 June 2025 since the end of the reporting period (30 June 2024: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

9. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, the Group acquired property, plant and equipment and incurred construction costs of RMB65,139,000 (six months ended 30 June 2024: RMB432,236,000).

No new land use right was obtained by the Group during the six months ended 30 June 2025. During the six months ended 30 June 2024, the Group obtained a new land use right at a cash consideration of RMB41,613,000.

10. TRADE, BILLS AND OTHER RECEIVABLES

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Trade receivables from contracts with customers	40,652	46,761
Less: Allowance for credit losses	(2,184)	(2,184)
	38,468	44,577
Bills receivables	61,826	112,592
Prepayments to suppliers	480,042	541,000
Value-added tax recoverable	129,898	127,988
Other prepayments, deposits and other receivables	137,385	137,511
	847,619	963,668

For long-term customers with good credit quality and payment history, the Group may allow credit periods of up to 90 days (2024: 90 days). For other customers, the Group demands for full settlement upon delivery of goods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

10. TRADE, BILLS AND OTHER RECEIVABLES (Continued)

The following is an ageing analysis of trade receivables and bills receivables presented based on the invoice date and bills receipt dates respectively at the end of each reporting period:

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Trade receivables:		
Within 30 days	26,981	31,583
31–60 days	3,944	6,040
61–90 days	1,205	–
91–120 days	678	447
121–180 days	61	4,747
181–365 days	4,199	920
Over 1 year	1,400	840
	38,468	44,577
Bills receivables:		
Within 30 days	1,929	28,666
31–60 days	1,483	19,356
61–90 days	802	11,077
91–120 days	19,772	18,329
121–180 days	37,840	35,164
	61,826	112,592

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

10. TRADE, BILLS AND OTHER RECEIVABLES (Continued)

As at 30 June 2025, included in the Group's bills receivables are amounts of RMB39,449,000 (31 December 2024: RMB111,990,000), being the discounted bills receivables transferred to certain banks and suppliers with full recourse. If the issuing banks of bills receivables default payment on maturity, the banks and suppliers have the right of recourse to request the Group to pay the unsettled balance. As the Group has not transferred substantially all the risks and rewards relating to these bills receivables, it continues to recognise the full carrying amount of the bills receivables and the corresponding amounts in bank borrowings from factoring of bills receivables with full recourse (note 13) and trade payables (note 11). These bills receivables are carried at amortised cost in the condensed consolidated statement of financial position. All the bills receivables are with a maturity period of less than one year.

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Carrying amount of transferred asset	39,449	111,990
Carrying amount of associated bank borrowings	(35,917)	(103,163)
Carrying amount of associated trade payables	(3,532)	(8,827)
	—	—

During the six months ended 30 June 2025, certain transactions between subsidiaries of the Company arising from steel processing services were settled by bank bills. As at 30 June 2025, bills receivables held by a subsidiary of the Company issued by other members of the Group of RMB66,270,000 (31 December 2024: RMB122,300,000) were transferred to certain banks with full recourse similar to the arrangements as set out above. These bills receivables were eliminated in full on consolidation. The Group had recognised the cash received on the transfer of the bills receivables as bank borrowings from factoring of trade receivables with full recourse.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

11. TRADE, BILLS AND OTHER PAYABLES AND ACCRUED EXPENSES

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Trade payables (Note a)	121,142	113,481
Bills payables (Note b)	73,237	80,000
Accrued staff costs	11,285	24,060
Construction payables	81,136	144,248
Transportation fees payables	11,155	7,572
Other tax payables	2,422	22,384
Other payables and accrued expenses	13,956	31,669
	314,333	423,414

Notes:

- (a) Included in the amounts was RMB3,532,000 (31 December 2024: RMB8,827,000) related to the trade payables in which the Group has endorsed bills to the relevant suppliers. The details are set out in the note 10.
- (b) These relate to the amounts in which the Group has issued bills to the relevant suppliers and were not yet matured as at period/year end. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

11. TRADE, BILLS AND OTHER PAYABLES AND ACCRUED EXPENSES *(Continued)*

The ageing analysis of the trade payables, excluding those related to the trade payables in which the Group has endorsed bills to the relevant suppliers as described in note 11(a), based on the invoice dates at the end of each reporting period is presented as follows:

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Trade payables:		
Within 30 days	4,408	38,045
31–60 days	–	20,235
61–90 days	11,111	15,286
91–120 days	29,100	6,472
121–180 days	28,546	11,701
181–365 days	37,323	8,741
Over 1 year	7,122	4,174
	117,610	104,654

The maturity dates of the bills payables at the end of each reporting period are presented as follows:

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Bills payables:		
Within 30 days	–	35,000
31–60 days	–	5,000
61–90 days	4,087	–
121–180 days	69,150	40,000
	73,237	80,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

12. AMOUNTS DUE TO RELATED PARTIES

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Mr. Xu	958	3,014
Mr. Chen Chunniu	243	163
	1,201	3,177

The amount is non-trade in nature, interest free, unsecured and repayable within twelve months from the respective dates.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

13. BORROWINGS

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Fixed-rate borrowings:		
Secured bank borrowings	1,710,399	1,529,215
Bank borrowings from factoring of bills receivables with full recourse (<i>note 10</i>)	102,187	225,463
Unsecured bank borrowings	187,998	181,058
Secured borrowings from entities established in the PRC independent with the Group	204,138	271,986
	2,204,722	2,207,722
Variable-rate borrowings:		
Secured bank borrowings	147,940	293,121
Unsecured bank borrowings	9,400	9,600
Total borrowings	2,362,062	2,510,443
The carrying amounts of the above bank borrowings are repayable based on the scheduled repayment dates set out in the loan agreements:		
— within one year	905,909	1,257,356
— more than one year, but not more than two years	621,607	508,209
— more than two years, but not more than five years	236,683	252,406
— more than five years	393,725	220,486
	2,157,924	2,238,457
Less: amount due within one year shown under current liabilities	(905,909)	(1,257,356)
Amount shown under non-current liabilities	1,252,015	981,101

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

13. BORROWINGS (Continued)

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
The carrying amounts of the above other borrowings are repayable based on the scheduled repayment dates set out in the loan agreements:		
— within one year	191,777	216,466
— more than one year, but not more than two years	10,728	52,050
— more than two years, but not more than five years	1,633	3,470
	204,138	271,986
Less: amount due within one year shown under current liabilities	(191,777)	(216,466)
Amount shown under non-current liabilities	12,361	55,520

The secured portion of the Group's borrowings are secured by certain assets of the Group as detailed in note 17 and equity interest in a subsidiary. Certain of the Group's borrowings are also guaranteed personally by certain directors of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

14. SHARE CAPITAL

	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024 and 30 June 2025	8,000,000,000	80,000
Issued:		
At 1 January 2024 (audited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	600,000,000	6,000
	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Shown in the condensed consolidated statement of financial position	4,999	4,999

15. SHARE-BASED PAYMENTS

Pursuant to a resolution passed on 2 June 2021, the board of directors of the Company has offered to grant share options to certain directors and other eligible grantees under the share option scheme of the Company adopted on 23 March 2016.

The movement of the share options of the Scheme during the six months ended 30 June 2025 is as follows:

	Number of share options
Outstanding as at 1 January 2024 and 31 December 2024 (audited)	25,272,720
Lapsed during the period	(10,109,088)
Outstanding as at 30 June 2025 (unaudited)	15,163,632

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

15. SHARE-BASED PAYMENTS *(Continued)*

Details of share options granted by the Company and outstanding as at 30 June 2025 and 31 December 2024 are as follows:

As at 30 June 2025 (unaudited)

Date of grant	Vesting period	Exercise period	Number of share options granted	Exercise price HK\$
Directors				
2 June 2021	2 June 2021 – 2 June 2023	3 June 2023 – 2 June 2026	2,181,816	2.75
	2 June 2021 – 2 June 2024	3 June 2024 – 2 June 2027	2,181,820	2.75
			4,363,636	
Other grantees				
2 June 2021	2 June 2021 – 2 June 2023	3 June 2023 – 2 June 2026	5,399,999	2.75
	2 June 2021 – 2 June 2024	3 June 2024 – 2 June 2027	5,399,997	2.75
			10,799,996	
			15,163,632	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

15. SHARE-BASED PAYMENTS *(Continued)*

As at 31 December 2024 (audited)

Date of grant	Vesting period	Exercise period	Number of share options granted	Exercise price HK\$
Directors				
2 June 2021	2 June 2021 – 2 June 2022	3 June 2022 – 2 June 2025	2,909,088	2.75
	2 June 2021 – 2 June 2023	3 June 2023 – 2 June 2026	2,181,816	2.75
	2 June 2021 – 2 June 2024	3 June 2024 – 2 June 2027	2,181,820	2.75
			7,272,724	
Other grantees				
2 June 2021	2 June 2021 – 2 June 2022	3 June 2022 – 2 June 2025	7,200,000	2.75
	2 June 2021 – 2 June 2023	3 June 2023 – 2 June 2026	5,399,999	2.75
	2 June 2021 – 2 June 2024	3 June 2024 – 2 June 2027	5,399,997	2.75
			17,999,996	
			25,272,720	

The fair value of the options determined at the date of grant using the Binomial model was HK\$11,598,000. Out of the outstanding share options of 15,163,632 (31 December 2024: 25,272,720), 15,163,632 (31 December 2024: 25,272,720) options were exercisable as at 30 June 2025 with an exercise price of HK\$2.75 per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

16. CAPITAL COMMITMENTS

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Capital expenditure contracted but not provided for in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment	100,929	112,074

17. PLEDGE OF ASSETS

Certain of the Group's borrowings are secured by assets of the Group and the carrying amounts of which at the end of each reporting period are stated below:

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Trade receivables	—	9,259
Property, plant and equipment	1,499,037	1,451,558
Right-of-use assets	222,174	237,239
Restricted bank deposits	129,906	179,431
	1,851,117	1,877,487

Furthermore, bills receivables issued by third parties with full recourse that is discounted to banks for settlement of payables for purchasing of steel raw materials is disclosed in note 13.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key input	Signification unobservable input
	30 June 2025 RMB'000	31 December 2024 RMB'000			
Financial assets at FVTOCI — private equity investments at FVTOCI	1,405	1,405	Level 3	Asset-based approach — In this approach, the fair market value of the unlisted equity investments' total assets minus total liabilities is applied for the fair value estimation of the unlisted equity investments	—

There was no transfer between different level of the fair value hierarchy during the current interim period.

Except the above financial instruments that are measured at fair value on a recurring basis, the directors of the Company consider the carrying amounts of financial assets and liabilities recorded at amortised costs approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

19. RELATED PARTY DISCLOSURES

(a) Related party balance

Details of the outstanding balance with related parties are set out in the condensed consolidated statement of financial position and in note 12.

(b) Related party transactions

The Group entered into the following transactions with related parties, during the reporting period:

Related parties	Nature of transactions	Six months ended 30 June	
		2025	2024
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Hua Jin Holdings Pte. Ltd ("Hua Jin Holdings") (Note i)	Interest expense on lease liabilities	8	1
Oriental Surplus Link Limited (Note ii)	Interest expense on lease liabilities	11	12

Notes:

- (i) Hua Jin Holdings is 100% owned by Mr. Xu. The Group entered into a lease agreement with Hua Jin Holdings, with the lease term till 2026 for the use of office premise and furniture located in Tradehub 21, 8 Boon Lay Way, 609964 in District 22, Singapore. During the six months ended 30 June 2025, the Group have made repayment of the lease liability of RMB155,000 (six months ended 30 June 2024: RMB158,000). As at 30 June 2025, the corresponding carrying amount of the lease liabilities is RMB357,000 (31 December 2024: RMB490,000).
- (ii) The Group entered into a lease agreement with Oriental Surplus Link Limited, which was wholly-owned by Mr. Xu, with the lease term till 2025 for the use of staff quarter located in Sai Kung, New Territories, Hong Kong. During the six months ended 30 June 2025, the Group have made repayment of the lease liability of RMB297,000 (six months ended 30 June 2024: RMB305,000). As at 30 June 2025, the corresponding carrying amount of the lease liabilities is RMB252,000 (31 December 2024: RMB548,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

19. RELATED PARTY DISCLOSURES *(Continued)*

(c) Guarantees provided by related parties

Certain of the Group's borrowings are secured by guarantees provided by certain directors of the Company as at 30 June 2025 and 31 December 2024 as set out in note 13.

(d) Compensation of key management personnel

The remuneration of directors and other members of key management during the reporting period were as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Salaries, allowances and other benefits	2,647	2,817
Retirement benefit scheme contributions	91	152
Share-based payment expense	—	245
	2,738	3,214

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Huajin International Holdings Limited is an investment holding company and the Group is a leading cold-rolled steel processor in Guangdong Province, the PRC. The Group is principally engaged in processing of hot-rolled steel coils into cold-rolled steel strips, sheets and welded steel tubes and galvanized steel products customised to the specification of the customers covering a wide range of industries, including light industrial hardware, home appliances, furniture, motorcycle/bicycle accessories, LED and lighting. The Group provides processing, cutting, slitting, warehousing and delivery services on customized cold-rolled steel products and galvanized steel products.

From 2024 onward, the Group is also engaged in terminal operation and provision of port and port-related services (including uploading and unloading of cargoes, bulk cargo handling services, container handling, storage and other services). The Group's port terminal, namely Huajin Terminal, is situated in Gujing Town, Xinhui District, Jiangmen City, in the southwestern area of the Pearl River Delta of the PRC.

As at 30 June 2025, the Group had invested approximately RMB750.0 million in constructing the Huajin Terminal. After the Spring Festival in 2025, berths No. 1, 2, and 3 at the Huajin Terminal obtained the Port Operation Licence* (港口經營許可證) and commenced operation. Huajin Terminal is having three berths with the capacity to accommodate vessels with sizes of 30,000 deadweight tonnage.

In addition to the construction of Huajin Terminal, the Group has also invested in the construction of the Huajin Metal Industrial Park. The Group is committed to building this industrial park into a steel trading and distribution center in the Greater Bay Area of South China, providing customers in places such as Zhuhai, Zhongshan, and Jiangmen with low-cost raw material supplies and distribution service. The annual processing capacity of Huajin Metal Industrial Park reaches 3.5 million tons, and its processing businesses cover flattening separation and shearing. The annual throughput of Huajin Terminal is expected to reach more than 15 million tons, mainly providing cargo consolidation services for all upstream and downstream enterprises in the Greater Bay Area.

Huajin Terminal is also equipped with containers, providing high-quality logistics services for downstream enterprises and effectively promoting the efficient operation of the industrial chain in the Greater Bay Area.

MANAGEMENT DISCUSSION AND ANALYSIS

The integrated operation of Huajin Terminal and the warehousing and processing area of Huajin Metal Industrial Park has established a modern logistics industry. Raw materials and finished products can be quickly transferred along the shortest route and with the highest efficiency, and are directly transported to the processing and warehousing, where various metal processing, warehousing and distribution services are immediately carried out for the Group. This operational model has achieved seamless integration across the entire industrial chain, establishing a robust platform that enhances resource-side efficiency and reduces operational costs for regional manufacturers, while significantly amplifying our Group's industrial synergy benefits.

On 26 March 2025, the Group signed an letter of investment intent with a state-owned company under the jurisdiction of Jiangmen City regarding the possible equity participation in Jiangmen Huajin Metal Trading Market Co., Ltd. ("Jiangmen Huajin Metal Trading"). Jiangmen Huajin Metal Trading is an indirect wholly-owned subsidiary of the Company, which is responsible for the operation and management of Huajin Terminal. As at the date of this interim report, the Group has not entered into any formal or legally binding agreements in relation to the letter of investment intent.

During the six months ended 30 June 2025, the Group generated revenue of approximately RMB732.9 million, representing a decrease of RMB2,473.6 million or 77.1%, as compared to that of approximately RMB3,206.5 million during the six months ended 30 June 2024. Loss attributable to owners of the Company during the six months ended 30 June 2025 was approximately RMB523.1 million when compared with profit attributable to owners of the Company for the six months ended 30 June 2024 of approximately RMB16.9 million.

The Board considered that the net loss of the Group for the six months ended 30 June 2025 was mainly due to, among others, the drop in revenue and sales volume, as well as profit margin for the Group during the six months ended 30 June 2025.

The sales volume of cold-rolled steel products and galvanized steel products in aggregate was 145,494 tonnes during the six months ended 30 June 2025, representing a decrease of 533,393 tonnes or 78.6%, as compared to 678,887 tonnes during the six months ended 30 June 2024.

During the six months ended 30 June 2025, the Group acquired property, plant and equipment and incurred construction costs of approximately RMB65.1 million (six months ended 30 June 2024: RMB432.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS

The net current liabilities position of approximately RMB1,096.1 million (31 December 2024: RMB754.5 million) as at 30 June 2025 was primarily attributable to the fact that short-term borrowings were obtained to finance the non-current capital expenditures on property, plant and equipment, and land use rights. The Directors are of the opinion that, in the absence of any unforeseen circumstances and after taking into account (i) the internal resources of the Group, and (ii) the Group's presently available financing facilities and the intended renewal of the existing financing facilities upon maturity, the Group would have sufficient working capital to meet its current liabilities or expand its operations as anticipated.

The capital commitments towards the acquisition of property, plant and equipment, as at 30 June 2025, was approximately RMB100.9 million (31 December 2024: RMB112.1 million), which will be financed by the Group's internal resources and borrowings.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

FINANCIAL REVIEW

Revenue

The Group primarily generates revenue from sales of cold-rolled steel products and galvanized steel products. The revenue for the six months ended 30 June 2025 amounted to approximately RMB732.9 million, representing a decrease of approximately RMB2,473.6 million or 77.1%, as compared with that of approximately RMB3,206.5 million for the six months ended 30 June 2024.

The sales volume of cold-rolled steel products decreased to 91,262 tonnes for the six months ended 30 June 2025, by 328,716 tonnes or 78.3%, as compared with that of 419,978 tonnes for the six months ended 30 June 2024. The sales volume of galvanized steel products decreased to 54,232 tonnes for the six months ended 30 June 2025, by 204,677 tonnes or 79.1%, as compared with that of 258,909 tonnes for the six months ended 30 June 2024. Thus, the sales volume of cold-rolled steel products and galvanized steel products in aggregate was 145,494 tonnes for the six months ended 30 June 2025, representing a decrease of 533,393 tonnes or 78.6%, as compared to 678,887 tonnes for the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The decrease in revenue was mainly attributable to the decrease in sales volume of our cold-rolled steel products and galvanized steel products. The average selling price of our cold-rolled steel products decreased to RMB3,737 per tonne for the six months ended 30 June 2025 as compared with that of RMB4,137 per tonne for the six months ended 30 June 2024. The average selling price of our galvanized steel products decreased to RMB3,855 per tonne for the six months ended 30 June 2025 as compared with that of RMB4,437 per tonne for the six months ended 30 June 2024. In summary, the average selling price of our cold-rolled steel products and galvanized steel products decreased to RMB3,781 per tonne for the six months ended 30 June 2025 as compared with that of RMB4,251 per tonne for the six months ended 30 June 2024.

The domestic sales in the PRC market contributed over 99.6% for the six months ended 30 June 2025 (six months ended 30 June 2024: 98.9%) of the revenue while the remaining portion was attributable to sales to our customers located in Southeast Asia. Other revenue was primarily attributable to the sales of scrap steel residual in our manufacturing process to recycling agents and the provision of processing service to the customers who engage us to process steel coils provided by them. Such other revenue accounted for about 24.9% (six months ended 30 June 2024: 10.0%) of the revenue for the the six months ended 30 June 2025.

The following table sets out the breakdown of our revenue during the reporting period:

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Sales of cold-rolled steel products	341,036	46.6	1,737,573	54.2
— steel strips and sheets	317,925	43.4	1,669,663	52.1
— welded steel tubes	23,111	3.2	67,910	2.1
Sales of galvanized steel products	209,050	28.5	1,148,899	35.8
Sales of hot-rolled steel products and others	182,820	24.9	319,991	10.0
	732,906	100.0	3,206,463	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales

The cost of sales decreased to approximately RMB1,273.1 million for the six months ended 30 June 2025, by approximately RMB1,839.2 million or 59.1%, as compared with that of approximately RMB3,112.3 million for the six months ended 30 June 2024.

The following table sets out the breakdown of our cost of sales for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Direct materials	1,118,522	87.9	2,865,012	92.1
Utilities	32,470	2.6	104,919	3.4
Direct labour	35,331	2.8	47,511	1.5
Depreciation expense	49,958	3.9	46,294	1.5
Consumables	32,020	2.4	43,089	1.4
Others	4,818	0.4	5,449	0.1
	1,273,119	100.0	3,112,274	100.0

Direct materials represented the cost of raw materials, primarily hot-rolled steel coils. The direct materials accounted for over 87.9% (six months ended 30 June 2024: 92.1%) of the cost of sales for the six months ended 30 June 2025. The decrease in direct materials was mainly attributable to the decrease in the sales volume of cold-rolled steel products, galvanized steel products and hot-rolled steel coils.

Utilities related primarily to electricity, water, and natural gas consumed throughout our production process. Utilities expenses decreased to approximately RMB32.5 million for the six months ended 30 June 2025, by approximately RMB72.4 million or 69.0%, as compared with that of approximately RMB104.9 million for the six months ended 30 June 2024.

Direct labour decreased to approximately RMB35.3 million for the six months ended 30 June 2025, by approximately RMB12.2 million or 25.7%, as compared with that of approximately RMB47.5 million for the six months ended 30 June 2024. The decrease in direct labour was mainly attributable to the decrease in production volume during the reporting period under review.

MANAGEMENT DISCUSSION AND ANALYSIS

Depreciation expense experienced an increase to approximately RMB50.0 million for the six months ended 30 June 2025, by approximately RMB3.7 million or 8.0%, as compared with that of approximately RMB46.3 million for the six months ended 30 June 2024. Such increase was mainly due to the increase in depreciation for property, plant and equipment during the reporting period under review.

Consumables consisted of machinery spare parts and supplies consumed in the production process. Consumables decreased to approximately RMB32.0 million for the six months ended 30 June 2025, by approximately RMB11.1 million or 25.8%, as compared with that of approximately RMB43.1 million for the six months ended 30 June 2024.

Other costs primarily comprised other taxes and surcharges expenses.

Gross profit

Due to the drop in the profit margin on the sales of all steel products, the Group recorded a gross loss of approximately RMB540.2 million for the six months ended 30 June 2025 as compared with a gross profit of approximately RMB94.2 million for the six months ended 30 June 2024.

The gross loss margin was approximately 73.7% for the six months ended 30 June 2025 when compared with a gross profit margin of 2.9% for the six months ended 30 June 2024. It was mainly due to punitive tariffs imposed by major importing countries around the world on steel products, which led to sharp drops in the sales volume and average selling price of goods exported by the Group's downstream customers. As end-market demand contracted, certain long-term customers unilaterally postponed or cancelled signed orders, adversely affecting the Group's revenue. The abrupt fall in orders also prevented the Group from meeting the minimum offtake requirements in several long-term supply contracts with steel mills, triggering non-refundable commitment fees and deposits and thereby increasing cost of sales.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income, other gains and losses (net)

Other income, other gains and losses (net) recorded a net loss of approximately RMB2.1 million for the six months ended 30 June 2025, compared with a net gain of RMB24.5 million for the six months ended 30 June 2024. The change from net gain to net loss on other income, other gains and losses was mainly due to (i) a decrease in extra deduction of value-added tax credit amounted to RMB17.2 million; (ii) a decrease in unrealized gain on derivative financial instruments in relation to the commodity futures contracts amounted to RMB3.0 million; (iii) a decrease in penalty income relating to the sales of scrap steel in the amount of approximately RMB2.0 million and (iv) an increase in loss on disposal of property, plant and equipment by approximately RMB4.6 million.

Selling expenses

Selling expenses decreased to approximately RMB13.8 million for the six months ended 30 June 2025, by approximately RMB3.0 million or 17.9%, as compared with that of approximately RMB16.8 million for the six months ended 30 June 2024. The decrease in selling expenses was mainly attributable to the decrease in revenue for the six months ended 30 June 2025.

Administrative expenses

The administrative expenses decreased to approximately RMB32.0 million for the six months ended 30 June 2025, by approximately RMB4.9 million or 13.3%, as compared with that of approximately RMB36.9 million for the six months ended 30 June 2024. The decrease in administrative expenses was mainly attributable to (i) a decrease in general administrative salaries and staff welfare of approximately RMB1.9 million; (ii) a decrease in consumables of approximately RMB1.5 million; and (iii) a decrease in entertainment expenses of approximately RMB1.5 million.

Investment gain

The investment gain was nil for the six months ended 30 June 2025 when compared to approximately RMB6.1 million for the six months ended 30 June 2024. Such investment gain during the reporting period under review was primarily due to the net realised gain on derivative financial instruments in relation to the commodity futures contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

Finance costs decreased to approximately RMB29.5 million for the six months ended 30 June 2025, by approximately RMB23.7 million or 44.5%, as compared with that of approximately RMB53.2 million for the six months ended 30 June 2024. Such decrease was mainly attributable to the decrease in general interest rates of most of the borrowings during the six months ended 30 June 2025 compared to the six months ended 30 June 2024.

Income tax expenses

There was deferred tax credit amounted to approximately RMB93.7 million for the six months ended 30 June 2025 while there was income tax expenses and deferred tax credit amounted to approximately RMB3.4 million and RMB0.8 million respectively for the six months ended 30 June 2024.

(Loss) profit for the period

The loss attributable to owners of the Company was approximately RMB523.1 million for the six months ended 30 June 2025 when compared with a profit attributable to owners of the Company of approximately RMB16.9 million for the six months ended 30 June 2024.

Liquidity and financial resources

As at 30 June 2025, the Group's bank balances and cash decreased to approximately RMB5.2 million, by approximately RMB30.1 million or 85.3%, from approximately RMB35.3 million as at 31 December 2024. The Group's restricted bank deposits decreased to approximately RMB129.9 million as at 30 June 2025, by approximately RMB49.5 million or 27.6%, from approximately RMB179.4 million as at 31 December 2024.

As at 30 June 2025, the Group had the net current liabilities and the net liabilities of approximately RMB1,096.1 million (31 December 2024: RMB754.5 million) and approximately RMB99.6 million (31 December 2024: net assets of approximately RMB423.8 million), respectively. As at 30 June 2025, the current ratio calculated based on current assets divided by current liabilities of the Group was 48.4% as compared with that of 66.4% as at 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2025, the Group's total borrowings amounted to approximately RMB2,362.1 million (31 December 2024: RMB2,510.4 million) and total assets amounted to approximately RMB3,302.5 million (31 December 2024: RMB3,716.7 million). As at 30 June 2025, the gearing ratio of the Group, calculated based on total borrowings divided by total assets, was approximately 71.5% (31 December 2024: 67.5%).

As at 30 June 2025, the Group had total banking facilities relating to bank borrowings (excluding those related to factoring of bills receivables) and bills payables amounted to approximately RMB2,855.2 million (31 December 2024: RMB2,931.5 million), of which approximately RMB1,646.4 million (31 December 2024: RMB1,604.8 million) had been utilised, and the unutilised banking facilities amounted to approximately RMB1,208.8 million (31 December 2024: RMB1,326.7 million). In addition, based on the best estimation of the directors of the Company, all of the currently utilised banking facilities would be renewed upon expiry.

As at 30 June 2025, certain of the Group's borrowings, which were secured by certain assets of the Group, were also secured by personal guarantees from Mr. Xu Songqing and Mr. Luo Canwen respectively. Mr. Xu also agreed to provide necessary financial support to enable the Group to meet its financial obligations as they fall due for a period of fifteen months from the date of approval of these consolidated financial statements.

Foreign currency exposure

As the functional currency of the PRC subsidiaries is Renminbi ("RMB") and a portion of the revenue is derived from sales to overseas customers who settle in United States dollars ("USD"), we are exposed to risks associated with fluctuations in USD against RMB. In addition, we are exposed to foreign currency risk arising from certain bank balances which are denominated in USD, Hong Kong dollars and Singapore dollars. The Group currently does not have any foreign currency hedging policy. However, the management closely monitors its exposure to foreign currency risk and will consider hedging significant foreign currency exposure should the need arise.

Financial instruments

During the reporting period under review, apart from the commodity futures contracts, the Group had not entered into any financial instruments for hedging purpose.

Material acquisitions and disposal

During the six months ended 30 June 2025, the Group had no material acquisitions or disposal of subsidiaries, associates and joint ventures.

MANAGEMENT DISCUSSION AND ANALYSIS

Borrowings

Details of the borrowings of the Group as at 30 June 2025 are set out in note 13 to the condensed consolidated financial statements.

Capital structure

Details of the share capital are set out in note 14 to the condensed consolidated financial statements.

Capital commitments

Details of the capital commitments are set out in note 16 to the condensed consolidated financial statements.

Pledge of assets

Details of the pledge of assets are set out in note 17 to the condensed consolidated financial statements.

Contingent liabilities

During the reporting period under review, the Company provided guarantees to banks as securities for financing facilities granted to certain subsidiaries of the Company in the PRC. The Group did not provide any guarantee to any third parties and did not have contingent liabilities as at 30 June 2025 (31 December 2024: nil).

Employees

As at 30 June 2025, the Group had a total of 1,165 (31 December 2024: 1,492) full-time employees (including executive Directors) in mainland China, Hong Kong and Singapore. The Group's total staff costs (including Directors' remuneration) for the six months ended 30 June 2025 amounted to approximately RMB56.6 million (six months ended 30 June 2024: RMB70.3 million). The Group remunerated the employees based on their performance, experience and prevailing market practices. The Company has share option scheme in place as a means to encourage and reward the eligible employees (including the Directors) for their contributions to the Group's results and business development based on their individual performance. Share options to certain Directors and employees granted on 2 June 2021. No share-based payment expenses was recognised for the six months ended 30 June 2025. Share-based payment expenses of approximately RMB0.2 million included in the above staff costs for the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS

Huajin Group's Future Development Direction and Diversified Profit Model

In the face of fluctuations in the global manufacturing industry and changes in market structure, the Group has actively adjusted its strategic layout. Leveraging the location, resource and facility advantages of Huajin Metal Industrial Park and Huajin Terminal, it plans to build a full industrial chain ecosystem encompassing “raw material centralized procurement — logistics — warehousing and processing — production — finished product warehousing — logistics distribution — industrial and financial trade — financial supply chain”, aiming to promote the transformation of its profit model from a single cold-rolled coil production and sales to a diversified and integrated one.

I. Leveraging the advantages of the terminal to expand port steel loading/unloading and comprehensive services

Huajin Terminal is located on the bank of Yinzhou Lake* (銀洲湖) in the Greater Bay Area, with a coastline of 652 metres. It has completed 3 berths of 30,000-tonne class, with an annual handling capacity of 20 million tonnes, and is equipped with loading and unloading capabilities for all types of cargo including containers, steel coils, sections and bulk cargo.

It is estimated that upon reaching full production capacity, the annual loading and unloading volume will reach 18 to 20 million tonnes. In the future, plans are to further introduce functions such as container transshipment, lighterage, bonded warehousing and cross-border trade, with a view to building a key port hub in the Greater Bay Area. Huajin Terminal will change the traditional model of multiple transshipments for steel products transported southward from northern regions. Through one-stop services, it will significantly reduce the overall costs of southward steel products and markedly enhance the comprehensive competitiveness of downstream customers in cities surrounding the Greater Bay Area.

MANAGEMENT DISCUSSION AND ANALYSIS

II. Building a metal full-industry-chain processing and warehousing platform

Huajin Industrial Park is currently equipped with processing equipment such as hot-rolled flattening machines, slitting machines and cold-rolled flattening machines, with an annual processing capacity of 3 million tonnes. Through integrated processing and warehousing services, it provides core customers with operational services covering procurement, land transportation, maritime transportation, warehousing, processing, distribution and supply chain. In the future, it will also build an IOT platform integrating “Internet of Things, edge computing and AI analysis”, which will enable full-process digital management of cargo inbound, outbound and in-warehouse management, achieving visualization, online access, early warning and traceability. This will effectively enhance operational efficiency and cargo ownership security assurance capabilities, striving to build a modern public warehouse for metal futures and spot regulatory futures trading delivery in the Greater Bay Area.

III. Developing bulk raw material trading such as high-calcium stones and construction aggregates

Leveraging the navigational capacity of the terminal and the advantages of the 600-mu rear storage yard resources, it directly procures high-quality high-calcium stones and construction aggregates from mining areas in Guangxi, forming a model of direct supply from producing areas and port stockpiling. Sales during the dry season from October to April of the following year will be able to achieve relatively high gross profit margins. Meanwhile, through the “two-way cargo flow” model that combines the distribution of high-calcium stones and construction aggregates for backflow to steel mills at the original port after unloading at Huajin Terminal with bulk commodity distribution services, it has formed long-term cooperation with steel mills, expanding the market coverage in key regions nationwide, including South China, East China, North China, northeast coastal areas and inland regions.

MANAGEMENT DISCUSSION AND ANALYSIS

IV. *Expanding logistics and ferrous metal trading market services*

The Group has currently put its automobile transportation segment into operation. It is estimated that the annual demand for land transportation in the industrial park will reach 6 to 10 million tonnes, and this potential business segment is expected to increase the Group's business income and profits. In addition, it has established stable cooperative relationships with a number of domestic steel mills and large state-owned trading enterprises to promote supply chain finance businesses such as steel centralized procurement, financing trade, and pallet credit sales, so as to improve the return on capital. Furthermore, relying on Huajin Terminal and joining hands with major steel mills and steel traders, the Group will give full play to its advantages as a leading steel enterprise in the province to build a metal trading market. The traded varieties will cover all types of steel products including hot-rolled, cold-rolled, galvanized, silicon steel, rebar, wire rod (including high-speed wire rod and coil rod), section steel and pipe, aiming to create an online-offline integrated metal trading demonstration zone.

V. *Deploying diversified trade and import-export businesses*

The Group intends to expand its import-export businesses to open up cross-border trade channels. Leveraging the advantages of its 30,000-tonne-class terminal, it will gradually expand into the trading of various bulk commodities such as steel products, stainless steel, timber, grain, white sugar and high-calcium stones, and diversify operational risks by enriching the structure of cargo types.

VI. *Strategic Vision*

As the development of the Guangdong-Hong Kong-Macau Greater Bay Area and the coastal and riverside economic belts accelerates, the Group will leverage the advantages of river-sea intermodal transportation between the Xijiang Golden Waterway and the Yamen Estuary* (崖門出海口) to build a diversified industrial group integrating port loading and unloading, metal processing, warehousing and logistics, raw material trading, supply chain finance and cross-border trade. Future profits will achieve stable and sustainable growth through the synergy of multiple businesses.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company and their associates in the ordinary shares of the Company (the "Shares"), and underlying Shares of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), or which were 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Long positions in Shares of the Company

Name of Directors	Nature of interest	Number of Shares held	Percentage of the Company's issued share capital (note 3)
Mr. Xu Songqing ("Mr. Xu")	Beneficial owner and interest of controlled corporation ⁽¹⁾	391,500,000	65.25%
Mr. Luo Canwen ("Mr. Luo")	Beneficial owner and interest of controlled corporation ⁽²⁾	54,000,000	9.00%

Notes:

- The entire issued share capital of Haiyi (as defined below) is legally and beneficially owned by Intrend Ventures (as defined below) and the entire issued share capital of Intrend Ventures is legally and beneficially owned by Mr. Xu. Each of Mr. Xu and Intrend Ventures is deemed to be interested in all the Shares held by Haiyi by virtue of the SFO.
- The entire issued share capital of Zhong Cheng (as defined below) is legally and beneficially owned by Mr. Luo. Mr. Luo is deemed to be interested in all the Shares held by Zhong Cheng by virtue of the SFO.
- The percentage of shareholding is calculated on the basis of the Company's issued share capital of 600,000,000 Shares as at 30 June 2025.

OTHER INFORMATION

Long positions in the shares of associated corporations of the Company

Name of Directors	Name of associated corporation	Nature of interest	Number of shares held	Percentage of the issued share capital of the associated corporation
Mr. Xu	Haiyi	Interest of controlled corporation	1,000	100.00%

Note: The entire issued share capital of Haiyi Limited is legally and beneficially owned by Intrend Ventures and the entire issued share capital of Intrend Ventures is legally and beneficially owned by Mr. Xu.

Long positions in the underlying Shares of the Company

Name of Directors	Nature of interest	Number of underlying shares in respect of the share options granted	Percentage of underlying shares over the Company's issued share capital (note)
Mr. Xu	Beneficial owner	1,090,909	0.18%
Mr. Xu Jianhong	Beneficial owner	1,090,909	0.18%
Mr. Luo	Beneficial owner	1,090,909	0.18%
Mr. Xu Songman	Beneficial owner	1,090,909	0.18%

Note: The percentage of shareholding is calculated on the basis of the Company's issued share capital of 600,000,000 Shares as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company nor their associates had any interests or short positions in the Shares or underlying Shares of the Company which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as the Directors are aware, the following persons or corporations (not being a Director or a chief executive of the Company) who/which had interests and/or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were:

Long positions in Shares of the Company

Name of shareholders	Nature of interest	Number of Shares held	Percentage of the issued share capital of the Company (note 3)
Haiyi Limited ("Haiyi")	Beneficial owner (note 1)	391,500,000	65.25%
Intrend Ventures Limited ("Intrend Ventures")	Interest of controlled corporation (note 1)	391,500,000	65.25%
Zhong Cheng International Limited ("Zhong Cheng")	Beneficial owner (note 2)	54,000,000	9.00%

Notes:

1. The entire issued share capital of Haiyi is legally and beneficially owned by Intrend Ventures and the entire issued share capital of Intrend Ventures is legally and beneficially owned by Mr. Xu Songqing. Each of Mr. Xu and Intrend Ventures is deemed to be interested in all the Shares held by Haiyi by virtue of the SFO.
2. The entire issued share capital of Zhong Cheng is legally and beneficially owned by Mr. Luo Canwen. Mr. Luo is deemed to be interested in all the Shares held by Zhong Cheng by virtue of the SFO.
3. The percentage of shareholding is calculated on the basis of the Company's issued share capital of 600,000,000 Shares as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, the Company has not been notified by any person nor corporation (other than Directors or the chief executive of the Company) who/ which had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

OTHER INFORMATION

SHARE OPTIONS SCHEME

Pursuant to the written resolution of all the shareholders of the Company passed on 23 March 2016, the Company adopted a share option scheme (the “Scheme”) conditional upon the listing of the Company’s shares on the Stock Exchange. The purpose of the Scheme is to enable the Company to grant options to the eligible persons as incentives or rewards for their contribution or potential contribution to the Group.

Details of the Scheme are as follows:

a. Purpose

The primary purpose of the Scheme is to grant options as incentives or rewards to Eligible Persons for their contribution or potential contribution to the Group.

b. Eligible Persons

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (h) below to any full-time or part-time employee of the Company or any member of the Group, including any executive Director, non-executive Director and independent non-executive Director, and any supplier, customer, agent, advisor and consultant of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Group (collectively, the “Eligible Persons”).

c. Total number of Shares available for issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not exceed 60,000,000 Shares, representing 10% of the Company’s issued share capital upon Listing.

The number of options available for grant under the scheme mandate limit as at 1 January 2025 was 34,727,280. As 10,109,088 options has been lapsed during the six months ended 30 June 2025, the number of options available for grant under the scheme mandate and the service provider sublimit as at 30 June 2025 were 44,836,368.

The number of shares that may be issued in respect of options granted under the Share Option Scheme divided by the weighted average number of shares issued by the Company for the six months ended 30 June 2025 is approximately 3.95%.

OTHER INFORMATION

Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may: (i) renew this limit at any time to 10% of the Shares in issue as of the date of the approval by the Shareholders in general meeting; and/or (ii) grant options beyond the 10% limit to Eligible Persons specifically identified by the Board.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditor of the Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company whether by way of consolidation, capitalisation issue, rights issue, sub-division or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

d. Maximum entitlement for each Eligible Person

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Person in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as of the date of grant. Any further grant of options in excess of this 1% limit shall be subject to: (i) the issue of a circular by the Company which shall comply with Rules 17.03(4) and 17.06 of the Listing Rules containing the identity of the Eligible Person, the numbers and terms of the options to be granted (and options previously granted to such person, if any) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Person and his/her associates (as defined in the Listing Rules) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such person must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Person shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Person an offer document in such form as the Board may from time to time determine.

OTHER INFORMATION

e. Time of exercise of option

Options may be exercised at any time commencing on the date as the Board may determine and ending on such date as the Board may determine but shall not exceed ten years from the date of grant (which is the date of offer of grant if the offer for the grant of the option is accepted). The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. No option may be granted more than ten years after the date of adoption of the Scheme.

f. Minimum holding period of the option before it can be exercised

The Scheme does not specify any minimum holding period but the Board has the authority to determine the minimum period for which a share option in respect of some or all of the shares forming the subject of the share options must be held before it can be exercised.

g. Acceptance and payment on acceptance

Offer for the grant of options must be accepted within 28 days from the offer date. Consideration of HK\$1 is required to be paid by the grantee of an option to the Company on acceptance of the offer for the grant of an option.

h. Exercise price

The exercise price is determined by the Board, and will not be less than the higher of the closing price of the Shares on the date of offer of grant and the average closing price of the shares for the five business days immediately preceding the date of offer of grant.

i. Remaining life of the Scheme

Subject to earlier termination by the Company in general meeting, the Scheme shall be valid and effective for a period of ten years from the date of its adoption and will expire on 22 March 2026. As at the date of this report, the Share Option Scheme has a remaining life of approximately 0.56 year.

OTHER INFORMATION

The following tables show the movements in the Company's share options outstanding during the six months ended 30 June 2025:

Name or category of participant	Date of grant of share option	Exercise price of share options per share HK\$	Vesting period	Exercisable Period	Outstanding as at 1 January 2025	Lapsed during the period	Granted during the period	Exercised during the period	Outstanding as at 30 June 2025
Directors									
Mr. Xu Songqing	2 June 2021	2.75	2 June 2021 to 2 June 2022	3 June 2022 to 2 June 2025	727,272	(727,272)	-	-	-
			2 June 2021 to 2 June 2023	3 June 2023 to 2 June 2026	545,454	-	-	-	545,454
			2 June 2021 to 2 June 2024	3 June 2024 to 2 June 2027	545,455	-	-	-	545,455
Mr. Xu Jianhong	2 June 2021	2.75	2 June 2021 to 2 June 2022	3 June 2022 to 2 June 2025	727,272	(727,272)	-	-	-
			2 June 2021 to 2 June 2023	3 June 2023 to 2 June 2026	545,454	-	-	-	545,454
			2 June 2021 to 2 June 2024	3 June 2024 to 2 June 2027	545,455	-	-	-	545,455
Mr. Luo Canwen	2 June 2021	2.75	2 June 2021 to 2 June 2022	3 June 2022 to 2 June 2025	727,272	(727,272)	-	-	-
			2 June 2021 to 2 June 2023	3 June 2023 to 2 June 2026	545,454	-	-	-	545,454
			2 June 2021 to 2 June 2024	3 June 2024 to 2 June 2027	545,455	-	-	-	545,455
Mr. Xu Songman	2 June 2021	2.75	2 June 2021 to 2 June 2022	3 June 2022 to 2 June 2025	727,272	(727,272)	-	-	-
			2 June 2021 to 2 June 2023	3 June 2023 to 2 June 2026	545,454	-	-	-	545,454
			2 June 2021 to 2 June 2024	3 June 2024 to 2 June 2027	545,455	-	-	-	545,455
Subtotal					7,272,724	(2,909,088)	-	-	4,363,636

OTHER INFORMATION

Name or category of participant	Date of grant of share option	Exercise price of share options per share HK\$	Vesting period	Exercisable Period	Outstanding as at 1 January 2025	Lapsed during the period	Granted during the period	Exercised during the period	Outstanding as at 30 June 2025
Employees	2 June 2021	2.75	2 June 2021 to 2 June 2022	3 June 2022 to 2 June 2025	6,991,304	(6,991,304)	–	–	–
			2 June 2021 to 2 June 2023	3 June 2023 to 2 June 2026	5,243,477	–	–	–	5,243,477
			2 June 2021 to 2 June 2024	3 June 2024 to 2 June 2027	5,243,476	–	–	–	5,243,476
Subtotal					17,478,257	(6,991,304)	–	–	10,486,953
Consultant (note 2)	2 June 2021	2.75	2 June 2021 to 2 June 2022	3 June 2022 to 2 June 2025	208,696	(208,696)	–	–	–
			2 June 2021 to 2 June 2023	3 June 2023 to 2 June 2026	156,522	–	–	–	156,522
			2 June 2021 to 2 June 2024	3 June 2024 to 2 June 2027	156,521	–	–	–	156,521
Subtotal					521,739	(208,696)	–	–	313,043
Total					25,272,720	(10,109,088)	–	–	15,163,632

Notes:

- The Company's Shares closed at HK\$2.70 on 1 June 2021, being the date immediately before the date of grant.
- The consultant is Mr. Lo Hang Fong who has extensive experience in, including but not limited to, corporate finance, mergers and acquisitions, regulatory and compliance matters. The grant of share option to the consultant is to provide him an incentive to share his relevant experience, knowledge and network to support the Group's business development and expansion which will be beneficial to the long-term growth of the Group.

OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors of the Company during the six months ended 30 June 2025 and up to the date of this report are set out below:

Name of Directors	Details of changes
Mr. Chan Oi Fat	— appointed as the independent non-executive Director, the chairman of the audit committee, a member of each of the nomination committee, the remuneration committee and the compliance committee of the Company on 27 March 2025
Mr. Xu Jianhong	— resigned as the vice chairman of the Company on 17 April 2025 — re-designated as a non-executive Director of the Company on 17 April 2025
Mr. Xu Songqing	— appointed as the chairman of the compliance committee of the Company on 17 April 2025
Mr. Ou Qiyuan	— re-designated as the chairman of remuneration committee of the Company on 28 February 2025
Mr. Suen To Wai	— the directorship of Mr. Suen ended on 28 February 2025 due to his passing away

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

OTHER INFORMATION

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the interests in share options of the Company as disclosed above, at no time during the six months ended 30 June 2025 was the Company, its holding company, or any of its subsidiaries or associated corporations, a party to any arrangement which enables the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of acquisition of shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2025.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. The Company recognises that sound and effective corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of the shareholders and stakeholders, and enhance shareholder value.

The corporate governance principles of the Group emphasise an effective Board, sound internal controls, appropriate independence policy, and transparency and accountability to the Shareholders. The Group is committed to striking a balance between earnings and sustainable development. The Company believes outstanding business environment, society and corporate governance are fundamental to maintaining long-term sustainable success.

The Company has applied the principles of good corporate governance and adopted the code provisions set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 to the Listing Rules as its code of corporate governance. The Company has complied with the applicable code provisions in the CG Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025.

OTHER INFORMATION

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

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiry with each of the Directors, the Company has received confirmations from all Directors that they have complied with the required standards as set out in the Model Code during the six months ended 30 June 2025.

EVENTS AFTER REPORTING PERIOD

Under Rule 3.05, the Company shall appoint two authorised representatives who shall act at all times as the listed issuer's principal channel of communication with the Stock Exchange.

Under Rule 3.28, the Company must appoint as its company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Following the resignation of Mr. Wong Chak Keung as the company secretary and the chief financial officer of the Company, and ceased to act as an authorised representative of the Company on 3 July 2025, in view of the time required for identifying and appointing a suitable candidate, the Company was not be able to meet the requirements of Rule 3.05 of the Listing Rules. Upon the appointment of Ms. Zhang Liqiong ("Ms. Zhang") on 7 July 2025, the Company has then re-complied with the requirements of Rule 3.05 of the Listing Rules on the Stock Exchange as at date of this report.

Upon the appointment of Ms. Lam Hoi Ki on 10 July 2025 after resignation of Ms. Zhang as the company secretary of the Company on 10 July 2025, the Company has re-complied with the requirements of Rule 3.28 of the Listing Rules on the Stock Exchange as at date of this report.

For detailed information, please refer to the announcements of the Company dated 7 July 2025 and 10 July 2025.

Save for disclosed above, the Board is not aware of any important event requiring disclosure that has taken place subsequent to 30 June 2025 and up to the date of this report.

OTHER INFORMATION

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information to the Company and within the knowledge of the Directors as at date of this report, the Company has maintained the prescribed public float required by the Listing Rules during the six months ended 30 June 2025 and up to the date of this report.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) in accordance with the requirements of the CG Code for the purpose of reviewing and supervising the Group’s financial reporting process. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Oi Fat, Mr. Ou Qiyuan and Ms. Yip Nga Ting Cerin. Mr. Chan Oi Fat serves as the chairman of the Audit Committee.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2025. Based on the review and discussions with the management, the Audit Committee was satisfied that the unaudited condensed consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the six months ended 30 June 2025.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our sincere appreciation of the support from our shareholders, customers and suppliers. I would also like to thank my fellow Directors for their valuable contribution and the staff members of the Group for their commitment and dedicated services throughout the period.

On behalf of the Board
Huajin International Holdings Limited
Xu Songqing
Chairman

Hong Kong, 29 August 2025

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Songqing (*Chairman*)
 Mr. Xu Jianhong (*Vice Chairman*)
 (resigned as vice chairman and
 re-designated to non-executive director
 on 17 April 2025)
 Mr. Luo Canwen (*Chief Executive Officer*)
 Mr. Xu Songman

Non-executive Director

Mr. Xu Jianhong
 (re-designated from executive director
 on 17 April 2025)

Independent non-executive Directors

Mr. Chan Oi Fat
 (appointed on 27 March 2025)
 Mr. Ou Qiyuan
 Ms. Yip Nga Ting Cerin
 Mr. Suen To Wai
 (ceased on 28 February 2025)

AUDIT COMMITTEE

Mr. Chan Oi Fat (*Chairman*)
 (appointed on 27 March 2025)
 Mr. Ou Qiyuan
 Ms. Yip Nga Ting Cerin
 Mr. Suen To Wai (*Chairman*)
 (ceased on 28 February 2025)

REMUNERATION COMMITTEE

Mr. Ou Qiyuan (*Chairman*) (re-designated
 as chairman on 28 February 2025)
 Mr. Xu Songqing
 Mr. Chan Oi Fat
 (appointed on 27 March 2025)
 Ms. Yip Nga Ting Cerin
 Mr. Suen To Wai (*Chairman*)
 (ceased on 28 February 2025)

NOMINATION COMMITTEE

Mr. Xu Songqing (*Chairman*)
 Mr. Chan Oi Fat
 (appointed on 27 March 2025)
 Mr. Ou Qiyuan
 Ms. Yip Nga Ting Cerin
 Mr. Suen To Wai
 (ceased on 28 February 2025)

COMPLIANCE COMMITTEE

Mr. Xu Songqing (*Chairman*)
 (appointed as chairman on 17 April 2025)
 Mr. Chan Oi Fat
 (appointed on 27 March 2025)
 Mr. Ou Qiyuan
 Ms. Yip Nga Ting Cerin
 Mr. Xu Jianhong (ceased on 17 April 2025)
 Mr. Suen To Wai
 (ceased on 28 February 2025)

COMPANY SECRETARY

Mr. Wong Chak Keung
 (resigned on 7 July 2025)
 Ms. Zhang Liqiong
 (appointed on 7 July 2025 and
 resigned on 10 July 2025)
 Ms. Lam Hoi Ki
 (appointed on 10 July 2025)

PRINCIPAL BANKERS

Agricultural Bank of China Limited
 Jiangmen Xinhui Branch
 Jiangmen Rural Commercial Bank
 Company Limited
 Bank of Guangzhou Jiangmen Branch

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
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