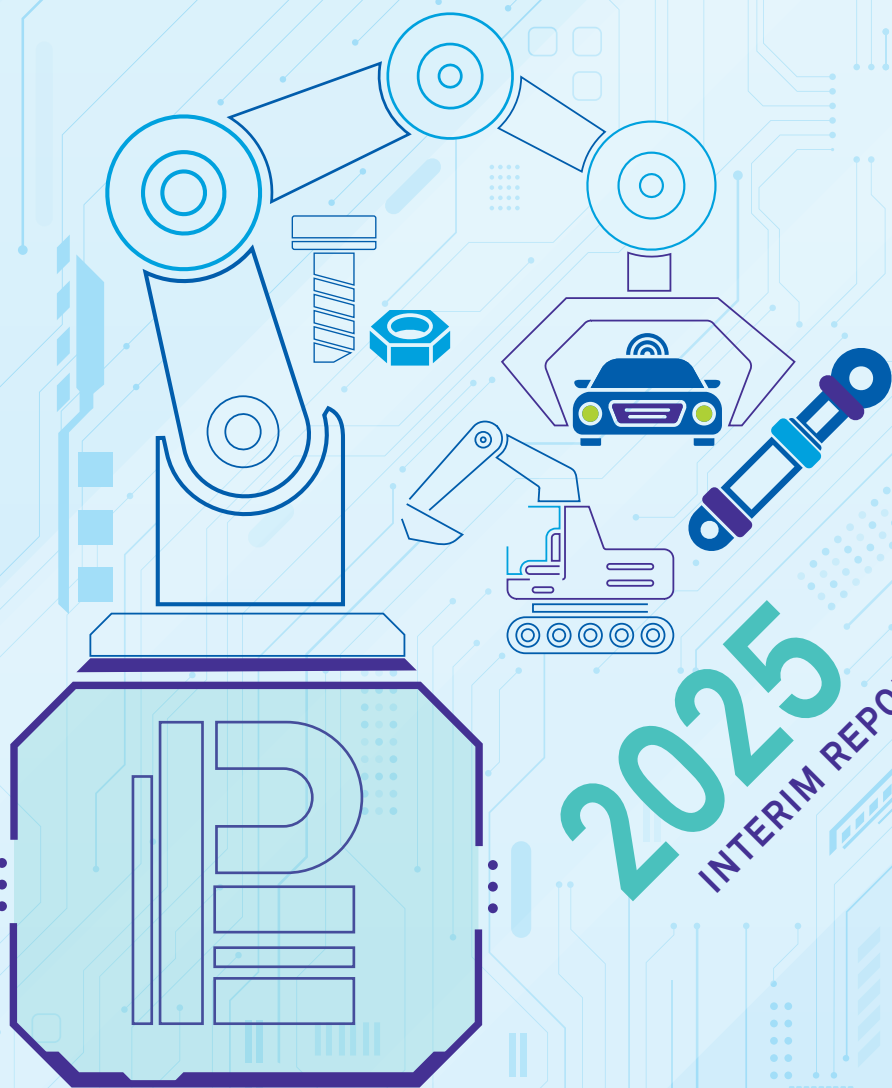
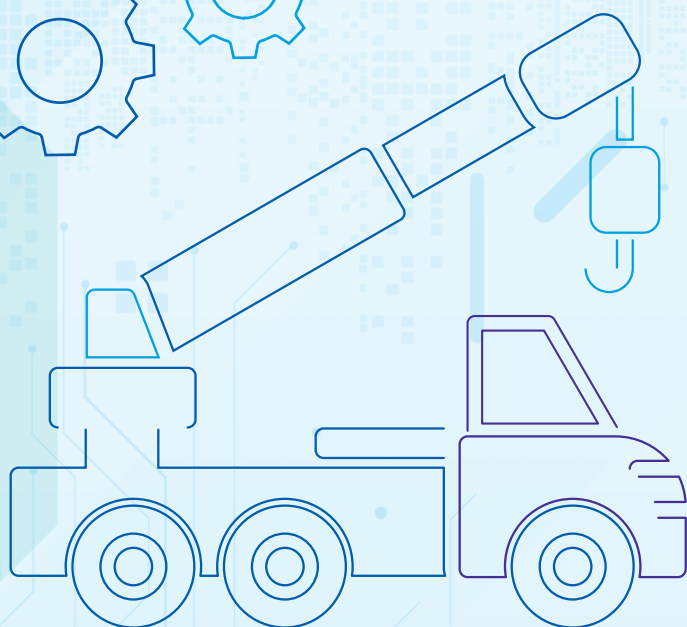
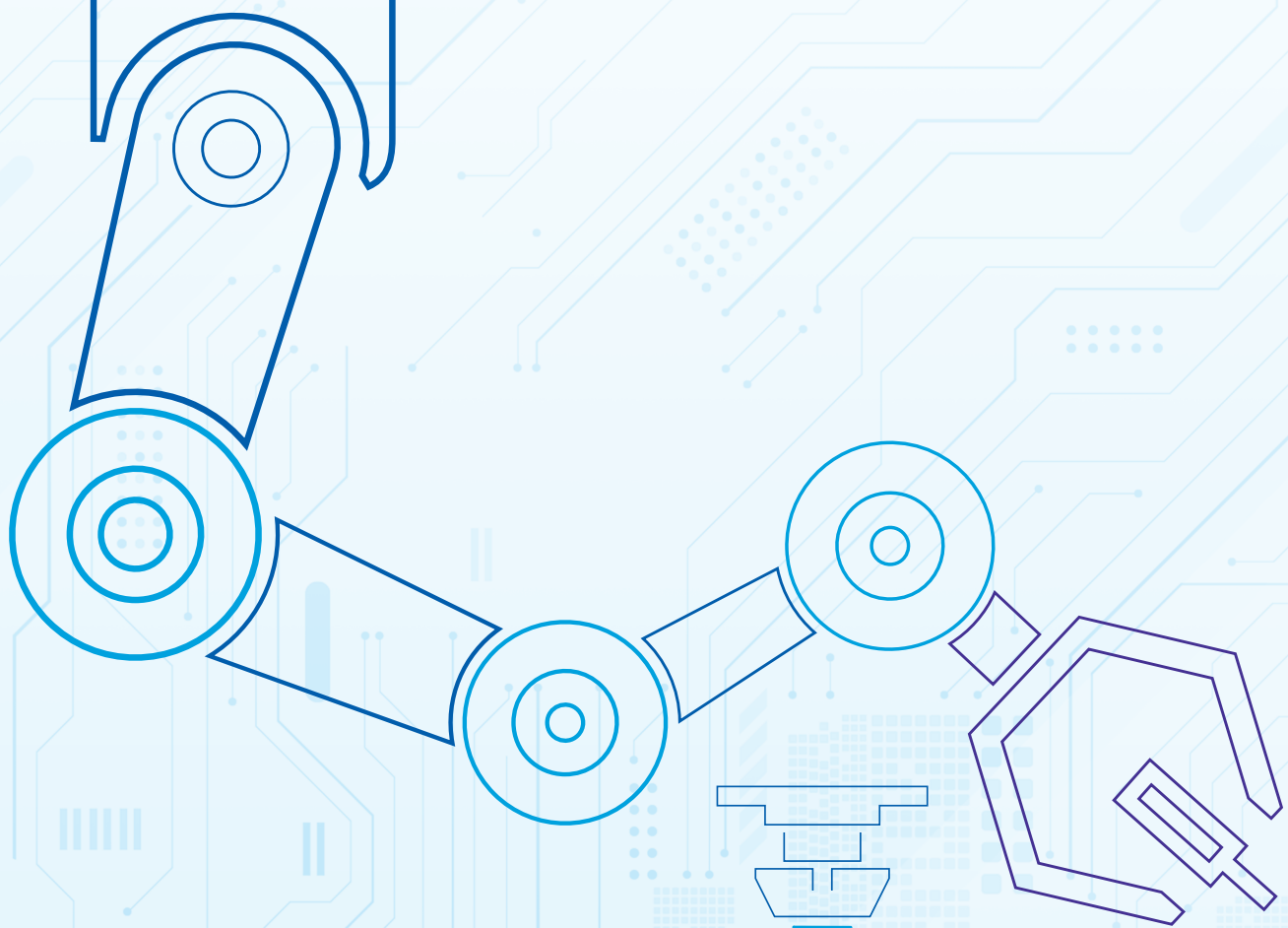




(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 929)



2025
INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zeng Guangsheng
(Chairman and Chief Executive Officer)
Mr. Ng Hoi Ping

Non-executive Directors

Ms. Zeng Jing
Mr. Chen Kuangguo

Independent Non-executive Directors

Mr. Yang Rusheng
Mr. Cheung Chun Yue, Anthony
Mr. Zhu Jianbiao

AUTHORISED REPRESENTATIVES

Mr. Zeng Guangsheng
Mr. Tam Yiu Chung

COMPANY SECRETARY

Mr. Tam Yiu Chung

AUDIT COMMITTEE

Mr. Yang Rusheng (Chairman)
Mr. Cheung Chun Yue, Anthony
Mr. Zhu Jianbiao

REMUNERATION COMMITTEE

Mr. Cheung Chun Yue, Anthony (Chairman)
Mr. Zeng Guangsheng
Mr. Yang Rusheng
Mr. Zhu Jianbiao

NOMINATION COMMITTEE

Mr. Zeng Guangsheng (Chairman)
Ms. Zeng Jing
Mr. Yang Rusheng
Mr. Cheung Chun Yue, Anthony
Mr. Zhu Jianbiao

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Cheung Chun Yue, Anthony (Chairman)
Mr. Zeng Guangsheng
Mr. Yang Rusheng
Mr. Zhu Jianbiao

LEGAL ADVISERS TO THE COMPANY

King & Wood Mallesons

WEBSITE

<http://www.ipegroup.com>

CORPORATE INFORMATION

REGISTERED OFFICE

89 Nexus Way
Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 5–6, 23/F
Enterprise Square Three
39 Wang Chiu Road, Kowloon Bay
Kowloon, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

No.8 Zhuzian Road, Yue Hu Cun
Zengcheng, Guangzhou
Guangdong Province, The PRC
Post code: 511335

PRINCIPAL PLACE OF BUSINESS IN THAILAND

99/1 Mu Phaholyothin Road, Sanubtueb
Wangnoi, Ayutthaya 13170, Thailand

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Nanyang Commercial Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

Forvis Mazars CPA Limited
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with
the Financial Reporting Council Ordinance

STOCK CODE

929

LISTING VENUE

Main Board of The Stock Exchange of Hong Kong Limited

CORPORATE PROFILE



IPE Group Limited (the “Company” or “IPE Group”) was incorporated in the Cayman Islands as an exempted company with limited liability on 10 July 2002. The Company is an investment holding company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacture and sale of high precision metal components.

The Group started its high precision components business in 1990 in Singapore and now produces high precision metal components and assembled parts used in automotive parts, hydraulic equipment, electronic equipment component and other devices.

The Group’s highly valued customers are top-tier multinational corporations in the information technology, fluid power, automotive and electronic sectors where optimal precision is vital. Apart from supplying high volume precision components according to customer specifications, we are providing solutions to our global partners and working very closely with them in implementing new projects. Such projects typically take longer time to come to fruition as they involve development of many metal and plastic parts, and electronic circuits and the necessary know-how in final assembly and testing of the assembled device before shipment to the end customers can take place. The Group has developed a team of high caliber engineers which are able to provide solutions to our global partners.

CORPORATE MILESTONE

2024

Changshu Keyu Greystone and Guangzhou Huitong Hydraulic Research Institute Company Limited were accredited with High and New-Technology Enterprise
Changshu Keyu Greystone, Guangzhou Huitong, Dongguan Koda, Shanghai Yutai were accredited with Specialized and New Small and Medium-sized Enterprises in 2024
Changshu Keyu Greystone became Suzhou High-precision Auto Parts Engineering Technology Research Center
Guangzhou Huitong awarded as a "seed Unicorn enterprise" of Guangzhou in 2024

2023

Guangzhou Huitong was accredited with High and New-Technology Enterprise
Dongguan Koda was accredited with High and New-Technology Enterprise
Jiangsu Kemai was awarded the Mechanical Industry Science and Technology Award by the China Machinery Industry Federation
Guangzhou Xin Hao was recognized as a Specialized and New Small and Medium-sized Enterprise in 2023

2022

Jiangsu Kemai was one of the Top 100 in the seventh Maker in China and Jiangsu SME Innovation and Entrepreneurship Competition
Jiangsu Kemai was a provincial engineering center for "Multi-mode Intelligent Load-sensitive Valve Technology" in Jiangsu Province
Guangzhou Xin Hao obtained the certification for integrated management system of two-oriented society
Guangzhou Xin Hao and Guangzhou Huitong were accredited with the ISO 9001 certification
Changshu Keyu Greystone Machining Company Limited passed the 2022 Changshu Industry and Innovation Integration Platform Carrier Certification

2021

Guangzhou Xin Hao established the Guangdong Precision Manufacturing (Xin Hao) Engineering Technology Research Center
Guangzhou Xin Hao was awarded the Supplier Quality Excellence Award by GM Group
Guangzhou Xin Hao became the Graduate School-Enterprise Education Partnership Base of Yanshan University

2020

Guangzhou Xin Hao was one of the Top 500 Enterprises in Guangdong Manufacturing Industry
Dongguan Koda received the Supplier Best Progress Award from Dongguan Lingyi Precision Manufacturing Technology Co., Ltd
Guangzhou Xin Hao received the Long Service Award from Bosch Rexroth (China) Limited in recognition of providing consistent quality of products and services

2019

IPE Group Limited was appointed an executive member of the China Robot Industry Alliance
Guangzhou Xin Hao was appointed a founding executive member of Guangzhou Robot Association
IPE Group Limited was nominated as premium supplier by Schaeffler and Continental

2018

Signed a strategic framework cooperation agreement with Huanan Industrial Technology Research Institute of Zhejiang University
Guangzhou Xin Hao was accredited with High and New-Technology Enterprise
Changshu Keyu Greystone and Dongguan Koda were accredited IATF16949 certification — automotive certification

Before
2017

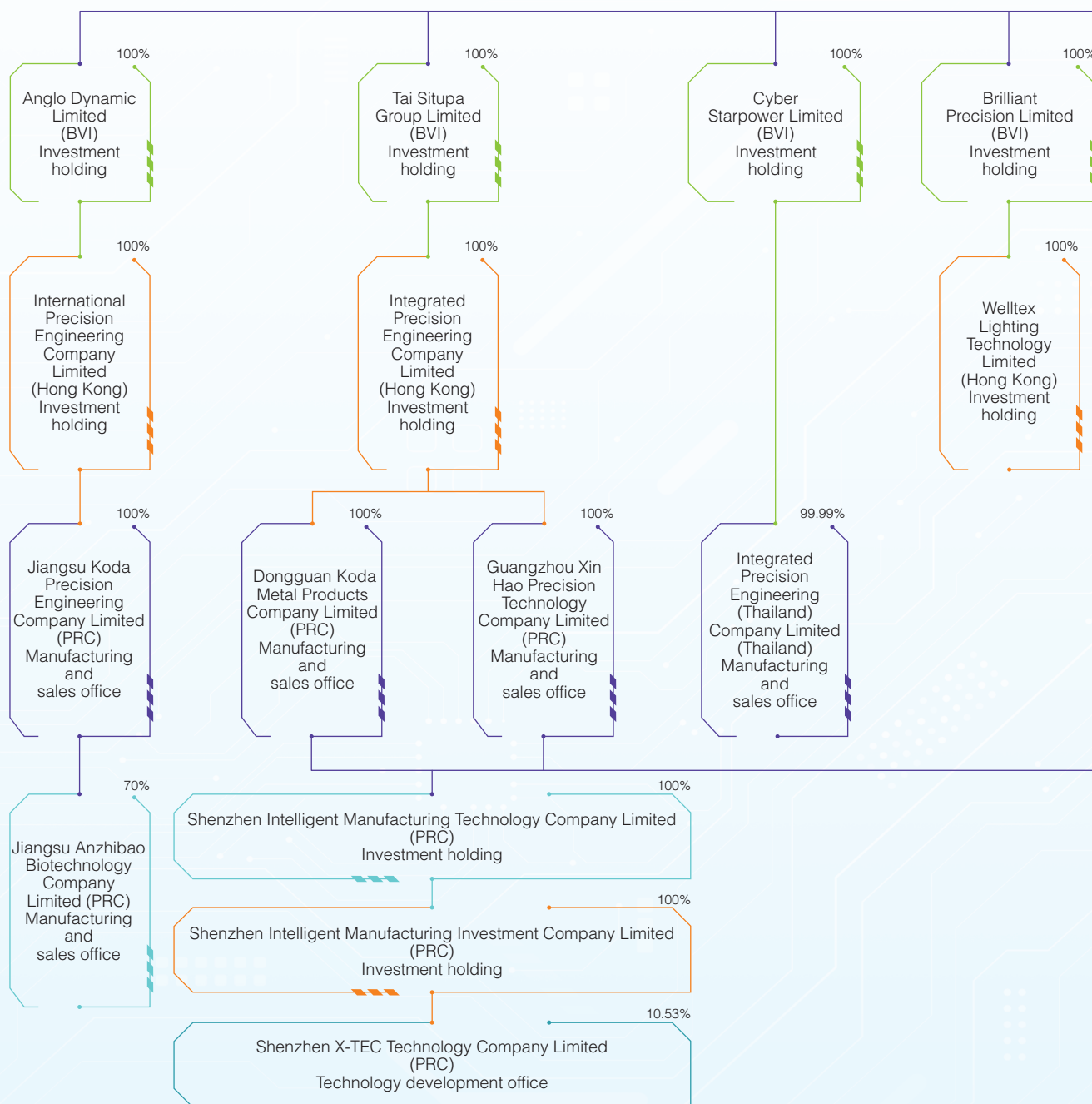
Successfully setup a Graduate School-Enterprise Education Partnership Base with Graduate School at Shenzhen, Tsinghua University
Guangzhou Xin Hao was accredited IATF16949 certification — automotive certification
Success developed own brandname robots in 2015
Jiangsu Koda completed construction of Phase 1 of the development of our Changshu site which provided 40,000 m2 of production area in 2014
Established Jiangsu Koda in Jiangsu Province, The PRC, purchased 166,631 m2 of land in Changshu in 2011
Listed on the Main Board of The Stock Exchange of Hong Kong Limited on 1 November 2004
Established Guangzhou Xin Hao in Guangdong Province, The PRC in 2002
Established IPE (Thailand) in Thailand in 1997
Established IPE (Hong Kong) in Hong Kong and Dongguan Koda in Guangdong Province, The PRC in 1994
Established IPE (Singapore) in Singapore in 1990

CORPORATE STRUCTURE

Principal subsidiaries and associate of the Company as at 30 June 2025

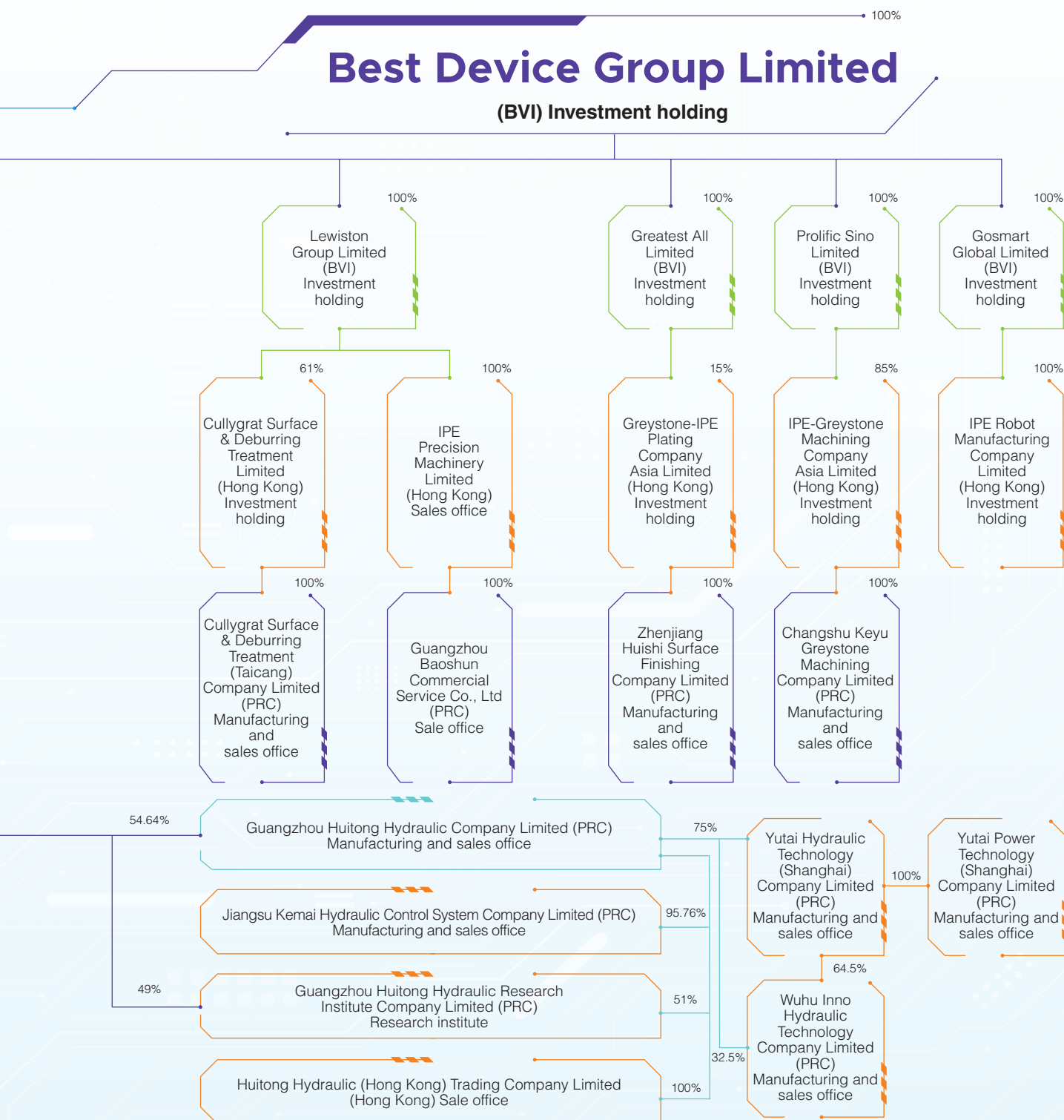
IPE GROUP LIMITED

(the Cayman Islands) Investment holding



CORPORATE STRUCTURE

Principal subsidiaries and associate of the Company as at 30 June 2025



FINANCIAL HIGHLIGHTS

RATIO ANALYSIS

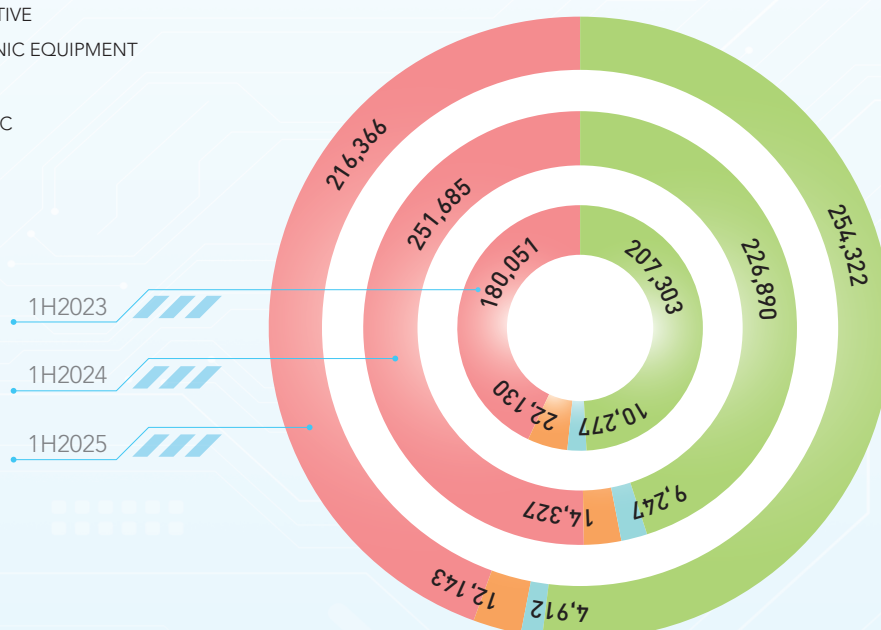
	30 June 2025	2024	Year ended 31 December			2021
KEY STATISTICS:						
Current ratio	3.16	2.80	3.43	5.87	4.21	
Net cash to equity ratio	0.12	0.11	0.25	0.28	0.34	
Gearing ratio [#]	10.2%	15.0%	9.4%	10.2%	7.3%	
Dividend payout ratio	N/A	N/A	N/A	N/A	N/A	
Gross profit margin	28.1%	28.3%	24.8%	28.5%	25.9%	
EBITDA margin	14.9%	14.8%	15.9%	14.4%	20.8%	
Net profit margin	2.5%	3.0%	1.7%	2.9%	8.8%	
Average days of debtor turnover	143 days	112 days	127 days	115 days	97 days	
Average days of inventory turnover	168 days	164 days	177 days	170 days	128 days	
PER SHARE DATA:						
Net asset value per share (HK\$)	1.93	1.85	1.87	1.82	1.96	
Dividend per share	Nil	Nil	Nil	Nil	Nil	
Earnings per share – basic	HK0.2 cents	HK1.01 cents	HK0.54 cents	HK0.83 cents	HK7.7 cents	
Earnings per share – diluted	HK0.2 cents	HK1.01 cents	HK0.54 cents	HK0.83 cents	HK7.7 cents	

[#] The gearing ratio is calculated as interest bearing loan divided by equity.

BUSINESS SEGMENTS

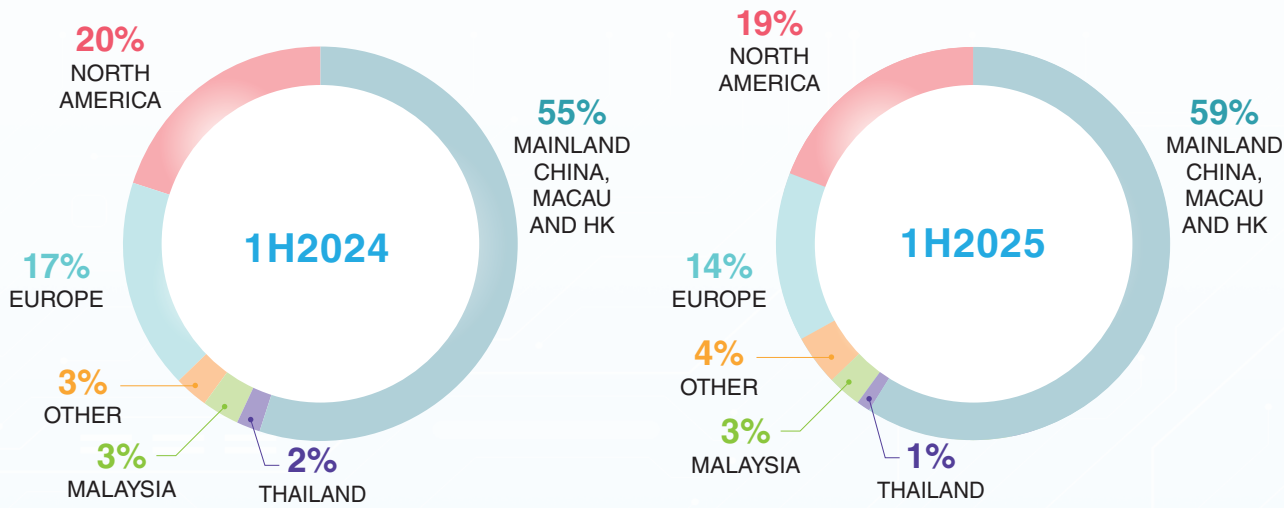
HK\$'000

- AUTOMOTIVE
- ELECTRONIC EQUIPMENT
- OTHERS
- HYDRAULIC



FINANCIAL HIGHLIGHTS

GEOGRAPHICAL COMBINATION



NET CASH TO EQUITY RATIO



FINANCIAL HIGHLIGHTS

CASH AND CASH EQUIVALENTS, GROSS DEBT AND EQUITY



MANAGEMENT DISCUSSION AND ANALYSIS

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board"), I present to shareholders the first half-year results of IPE Group Limited ("IPE" or the "Company") and its subsidiaries (collectively referred to as the "Group" or "IPE Group") as of 30 June 2025.

BUSINESS REVIEW

Since the United States initiated the tariff war, although in the name of trade protection, the true intent is to curb China's development. Through imposing high tariffs and implementing export controls, among other measures, the United States attempted to disrupt the order of China's exports to the US and reshape the global industrial chain layout. Meanwhile, the ongoing Russia-Ukraine War has not only shattered regional peace and stability but also triggered waves of turbulence across multiple domains including energy, finance, and trade. This turmoil in European markets has consequently impacted economic and trade exchanges between China and Europe. In addition, the industry in which the Group operates is facing intense domestic "involution" —a cutthroat competition landscape where enterprises increasingly adopt aggressive tactics to vie for limited market share, ultimately fueling a vicious cycle of competition. Despite the impact of the domestic new energy vehicle market, the Group's overall income remained relatively stable. Sales amounted to HK\$487,743,000 for the first half of this year, compared to HK\$502,149,000 for the corresponding period last year, a slight decrease of HK\$14,406,000 or 2.9%.

The hydraulic equipment components business of the Company is facing increasingly fierce competition in the industry, competitors are adopting aggressive price reduction strategies. In order to consolidate and increase market share, the Company implemented price reductions for certain products and made volume stability and order preservation its top priority. Meanwhile, the Company proactively capitalized on national subsidy policies to ramp up development of its agricultural machinery business segment, countering the involution dilemma. The sales of the hydraulic equipment components business in the first half of this year amounted to HK\$254,322,000, compared to HK\$251,685,000 in the corresponding period of last year, representing a year-on-year increase of HK\$2,637,000. During the period, sales of hydraulic equipment components business remained the largest contributor to the Company's total sales.

The automotive components business has been negatively impacted by both the US reciprocal tariff policy and the increasing penetration rate of new energy vehicles. Since the United States implemented its tariff policy, European and American automobile manufacturers have adopted a wait-and-see attitude toward the policy, leading to a suspension of purchases by customers. The sales of the automotive components business in the first half of this year amounted to HK\$216,366,000, representing a slight decrease of HK\$10,524,000, or 4.6%, when compared to the corresponding period of last year. To avoid tariff risks, the Company has transferred some components of its automotive business to its Thailand factory, which has been successfully put into production during the period.

For the electronic equipment components business, sales for the business amounted to HK\$12,143,000 in the first half of this year, remained at the relatively same level when compared to HK\$14,327,000 for the corresponding period of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (Continued)

The following table shows the sales and comparative data of each of the Group's businesses for the first half of 2025:

	1H 2025		1H 2024		Change	Change
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Hydraulic equipment components	254,322	52.1	251,685	50.1	+2,637	+1.0
Automotive components	216,366	44.4	226,890	45.2	-10,524	-4.6
Electronic equipment components	12,143	2.5	14,327	2.9	-2,184	-15.2
Others	4,912	1.0	9,247	1.8	-4,335	-46.9
Total	487,743	100.0	502,149	100	-14,406	-2.9

The Company has actively implemented a series of cost control strategies, including advancing streamlined initiatives, enhancing automation levels, and optimizing supply chain management systems, to mitigate the impact of reduced production scale. The gross profit margin remained stable, with a gross profit margin of 28.1% for the period (compared to 27.4% in the same period last year). As a result, net profit for the first half of this year amounted to HK\$12,183,000, compared to HK\$12,688,000 in the same period last year.

FINANCIAL REVIEW

For the six months ended 30 June 2025, the Group recorded sales of HK\$487,743,000, representing a slight decrease of HK\$14,406,000 or 2.9% as compared to HK\$502,149,000 for the corresponding period last year.

Although total sales for the first half of this year declined compared to the same period last year, changes in the proportion of sales operations and the implementation of cost-cutting measures such as increased automation offset the negative impact of the decline in sales on gross profit. Gross profit for the first half of 2025 was HK\$137,139,000, with a gross profit margin of 28.1%, representing a year-on-year increase of 0.2%; the gross profit margin remained at the same level as the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Other income amounted to HK\$19,097,000 for the first half of 2025, represented a slight decrease as compared to HK\$28,779,000 for the corresponding period last year. The main reason for the year-on-year decrease was exchange rate fluctuations. In the same period last year, there was a gain of HK\$7,234,000 from the appreciation of the US dollar, whereas this year, due to the weakening of the US dollar, similar gains were not realized. In addition, due to the use of existing funds to repay bank loans at the beginning of the year, interest income from deposits decreased in the first half of this year. Interest income for the first half of this year was HK\$1,976,000, a decrease of HK\$2,695,000 as compared to the same period last year.

Total sales for the first half of this year decreased by 2.9% as compared to the same period last year. Selling and distribution expenses were similar to that of last year, amounted to HK\$17,424,000 for the first half of this year.

Administrative expense and other expense amounted to HK\$91,251,000 for the first half of the year, representing an increase of HK\$5,578,000 or 6.5% as compared to the corresponding period last year. There are several reasons for the significant changes in costs. First, a non-wholly owned subsidiary commenced formal winding-up during the period, which incurred related expenses. These included severance payments made to dismissed employees, amounting to HK\$2,200,000 in total. No such expense was incurred in the same period last year. Besides, due to depreciation of US dollar, an exchange loss of HK\$4,914,000 was incurred. Secondly, the Group implemented cost reduction and efficiency improvement measures during the period, which achieved positive results, with a total saving of HK\$851,000 in water and electricity expense compared to the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

To maintain the Group's competitiveness in the market, it is essential to continuously innovate, iterate products, enhance customer satisfaction, and expand into new areas. The Group has consistently invested in research and development ("R&D") expenses. During the period, research and development expenses amounted to HK\$29,875,000, compared to HK\$36,792,000 in the same period last year. The level of investment slightly decreased.

Following the completion of the previous acquisitions of Shanghai Yutai and Wuhu Inno, the demand for funds has slowed down. To reduce finance costs, particularly in Hong Kong where financing costs are relatively high, the Company utilized its own funds to repay bank loans during the period, thereby reducing finance costs. Finance costs for the first half of this year amounted to HK\$5,360,000, compared to HK\$8,777,000 in the same period last year, representing a decrease of HK\$3,417,000 or 38.9%.

For the six months ended 30 June 2025, the Group recorded an unaudited net profit of HK\$12,183,000, representing a slight decrease of HK\$505,000 or 4.0% as compared to HK\$12,688,000 for the corresponding period last year.

CHARGES ON THE GROUP'S ASSETS

With the successful completion of the previous acquisitions, in order to reduce costs, the Company used its own funds to repay bank loans with higher costs. Therefore, as at 30 June 2025, the Group had bank and other borrowings of HK\$205,776,000 in total, representing a decrease of HK\$85,988,000 as compared to bank borrowings of HK\$291,764,000 as of 31 December 2024. The borrowings were secured by corporate guarantees given by the Company and its subsidiaries, as well as equity interests and real estates of its subsidiary.

In addition, the Group repaid its working capital loans during 2025, therefore as at 30 June 2025, it did not pledge any deposits (31 December 2024: HK\$20,000,000) to secure daily working capital. The Group pledged deposits of HK\$2,302,000 to secure letters of guarantee (31 December 2024: HK\$2,099,000). The Group pledged the equity interest of a subsidiary to obtain funds for Acquisition, and deposits of HK\$16,660,000 (31 December 2024: HK\$14,075,000) were restricted to use for loan repayment purposes only, and at last, the Company pledged the real estates in Jiangsu held by a subsidiary to obtain funds for the construction of a new plant.

Except for above pledges and restricted deposits, the Group had no charge on any of its assets for its banking facilities as at 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND FINANCIAL RATIOS

The Group generally finances its operations with internally generated cash flow as well as banking facilities provided by the banks. As at 30 June 2025, based on the 1,052,254,135 ordinary shares in issue (31 December 2024: 1,052,254,135 ordinary shares), cash attributable to each share amounted to HK\$0.41 (31 December 2024: HK\$0.49).

For the six months ended 30 June 2025, net cash inflow from the Company's operating activities was HK\$70,583,000, as compared to HK\$23,174,000 for the corresponding period last year, representing an increase of cash inflow of HK\$41,670,000 generated from the changes in working capital. This was mainly attributable to the improvement of the Group's working capital management, including receivables and payables, as well as inventory management, resulting in the decrease in cash outflow of HK\$32,959,000 as compared to the same period of last year. In addition, restricted funds decreased, releasing capital liquidity by HK\$15,770,000.

Net cash outflow from investment activities was HK\$52,333,000, mainly due to the investment for various fixed assets amounted to HK\$63,042,000 during the year as to replace new production equipment and R&D investments, together with the capital expenditure for the investment in new factory. Net cash outflow from investment activities for last year amounted to HK\$254,278,000, representing a decrease of HK\$201,945,000. Cash outflow from investment activities was relatively more significant as a result of the acquisitions of Shanghai Yutai and Wuhu Inno for the same period of last year.

In order to reduce financing costs, the Group used its own funds to repay bank loans with higher financing costs. Therefore, the net outflow from the repayment of bank loans less the new borrowings during the period was HK\$91,482,000. Also, the repayment for interests amounted to HK\$5,312,000 for the first half of the year. Interest expense for the period was HK\$8,684,000. During the year, the Company utilized its own funds to repay bank loans with higher financing costs, resulting in a net cash outflow from financing activities of HK\$97,644,000.

Overall, the Group's net cash (cash and bank balances less total bank and other borrowings) as at 30 June 2025 was HK\$233,493,000, representing an increase of HK\$10,097,000 as compared to HK\$223,396,000 as at 31 December 2024.

CURRENCY EXPOSURE AND MANAGEMENT

The Group is exposed to fluctuations in foreign exchange rates. Since most of the Group's revenue is denominated in US dollars, Euros and Renminbi, whereas most of the Group's expenses, such as major raw materials, costs of machineries and equipment, and production expenses, are denominated in Japanese yen, Renminbi, Thai baht and HK dollar, fluctuations in exchange rates can materially affect the Group, in particular, the appreciation of Renminbi will adversely affect the Group's profitability. The management of the Group continuously evaluates the foreign exchange risks of the Group and takes measures when necessary to reduce the risks.

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN RESOURCES

The Company has established a pipeline of talents, developed a training plan for the talent pool, and created a comprehensive overview of the talent pipeline to ensure an adequate supply of core talents and prepare for the Company's future development and expansion. At the same time, the Company has implemented measures to protect employees, enhance production safety awareness and training, strengthen risk management on production lines, and prevent safety incidents.

In addition, the Company has a share option scheme in place as an encouragement and rewards to selected participants for their contributions to the Company. Furthermore, the Company has set up a mandatory provident fund and local retirement benefit schemes for our staff. As at 30 June 2025, the Company had a total of 2,138 employees, representing a year-on-year decrease of 119 employees as compared to 2,257 employees as at 30 June 2024.

PROSPECT

In the current complex and uncertain international economic environment, factors such as tariff increases and the impact of new energy vehicles have created significant uncertainty for the Company's export business. To reduce dependence on overseas sales markets, the Company is expanding its domestic market through the launch of new products, thereby reducing operational risks and enhancing competitiveness in the domestic market. As a result of our sustained efforts, the Group's sales revenue from the China region in the first half of this year has increased from 55% in the same period last year to 60% in the current period.

To mitigate the potential impact of tariffs and avoid the effects of changes in US tariff policies, the Group continues to gradually transfer orders from US customers to its production base in Thailand. On the one hand, this will meet the demand for products from US customers; on the other hand, it will expand the sales network to the Southeast Asian market, avoiding the vicious competition caused by domestic competition, which affects the Company's profits and development.

In the second half of the year, the Group will put sales breakthrough as its top priority, expanding into new regional markets such as Eastern Europe and Southeast Asia to create new growth opportunities. Meanwhile, the Group will formulate a long-term development strategy, actively explore new projects, and accelerate the development of new product samples to ensure smooth transition to mass production for all projects. Additionally, the Group will drive future growth through R&D, iteratively upgrading products to optimize functionality and meet diverse customer needs, thereby maintaining the Company's competitiveness and securing a market share. Recruiting key talents to enhance the Company's production processes and R&D capabilities.

Finally, on behalf of the Board, I would like to thank all the staff for their contributions and dedication to the Group in the past.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue	4&5	487,743	502,149
Cost of sales		(350,604)	(364,755)
Gross profit		137,139	137,394
Other income	5	19,097	28,779
Change in fair value of financial assets measured at Fair value through profit or loss		3,337	–
Distribution costs		(17,424)	(17,344)
Administrative expense and other expense		(91,251)	(85,673)
Research and development costs		(29,875)	(36,792)
Profit from operations		21,023	26,364
Finance costs	6	(5,360)	(8,777)
Share of losses of an associate		(648)	(683)
Profit before taxation	7	15,015	16,904
Income tax	8	(2,832)	(4,216)
Profit for the period		12,183	12,688
Attributable to:			
Equity shareholders of the Company		2,205	2,378
Non-controlling interests		9,978	10,310
Profit for the period		12,183	12,688
Earnings per share	9		
Basic		HK0.2 cents	HK0.2 cents
Diluted		HK0.2 cents	HK0.2 cents
Interim dividend per share	10	–	–

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June

	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Profit for the period	12,183	12,688
Other comprehensive income/(loss):		
Exchange difference on translation of foreign operation	65,507	(35,578)
Total comprehensive income/(loss) for the period	77,690	(22,890)
Attributable to:		
Equity shareholders of the Company	63,771	(35,460)
Non-controlling interests	13,919	12,570
Total comprehensive income/(loss) for the period	77,690	(22,890)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Investment properties	11	129,798	125,974
Property, plant and equipment	11	882,403	847,367
Intangible assets		52,284	55,624
Goodwill		68,974	66,733
Interest in an associate		442	1,023
Deposits for purchase of non-current assets		3,855	3,855
Deferred tax assets		16,904	14,179
Total non-current assets		1,154,660	1,114,755
CURRENT ASSETS			
Financial assets at fair value through profit or loss		30,994	30,825
Inventories	12	327,693	318,921
Trade receivables	13	404,617	370,268
Prepayments, deposit and other receivables		110,760	85,655
Pledged and restricted cash	14	18,963	34,733
Cash and bank balances	14	439,269	515,160
Total current assets		1,332,296	1,355,562
CURRENT LIABILITIES			
Trade payables	15	106,366	105,160
Other payables and accruals		87,826	76,693
Contract liabilities		18,353	7,436
Bank and other loans	17	202,050	287,946
Lease liabilities		1,012	957
Deferred income		209	585
Tax payables		6,066	5,274
Total current liabilities		421,882	484,051
NET CURRENT ASSETS		910,414	871,511
TOTAL ASSETS LESS CURRENT LIABILITIES		2,065,074	1,986,266

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Bank loans and other loan	17	3,726	3,818
Lease liabilities		792	1,735
Other payables		2,817	2,306
Deferred income		691	428
Deferred tax liabilities		31,002	30,061
Total non-current liabilities		39,028	38,348
Net assets		2,026,046	1,947,918
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	16	105,225	105,225
Reserves		1,753,379	1,689,170
		1,858,604	1,794,395
Non-controlling interests		167,442	153,523
Total Equity		2,026,046	1,947,918

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Net cash flows generated from operating activities		70,583	23,174
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(63,042)	(95,430)
Proceeds from disposal of items of property, plant and equipment		4,869	6,694
Proceeds from disposal of financial asset at Fair Value through Profit or Loss		3,617	–
Remaining consideration paid on acquisition of subsidiaries		–	(168,064)
Dividend income received		2,223	2,522
Net cash flows used in investing activities		(52,333)	(254,278)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(5,312)	(8,684)
Proceeds from new bank loans		54,605	214,292
Repayment of bank loans		(146,447)	(94,536)
Principal payments of lease liabilities		(490)	(1,007)
Net cash flows (used in)/generated from financing activities		(97,644)	110,065
NET DECREASE IN CASH AND CASH EQUIVALENTS		(79,394)	(121,039)
Cash and cash equivalents at beginning of period		515,160	674,400
Effect of foreign exchange rate changes		3,503	3,524
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	439,269	556,885

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(Unaudited)	Attributable to owners of the Company													
	Statutory													Total Equity HK\$'000
	Issued Capital HK\$'000	Share premium Account HK\$'000	Contributed Surplus HK\$'000	Statutory surplus reserve HK\$'000	public welfare fund HK\$'000	Capital redemption reserves HK\$'000	Share options reserves HK\$'000	Properties revaluation reserves HK\$'000	Exchange fluctuation reserves HK\$'000	Others reserves HK\$'000	Retained profit HK\$'000	Total HK\$'000	Non- controlling interest HK\$'000	
At 1 January 2025	105,225	472,201	15,880	87,704	287	7,905	51,735	34,527	(37,271)	4,239	1,051,963	1,794,395	153,523	1,947,918
Profit for the period	-	-	-	-	-	-	-	-	-	-	2,205	2,205	9,978	12,183
Other comprehensive income for the period:														
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	61,566	-	-	61,566	3,941	65,507
Total comprehensive income for the period	-	-	-	-	-	-	-	-	61,566	-	2,205	63,771	13,919	77,690
Equity-settled share options arrangements	-	-	-	-	-	-	438	-	-	-	-	438	-	438
At 30 June 2025	105,225	472,201	15,880	87,704	287	7,905	52,173	34,527	24,295	4,239	1,054,168	1,858,604	167,442	2,026,046
At 1 January 2024	105,225	472,201	15,880	82,188	287	7,905	51,735	34,527	11,959	4,239	1,046,882	1,833,028	131,162	1,964,190
Profit for the period	-	-	-	-	-	-	-	-	-	-	2,378	2,378	10,310	12,688
Other comprehensive loss for the period:														
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(37,838)	-	-	(37,838)	2,260	(35,578)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(37,838)	-	2,378	(35,460)	12,570	(22,890)
At 30 June 2024	105,225	472,201	15,880	82,188	287	7,905	51,735	34,527	(25,879)	4,239	1,049,260	1,797,568	143,732	1,941,300

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 10 July 2002 under the Companies Law of Cayman Islands. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 1 November 2004.

The principal activities of the Group are the manufacture and sale of precision metal components for automotive parts, hydraulic equipment components, electronic equipment components and components for other applications.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). They have been prepared under the historical cost convention, except for derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied in the unaudited condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended 31 December 2024.

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Accounting Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRSs that are mandatorily effective for the current period

Amendments to HKAS 21

Lack of Exchangeability

The application of the Amendments to References to the Conceptual Framework in HKFRS Accounting Standards and the amendments to HKFRSs in the current 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

4. OPERATING SEGMENT INFORMATION

See Segment information

The Group manages its businesses by divisions, which are organised by the geographical locations of the customers. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following six reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (a) Thailand;
- (b) Malaysia;
- (c) Mainland China, Macau and Hong Kong;
- (d) North America;
- (e) Europe; and
- (f) Other countries.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and gross profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

4. OPERATING SEGMENT INFORMATION (Continued)

See Segment information (Continued)

Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2025 and 2024 is set out below.

Six months ended 30 June 2025 (Unaudited)							
	Thailand HK\$'000	Malaysia HK\$'000	Mainland China, Macau and Hong Kong HK\$'000	North America HK\$'000	Europe HK\$'000	Other Countries HK\$'000	Total HK\$'000
Revenue from external customers recognised by point in time and Reportable segment revenue	2,405	12,441	291,649	95,630	66,862	18,756	487,743
Reportable segment profit							
Gross profit	676	3,498	82,003	26,888	18,800	5,274	137,139

Six months ended 30 June 2024 (Unaudited)							
	Thailand HK\$'000	Malaysia HK\$'000	Mainland China, Macau and Hong Kong HK\$'000	North America HK\$'000	Europe HK\$'000	Other Countries HK\$'000	Total HK\$'000
Revenue from external customers recognised by point in time and reportable segment revenue	9,562	14,068	275,248	102,037	86,503	14,731	502,149
Reportable segment profit							
Gross profit	2,616	3,849	75,311	27,919	23,668	4,031	137,394

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

5. REVENUE AND OTHER INCOME AND GAINS

Revenue, represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the period.

An analysis of the Group's revenue and other income and gains is disaggregated as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue recognised at a point in time		
Sale of automotive components	216,366	226,890
Sale of hydraulic equipment components	254,322	251,685
Sale of electric components	12,143	14,327
Others	4,912	9,247
	487,743	502,149
Other income		
Bank interest income	1,976	4,671
Government grants	5,902	6,278
Dividend income	2,223	2,522
Rental income	4,776	5,266
Others	3,836	2,577
	18,713	21,314
Gains		
Gain on disposal of items of property, plant and equipment	—	231
Gain on disposal of financial assets at fair value through profit or loss	384	—
Foreign exchange difference, net	—	7,234
	19,097	28,779

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

6. FINANCE COST

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest on bank loans	5,056	8,174
Financial arrangement fees	256	510
Interest on lease liabilities	48	93
	5,360	8,777

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Cost of inventory sold	350,604	364,755
Depreciation on property, plant and equipment	46,334	39,334
Depreciation on right-of-use asset	464	863
Amortization	5,239	5,073
Equity-settled share option expenses	438	–
Auditors' remuneration	1,320	1,236
Foreign exchange differences, net	4,914	(7,234)
Loss/(gain) on disposal of items of property, plant and equipment	772	(231)

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (16.5% for the six months ended 30 June 2024) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Current	4,151	4,216
Deferred	(1,319)	–
	2,832	4,216

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to equity shareholders of the Company, and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30 June 2025 is based on the profit attributable to equity shareholders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

9. EARNINGS PER SHARE (Continued)

The calculation of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Earnings		
Profit attributable to equity shareholders of the Company used in the basic earnings per share calculation	2,205	2,378
	Number of shares (in thousands)	
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	1,052,254	1,052,254

10. INTERIM DIVIDEND

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Interim dividend — Nil per ordinary share (2024: Nil)	—	—

The Board does not recommend the payment of any interim dividend for six months ended 30 June 2025 (2024: Nil per ordinary share).

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

11. PROPERTY, PLANT AND EQUIPMENT

	Ownership interest in leasehold land held for own use carried at cost HK\$'000	Other properties leased for own use carried at cost HK\$'000	Freehold Land and building HK\$'000	Leasehold improvement HK\$'000	Plant and Machinery HK\$'000	Furniture and Fixtures HK\$'000	Motor car HK\$'000	Construction in progress HK\$'000	Investment properties HK\$'000	Total HK\$'000
Cost										
At 1 January 2025	78,544	5,057	898,723	20,084	1,515,150	144,142	15,723	14,367	125,974	2,817,764
Additions	-	-	9,792	-	21,992	10,678	-	20,580	-	63,042
Transfer from Construction in Progress	-	-	6,101	-	3,641	-	-	(9,742)	-	-
Disposals	-	-	(2,781)	-	(20,084)	(263)	(32)	-	-	(23,160)
Exchange realignment	3,284	170	25,867	428	56,345	4,830	497	1,240	3,824	96,485
At 30 June 2025	81,828	5,227	937,702	20,512	1,577,044	159,387	16,188	26,445	129,798	2,954,131
Accumulated depreciation										
At 1 January 2025	12,653	3,075	420,332	17,375	1,278,040	99,560	13,388	-	-	1,844,423
Depreciation provided during the period	2,070	464	14,296	237	22,372	6,887	472	-	-	46,798
Disposals	-	-	(1,453)	-	(15,873)	(182)	(11)	-	-	(17,519)
Exchange realignment	1,199	103	15,046	422	47,718	3,356	384	-	-	68,228
At 30 June 2025	15,922	3,642	448,221	18,034	1,332,257	109,621	14,233	-	-	1,941,930
Net carrying amount										
Cost/Valuation	81,828	5,227	937,702	20,512	1,577,044	159,387	16,188	26,445	129,798	2,954,131
Accumulated depreciation	(15,922)	(3,642)	(448,221)	(18,034)	(1,332,257)	(109,621)	(14,233)	-	-	(1,941,930)
At 30 June 2025 (Unaudited)	65,906	1,585	489,481	2,478	244,787	49,766	1,955	26,445	129,798	1,012,201
Net carrying amount										
Cost/Valuation	78,544	5,057	898,723	20,084	1,515,150	144,142	15,723	14,367	125,974	2,817,764
Accumulated depreciation	(12,653)	(3,075)	(420,332)	(17,375)	(1,278,040)	(99,560)	(13,388)	-	-	(1,844,423)
At 31 December 2024 (Audited)	65,891	1,982	478,391	2,709	237,110	44,582	2,335	14,367	125,974	973,341

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

12. INVENTORIES

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Raw materials	83,579	97,580
Consumables	18,293	16,321
Work in progress	86,698	70,298
Finished goods	139,123	134,722
	327,693	318,921

13. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers where payments in advance are normally required. The credit period generally ranges from 60 to 120 days, but longer credit terms will be granted to certain major customers with the approval of the directors. Each customer has a maximum credit limit. The Group maintains strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Within 1 month	217,981	175,321
1 to 2 months	72,156	71,405
2 to 3 months	52,212	51,043
3 to 4 months	34,483	35,049
4 to 12 months	24,943	37,450
Over 1 year	2,842	–
	404,617	370,268

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

14. CASH AND BANK BALANCES

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Deposits with banks and cash at bank and on hand	458,232	549,893
Less: Pledged and restricted deposits	(18,963)	(34,733)
Cash and cash equivalents	439,269	515,160

15. TRADE PAYABLES

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Within 1 month	59,541	64,756
1 to 2 months	23,190	21,781
2 to 3 months	12,812	6,312
Over 3 months	10,823	12,311
	106,366	105,160

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

16. SHARE CAPITAL

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Authorised: 2,000,000,000 (31 December 2024: 2,000,000,000) Ordinary shares of HK\$0.1 each	200,000	200,000
Issued and fully paid 1,052,254,135 (31 December 2024: 1,052,254,135) Ordinary shares of 30 June 2025	105,225	105,225

No movements in issued and fully paid share capital for the six months ended 30 June 2025 and year ended 31 December 2024.

17. BANK LOANS AND OTHER LOANS

At 30 June 2025, the bank loans were repayables as follow:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Bank loans		
– Secured	–	110,000
– Secured with demand clause	199,486	171,541
– Unsecured	–	4,242
	199,486	285,783
Other loans – Non-controlling shareholder		
– Unsecured	6,290	5,981
	205,776	291,764

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

17. BANK LOANS AND OTHER LOANS (Continued)

The maturity of the bank loan and analysis of the amount due based on scheduled payment dates set out in the loan agreements are as follow:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Within 1 year or on demand	44,645	128,040
In the second year	16,626	15,863
In the third to fifth years, inclusive	80,234	52,835
Over 5 years	57,981	89,045
	199,486 (195,760)	285,783 (281,965)
Portion classified as current liabilities	3,726	3,818
At 30 June 2025, the other loans was repayables as follow:		
Within 1 year or on demand	6,290	5,981

NOTES TO THE CONDENSED FINANCIAL STATEMENT

Six months ended 30 June 2025

18. CAPITAL COMMITMENTS

The Group had the following capital commitment at the end of the reporting period:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Contracted but not provided for:		
Plant and machinery	1,474	3,299
Buildings	9,216	15,321
	10,690	18,620

19. RELATED PARTY TRANSACTIONS

The Group had the following capital commitment at the end of the reporting period:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Short-term employee benefits	5,434	6,299
Post-employment benefits	240	222
Total Compensation paid to key management personnel	5,674	6,521

20. APPROVAL OF THE FINANCIAL STATEMENTS

The condensed financial statements were approved and authorised for issue by the board of directors on 20 August 2025.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the directors and chief executive of the Company, in the shares, underlying shares and debentures of the Company and its associates (within the meaning of Part XV of the Securities of 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(A) (i) Long positions in the shares and underlying shares of equity derivatives of the Company:

Name of director	Capacity and nature of interests	Number of ordinary shares in the Company	Percentage of the Company's issued share capital ⁽¹⁾
Mr. Zeng Guangsheng	Directly beneficially owned	100,000,000	9.50%

⁽¹⁾ The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 June 2025.

(ii) Long positions in the underlying shares of Company – physically settled unlisted equity derivatives:

Name of director	Capacity and nature of business	Number of underlying shares in respect of the share options granted	Percentage of underlying shares over the Company's issued share capital as at 30 June 2025 ⁽¹⁾
Mr. Zeng Guangsheng	Directly beneficially owned	100,000,000	9.50%
	Directly beneficially owned	55,000,000 ⁽²⁾	5.23%
	Total:	155,000,000	14.73%
Mr. Ng Hoi Ping	Directly beneficially owned	15,000,000 ⁽²⁾	1.43%
Ms. Zeng Jing	Directly beneficially owned	10,000,000 ⁽²⁾	0.95%
Mr. Chen Kuangguo	Directly beneficially owned	5,000,000 ⁽²⁾	0.48%

⁽¹⁾ The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 June 2025.

⁽²⁾ Details of the above share options granted by the Company are set out in the section headed "Share option scheme" in this report.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS (Continued)

(B) Long positions in the ordinary shares of the associated corporation – China Baoan Group Co., Ltd. 中國寶安集團股份有限公司 (“China Baoan Group”), the Company's holding company

Name of director	Capacity and nature of interest	Number of ordinary shares in China Baoan Group	Percentage of China Baoan Group's issued share capital
Mr. Zeng Guangsheng	Directly beneficially owned	672,906	0.03%

Saved as disclosed above, as at 30 June 2025, none of the directors or chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were 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' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, as far as the directors of the Company are aware, the following parties (not being directors or chief executive of the Company) with interests of more than 5% in shares and 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:

Long positions in the ordinary shares of the Company:

Name of substantial shareholder	Notes	Capacity and nature of interests	Number of ordinary shares in the Company ^(#)	Percentage of the Company's issued share capital at 30 June 2025 ^(*)
Baoan Technology Company Limited 寶安科技有限公司 ("Baoan Technology")		Directly beneficially owned	577,721,250	54.9%
China Baoan Group Co., Ltd. 中國寶安集團股份有限公司 ("China Baoan Group")	(a)	Through controlled corporation	577,721,250	54.9%
Tottenham Limited		Directly beneficially owned	59,231,975	5.63%
Mr. Chui Siu On	(b)	Through controlled corporation	59,231,975	5.63%
		Directly beneficially owned	14,458,750	1.37%
	(c)	Through spouse	125,000	0.01%
		Total:	73,815,725	7.01%
Ms. Leung Wing Yi		Directly beneficially owned	125,000	0.01%
	(d)	Through spouse	73,690,725	7.00%
		Total:	73,815,725	7.01%

^(*) The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 June 2025.

^(#) Pursuant to Part XV of the SFO, the shareholders of the Company are required to file disclosure of interests forms to the Stock Exchange when certain criteria are fulfilled. When shareholding of the shareholder in the Company changes, it is not necessary to notify the Company or the Stock Exchange unless certain criteria are fulfilled. Therefore, the shareholdings filed with the Stock Exchange may be different from the latest shareholding of the shareholders of the Company.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes:

- (a) These shares were held by Baoan Technology Company Limited ("Baoan Technology"). Baoan Technology is a wholly owned entity of China Baoan Group. Accordingly, China Baoan Group was deemed to be interested in the 577,721,250 shares of the Company owned by Baoan Technology pursuant to Part XV of the SFO.
- (b) These shares were held by Tottenhill Limited. Tottenhill Limited is wholly owned by Mr. Chui Siu On. Accordingly, Mr. Chui Siu On was deemed to be interested in the 59,231,975 shares of the Company owned by Tottenhill Limited pursuant to Part XV of the SFO.
- (c) These shares were held by Ms. Leung Wing Yi, the wife of Mr. Chui Siu On. Accordingly, Mr. Chui Siu On was deemed to be interested in these 125,000 shares of the Company held by his wife pursuant to Part XV of the SFO.
- (d) These shares were held by Mr. Chui Siu On, the husband of Ms. Leung Wing Yi. Accordingly, Ms. Leung Wing Yi was deemed to be interested in these shares owned by her husband pursuant to Part XV of the SFO.

Saved as disclosed above, as at 30 June 2025, no person, other than the directors or chief executive of the Company, whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

SHARE OPTION SCHEMES

The share option scheme adopted pursuant to a resolution passed by the then shareholders on 17 May 2011 (the "2011 Share Option Scheme") had expired on 17 May 2021. In light of the expiry of the 2011 Share Option Scheme and in order to enable the Board to continue providing incentives and rewards to the eligible persons, a new share option scheme was adopted by the shareholders at the extraordinary general meeting of the Company held on 14 January 2022 (the "2022 Share Option Scheme"). All terms of the 2011 Share Option Scheme and 2022 Share Option Scheme must comply with the requirements under Chapter 17 of the Listing Rules which took effect on 1 January 2023. Both share options schemes are governed by Chapter 17 of the Listing Rules effective from 1 January 2023.

OTHER INFORMATION

SHARE OPTION SCHEMES (Continued)

The 2011 Share Option Scheme

Purpose of the 2011 Share Option Scheme

The purpose of the 2011 Share Option Scheme is to provide incentives or rewards to the participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest (the “Invested Entity”).

Participants of the 2011 Share Option Scheme

Eligible participants of the 2011 Share Option Scheme included:

- (a) any eligible employee;
- (b) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or the Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and
- (f) any shareholder of any member of the Group or any Invested Entity.

The basis of eligibility of any of the above classes of participants to the grant of any options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity.

With effect from 1 January 2023, the eligible participants should be subject to the requirement under Chapter 17 of the Listing Rules.

Total number of shares available for issue under the 2011 Share Option Scheme and percentage of issued shares as at the date of this interim report

The 2011 Share Option Scheme expired on 17 May 2021. As at the date of this report, the total number of shares available for issue under the 2011 Share Option Scheme is zero.

OTHER INFORMATION

SHARE OPTION SCHEMES (Continued)

The 2011 Share Option Scheme (Continued)

Maximum entitlement of each participant under the 2011 Share Option Scheme

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the 2011 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) to each participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being (the “Individual Limit”).

Any further grant of options to a participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the shareholders’ approval in general meeting of the Company with such participant and his associates abstaining from voting. The number and terms (including the exercise price) of the options to be granted to such participant must be fixed before shareholders’ approval and the date of the meeting of the Board for proposing such further grant of option should be taken as the date of offer for the purpose of calculating the exercise price.

No further options have been issued under 2011 Share Option Scheme since its expiry on 17 May 2021.

The period within which the option may be exercised by the grantee under the 2011 Share Option Scheme

An option may be exercised in accordance with the terms of the 2011 Share Option Scheme at any time during a period to be determined and notified by the Board to each grantee, which period may commence on the day on which the offer is made but shall end in any event not later than 10 years from the offer date subject to the provisions for early termination thereof (the “Option Period”).

Unless the Board otherwise determined and stated in the offer to a participant, there is no minimum period for which an option granted under the 2011 Option Scheme must be held before it can be exercised.

The vesting period of options under the 2011 Share Option Scheme

The vesting period of options granted are set out in the below table on page 42.

The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

An offer may be accepted by a participant within 28 days from the offer date. A consideration of HK\$1 is payable on acceptance of the offer.

The basis of determining the exercise price of options granted

The exercise price in respect of any particular option shall be such price as determined by the Board in its absolute discretion at the time of the making of the offer (which shall be stated in the letter containing the offer) but in any case the exercise price shall not be lower than the highest of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the date of offer; (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the offer date; and (iii) the nominal value of a share.

Without prejudice to the generality of the foregoing, the Board may grant options in respect of which the exercise price is fixed at different prices for different periods during the Option Period provided that the exercise price for each of the different periods shall not be less than the exercise price determined in the manner set out herein.

OTHER INFORMATION

SHARE OPTION SCHEMES (Continued)

The 2011 Share Option Scheme (Continued)

The remaining life of the 2011 Share Option Scheme

The 2011 Share Option Scheme was valid and effective for a period of ten years, commencing from 17 May 2011 and expired on 17 May 2021. As at the date of this report, the 2011 Share Option Scheme has expired.

Details of options granted to participants under the 2011 Share Option Scheme:

Name or category of participants	Date of grant	Number of share options movement during the period								Exercise Price/ Purchase Price HK\$	Price of share		
		As at 01/01/2025	Granted	Exercised	Cancellation	Lapsed	As at 30/06/2025	Vesting period	Exercise period		Prior to the grant date of the share options ⁽¹⁾	Prior to the exercise date of the share options ⁽²⁾	
Directors, chief executive and a substantial shareholder and their associates													
Mr. Ng Hoi Ping													
Tranche 1	03/04/2020	10,000,000	–	–	–	–	10,000,000	03/04/2020 to 28/02/2021	01/03/2021 to 28/02/2026	0.900	0.730	–	
Ms. Zeng Jing													
Tranche 1	03/04/2020	5,000,000	–	–	–	–	5,000,000	03/04/2020 to 28/02/2021	01/03/2021 to 28/02/2026	0.900	0.730	–	
Mr. Chen Kuangguo													
Tranche 1	03/04/2020	5,000,000	–	–	–	–	5,000,000	03/04/2020 to 28/02/2021	01/03/2021 to 28/02/2026	0.900	0.730	–	
Directors with options granted and to be granted in excess of the 1% individual limit													
Mr. Zeng Guangsheng													
Tranche 1	03/04/2020	20,000,000	–	–	–	–	20,000,000	03/04/2020 to 28/02/2021	01/03/2021 to 28/02/2026	0.900	0.730	–	
Other employee participants													
Tranche 1	03/04/2020	10,200,000	–	–	–	1,000,000	9,200,000	03/04/2020 to 28/02/2021	01/03/2021 to 28/02/2026	0.900	0.730	–	
Tranche 2	10/05/2021	1,700,000	–	–	–	–	1,700,000	10/05/2021 to 31/03/2022	01/04/2022 to 28/02/2026	0.900	0.700	–	
Other service providers ⁽³⁾													
Tranche 1	03/04/2020	2,000,000	–	–	–	–	2,000,000	03/04/2020 to 28/02/2021	01/03/2021 to 28/02/2026	0.900	0.730	–	
		53,900,000	–	–	–	1,000,000	52,900,000						

Notes:

- (1) The closing price of the shares immediately before the date on which the options were granted.
- (2) The stated price was the weighted average closing price of the ordinary shares immediately before the date on which the share options were exercised. No options were exercised for the six months ended 30 June 2025.
- (3) No sublimit was provided for service providers under the 2011 Share option Scheme which was expired before 1 January 2023.

OTHER INFORMATION

SHARE OPTION SCHEMES (Continued)

The 2022 Share Option Scheme

Purpose of the 2022 Share Option Scheme

The purpose of the 2022 Share Option Scheme is to provide incentives or rewards to the participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

Participants of the 2022 Share Option Scheme

Eligible participants of the 2022 Share Option Scheme included:

- an eligible employee; and
- a non-executive director (including independent non-executive directors) of the Company or any of its subsidiaries

The eligibility of the participants to grant of any option shall be determined by the Board from time to time and on a case-by-case basis subject to the Board's opinion as to, among others, the participant's contribution or potential contribution to the development and growth of the Group.

Total number of shares available for issue under the 2022 Share Option Scheme and percentage of issued shares as at the date of this report

As at the date of this report, the total number of shares available for issue under the 2022 Share Option Scheme is 53,225,413, representing 50.6% of the Company's issued ordinary shares.

Maximum entitlement of each participant under the 2022 Share Option Scheme

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the 2022 Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) to each participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of options to a participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the separate shareholders' approval in general meeting of the Company with such participant and his close associates abstaining from voting. If the grantee is a connected person of the Company, his associates shall abstain from voting.

The Company shall send a circular to the shareholders containing a generic description of the specified participants who may be granted such options, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information as required under the Listing Rules. The number and terms (including the exercise price) of the options to be granted to such participant must be fixed before shareholders' approval and the date of the meeting of the Board for proposing such further grant of option should be taken as the date of offer for the purpose of calculating the exercise price.

Granting of share options to each participant under the 2022 Share Option Scheme is governed by Chapter 17 of the Listing Rules effective from 1 January 2023.

OTHER INFORMATION

SHARE OPTION SCHEMES (Continued)

The 2022 Share Option Scheme (Continued)

The period within which the option may be exercised by the grantee under the 2022 Share Option Scheme

An option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the day on which the offer is made but shall end in any event not later than 10 years from the offer date subject to the provisions for early termination thereof.

Unless the Directors otherwise determined and stated in the offer to a participant, there is no minimum period for which an option granted under the 2022 Share Option Scheme must be held before it can be exercised.

The vesting period of options under the 2022 Share Option Scheme

The vesting period of options granted are set out in the below table on page 45.

The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

An offer may be accepted by a participant within 28 days from the offer date. A consideration of HK\$1 is payable on acceptance of the offer.

The basis of determining the exercise price of options granted

The exercise price in respect of any particular option shall be such price as determined by the Board in its absolute discretion at the time of the making of the offer (which shall be stated in the letter containing the offer) but in any case the exercise price shall not be lower than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the offer date; and (iii) the nominal value of a share. Without prejudice to the generality of the foregoing, the Board may grant options in respect of which the exercise price is fixed at different prices for different periods during the option period provided that the exercise price for each of the different periods shall not be less than the subscription price determined in the manner set out herein.

OTHER INFORMATION

SHARE OPTION SCHEMES (Continued)

The 2022 Share Option Scheme (Continued)

The remaining life of the 2022 Share Option Scheme

The 2022 Share Option Scheme was valid and effective for a period of ten years, commencing from 14 January 2022. The remaining life of the 2022 Share Option Scheme as at the date of report is approximately six years and three months.

Details of options granted to participants under the 2022 Share Option Scheme:

Number of share options movement during the period											Price of share		
Name or category of participants	Date of grant	As at 01/01/2025	Granted	Exercised	Cancellation	Lapsed	As at 30/06/2025	Vesting period	Exercise period	Exercise Price/ Purchase Price HK\$	Prior to the grant	Prior to the exercise	
											date of the share options ⁽¹⁾	date of the share options ⁽²⁾	
Directors, chief executive and a substantial shareholder and their associates													
Mr. Zeng Guangsheng													
Tranche 1	17/03/2022	35,000,000 ⁽⁴⁾	–	–	–	–	35,000,000	17/03/2022 to 16/09/2022	17/09/2022 to 17/09/2026	0.900	0.840	–	
Mr. Ng Hoi Ping													
Tranche 1	17/03/2022	5,000,000 ⁽⁴⁾	–	–	–	–	5,000,000	17/03/2022 to 16/09/2022	17/09/2022 to 17/09/2026	0.900	0.840	–	
Directors with options granted and to be granted in excess of the 1% individual limit													
Ms. Zeng Jing													
Tranche 1	17/03/2022	5,000,000 ⁽⁴⁾	–	–	–	–	5,000,000	17/03/2022 to 16/09/2022	17/09/2022 to 17/09/2026	0.900	0.840	–	
Other employee participants													
Tranche 1	17/03/2022	4,200,000 ⁽⁴⁾	–	–	–	–	4,200,000	17/03/2022 to 16/09/2022	17/09/2022 to 17/09/2026	0.900	0.840	–	
Tranche 2	07/07/2023	1,000,000 ⁽⁴⁾⁽⁵⁾	–	–	–	–	1,000,000	07/07/2023 to 06/07/2024	07/07/2024 to 06/07/2029	0.900	0.500	–	
50,200,000			–	–	–	–	50,200,000						

Notes:

(4) No performance target is required to be achieved.

(5) The fair value of the options granted on 7 March 2023 was determined at the date of grant using the binomial option pricing model and was approximately HK\$141,720.

OTHER INFORMATION

SHARE OPTION SCHEMES (Continued)

Number of options available for grant

Under the 2011 Share Option Scheme, number of options available for grant as at 1 January 2025 and 30 June 2025 are as follows:

	1 January 2025	30 June 2025
Share options		
Under the mandate limit ^(*)	0	0
Under the sublimit for service providers ^(*)	0	0

Under the 2022 Share Option Scheme, number of options available for grant as at 1 January 2025 and 30 June 2025 are as follows:

	1 January 2025	30 June 2025
Share options		
Under the mandate limit	54,225,413	53,225,413
Under the sublimit for service providers	0	0

Note: ^(*) The 2011 Share Option Scheme expired on 17 May 2021. No further options available to be granted since its expiry.

For the reporting period, no option was granted under all share option schemes of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares, if any) listed on the Stock Exchange. As of 30 June 2025, the Company did not hold any treasury shares.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (2024: Nil).

OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct governing directors' dealings in the Company's securities (the "Own Code") on terms no less than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made to all directors and all of them have confirmed that they had complied with the Own Code and Model Code throughout the six months ended 30 June 2025.

The Company has also established written guidelines on no less exacting than the Model Code (the "Employees Written Guidelines") for governing the securities transactions by relevant employees who are likely to possess inside information of the Company or its securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company throughout the six months ended 30 June 2025.

In case when the Company is aware of any restricted period for the dealings in the Company's securities, the Company will notify its directors and relevant employee in advance.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there are no material subsequent events undertaken by the Group after 30 June 2025 and up to the date of this report.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with a view to enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of the Appendix C1 to Listing Rules as the basis of the Company's corporate governance practices and the Board is of the view that the Company has met the CG Code during the period under review except the deviations for the followings:

- (a) The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Zeng Guangsheng ("Mr. Zeng") has assumed the roles of both Chairman of the Board and Chief Executive Officer of the Company. The Board believes that by assuming both roles, Mr. Zeng will be able to provide the Group with strong and consistent leadership, allowing for more effective and efficient business planning and decisions as well as execution of long-term business strategies for the Group. The structure is therefore beneficial to the shareholders as a whole.
- (b) The code provision C.1.5 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Chen Kuangguo, a non-executive director; and Mr. Yang Rusheng, an independent non-executive Director, were unable to attend the annual general meeting of the Company held on 16 May 2025 due to other engagement.

OTHER INFORMATION

AUDIT COMMITTEE

The Audit Committee of the Company, comprising three independent non-executive directors, namely Mr. Yang Rusheng (Chairman of the Audit Committee), Mr. Cheung Chun Yue, Anthony and Mr. Zhu Jianbiao, has reviewed together with senior management of the Group, with no disagreement, the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting processes as well as reviewed this interim report including the unaudited interim results of the Group for the six months ended 30 June 2025.

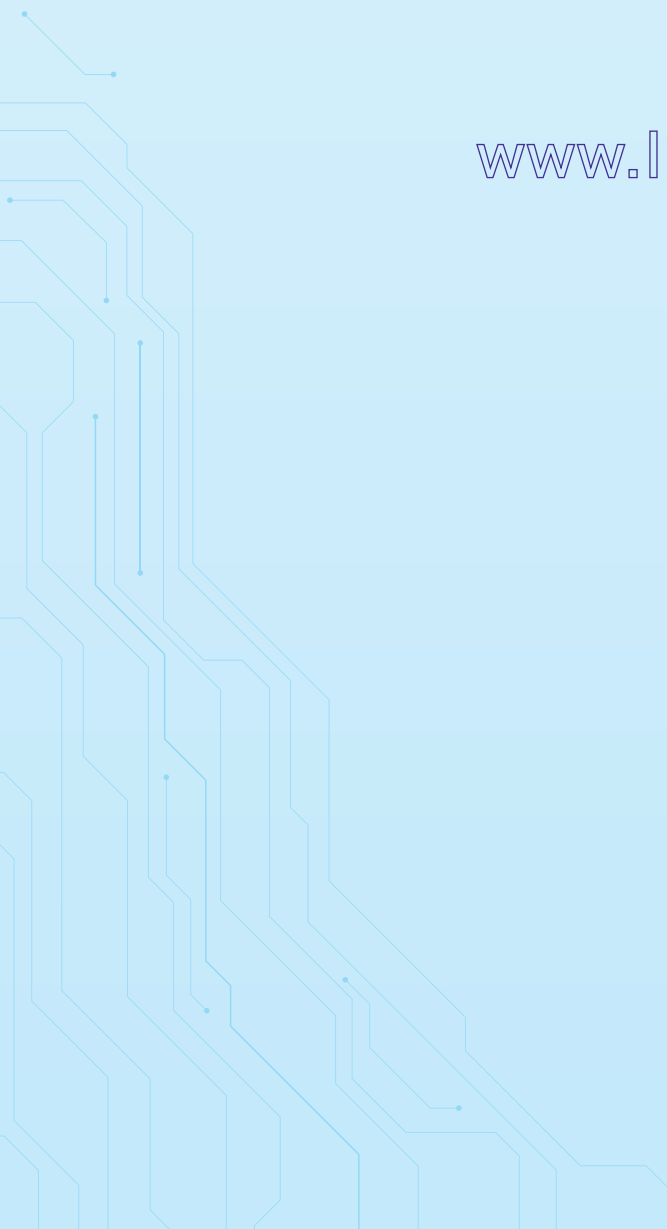
CHANGE IN INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF THE LISTING RULES

With effect from 30 June 2025, Ms. Zeng Jing, a non-executive Director, has been appointed as a member of the nomination committee of the Company.

Save as disclosed herein, as at the date of this report, there has been no change to the information of the Directors and chief executives of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

APPRECIATION

The Board would like to take this opportunity to thank our shareholders for their continued support and the fellow directors and our staff for their contributions to the Group.

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