



RENHENG Enterprise Holdings Limited
仁恒實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3628)

2025

Interim Report



HIGHLIGHTS

- Revenue for the six months ended 30 June 2025 was HK\$60,640,000, representing a decrease of 0.6% as compared with the corresponding period in 2024;
- Profit for the period for the six months ended 30 June 2025 was HK\$13,058,000, representing an increase of 72.8%, as compared with the profits of HK\$7,555,000 for the six months ended 30 June 2024; and
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025.

The board (the “Board”) of directors (the “Directors”) of RENHENG Enterprise Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 together with the unaudited comparative figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	<i>(Unaudited)</i>
Revenue	4	60,640	60,979
Cost of sales		(33,067)	(40,191)
Gross profit		27,573	20,788
Other income	5	1,564	1,188
Other gains and losses	6	745	766
Selling and distribution costs		(2,382)	(2,510)
Administrative expenses		(9,882)	(8,342)
Research and development costs		(2,033)	(2,658)
Profit before taxation	7	15,585	9,232
Taxation	8	(2,527)	(1,677)
Profit for the period		13,058	7,555
Other comprehensive income (expense) for the period:			
Item that will not be reclassified to profit or loss:			
Exchange difference arising on translation of foreign operations		1,760	(784)
Total comprehensive income for the period		14,818	6,771
Earnings per share	9	HK cents	HK cents
– Basic		1.62	0.94

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	Notes		
Non-current assets			
Property, plant and equipment		18,208	18,697
Right-of-use assets		4,740	4,620
		22,948	23,317
Current assets			
Inventories	11	78,892	56,296
Trade and other receivables	12	60,452	49,380
Financial assets at fair value through profit or loss ("FVTPL")		15,548	21,598
Restricted bank deposits	13	30,348	19,848
Fixed deposits	13	12,500	15,500
Bank balances and cash	13	37,827	59,532
		235,567	222,154
Current liabilities			
Trade and other payables	14	46,228	34,506
Lease liabilities		275	—
Contract liabilities		55,596	71,847
Tax payable		9,901	9,280
		112,000	115,633
Net current assets		123,567	106,521
Total assets less current liabilities		146,515	129,838
Non-current liability			
Deferred tax liabilities		3,686	1,827
Net assets		142,829	128,011
Capital and reserves			
Share capital		2,010	2,010
Share premium		41,818	41,818
Reserves		85,243	82,420
Retained profits		13,758	1,763
Total equity		142,829	128,011

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000 (Note a)	Discretionary surplus HK\$'000 (Note b)	Statutory surplus reserves HK\$'000 (Note b)	Capital reserve HK\$'000 (Note c)	Property revaluation reserve HK\$'000	Special reserves HK\$'000 (Note d)	Translation reserve HK\$'000	(Accumulated losses)/ Retained Profit HK\$'000	Total HK\$'000
At 1 January 2024	2,010	41,818	49,091	3,338	27,529	999	2,775	970	(2,542)	(2,602)	123,386
Profit for the year	-	-	-	-	-	-	-	-	-	7,035	7,035
Exchange difference arising on translation	-	-	-	-	-	-	-	-	(2,410)	-	(2,410)
Total comprehensive (expense) income for the year	-	-	-	-	-	-	-	-	(2,410)	7,035	4,625
Transfers	-	-	-	-	1,264	-	-	1,406	-	(2,670)	-
At 31 December 2024	2,010	41,818	49,091	3,338	28,793	999	2,775	2,376	(4,952)	1,763	128,011
Profit for the period	-	-	-	-	-	-	-	-	-	13,058	13,058
Exchange difference arising on translation	-	-	-	-	-	-	-	-	1,760	-	1,760
Total comprehensive income for the period	-	-	-	-	-	-	-	-	1,760	13,058	14,818
Transfers	-	-	-	-	-	-	-	1,063	-	(1,063)	-
At 30 June 2025	2,010	41,818	49,091	3,338	28,793	999	2,775	3,439	(3,192)	13,758	142,829

Notes:

- a. The merger reserve represents the aggregate amount of paid-in capital of Bao Ying Ren Heng Industrial Co. Limited 寶應仁恒實業有限公司 ("Baoying Renheng") and share capital of RENHENG Global Limited ("RENHENG Global"), subsidiaries of the Company, acquired pursuant to group reorganisation in prior years.
- b. As stipulated by the relevant laws and regulations in the People's Republic of China (the "PRC"), Baoying Renheng is required to maintain two reserves, being a statutory surplus reserve and a discretionary surplus reserve which are non-distributable. Appropriations to such reserves are made out of profit after taxation of Baoying Renheng based on the relevant accounting principles and financial regulations applicable to the PRC enterprises while the amount and allocation basis are decided by its board of directors annually. Pursuant to the relevant laws and regulations in the PRC, appropriation to the statutory surplus reserve is required until the balance reaches 50% of the registered capital. The statutory surplus reserve and the discretionary surplus reserve can be used to make up its prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.
- c. The capital reserve represented waiver of an amount due to a former shareholder of a subsidiary of the Company in prior years.
- d. The Group is required to make appropriations based on its revenue in accordance with CaiZi [2022] No.136 "Measures for the provision and utilisation of the safety production fund" that is issued by the Ministry of Finance and the Ministry of Emergency Management. The reserve is for future enhancement of safety production environment and improvement of facilities and is not available for distribution to shareholders.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months
ended 30 June

2025	2024
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)

Net cash used in operating activities	(21,719)	(12,093)
Investing activities		
Release of restricted bank deposits	27,419	9,319
Interest received	355	447
Placement of restricted bank deposits	(37,507)	(3,293)
Purchase of property, plant and equipment	(29)	(82)
Release of fixed deposits	9,500	—
Placement of fixed deposits	(6,500)	—
Release of financial assets at FVTPL	79,184	—
Placement of financial assets at FVTPL	(72,871)	—
Net cash (used in) from investing activities	(449)	6,391
Financing activities		
Repayment of lease liabilities	(54)	(132)
Lease interest expenses	(77)	—
Net cash used in financing activities	(131)	(132)
Net decrease in cash and cash equivalents	(22,299)	(5,834)
Cash and cash equivalents at beginning of the period	59,532	86,100
Effect of foreign exchange rate change	594	(624)
Cash and cash equivalents at end of the period, represented by bank balances and cash	37,827	79,642

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company is jointly controlled by LinkBest Capital Group Limited and Open Venture Global Limited. The ultimate controlling shareholder is Ms. Liu Li, who is also the chairman and chief executive officer of the Company.

The Company acts as an investment holding company while its subsidiaries are principally engaged in the manufacture and sale of tobacco machinery products in the People's Republic of China (the "PRC"). The address of the registered office of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of the principal place of business of the Company is Room 3805, 38/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is different from the Company's functional currency of Renminbi ("RMB"). The Directors of the Company adopted HK\$ as presentation currency as the Company's shares are listed on the Stock Exchange and the management considers this presentation to be more useful for its current and potential investors.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2025 were unaudited but have been approved by the Board of Directors and the audit committee of the Company. The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "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").

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional/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

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.

4. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers and segment information

For the six months ended 30 June 2025

	Construction contracts of casing and flavouring system HK\$'000 (Unaudited)	Sales of other products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Type of products			
Construction works	52,582	–	52,582
Sales of other products			
– pneumatic feeding system	–	8,058	8,058
	–	8,058	8,058
	52,582	8,058	60,640

For the six months ended 30 June 2024

	Construction contracts of casing and flavouring system HK\$'000 (Unaudited)	Sales of other products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Type of products			
Construction works	56,525	–	56,525
Sales of other products			
– pneumatic feeding system	–	3,785	3,785
– other goods	–	669	669
	–	4,454	4,454
	56,525	4,454	60,979

The Group's operating activities are attributable to a single operating segment focusing on manufacture and sale of tobacco machinery products.

All of the Group's revenue are derived in PRC and majority of the Group's non-current assets are located in the PRC, which are determined by the location where the systems or products being installed or delivered. The revenue from construction contracts of casing and flavouring system and sales of other products are recognised at point in time.

No other discrete financial information, analysis of segment assets or segment liabilities is presented as they are not regularly provided to the chief executive officer of the Company, being the chief operating decision maker of the Company, for the purposes of resources allocation and assessment. Accordingly, no segment information, other than the Group's results and financial position as a whole, is presented.

(ii) Performance obligations for contracts with customers

Construction contracts of casing and flavouring system

The Group provides construction services of casing and flavouring system to its customers which are cigarette manufacturers in the PRC. For the contracts entered into with customers, the contract prices are fixed and the relevant casing and flavouring system specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant casing and flavouring system to customers. Revenue from construction contracts of casing and flavouring system is therefore recognised at a point in time when the completed casing and flavouring system is transferred to customers, being at the point that the customer obtains the control of the completed casing and flavouring system and the Group has unconditional right to payment and collection of the consideration is probable.

The Group receives 10% to 30% of the contract value as prepayments or deposits from customers when they sign the construction agreement. Such advance payment schemes result in contract liabilities being recognised throughout the construction period for the full amount of the contract price.

The defect liability period, ranging from one to two years from the date of the practical completion of the construction, serves as an assurance that the construction services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

Sales of other products

The Group sells pneumatic feeding system, pre-pressing packing machine, water treatment system and other products directly to the customers which are cigarette manufacturers and tobacco redrying factories in the PRC. For the sales of other products to the customers, revenue is recognised when control of the goods has transferred, being the point the goods has delivered to the customers. The normal credit term is 90 days upon delivery.

5. OTHER INCOME

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Subsidy income (Note)	1,209	741
Bank interest income	355	447
	1,564	1,188

Note: These government grants were for immediate and unconditional financial support with no future related costs nor related to any assets, therefore, the Group recognised the income upon receipts.

6. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of scrap materials, parts and components, net gain	614	900
Gain on fair value changes from financial assets at FVTPL	189	–
Exchange losses, net	(58)	(134)
	745	766

7. PROFIT BEFORE TAXATION

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before taxation has been arriving at after charging:		
Directors' emoluments	1,676	911
Other staff costs:		
Salaries, bonus and allowances	6,746	6,628
Retirement benefits scheme contributions	1,043	917
Total staff costs	9,465	8,456
Auditor's remuneration	574	542
Research and development cost recognised as an expense	2,033	2,658
Depreciation of property, plant and equipment	805	1,069
Depreciation of right-of-use assets	201	157

8. TAXATION

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The charge (credit) comprises:		
PRC Enterprise Income Tax ("EIT") – current period	978	1,840
Under provision in prior year	(262)	–
Deferred taxation	1,811	(163)
	2,527	1,677

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2025 and 2024 as the Group has no assessable profit arisen in, or was derived from Hong Kong.

The provision for EIT is based on the estimated taxable income for PRC taxation purposes at 25% for the current period (six months ended 30 June 2024: 25%) pursuant to the Law of the PRC on Enterprise Income Tax and Implementation Legislation (the "EIT Law").

Under the EIT Law, a qualified High and New-Tech Enterprise ("HNTE") can enjoy a reduced tax rate at 15% for three years after obtaining approval. A PRC subsidiary of the Company had been recognised and approved as a HNTE during the year ended 31 December 2023, therefore the PRC subsidiary entitled to a reduced tax rate at 15% for the period (31 December 2024: 15%).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company for both periods is based on the following data:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit		
Profit for the period attributable to owners of the Company for the purposes of basic earnings per share	13,058	7,555
Number of shares		
Number of ordinary shares for the purposes of calculating basic earnings per share	804,000,000	804,000,000

No diluted earnings per share were presented for both periods as there were no potential ordinary shares in issue for both periods.

10. DIVIDEND

No dividend was paid or proposed for shareholders of the Company during the interim period. The Directors of the Company have determined that no dividend will be paid in respect of the interim period.

11. INVENTORIES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Raw materials	7,643	4,245
Work in progress	71,249	52,051
	78,892	56,296

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade receivables	43,993	39,274
Less: allowance for credit losses	(3,619)	(3,563)
	40,374	35,711
Retention money receivables	10,846	8,660
Less: allowance for credit losses	(616)	(607)
	10,230	8,053
Other receivables from third parties	3,158	3,689
Less: allowance for credit losses	(459)	(452)
	2,699	3,237
Prepayments and deposits	6,393	1,572
Cash advance to staff	756	807
	60,452	49,380

The following is an aged analysis of trade receivables (net of allowance of credit losses) presented based on the completion date at the end of the reporting period:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
0–90 days	13,154	7,550
91–365 days	13,766	21,438
1–2 years	13,454	6,723
	40,374	35,711

The Group normally allows a credit period of three months to its trade customers. Before accepting any new customer, the Group will internally assess the credit quality of the potential customer and define appropriate credit limits.

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

13. RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH/FIXED DEPOSITS

As at 30 June 2025, the restricted bank deposits carry effect interest rate range from 0.65% to 1.50% (31 December 2024: 0.8% to 1.20%) per annum, representing amounts with held in a bank for settlement of bills payables and to secure certain construction contracts.

Bank balances comprising cash and short-term deposits with an original maturity of three months or less carried at prevailing market deposits rate. The effective interest rate of these deposits ranges from 0.00% to 0.38% (31 December 2024: 0.00% to 0.45%) per annum.

The fixed deposits are within a term from more than 3 months to 36 months and carry interest at rates ranging from 1.30% to 3.20% (31 December 2024: 3.03% to 3.77%) per annum.

14. TRADE AND OTHER PAYABLES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade payables	22,155	12,509
Bills payables	9,814	7,521
	31,969	20,030
Accrued warranty provision	5,272	5,206
Accrued welfare expenses	1,574	3,060
Other payables	4,457	5,000
Other tax payables	2,956	1,210
	46,228	34,506

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
0–90 days	29,005	12,019
91–365 days	1,962	7,122
1–2 years	198	96
Over 2 years	804	793
	31,969	20,030

The average credit period on purchase of goods is 90 days.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the manufacture, sale and provision of maintenance, overhaul and modification services in respect of tobacco machinery products in the PRC. We have obtained the Tobacco Monopoly Production Enterprise Licence (煙草專賣生產企業許可證) issued by the State Tobacco Monopoly Administration of the PRC (中國國家煙草專賣局), under which we are permitted to manufacture, sell and provide maintenance, overhaul as well as modification services in respect of the aforesaid machinery products, and we are one of the thirty-five licenced manufacturers in the PRC. We generate our turnover primarily from projects related to three types of catalogued special-purpose tobacco machinery products, namely the casing and flavouring system, pneumatic feeding system and pre-pressing packing machine.

FINANCIAL REVIEW

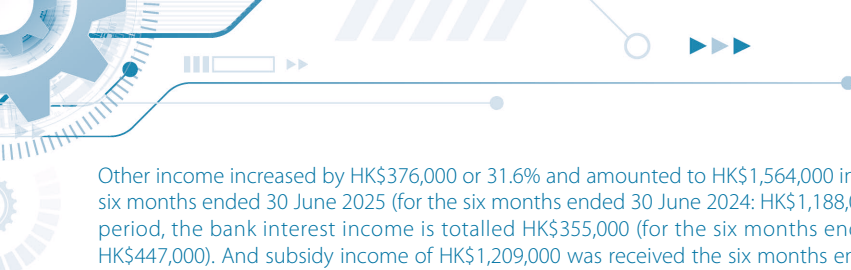
For the six months ended 30 June 2025, the Group recorded a profit of HK\$13,058,000 while it was a profit of HK\$7,555,000 for the six months ended 30 June 2024, representing an increase of 72.8%. In the current period, owing to the increased gross profit margin from the revenue of the product of casing and flavouring system, which represented a significant portion of our total revenue, due to the decrement of its cost of sales during the Relevant Period, which was attributable to decreased material consumption, lower direct and indirect costs, and optimized technical processes applied across customized equipment projects, the gross profit of the products of the construction contracts of casing and flavouring system and pneumatic feeding system recorded a rise in the gross profit ratio by approximately 11.4%, with the gross profit amounted to HK\$27,573,000 in comparison to the prior period.

Revenue from construction contracts of casing and flavouring systems continued to have outperformed other type of products and goods, of which it contributed HK\$52,582,000, 86.7% of the total revenue in the current period (for the six months ended 30 June 2024: HK\$56,525,000 or 92.7%).

Sales of pneumatic feeding system increased by approximately 112.9% from HK\$3,785,000 for the six months ended 30 June 2024 to HK\$8,058,000 for the six months ended 30 June 2025. There was no sales of other goods in the current period and there was the sales of HK\$669,000 for the six months ended 30 June 2024.

The gross profit margin for the current period was 45.5% and increased by 11.4% when comparing with that of prior period which was 34.1%. For the gross profit margin of the products, it was an increment for construction contracts on casing and flavouring systems from 32.2% for the six months ended 30 June 2024 to 45.8% for the six months ended 30 June 2025. The gross profit of construction contracts on casing and flavouring systems is HK\$24,094,000 for the six months ended 30 June 2025 and it was HK\$18,199,000 for the six months ended 30 June 2024. The gross profit of pneumatic feeding system amounted to HK\$4,274,000 for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK\$2,022,000).

Allowance for inventories (included in cost of sales) amounted to HK\$794,000 had been recognised during the six months ended 30 June 2025 while HK\$887,000 allowance loss was made in the prior period. The identification of obsolete inventories required the use of judgement and estimates on the conditions and usefulness of the inventories.



Other income increased by HK\$376,000 or 31.6% and amounted to HK\$1,564,000 in aggregate for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK\$1,188,000). In the current period, the bank interest income is totalled HK\$355,000 (for the six months ended 30 June 2024: HK\$447,000). And subsidy income of HK\$1,209,000 was received the six months ended 30 June 2025 while HK\$741,000 was received in the prior period.

During the six months ended 30 June 2025, the aggregated sum of other gains and losses amounted to HK\$745,000 (for the six months ended 30 June 2024: HK\$766,000). It dropped by HK\$21,000 or 2.7%, the main reason of the decrease of other gains and losses in the current period was due to the decrement of sales of scrap materials, parts and components. The sales of scrap materials, parts and components amounted to HK\$614,000 for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK\$900,000) and it was down by HK\$286,000 or 31.8% compared to the prior period. In the contrary with the six months ended 30 June 2024, there were exchange losses of HK\$134,000, the exchange losses of HK\$58,000 had been recognised for the six months ended 30 June 2025.

The decrement in selling and distribution costs decreased by HK\$128,000 from HK\$2,510,000 for the six months ended 30 June 2024 to HK\$2,382,000 for the six months ended 30 June 2025 or 5.1% as compared to the prior period.

The administrative expenses increased by HK\$1,540,000 or 18.5% in comparison with the prior period, which amounted to HK\$9,882,000 for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK\$8,342,000). The increment of administrative allowances attributable to increments of the salaries, bonus and allowances.

The research and development costs amounted to HK\$2,033,000 for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK\$2,658,000), and it decreased by HK\$625,000 or 23.5% compared with the prior period due to the decrement on the research and development projects.

For the six months ended 30 June 2025, tax expense of HK\$2,527,000 was recorded and it was HK\$1,677,000 for the prior period.

DIVIDENDS

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

BUSINESS REVIEW AND PROSPECT

The Group mainly deal with the customer, the State Tobacco Monopoly Administration of the PRC which is the world's largest tobacco manufacturer. China produces more than two million metric tons of tobacco each year. The majority of China's tobacco production serves its massive domestic market, so tobacco industry occupies an important position in China's economic development. In the annual fiscal revenue of the Chinese government, tax revenue from the tobacco industry has always maintained a relatively high share, contributing nearly one-tenth of the country's fiscal revenue in the recent year. The tobacco factories in China owns the most automatic factory. It is believed that the tobacco machinery industry would be in a steady momentum in the years.

The tobacco machinery industry renders our company's technical developments especially the innovations on the machinery related technologies. The State Tobacco Monopoly Administration of the PRC provides a stable financial proposition, and a good condition for our new developments on diversified our revenue structure. Leveraging on the Group's competitive strengths in product customization, development capabilities and our brand on machinery industry, which enables both the sales and technical personnel to obtain good and timely understanding of customers' requests in the tobacco machinery industry and other industries.

In alignment with the Group's strategic development objectives, the Group will keep strengthening and implementing internal management, enhancing internal controls and implementing internal digital management systems, such as deploying paperless design software and upgrading the integrated project management platform in order to stabilize existing business operations and accelerate new business developments on new-technological field.

The Group intends to capture the market opportunities for its specialised products and securing contracts more than one machinery industry or new-technological field and will try to dedicate to innovating the key technologies for the customised automatic machinery industry, with the hope of delivering greater value to our shareholders.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had a comparatively stable capital structure with net current assets of HK\$123,567,000 (31 December 2024: HK\$106,521,000). Bank balances and cash of the Group as at 30 June 2025 amounted to HK\$37,827,000 (31 December 2024: HK\$59,532,000), which were mainly denominated in RMB and HK\$. The Company had no other borrowings, mortgages or charges as at 30 June 2025 and 31 December 2024.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD

During the period ended 30 June 2025, the Group's investing activities mainly include placement and withdrawal of short-term fixed deposits and purchase of property, plant and equipment.

MATERIAL ACQUISITION AND DISPOSAL

The Group had no material acquisition and disposal of subsidiaries for the six months ended 30 June 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group has a total of 139 employees (31 December 2024: 132 employees). Total staff costs (including directors' emoluments) were HK\$9,465,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$8,456,000).

Remuneration in the form of salaries and bonus is determined by reference to our employees' respective experience, responsibilities, qualification and competence displayed and our operation results. Our employees also receive reimbursements for expenses which are necessarily and reasonably incurred for providing services to our Group or executing their functions in relation to our operations.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests of Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, were as follows:

Long positions

Ordinary shares of HK\$0.0025 each of the Company

Name	Capacity/Nature of Interest	Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
Director			
Ms. Liu Li (<i>Note 1</i>)	Interest of controlled corporations	600,000,000	74.6%

Note:

1. Open Venture Global Limited ("Open Venture") and LinkBest Capital Group Limited ("LinkBest"), which are both wholly owned by Ms. Liu Li, are interested in 240,000,000 shares and 360,000,000 shares of the Company, respectively.

Save as disclosed above, none of the Directors and the chief executive of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2025.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, according to the register of interests required to be kept by the Company under Section 336 of the SFO other than the interests disclosed above in respect of Directors and chief executive of the Company, the following parties had interests in shares of the Company, as notified to the Company and the Stock Exchange, as follows:

Long positions

Ordinary shares of HK\$0.0025 each of the Company

Name of shareholders	Capacity/Nature of Interest	Number of issued ordinary shares held	Approximate percentage of the issued share capital of the Company
LinkBest (Note)	Beneficial owner	360,000,000	44.8%
Open Venture (Note)	Beneficial owner	240,000,000	29.9%

Note: LinkBest and Open Venture are wholly owned by Ms. Liu Li.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2025.

COMPETING INTERESTS

None of the Directors nor their respective associates (as defined under the Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

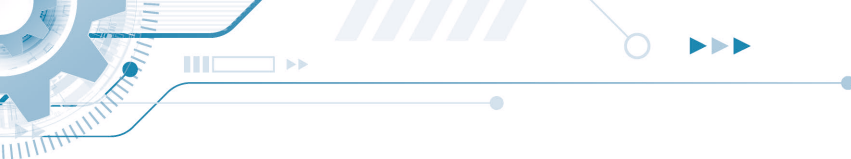
PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

CORPORATE GOVERNANCE PRACTICES

Pursuant to the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules which sets out the principles of good corporate governance and the code provisions (the "Code Provisions"), the Company has applied all the Code Provisions as set out in the CG Code during the six months ended 30 June 2025, save and except the Code Provision C.2.1 of the CG Code as follows:

The roles of chairman and chief executive officer of the Company are performed by the same individual – Ms. Liu Li. Ms. Liu Li will ensure that all the Board members keep abreast of the conduct, business activities and development of the Group and adequate, complete and reliable information is provided to Directors on issues to be considered by the Board.



DIRECTORS' SECURITIES TRANSACTIONS

The Company has applied the principles of the required standard of securities transactions by our Directors as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, the Company was confirmed that all Directors have complied with or they were not aware of any non-compliance with the required standard of dealings as set out in the Listing Rules during the six months ended 30 June 2025.

AUDIT COMMITTEE

The audit committee comprising three independent non-executive Directors and is chaired by Dr. Lam, Lee G.. The rest of the members are Mr. Lam Chi Wing and Mr. Wu Wei. The interim results for the six months ended 30 June 2025 have been reviewed by the audit committee in accordance with the Listing Rules. The audit committee was of the opinion that such results complied with the applicable accounting standards and that adequate disclosures had been made.

By order of the Board
RENHENG Enterprise Holdings Limited
Liu Li
Chairman and Chief Executive Officer

Hong Kong, 29 August 2025

As at the date of this report, the executive Directors are Ms. Liu Li, Ms. Lew Lai Kuen and Mr. Wen Yuan; and the independent non-executive Directors are Dr. Lam, Lee G., Mr. Lam Chi Wing and Mr. Wu Wei.