Rongta Technology (Xiamen) Group Co., Ltd.
容大合眾(廈門)科技集團股份公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 9881)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Director(s)**") of Rongta Technology (Xiamen) Group Co., Ltd. (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2024 as follows:

SUMMARY OF FINANCIAL PERFORMANCE

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Revenue	**145,617**	162,491
Gross profit	**39,582**	43,871
(Loss)/profit before income tax	**(8,805)**	15,014
(Loss)/profit and total comprehensive income for the period, all attributable to owners of the Company	**(6,398)**	14,413
Earnings per share attributable to the owners of the Company	**(0.08)**	0.18
Basic and diluted (loss)/earnings per Share (RMB per Share)	**(0.08)**	0.18
Adjusted net profit [Note] (non-IFRS measure)	**12,348**	21,585

Note: excluding listing expenses

In this announcement, "we" refers to the Company and (as otherwise required by the context) the Group. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus of the Company dated 30 May 2025 (the "**Prospectus**").

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Reporting Period, the Group recorded revenue of approximately RMB145.6 million, representing a decrease of approximately 10.4% compared with the same period of 2024. The fluctuation in interim results was attributable to the external environment, product line performance, cost control and other factors.

Externally speaking, the delivery of and order confirmation for certain products was adversely affected by factors such as tightened import policies in Africa, ramifications arising from geopolitical tensions in Europe, and delays in customer projects.

In terms of product lines: (i) as for printing equipments, demand for receipt printers and barcode label printers remained stable, with the slight decline in revenue primarily attributable to a decrease in sales prices; meanwhile, market demands for portable study printers for self-study softened as physical lessons or tutoring gradually resumed after the COVID-19 pandemic, leading to a decline in revenue; (ii) as for scales, AI scales in the scale segment continued to penetrate the market, while sales of traditional scales declined; (iii) sales of POS terminals and PDAs were affected by tightened import policies in Algeria which has delayed the date for the relevant customers to obtain the import license until the second half of 2025, but this risk was partially offset by growth in the U.S. market.

The Group's gross profit margin remained relatively stable at approximately 27.2% during the Reporting Period mainly due to the Group's effective cost control. Meanwhile, the Group has increased R&D investments and focused on technological upgrades to consolidate product competitiveness.

OUTLOOK

The Group will advance a number of strategic initiatives:

In terms of production capacity, we will continue to expand our production scale in Malaysia to enhance international supply chain resilience; the Wuhan R&D centre is expected to commence operations in 2026, strengthening the integration of IoT and AI technologies.

In terms of market expansion, we will continue to deepen cooperation in Southeast Asia and the Middle East to hedge against regional volatility; we will attend international trade fairs to promote AI scales and industrial-grade printing equipment to Europe and the United States to secure premium pricing; and projects in the domestic market will proceed as scheduled, while more efforts will be made to promote our hazardous waste products.

In terms of product R&D, we will upgrade AI scales with integrated SaaS functions and develop modular POS terminals to accommodate emerging markets.

In terms of financial control, we will exercise strict control over accounts receivable and optimise financing costs. Upon the Listing, the gearing ratio was approximately 42.2%, with approximately HK$131.2 million of net proceeds from Global Offering reserved to support our strategic investments.

FINANCE REVIEW

Revenue

During the Reporting Period, revenue of the Group amounted to approximately RMB145.6 million, representing a decrease of approximately 10.4% when compared to approximately RMB162.5 million in the same period of 2024. The decrease in revenue was mainly driven by (a) the slower progress in the project approval stage of certain customers, and (b) further enhancements on the product specifications as initiated by the Group's customers prior to the product delivery and no revenue was recorded accordingly.

Revenue by Product and Service Segment

During the Reporting Period, the revenue derived from the sales of printing equipment was approximately RMB100.5 million, representing a decrease of approximately 8.3% when compared to approximately RMB109.5 million in the same period of 2024. The decrease in sales of printing equipment by RMB9.1 million was mainly due to the slower progress in the new project approval stage of certain customers, and further enhancements on the product specifications as initiated by the Group's customers prior to the product delivery and no revenue was recorded accordingly.

During the Reporting Period, the revenue derived from the sales of scales was approximately RMB24.0 million, representing a decrease of approximately 11.4% when compared to approximately RMB27.1 million in the same period of 2024. The decrease in sales of scales by approximately RMB3.1 million was mainly due to a corresponding decrease in sales to certain customers as a result of the failure of their downstream distributors to win bids for new projects of end customers.

During the Reporting Period, the revenue derived from the sales of POS terminals and PDAs was approximately RMB12.4 million, representing a decrease of approximately 23.2% when compared to approximately RMB16.1 million in the same period of 2024. The decrease in sales of POS terminals and PDAs by RMB3.7 million was mainly due to the tightened import policies in Algeria, where the Group's customers in Algeria are required to obtain an import license to resume trade with the Group, which is expected to be issued in the second half of 2025.

The following table sets forth our revenue breakdown by product segment for the period ended on the date indicated:

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Printing equipment	**100,453**	109,534
Scales	**24,034**	27,133
POS terminals and PDA	**12,363**	16,088
Accessories and other purchased products	**7,877**	8,716
Others	**890**	1,020
Total	**145,617**	162,491

Cost of Sales

Cost of sales of the Group primarily consists of (i) cost of raw materials; (ii) labour costs; (iii) direct production expenses; (iv) depreciation and amortization; (v) provision for/(reversal of) impairment of inventories; and (vi) others.

The following table sets forth a breakdown of cost of sales for the period ended on the date indicated:

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Cost of raw materials	**84,875**	100,974
Labour costs	**13,686**	13,028
Direct production expenses	**1,714**	1,915
Depreciation and amortization	**4,575**	4,118
(Reversal of) impairment of inventories	**(429)**	(2,660)
Others	**1,614**	1,245
Total	**106,035**	118,620

The cost of sales of the Group for the Reporting Period amounted to approximately RMB106.0 million, representing a decrease of approximately RMB12.6 million, or approximately 10.6%, when compared to RMB118.6 million in the same period of 2024, which was mainly due to a decrease in costs in relation to corresponding materials, production fees, and transportation expenses as a result of the Group's effective cost control.

Gross Profit and Gross Profit Margin

Gross profit of the Group amounted to approximately RMB39.6 million for the Reporting Period, representing a decrease of approximately RMB4.3 million compared to approximately RMB43.9 million in the same period of 2024. Gross profit margin of the Group remained relatively stable, amounted to approximately 27.2% for the Reporting Period, representing an increase of 0.2 percentage points when compared to approximately 27.0% in the same period of 2024.

Other Income

Other income of the Group mainly comprised of incentive and subsidies received from government authorities (i) for our contributions to local employment market; (ii) improvement in production efficiency; (iii) enhancement of innovation capabilities and in support of our R&D activities; (iv) VAT refund which is incidental to our sales and recurring in nature; and (v) others and rental income from leasing our investment properties.

During the Reporting Period, the Group's other income amounted to approximately RMB6.3 million, representing a decrease of approximately 19.2% as compared to approximately RMB7.8 million in the same period of 2024, mainly due to government grants during the Reporting Period decreased compared to the same period last year, of which research-related subsidies and operational VAT refund grants decreased.

Other Gains – Net

Other gains, net of the Group mainly include net exchange gains etc.

The Group recorded gains, net of approximately RMB0.7 million for the Reporting Period, representing an increase in approximately 600.0% when compared to approximately RMB0.1 million in the same period of 2024, mainly due to (i) an overall loss attributable to fair value changes resulting from the impact of losses on foreign exchange forward contracts in the first half of 2024, in combination with the impact of exchange gains, whereas no foreign exchange forward contracts were involved in the first half of 2025; and (ii) an increase in net gains from disposal of property, plant and equipment when compared to the same period last year.

Selling and Marketing Expenses

Selling and marketing expenses primarily comprised (i) labour cost of our sales staff; (ii) advertising and other marketing expenses; (iii) e-commerce platforms and related service fees; (iv) travel expenses and entertainment expenses; and (v) depreciation of property, plant and equipment and rights-of-use assets.

During the Reporting Period, the Group's sales and marketing expenses amounted to approximately RMB13.6 million, representing an increase of approximately 7.1% when compared to approximately RMB12.7 million in the same period of 2024, mainly due to (i) an increase in labour costs for sales personnel mainly as a result of personnel changes and salary adjustments within the Group during the Reporting Period; (ii) an increase in advertising and other marketing expenses, mainly due to the Group's participation in more exhibitions during the Reporting Period; and (iii) an increase in e-commerce platform and related service fees, as a result of a corresponding rise in platform service fees driven by increased promotion efforts by e-commerce platforms during the Reporting Period.

General and Administrative Expenses

General and administrative expenses primarily comprised (i) labour costs of our administrative staff; (ii) listing expenses; (iii) office and administrative expenses; (iv) consulting and professional fees; (v) depreciation of property, plant and equipment and rights-of-use assets; and (vi) amortisation of intangible assets.

During the Reporting Period, the Group's general and administrative expenses amounted to approximately RMB31.4 million, representing an increase of approximately 80.5% when compared to approximately RMB17.4 million in the same period of 2024, mainly due to non-recurring listing expenses incurred during the Reporting Period as a result of the listing of the shares of the Company on the Stock Exchange in June 2025.

R&D Expenses

R&D expenses primarily comprised employee benefit expenses for our R&D staff and raw materials and consumables used in R&D activities.

During the Reporting Period, the Group's R&D expenses amounted to approximately RMB9.3 million, representing an increase of approximately 52.5% when compared to approximately RMB6.1 million in the same period of 2024, mainly due to the increase in both the number of our R&D staff and their benefits during the Reporting Period, as well as a decrease in capitalisation of R&D projects during the Reporting Period.

(Provision for)/Reversal of Impairment Losses on Financial Assets

The Group's (provision for)/reversal of impairment losses on financial assets mainly represented the net loss allowance or reversal for expected credit loss on trade receivables. Impairment loss on trade receivables for a particular reporting period was calculated primarily based on the expected credit loss rate of trade receivables as at the end of the period as compared to that of the prior period. The expected credit loss rates are based on days past due of receivables from various customer groups with similar risk characteristics and are adjusted for forward-looking estimates. The calculation reflects the probability-weighted estimation of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

We recorded a provision for impairment losses on financial assets of RMB79 thousand during the Reporting Period, whereas a reversal of impairment losses on financial assets of RMB122 thousand was recorded in the same period of 2024, mainly due to the delay settlement of certain customers during the Reporting Period.

Finance Income and Costs

The Group's financial income mainly includes our interest income on bank deposits and loans to our Controlling Shareholders. The Group's finance costs mainly represented interest expenses on bank borrowings and lease liabilities. Lease liabilities mainly represented lease agreements for our factory building and office.

During the Reporting Period, the Group's finance costs – net amounted to approximately RMB1.0 million, representing an increase of approximately 42.9% when compared to approximately RMB0.7 million in the same period of 2024, mainly due to a decrease in interest income from bank deposits during the Reporting Period, when compared to more interest income gained from US dollar deposits in the same period of 2024.

Income Tax (Credit)/Expense

During the Reporting Period, the Group recorded income tax credit of approximately RMB2.4 million compared to income tax expense of approximately RMB0.6 million recorded in the first half of 2024, mainly due to deferred income tax assets recognized in respect of the Group's loss during the Reporting Period, which will be deducted in subsequent years.

Net Profit and Net Profit Margin

As a result of the foregoing, the Group's net profit decreased from approximately RMB14.4 million for the six months ended 30 June 2024 to a loss of approximately RMB6.4 million for the Reporting Period. The Group's net profit margin decreased from approximately 8.9% for the six months ended 30 June 2024 to approximately negative 4.4% for the Reporting Period. Such decrease was primarily attributable to (i) an increase in general and administrative expenses, mainly due to non-recurring listing expenses incurred during the Reporting Period due to the listing of the Shares of the Company on the Stock Exchange in June 2025, when compared to the six months ended 30 June 2024; (ii) a decrease in revenue due to (a) slower progress in the project approval phase for certain customers, and (b) further enhancements on the product specifications as initiated by the Group's customers prior to the product delivery and no revenue was recorded accordingly; and (iii) an increase in research and development expenses.

Adjusted Net Profit (Non-IFRS Measure)

To supplement the Group's consolidated financial statements which are presented in accordance with International Financial Reporting Standards ("IFRS"), we also present the adjusted net profit for the periods and adjusted net profit margin as non-IFRS measures.

The Group presents these additional financial measures as they were used by the Group's management to evaluate the Group's financial performance by eliminating the impact of Listing expenses and share-based payment. The Group believes that these non-IFRS measures provide additional information to investors and others in understanding and evaluating the Group's consolidated results of operations in the same manner as the Group's management and in comparing financial results across accounting periods and to those of the Group's peer companies.

The table below sets forth a reconciliation of our net profit for the period under IFRS to adjusted net profit (non-IFRS measures) for the periods indicated by adding back the Listing expenses. Therefore, by eliminating the impacts of such items in the calculation of adjusted net profit (non-IFRS measures) and adjusted net profit margin (non-IFRS measures), these measures could better reflect the Group's underlying operating performance and could better facilitate the comparison of operating performance from period to period.

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Profit for the period	**(6,398)**	14,413
Add:		
Listing expenses	**18,746**	7,172
Adjusted net profit (non-IFRS measures)	**12,348**	21,585
Adjusted net profit margin (non-IFRS measures)	**8.5%**	13.3%

Although these financial measures are reconcilable to the line items in the consolidated financial statements, they should not be considered as measures comparable to items in the consolidated financial statements in accordance with the IFRS. These measures may not be comparable to other similarly titled measures used by other companies.

Liquidity and Financial Resources

The Group has adopted prudential liquidity management policy. The Group attached great importance of the supply and acquisition of capital at any time and had sufficient stand-by banking facilities to support daily operations and meet funding needs for future development, so as to maintain a stable liquidity. During the Reporting Period, the Group financed capital expenditure and working capital requirements mainly through cash generated from operations, bank borrowings and net proceeds from the Global Offering.

As at 30 June 2025, the total balance of cash and cash equivalents of the Group was approximately RMB151.8 million, representing an increase of approximately 1,897.4% as compared to approximately RMB7.6 million as at 31 December 2024, mainly due to the receipt of proceeds from the Global Offering.

As at 30 June 2025, the Group's recorded indebtedness mainly comprised borrowings and lease liabilities of approximately RMB145.7 million and RMB0.1 million, respectively. As of 30 June 2025, all of the Group's borrowings were at fixed interest rates, and therefore exposing the Group to fair value interest rate risk. During the Reporting Period, the Group did not use any financial instrument to hedge our exposure to interest rate risk. However, the Group closely monitors the trend of interest rate and its impact on the Group's interest rate risk exposure to ensure it is within an acceptable level. The Group will consider hedging interest rate risk should the need arise.

Capital Structure

As of 30 June 2025, the Group had net assets of approximately RMB307.1 million, as compared to approximately RMB160.1 million as of December 31, 2024, comprising current assets of approximately RMB347.8 million, non-current assets of approximately RMB183.5 million, current liabilities of approximately RMB206.3 million and non-current liabilities of approximately RMB17.9 million as of 30 June 2025.

Capital Expenditures

The capital expenditures of the Group primarily consist of acquisition of building, plant and equipment for the Group's future expansion purposes. For the Reporting Period, capital expenditures of the Group amounted to approximately RMB35.4 million (six months ended 30 June 2024: approximately RMB11.8 million), representing an increase of approximately RMB23.6 million as compared to the same period last year, which was primarily due to the construction of the Malaysia production base during the Reporting Period, including investment in land, construction and equipment.

Capital Commitments

The Group did not have any significant capital commitments as at 30 June 2025.

Borrowings

As of 30 June 2025, the Group had an aggregate bank borrowings of approximately RMB145.7 million, all of which will be due within two year. Such outstanding bank borrowings bear fixed interest rates and are denominated in Renminbi.

As of 30 June 2025, the Group had unutilised credit banking facilities of approximately RMB140.0 million, all of which are committed and unrestricted credit facilities.

Lease Liabilities

The Group's lease liabilities decreased from approximately RMB0.2 million as at 31 December 2024 to approximately RMB0.1 million as at 30 June 2025, mainly due to lease payments and related interest payments.

Contingent Liabilities

Save as disclosed in (i) the section headed "Business – Legal and Compliance – Legal Proceedings" in the Prospectus of the Company and (ii) the announcements in relation to a civil complaint made by the Company on 3 July 2025 and 25 July 2025, as at 30 June 2025, for the purpose of the indebtedness statement, we did not have any material contingent liabilities.

Employees and remuneration policies

As at 30 June 2025, the Group had 653 employees, and the total employee benefit expenses (including directors' remuneration) during the Reporting Period was approximately RMB40.0 million. The level of salaries and benefits was determined by the Group for its employees with reference to the market and their respective individual qualifications and abilities, and incentive mechanisms such as performance bonuses were established.

The Group continued to provide staff with fair career development opportunities, to motivate internal driving force and accelerate talent growth. Furthermore, the Group kept providing training and education opportunities to employees for them to upgrade their skills and knowledge continuously.

The Group has established the employee share ownership plans ("**ESOP**") since 2017, and set up two limited partnership companies, namely Xiamen Gaoli Hezhong Investment Partnership Limited Partnership* (廈門高立合眾投資合夥企業(有限合夥)) ("**Xiamen Gaoli Hezhong**") in 2017 and Xiamen Gaoli Zhongcheng Investment Partnership Limited Partnership* (廈門高立眾成投資合夥企業(有限合夥)) ("**Xiamen Gaoli Zhongcheng**") in November 2018, as the employee shareholding platforms to hold the Shares granted to employees of the Group, in recognition of the contributions of our employees and to provide incentives that align the interests of our Company and employees. 909,180 Shares were subscribed for by Xiamen Gaoli Hezhong, representing approximately 0.96% of the total issued Shares of the Company. 1,016,717 Shares were subscribed for by Xiamen Gaoli Zhongcheng, representing approximately 1.07% of the total issued Shares of the Company. As at 31 December 2024, all the Shares underlying the ESOP had been issued and granted. The ESOP did not and will not involve the grant of options or awards by the Company during the Reporting Period and after the Listing. For more details of the ESOP, please refer to "Statutory and General Information – E. Employee Share Ownership Plans" in Appendix VII to the Prospectus.

Pledge of Assets

Certain of the Group's bank loans are secured by a mortgage over the new Xiamen production base located in Tong'an District, Xiamen, China, with a total carrying amount of approximately RMB118.9 million as at 30 June 2025. For further details, please refer to note 22 to the condensed consolidated interim financial statements in this announcement.

Significant Investments, Material Acquisitions and Disposals

As of 30 June 2025, the Group neither had any significant investments (including any investments in an investee with a value of 5% or more of the Group's total assets as of 30 June 2025), nor material acquisitions or disposals in relation to subsidiaries, associates and joint ventures. We subscribed for wealth management products from financial institutions for cash management. During the Reporting Period and as at the date of this announcement, there was no information in respect of subscription for such wealth management products from single financial institution required to be disclosed pursuant to Chapter 14, Chapter 14A or Appendix D2 of the Listing Rules. The subscription for such wealth management products did not utilize the Company's proceeds from the Global Offering.

Future Plans for Material Investments or Capital Assets

On 30 July 2025, the Purchaser (Shanghai Rongda Digital Intelligence Technology Co., Ltd.* (上海容大數智科技有限公司), a direct wholly-owned subsidiary of the Company) (the "**Purchaser**") and the Vendor (Shanghai Ruijiake Industry Co., Ltd.* (上海銳嘉科實業有限公司), an Independent Third Party of the Company) (the "**Vendor**") entered into the Shanghai real estate purchase and sale agreement ("**Agreement**"), pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell the Properties located at Building 172 and 173, Lane 3938, Hu Qing Ping Highway, Qingpu District, Shanghai, the PRC (the "**Properties**") (the "**Acquisition**") in accordance with the terms and conditions contained therein. The Properties are industrial buildings with a total gross floor area of approximately 1,810.59 sq.m. at a total consideration of RMB42,910,983 (the "**Total Consideration**"). The Board considers that the Total Consideration represents a fair picture of the value of the Properties, and that the Acquisition and the terms of the Agreement (including the Total Consideration) are on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole. The Total Consideration for the Acquisition will be satisfied by the Group's internal resources, and no proceeds from the Global Offering will be used to pay the Total Consideration. For further details, please refer to the announcement of the Company dated 30 July 2025.

As at the date of this announcement, save as disclosed above, the Group currently had no future plans for other material investments or capital assets other than the "Future Plans and Use of Proceeds" as disclosed in the Prospectus.

Gearing Ratio

The Group's gearing ratio (total liabilities divided by total assets and multiplied by 100%) amounted to approximately 42.2% as at 30 June 2025, which decreased as compared to approximately 52.5% as at 31 December 2024, mainly due to an increase in shareholders' equity as a result of the listing of the Shares of the Company on the Stock Exchange in June 2025, representing a decrease in the gearing ratio compared to the same period last year.

Currency Risk

The Group operates globally and is exposed to foreign exchange risk arising from various currency exposures. During the Reporting Period, the Group was mainly exposed to currency risk associated with a considerable portion of our revenue and some costs incurred by the Group in our business operation denominated in foreign currencies primarily in U.S. dollar and proceeds from the Global Offering denominated in Hong Kong dollar.

During the Reporting Period, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Significant Event after the Reporting Period

Save as disclosed in this announcement, since 30 June 2025 and up to the date of this announcement, no significant events affecting the Group occurred.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	**Six months ended 30 June 2025** *RMB'000* **(Unaudited)**	2024 *RMB'000* (Unaudited)
Revenue	*6*	**145,617**	162,491
Cost of sales	*7*	**(106,035)**	(118,620)
Gross profit		**39,582**	43,871
Selling and marketing expenses	*7*	**(13,556)**	(12,668)
General and administrative expenses	*7*	**(31,365)**	(17,428)
Research and development expenses	*7*	**(9,346)**	(6,123)
(Provision for)/reversal of net impairment losses on financial assets	*5.1(a)*	**(79)**	122
Other income		**6,259**	7,812
Other gains – net		**704**	110
Operating (loss)/profit		**(7,801)**	15,696
Finance income	*8*	**259**	673
Finance costs	*8*	**(1,263)**	(1,355)
Finance costs – net		**(1,004)**	(682)
(Loss) /profit before income tax		**(8,805)**	15,014
Income tax expense	*9*	**2,407**	(601)
(Loss) /profit and total comprehensive income for the period, all attributable to owners of the Company		**(6,398)**	14,413
Earnings per share attributable to the owners of the Company			
Basic and diluted (loss)/earnings per share (in RMB per share)	*10*	**(0.08)**	0.18

The notes on pages 18 to 37 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*12*	**84,203**	84,444
Right-of-use assets	*12*	**4,574**	4,682
Investment properties	*12*	**39,451**	39,953
Intangible assets	*12*	**22,600**	23,021
Deferred tax assets		**3,892**	1,520
Other non-current assets		**28,786**	2,634
		183,506	156,254
Current assets			
Inventories	*13*	**64,350**	64,446
Trade and note receivables	*14*	**57,730**	66,166
Prepayments and other receivables	*15*	**45,179**	20,231
Amounts due from related parties	*23(c)*	**1,500**	–
Financial assets at fair value through profit or loss	*16*	**27,216**	22,422
Cash and cash equivalents	*17*	**151,779**	7,609
		347,754	180,874
Total assets		**531,260**	337,128
EQUITY			
Equity attributable to owners of the Company			
Share capital	*18*	**94,733**	76,333
Reserves	*19*	**155,036**	20,044
Retained earnings		**57,288**	63,686
Total equity		**307,057**	160,063

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	*22*	**17,908**	31,379
Lease liabilities		**–**	65
Deferred tax liabilities		**–**	439
		17,908	31,883
Current liabilities			
Trade payables	*20*	**38,374**	43,811
Accruals and other payables	*21*	**20,107**	23,802
Borrowings	*22*	**127,745**	57,942
Contract liabilities	*6(c)*	**7,782**	7,715
Lease liabilities		**129**	126
Current income tax liabilities		**1,158**	786
Provision		**11,000**	11,000
		206,295	145,182
Total liabilities		**224,203**	177,065
Total equity and liabilities		**531,260**	337,128

The notes on pages 18 to 37 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Equity attributable to owners of the Company			
	Notes	**Share capital** *RMB'000*	**Reserves** *RMB'000*	**Retained earnings** *RMB'000*	**Total** *RMB'000*
(Unaudited)					
Balance at 1 January 2025		**76,333**	**20,044**	**63,686**	**160,063**
Comprehensive income:					
Loss for the period		**–**	**–**	**(6,398)**	**(6,398)**
Total comprehensive income		**–**	**–**	**(6,398)**	**(6,398)**
Transactions with owners:					
Shares issued pursuant to initial public offering on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Listing**")	*18*	**18,400**	**149,592**	**–**	**167,992**
Listing expenses capitalised upon the Listing		**–**	**(14,451)**	**–**	**(14,451)**
Foreign currency translation differences		**–**	**(149)**	**–**	**(149)**
Total transactions with owners		**18,400**	**134,992**	**–**	**153,392**
Balance at 30 June 2025		**94,733**	**155,036**	**57,288**	**307,057**
(Unaudited)					
Balance at 1 January 2024		80,000	45,149	57,557	182,706
Comprehensive income:					
Profit for the period		–	–	14,413	14,413
Total comprehensive income		–	–	14,413	14,413
Transactions with owners:					
Dividends distribution	*11*	–	–	(1,500)	(1,500)
Repurchase of ordinary shares		(3,667)	(28,823)	–	(32,490)
Total transactions with owners		(3,667)	(28,823)	(1,500)	(33,990)
Balance at 30 June 2024		76,333	16,326	70,470	163,129

The notes on pages 18 to 37 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash (used in)/generated from operations	**(29,157)**	15,539
Interest received	**255**	632
Income tax paid	**(2,125)**	(4,104)
Net cash (used in)/generated from operating activities	**(31,027)**	12,067
Cash flows from investing activities		
Purchase of property, plant and equipment	**(32,531)**	(6,482)
Payments of intangible assets	**(2,876)**	(5,301)
Purchase of financial assets at fair value through profit or loss	**(127,706)**	(115,400)
Proceeds from disposals of financial assets at fair value through profit or loss	**123,030**	89,793
Payments for deposits for foreign currency forward contracts	**–**	(392)
Proceeds from deposits for foreign currency forward contracts	**–**	2,696
(Loans to)/collection from related parties	**(1,500)**	43
Proceeds from disposals of property, plant and equipment	**4,700**	1,376
Net cash used in investing activities	**(36,883)**	(33,667)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	**167,992**	–
Proceeds from borrowings	**72,000**	40,000
Repayment of borrowings	**(15,714)**	(11,574)
Payment of interests on bank borrowings	**(1,214)**	(1,350)
Principal elements of lease payments	**(66)**	(124)
Dividends paid to the Company's shareholders	**–**	(1,500)
Listing expenses	**(10,440)**	(1,145)
Net cash generated from financing activities	**212,558**	24,307
Net increase in cash and cash equivalents	**144,648**	2,707
Cash and cash equivalents at beginning of period	**7,609**	15,141
Effects of exchange rate changes on cash and cash equivalents	**(478)**	69
Cash and cash equivalents at end of period	**151,779**	17,917

The notes on pages 18 to 37 are an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

1 GENERAL INFORMATION OF THE GROUP

Rongta Technology (Xiamen) Group Co., Ltd. (容大合眾(廈門)科技集團股份有限公司) (the "Company") is a joint stock limited company incorporated in Xiamen city, Fujian province of the People's Republic of China (the "PRC"). The address of its registered office and headquarters of the Company is No. 88, Tonghui South Road, Tong'an District, Xiamen, Fujian Province, the PRC. The directors of the Company regard Xiamen Rongxin Investment Co., Ltd. ("Xiamen Rongxin"), which is owned as to 99% by Mr. Xu Kaiming and 1% by Mr. Xu Kaihe, as the ultimate holding company, and Mr. Xu Kaiming as the ultimate controlling shareholder, of the Company.

The Company and its subsidiaries (together, the "Group") are principally engaged in manufacturing and selling of Automatic Identification and Data Capture (AIDC) devices including speciality printers, scales, point of sale ("POS") terminals and personal digital assistants ("PDAs") equipment and provision of related solutions (the "Listing Business") in the PRC.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 10 June 2025.

The condensed interim consolidated financial statements are presented in Renminbi ("RMB") and rounded to the nearest thousand yuan ("RMB'000"), unless otherwise stated.

These condensed consolidated interim financial statements have been approved for issue by the board of directors of the Company on 25 August 2025.

These condensed consolidated interim financial statements have not been audited.

2 BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim financial reporting".

The condensed consolidated interim financial statements do not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, it should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"), as set out in the prospectus of the Company dated 30 May 2025 (the "2024 Financial Statements").

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the 2024 Financial Statements, except for the adoption of the new and amended standards as disclosed in note 3 below.

3 MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those of the 2024 Financial Statements, except for the adoption of new and amended standards as set out below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual earnings.

(a) New and amended standards adopted by the Group

A number of new or amended standards and interpretations became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Standards and interpretations		**Effective for annual periods beginning on or after**
Amendments to IAS 21	Lack of Exchangeability	1 January 2025

(b) New and amended standards not yet effective for the current reporting period

The following new interpretations and amendments to standards and interpretations have been issued but were not mandatory for interim reporting periods ended on 30 June 2025 and have not been early adopted by the Group:

Standards and interpretations		**Effective for annual periods beginning on or after**
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

4 ESTIMATES

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2024 Financial Statements.

5 FINANCIAL RISK MANAGEMENT

5.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk including currency risk and interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

These condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2024 Financial Statements.

There have been no changes in the Group's risk management policies since last year end.

(a) Credit risk

The Group is exposed to credit risk in relation to (i) cash and cash equivalents and restricted cash, (ii) trade receivables and notes receivables, and (iii) other financial assets at amortised cost including amounts due from related parties and other receivables. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets. These assessment of credit loss of these three types of financial assets are subject to the expected credit loss model.

(i) Credit risk of cash and cash equivalents and restricted cash

To manage credit risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in the PRC. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because the counterparties have strong capacity to meet their contractual cash flow obligations in the near term. The expected credit loss is close to zero.

(ii) Credit risk of trade and notes receivables

To manage credit risk arising from trade and notes receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. Trade and notes receivables have been grouped based on shared credit risk characteristics and ageing to measure the expected credit losses. Trade and note receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade and notes receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group is engaged in manufacturing and selling of speciality printers, scales, POS terminals and PDAs equipment and provision of related solutions. The credit terms grant to sales to customers in the PRC are generally within 30 to 120 days from the invoice date.

Notes receivables are received for sales to customers in the PRC and most of the notes receivables of the Group are bank acceptance notes that with good credit rating. Therefore, the credit risk of notes receivables is regarded as minimal.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

The Group calculates the expected loss rates of trade receivables based on the probability of default and the loss given default with reference to payment profiles of sales over a period of 24 months before the balance sheet date and the corresponding historical credit losses experienced within the reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

When considering forward-looking information, the Group takes different economic scenarios into consideration. The Group sells to customers in the PRC and overseas countries worldwide. The Group has identified the Gross Domestic Product ("GDP"), Consumer Price Index ("CPI") and Producer Price Index ("PPI") of the PRC that majority of the Group's customers are located to be the most relevant factors to determine the forward-looking information, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and would recognized impairment losses.

The expected credit loss allowance of trade and note receivables as at 30 June 2025 are determined as follows:

	Current *RMB'000*	**Within 6 months** *RMB'000*	**Between 6 and 12 months** *RMB'000*	**Over 1 year** *RMB'000*	**Total** *RMB'000*
As at 30 June 2025 (Unaudited)					
Gross carrying amount of trade and note receivables	55,461	2,482	234	38	58,215
Expected loss rate	0.46%	5.00%	29.91%	100.00%	0.83%
Total loss allowance	(253)	(124)	(70)	(38)	(485)
As at 31 December 2024 (Audited)					
Gross carrying amount of trade and note receivables	57,590	7,545	1,306	137	66,578
Expected loss rate	0.02%	0.68%	20.83%	56.20%	0.62%
Total loss allowance	(12)	(51)	(272)	(77)	(412)

(iii) Other financial assets at amortised cost

To manage credit risk arising from other financial assets at amortised cost, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

The Group's other financial assets at amortised cost included other receivables (Note 15) and amounts due from related parties (Note 23(c)). The amounts due from related parties were short term loans to Xiamen Rongxin. The credit loss is expected to be zero.

For the other receivables, to assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with that as at the date of initial recognition. The probability of default upon initial recognition of an asset and whether there has been significant increase in credit risk on an ongoing basis during the reporting period is assessed with reference to the below factors:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counter parties' ability to meet its obligation;

- actual or expected significant changes in the operating results of the counter parties;

- significant changes in the expected performance and behaviour of the counter parties, including changes in the payment status of the counter parties.

As at 30 June 2024 and 2025, management assessed the credit risk of other receivables and provided for a loss allowance for expected credit loss of RMB95,000 and RMB98,000, respectively, under the 12 months expected losses method.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's financial liabilities that will be settled into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 3 years**	**Over 3 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2025 (Unaudited)					
Trade payables *(Note 20)*	**38,374**	**–**	**–**	**–**	**38,374**
Accruals and other payables (excluding staff salaries and welfare payables and value added tax and other taxes payables) *(Note 21)*	**9,092**	**–**	**–**	**–**	**9,092**
Borrowings *(Note 22)*	**127,745**	**17,908**	**–**	**–**	**145,653**
Interest on borrowings	**1,754**	**20**	**–**	**–**	**1,774**
Lease liabilities	**129**	**–**	**–**	**–**	**129**
	177,094	**17,928**	**–**	**–**	**195,022**
As at 31 December 2024 (Audited)					
Trade payables *(Note 20)*	43,811	–	–	–	43,811
Accruals and other payables (excluding staff salaries and welfare payables and value added tax and other taxes payables) *(Note 21)*	7,254	–	–	–	7,254
Borrowings *(Note 22)*	57,942	31,379	–	–	89,321
Interest on borrowings	1,704	230	–	–	1,934
Lease liabilities	126	65	–	–	191
	110,837	31,674	–	–	142,511

5.2 FAIR VALUE ESTIMATION

(a) Fair value measurements by level of the following fair value measurement hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the Historical Financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets is based on quoted market at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the Group's assets that were measured at fair value as at 30 June 2025:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Level 3		
Assets:		
Financial assets at FVPL		
– Wealth management products	**27,216**	22,422

The Group's financial assets at FVPL as at 30 June 2025 and 31 December 2024 were wealth management products acquired from banks.

The carrying values of the Group's financial assets at amortised cost approximated their fair value as at 30 June 2025 and 31 December 2024 due to their short term maturities.

(b) Valuation techniques used to determine fair values

The fair values of wealth management products were estimated by using a discounted cash flow approach using the expected return based on management judgment and estimates.

The fair value of foreign currency forward contracts in Level 3 financial assets at FVPL was estimated by using quoted price provided by banks.

There were no changes in valuation techniques during the reporting period.

The following table summarises the quantitative information about the significant unobservable inputs used in the recurring level 3 fair value measurements.

	Fair values		Unobservable inputs	Range of inputs		Relationships of unobservable inputs to fair values
	As at 30 June 2025	As at 31 December 2024		**As at 30 June 2025**	As at 31 December 2024	
	RMB'000	*RMB'000*		***%***	*%*	
	(Unaudited)	(Audited)		**(Unaudited)**	(Audited)	
Financial assets at FVPL						The higher the expected rate of return, the higher the fair value
– Wealth management products	**27,216**	22,422	Expected rate of return	**2.12-2.28**	2.23-2.67	

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to price risk of FVPL at the end of each reporting period. If prices of the respective instruments held by the Group had been 10% higher/lower as at 31 December 2024 and as at 30 June 2025 with all other variable held constant, the Group's pre-tax profit would have been approximately RMB2,721,600, and RMB4,885,000 higher/lower as a result of gains/losses on financial instruments classified as FVPL.

6 REVENUE AND SEGMENTS INFORMATION

(a) Description of segments and principal activities

During the reporting period, the Group is principally engaged in manufacturing and selling of speciality printers, scales, POS terminals and PDA equipment and provision of related solutions in the PRC.

The chief operating decision-maker of the Company has been identified as the chairman and executive directors of the Company. The decision-maker reviews the operating results of the business as one operating segment to make strategic decisions and decisions about resources to be allocated. Revenue and profit/(loss) before income tax are the measures reported to the chairman and executive directors for the purpose of resources allocation and performance assessment.

All of the Group's business and operations are conducted in the PRC with sales made to customers in the PRC and overseas countries. The Group's non-current assets are derived from/located in the PRC. Accordingly, no geographical segment information is presented.

(b) Breakdown of revenue

The breakdown of revenue by product and services and timing of revenue recognition are set out below:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Printing equipment	**100,453**	109,534
Scales	**24,034**	27,133
POS terminals and PDA	**12,363**	16,088
Accessories and other purchased products	**7,877**	8,716
Others	**890**	1,020
	145,617	162,491
Timing of revenue recognition:		
Point in time	**145,617**	162,491

The breakdown of revenue by regions based on the location of the customers is set out below:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The PRC	**74,193**	79,816
Overseas countries	**71,424**	82,675
	145,617	162,491

(c) Contract liabilities

The Group recognized the following revenue-related contract liabilities:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contract liabilities	**7,782**	7,715

The contract liabilities of the Group recognized are related to the non-refundable advance payments from customers of the Group. A contract liability is the Group's obligation to a customer for which the Group has received consideration from the customer. A contract liability is recognized when the customer pays consideration but before the Group delivers goods to the customer.

Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue, which was included in the contract liability balance at the beginning of the period, recognized in each reporting period to carried-forward contract liabilities:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Revenue recognized that was included in the contract liability balance at the beginning of the period	**7,715**	10,307

(d) Unsatisfied performance obligations

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have a duration of 1 year or less.

7 EXPENSES BY NATURE

The detailed analysis of expenses by nature of cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses is as follow:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Raw materials and consumables used	**84,883**	97,815
Changes in inventories of finished goods and work in progress	**974**	4,128
Employee benefit expenses	**39,985**	37,072
Listing expenses	**18,746**	7,172
Amortisation of intangible assets *(Note 12)*	**3,297**	2,916
Advertising and other marketing expenses	**2,893**	3,069
Consulting and professional fee	**2,754**	1,486
Depreciation of property, plant and equipment *(Note 12)*	**2,162**	2,127
Outsourcing labor cost	**491**	735
Other taxes and levies	**304**	2
Short-term lease rental expenses	**152**	189
Depreciation of right-of-use assets *(Note 12)*	**108**	202
Net reversal of impairment of inventories	**(429)**	(2,660)
Other expenses	**6,858**	5,841
Total expenses incurred	**163,178**	160,094
Less: development expenditures capitalized in intangible assets	**(2,876)**	(5,255)
Total expenses charged to profit or loss	**160,302**	154,839

8 FINANCE INCOME AND COSTS – NET

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
– Interest income on bank deposits	**255**	632
– Interest income on amounts due from related parties *(Note 23(b))*	**4**	41
	259	673
Finance costs		
– Interest expenses on bank borrowings	**(1,260)**	(1,350)
– Interest expenses on lease liabilities	**(3)**	(5)
	(1,263)	(1,355)
Finance costs – net	**(1,004)**	(682)

9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax expense		
– PRC income tax	**404**	–
Deferred income tax expense	**(2,811)**	601
	(2,407)	601

The Group's principal applicable income tax and tax rates are as follows:

(a) PRC corporate income tax ("CIT")

Taxation on PRC income has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the PRC in which the Group operates. The CIT rate of the Company in the PRC is 15% and the CIT rate of its subsidiaries in the PRC is 20% during the reporting period.

In 2020, the Company was granted the status of High-technology Enterprise by the local tax bureau of Xiamen, and was entitled to high-technology enterprises' favourable income tax rate of 15% since then. The validity of the qualification was 3 years. The Company maintained the qualification through renewal in 2023 which will be in effect for years 2024 to 2026. Therefore, the Company's applicable tax rate during the reporting period was 15%.

The subsidiaries of the Company in the PRC are all qualified as "Small and Low-profit Enterprise ("SLE")" and are entitled to preferential income tax treatment during the Reporting period. Pursuant to the 'Notice of Preferential Tax Reduction and Exemption Policies for Small Scale VAT Taxpayer' (Cai Shui [2019] 13, Cai Shui [2022] 13 and Cai Shui [2023] 6) issued by the State Administration of Taxation of the PRC, the income tax of a SLE company's annual taxable income would be calculated as: (i) for the first portion of taxable income up to RMB1 million, 25% of it is subject to income tax and at a preferential rate of 20%, (ii) for the portion of taxable income more than RMB1 million but not more than RMB3 million, 50% of it is subject to income tax and at a rate of 20%. This preferential tax treatment has been applicable throughout the reporting period.

(b) Malaysia and Singapore income tax

The Group's subsidiary incorporated in Malaysia is subjected to Malaysia income tax at a rate of 24%.

The Group's subsidiary incorporated in Singapore is subject to Singapore income tax at a rate of 17%.

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit of the Group attributable to owners of the Company by the weighted average number of shares during the reporting period.

The Company did not have any potential ordinary shares outstanding during the reporting period. Diluted earnings per share is equal to basic earnings per share.

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company *(RMB'000)*	**(6,398)**	14,413
Weighted average number of ordinary shares in issue *(thousand)*	**76,333**	78,167
Basic and diluted earnings per share *(RMB)*	**(0.08)**	0.18

11 DIVIDENDS

No dividend was paid, declared or proposed during the six months ended 30 June 2025 (the six months ended 30 June 2024: RMB1,500,000).

12 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS

	Property, plant and equipment *RMB'000*	Right-of-use assets *RMB'000*	Investment properties *RMB'000*	Intangible assets *RMB'000*
(Unaudited)				
At 1 January 2025	**84,444**	**4,682**	**39,953**	**23,021**
Additions	**6,379**	**–**	**–**	**2,876**
Depreciation/amortisation	**(2,162)**	**(108)**	**(502)**	**(3,297)**
Disposals	**(4,458)**	**–**	**–**	**–**
At 30 June 2025	**84,203**	**4,574**	**39,451**	**22,600**
(Unaudited)				
At 1 January 2024	84,283	4,690	40,955	19,761
Additions	3,165	250	–	5,301
Depreciation/amortisation	(2,127)	(202)	(502)	(2,916)
Disposals	(1,462)	–	–	–
At 30 June 2024	83,859	4,738	40,453	22,146

13 INVENTORIES

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Raw materials	**42,932**	44,431
Work-in-progress	**3,903**	779
Finished goods	**25,941**	28,091
Less: provision for impairment of inventories	**(8,426)**	(8,855)
	64,350	64,446

Provision is made for slow moving and obsolete inventories, including where the net realizable value is lower than its carrying value, and is recorded in cost of sales in the consolidated statements of comprehensive income. The net reversal of impairment for inventories as recognized for the six months 30 June 2025 amounted to approximately RMB429,000 (the six months 30 June 2024: RMB2,660,000).

14 TRADE AND NOTE RECEIVABLES

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Notes receivable	**48**	937
Trade receivables		
– Third parties	**58,167**	65,641
	58,215	66,578
Less: provision for impairment	**(485)**	(412)
	57,730	66,166

As at 31 December 2024 and 30 June 2025, the ageing analysis of the trade receivables based on the invoice date is as follows:

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Within 180 days	**57,895**	64,198
181-360 days	**234**	1,306
Over 360 days	**38**	137
	58,167	65,641

For trade receivables, management makes periodic assessments as well as individual assessment on the recoverability based on historical settlement records, past experience, as well as forward looking information.

The Group applies the simplified approach to provide for expected credit loss, which was a lifetime expected loss allowance for all trade receivables as prescribed by IFRS 9. Details of the assessment of expected loss rates of the Group's trade receivables are set out in Note 5.1(a).

The carrying value of trade and notes receivables approximated their fair values as at the balance sheet dates due to their short term nature and were dominated in RMB.

15 PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Prepayments for expenses	**26,741**	1,593
Prepayments for purchase of raw materials	**8,770**	1,938
Value added tax recoverable	**4,861**	7,771
Current income tax recoverable	**1,962**	–
Other receivables – refundable deposits receivable	**936**	621
Prepayments for listing expenses	**–**	5,342
Others	**2,007**	3,058
Less: provision for impairment	**(98)**	(92)
	45,179	20,231

The carrying amounts of prepayment, deposits and other receivables approximated their fair values as at the balance sheet dates due to their short-term nature.

16 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial assets and financial liabilities at FVPL included the following:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Financial assets at FVPL:		
Investments in wealth management products	**27,216**	22,422

The movements for investments in wealth management products in the Group's financial assets at FVPL are as follows:

	As at 30 June 2025	As at 30 June 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Opening balance	**22,422**	11,504
Additions	**127,706**	115,400
Disposals	**(123,030)**	(94,238)
Gains on financial assets at FVPL	**118**	1,119
Closing balance	**27,216**	33,785

The Group bought certain wealth management products from banks. The Group managed and evaluated the performance of these investments on a fair value basis, in accordance with the Group's risk management and investment strategy and hence they have been designated as financial assets at FVPL.

17 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cash and cash equivalents		
Cash on hand and at banks	**149,550**	6,955
Other cash and cash equivalents	**2,229**	654
	151,779	7,609

Cash and cash equivalents and restricted cash were denominated in the following currencies:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
RMB	**4,406**	6,881
USD	**11,699**	687
HKD	**134,263**	–
MYR	**1,158**	–
Others	**253**	41
	151,779	7,609

18 SHARE CAPITAL

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Issued and fully paid	**94,733**	76,333

A summary of movements in the Company's share capital is as follows:

	Number of shares	**Share capital** *RMB'000*
(Unaudited)		
As at 1 January 2025	**76,333,000**	**76,333**
– Issue of shares pursuant to the Listing *(i)*	**18,400,000**	**18,400**
Balance at 30 June 2025	**94,733,000**	**94,733**
(Unaudited)		
As at 1 January 2024	80,000,000	80,000
– Capital reduction *(ii)*	(3,667,000)	(3,667)
Balance at 30 June 2024	76,333,000	76,333

(i) On 10 June 2025, the Company issued 18,400,000 ordinary shares at HK$10.08 per share, and raised gross proceeds of approximately HK$185,555,681. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 10 June 2025. The gross proceeds are capitalized as share capital and share premium accordingly.

(ii) On 14 March 2024, the Company repurchased 3,667,000 shares from Xiamen Rongxin at a total consideration of RMB32,490,000 by offsetting against the amount due from Xiamen Rongxin to the Company with an aggregate amount of approximately RMB32.5 million (Note 23(b)).

19 RESERVES

	Capital reverse *RMB'000*	Statutory reserves *RMB'000*	Other Comprehensive income *RMB'000*	Share-based compensation *RMB'000*	Total *RMB'000*
(Unaudited)					
As at 1 January 2025	**(8,946)**	**16,025**	**–**	**12,965**	**20,044**
Shares issued pursuant to initial public offering on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing")	**149,592**	**–**	**–**	**–**	**149,592**
Listing expenses capitalised upon the Listing	**(14,451)**	**–**	**–**	**–**	**(14,451)**
Foreign currency translation differences	**–**	**–**	**(149)**	**–**	**(149)**
As at 30 June 2025	**126,195**	**16,025**	**(149)**	**12,965**	**155,036**
(Unaudited)					
As at 1 January 2024	19,877	12,307	–	12,965	45,149
Repurchase of ordinary shares	(28,823)	–	–	–	(28,823)
As at 30 June 2024	(8,946)	12,307	–	12,965	16,326

Statutory surplus reserves

In accordance with the relevant laws and regulations in the PRC and Articles of Association of the companies incorporated in the PRC now comprising the Group (the "PRC Subsidiaries"), it is required to appropriate 10% of the annual statutory net profits of the PRC Subsidiaries, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory reserves fund before distributing the net profit. When the balance of the statutory reserves fund reaches 50% of the registered capital of the PRC Subsidiaries, any further appropriation is at the discretion of shareholders. The statutory reserves fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding, provided that the remaining balance of the statutory reserves fund after such issue is not less than 25% of registered capital.

20 TRADE PAYABLES

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Trade payables – third parties	**38,374**	43,811

The ageing analysis of trade payables based on invoice date is as follows:

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Within 1 year	**38,374**	43,811

The carrying amounts of trade payables approximated their fair values as at the balance sheet dates due to their short maturity and were denominated in RMB.

21 ACCRUALS AND OTHER PAYABLES

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Staff salaries and welfare payable	**7,690**	9,510
Other accrued expenses and payables	**6,741**	2,502
Value added tax and other taxes payable	**3,127**	6,840
Payables for listing expenses	**1,915**	4,313
Payables for purchase of property, plant and equipment	**436**	439
Deferred income – current portion	**198**	198
	20,107	23,802

22 BORROWINGS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current borrowings		
Long-term bank borrowings, secured and guaranteed *(a)*	**–**	15,214
Long-term bank borrowings secured *(a)*	**39,327**	27,659
Long-term bank borrowings, unsecured	**16,280**	16,440
less: current portion	**(37,699)**	(27,934)
Non-current portion	**17,908**	31,379
Current borrowings		
Short term bank borrowings, unsecured	**90,046**	30,008
Current portion of long-term bank borrowings	**37,699**	27,934
	127,745	57,942
Total borrowings	**145,653**	89,321

(a) On 21 July 2021, the Company entered into a syndicated loan facility agreement with banks in the PRC for a 5-years term loan facility. Pursuant to the syndicated loan facilities, various bank borrowings were drawn down from the banks, among which certain long-term bank borrowing were secured by the mortgage of the Group's land use rights, buildings and investment properties at the headquarters of the Group in Xiamen as set out below.

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Assets of the Group pledged as securities:		
– Property, plant and equipment	**75,061**	76,025
– Right-of-use assets	**4,434**	4,483
– Investment properties	**39,451**	39,953
Total	**118,946**	120,461

(b) As at 30 June 2025 and 31 December 2024, the Group's bank borrowings were denominated in RMB and were interest bearing at fixed interest rates at the average of 2.24% and 3.03% per annum, respectively. The bank borrowings are repayable as follows:

	As at 30 June 2025 ***RMB'000*** **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Within 1 year	**127,745**	57,942
Between 1 and 2 years	**17,908**	31,379
	145,653	89,321

23 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, common significant influence or joint control.

The ultimate controlling shareholder, directors, supervisors, members of key management and their close family members of the Group are also considered as related parties. In the opinion of the Directors, the related party transactions were carried out in normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Related parties of the Group

Name of related parties	**Relationship**
Mr. Xu Kaiming	Ultimate controlling shareholder
Xiamen Rongxin	Ultimate holding company, controlled by Mr. Xu Kaiming

The following is a summary of the significant transactions carried out between the Group and its related parties during the reporting period, and balances arising from related party transactions as at the respective financial position dates.

(b) Transactions with related parties

	Six months ended 30 June	
	2025 ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Interest income from related parties:		
Xiamen Rongxin	**4**	41
Loans to related parties:		
Xiamen Rongxin	**1,500**	–
Repayment of loans by related parties:		
Xiamen Rongxin – repayment	**–**	44
Xiamen Rongxin – offset payable	**–**	32,489
	–	32,533

(c) Balances with related parties

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Amounts due from related parties (Non-trade in nature):		
Xiamen Rongxin	**1,500**	–

During the period ended 30 June 2025, the Group made various short term loans to Xiamen Rongxin. The loans were unsecured and non-trade in nature, bearing interest at rates 3% per annum, with the repayment terms within 1 year.

(d) Key management compensation

Key management includes directors (executive and non-executive), supervisors and members of key management. For the six months ended 30 June 2025, the key management compensation amounted to approximately RMB1,590,000 (30 June 2024: RMB1,271,000).

Interests and Short Positions of Our Directors, Supervisors and the Chief Executive in the Shares, Underlying Shares and Debentures

As of 30 June 2025, the interest or short positions of our Directors, Supervisors or the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO), or which would be recorded in the register required to be kept pursuant to section 352 of the SFO, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, are as follows:

Name of Director/ Supervisor/Chief executive	Nature of interest	Number of Shares[1]	Approximate percentage of Shareholding[2]
Mr. Xu Kaiming	Beneficial interests	30,354,873(L)	32.04%
	Interests in controlled corporations[3]	37,405,685(L)	39.49%
Mr. Xu Kaihe	Beneficial interests	2,250,953(L)	2.38%
	Interests in controlled corporations[4]	1,016,717(L)	1.07%
	Interest held jointly with another person[5]	36,496,505(L)	38.53%

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the shares of the Company.

(2) The calculation is based on the total number of 94,733,000 Shares in issue as at 30 June 2025.

(3) Mr. Xu Kaiming holds 99% equity interests in Xiamen Rongxin. and being the sole general partner, he controls Xiamen Gaoli Hezhong which is an employee shareholding platform. By virtue of the SFO, in addition to his direct shareholding, Mr. Xu Kaiming is deemed to be interested in the 36,496,505 Shares of our Company through Xiamen Rongxin and the 909,180 Shares of our Company through Xiamen Gaoli Hezhong.

(4) Mr. Xu Kaihe is the sole general partner of and has control on Xiamen Gaoli Zhongcheng, which is an employee shareholding platform. By virtue of the SFO, in addition to his direct shareholding, Mr. Xu Kaihe is deemed to be interested in the 1,016,717 Shares of our Company through Xiamen Gaoli Zhongcheng.

(5) Mr. Xu Kaihe held 1% interest in Xiamen Rongxin and he is presumed to be a group of Controlling Shareholders with Mr. Xu Kaiming, who has 99% interests in Xiamen Rongxin.

Save as disclosed above, as of 30 June 2025, none of our Directors, Supervisors or the chief executive of the Company had interests and short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Interests and Short Positions of Substantial Shareholders in the Shares and Underlying Shares

As of 30 June 2025, so far as it was known to the Directors, the following persons and entities (excluding Directors, Supervisors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Name of Substantial Shareholder	Nature of interest	Number of Shares[(1)]	Approximate percentage of Shareholding[(2)]
Xiamen Rongxin	Beneficial interests	36,496,505(L)	38.53%
Ms. Lin Yaqiong	Interest of spouse[(3)]	67,760,558(L)	71.53%

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the shares of the Company.

(2) The calculation is based on the total number of 94,733,000 Shares in issue as at 30 June 2025.

(3) Ms. Lin Yaqiong is the spouse of Mr. Xu Kaiming and is deemed to be interested in the Shares in which Mr. Xu Kaiming is interested under the SFO.

Save as disclosed above, as of 30 June 2025, the Directors were not aware of any other persons or entities (excluding Directors, Supervisors or the chief executive of the Company), who had an interest or short position in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register kept by the Company under Section 336 of the SFO.

Employee Share Ownership Plans

The Group has established the employee share ownership plans ("**ESOP**") since 2017, and set up two limited partnership companies, namely Xiamen Gaoli Hezhong in 2017 and Xiamen Gaoli Zhongcheng in November 2018, as the employee shareholding platforms to hold the Shares granted to employees of the Group, in recognition of the contributions of our employees and to provide incentives that align the interests of our Company and employees. Since the ESOP will not involve the granting of new Shares after the listing of the Company, the provisions of the ESOP are not subject to the provisions of Chapter 17 of the Listing Rules.

As of the date of this announcement, all the Shares underlying the ESOP (accounted for approximately 2.03% of the total issued Shares of the Company) had been granted to the eligible participants. No further Shares will be granted according to the ESOP after the Listing. Please refer to the Prospectus of the Company for further details about the ESOP.

The Board of Directors and Supervisory Committee

From the Listing Date to the end of the Reporting Period, there was no change in the composition and the information of the members of Board of Directors and Supervisory Committee.

Use of Proceeds from the Listing

The Company was listed on the Main Board of the Stock Exchange on 10 June 2025 (the "**Listing Date**") and 18,400,000 new Shares were issued at an offer price of Hong Kong dollar ("**HK$**") 10.0 per share. After deducting underwriting commissions, fees and other expenses in relation to the Global Offering, the net proceeds from the listing amounted to approximately HK$131.2 million. The proceeds from the listing have been and will be utilized according to the plans disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, with details as follows:

	Budget *(HK$ million)*	% of net proceeds *(%)*	Utilized amount of net proceeds during the Reporting Period *(HK$ million)*	Unutilized amount of net proceeds as at 30 June 2025 *(HK$ million)*	Expected timetable for the use of the unutilized net proceeds
R&D activities to expand our product portfolio and enhance our R&D capacity	47.9	36.5	0	47.9	December 2026
– Establishing a new R&D centre in Wuhan	31.8	24.2	0	31.8	December 2026
– Recruiting talents to expand our R&D team	16.1	12.3	0	16.1	December 2026
Strengthen our production efficiency and effectiveness	43.8	33.4	0	43.8	December 2027
– Renting land, building factory and renovation of our new production centre for our AIDC devices in Malaysia	23	17.5	0	23	December 2027
– Acquiring equipment and machinery	11.5	8.8	0	11.5	December 2027
– Recruiting staff	9.3	7.1	0	9.3	December 2026
Expand our sales network and international presence	26.4	20.1	0	26.4	December 2027
– Setting up new international offices	12.9	9.8	0	12.9	December 2027
– Participating in international exhibitions and trade fairs	11	8.4	0	11	December 2027
– Advertising activities	2.5	1.9	0	2.5	December 2027
Working capital and general corporate purposes	13.1	10.0	0	13.1	December 2025
Total	**131.2**	**100.0**	**0**	**131.2**	**–**

As at the date of this announcement, we have placed the unutilized net proceeds in interest-bearing accounts of licensed commercial banks or financial institutions in China or Hong Kong. We will comply with the law of China in relation to foreign exchange registration and remittance of the proceeds.

Interim Dividend

The Board of Directors has resolved not to declare interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB1,500,000).

Substantial Lawsuits and Arbitration Matters

On 3 July 2025, the Company received a civil complaint from the Intermediate People's Court of Xiamen City of Fujian Province, lodged against the Group by a company whose trade secrets were alleged to be infringed by an individual. As disclosed in the Prospectus, the Controlling Shareholders have agreed to voluntarily extend the lock-up period of the Shares held at the completion of the Listing to the final conclusion of the Possible Legal Proceedings in relation to the above-mentioned civil complaint. For further details, please refer to the announcements of the Company dated 3 July 2025 and 25 July 2025, respectively. As at the date of this announcement, there are no further updates in relation to this civil complaint.

Save as disclosed above, during the Reporting Period, the Group had no lawsuit or arbitration matter which had significant impact on the operating activities.

Compliance with the Corporate Governance Code

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Listing Rules (in effect as of 30 June 2025) as its own code of corporate governance.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Xu Kaiming ("**Mr. Xu**") is the chairman of the Board and our president. Taking into account Mr. Xu's extensive experience in the industry, personal profile and critical role in our Group and its historical development, the Board considers that having these two roles performed by Mr. Xu will provide a strong and consistent leadership to our Group and allow for more effective and efficient business planning and management, and implementation of business strategies of our Group. The Board believes that the balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and adequate independent element in the composition of the Board, with over one-third of them being independent non-executive Directors. As such, the deviation from code provision C.2.1 of the Corporate Governance Code is appropriate in such circumstance. The Board will continue to review and consider splitting the roles of the chairman of the Board and the president of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

Except as disclosed above, the Company has, to the best knowledge of the Directors, complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code from the Listing Date and up to the date of this announcement.

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as the code of conduct for securities transactions by Directors and Supervisors. As the Model Code is not applicable before the Listing Date, having made specific enquiry of all Directors and Supervisors, each of the Directors and Supervisors acknowledged that he/she had complied with the Model Code from the Listing Date and up to the date of this announcement.

Purchase, Sale or Redemption of the Listed Securities of the Company

During the period from the Listing Date to 30 June 2025, the Company or any of its subsidiaries did not purchase, sell or redeem any securities of the Company (including sales of treasury shares (as defined in the Listing Rules)). As at 30 June 2025, the Company did not hold any treasury shares.

Directors', Supervisors' and Controlling Shareholder's Interest In Competing Business

None of the Directors, Supervisors or controlling Shareholder or their respective associates (as defined in the Listing Rules) is or was interested in any business, apart from the Company's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Company's business at any time during the six months ended 30 June 2025 and up to and including the date of this announcement.

Review of the Interim Results

The Audit Committee of the Board comprises Dr. Yu Xiaoou, Dr. Lim Kim Huat and Dr. Huang Liqin as independent non-executive Directors, and Dr. Yu Xiaoou is the chairman of the Audit Committee.

The unaudited condensed consolidated interim financial results have not been audited or reviewed by the independent auditor of the Company. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the Reporting Period. The Audit Committee considers that the interim financial results for the Reporting Period are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Continuing Disclosure Obligations Pursuant to the Listing Rules

From the Listing Date to the end of the Reporting Period, the Company did not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Publication of Interim Results Announcement and 2025 Interim Report

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.rongtatech.cn). The Company will release its 2025 interim report in due course and publish it on the websites of the Stock Exchange and the Company.

By order of the Board
Rongta Technology (Xiamen) Group Co., Ltd.
Mr. Xu Kaiming
Chairman and Executive Director

PRC, 25 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Xu Kaiming, Mr. Xu Kaihe and Ms. Lin Yanqin, and the independent non-executive directors of the Company are Dr. Lim Kim Huat, Dr. Yu Xiaoou and Dr. Huang Liqin.