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TAILAM
TECHCON

泰林科技控股有限公司

Tailam Tech Construction Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6193)

BUILDING SOLID

FOUNDATIONS

TO DEFINE FUTURE

2025
INTERIM
REPORT



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FSC® C157924

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Wong Han Yu Alice (*Chairperson*)

Mr. Wong Chiu Wai

Ms. Jiang Yin Juan

Non-Executive Director

Mr. Wong Leung Yau

Independent Non-Executive Directors

Ms. Wong Siu Yin Rosella

Mr. Lai Chun Yu

Mr. Cui Yu Shu

AUDIT COMMITTEE

Mr. Lai Chun Yu (*Chairperson*)

Ms. Wong Siu Yin Rosella

Mr. Cui Yu Shu

REMUNERATION COMMITTEE

Ms. Wong Siu Yin Rosella (*Chairperson*)

Ms. Wong Han Yu Alice

Mr. Cui Yu Shu

NOMINATION COMMITTEE

Ms. Wong Han Yu Alice (*Chairperson*)

Ms. Wong Siu Yin Rosella

Mr. Cui Yu Shu

COMPANY SECRETARY

Ms. Chan Siu Yin

AUTHORISED REPRESENTATIVES

Ms. Wong Han Yu Alice

Ms. Chan Siu Yin

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

No.1 Tailam Road

Wangbao Town

Qidong City

Nantong

Jiangsu Province

the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F

Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F

Far East Finance Centre

16 Harcourt Road

Hong Kong

SOLICITORS

As to Hong Kong law:

CFN Lawyers

27/F, Neich Tower

128 Gloucester Road

Wan Chai

Hong Kong

As to PRC law:

Beijing Yingke Law Firm Shanghai Office

Yingke Lawyer Tower

No. 181, Jiangchang No. 3 Road

Jing An District

Shanghai

the PRC

As to Cayman Islands law:

Conyers Dill & Pearman

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

22/F, Prince's Building

10 Chater Road

Central

Hong Kong

PRINCIPAL BANK

Bank of China (Hong Kong) Limited

53/F, Bank of China Tower

1 Garden Road

Hong Kong

STOCK CODE

6193

COMPANY'S WEBSITE

www.tailamgroup.com


MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Tailam Tech Construction Holdings Limited (the “**Company**”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with the comparative figures for the corresponding period in 2024 (the “**Corresponding Period**”).

BUSINESS REVIEW

The Group manufactures and sells pre-stressed high-strength concrete piles (the “**PHC piles**”) (a subset of tubular pile), commercial concrete and ceramsite concrete block in the People’s Republic of China (the “**PRC**”) and has a production plant in Qidong City, Nantong, Jiangsu Province, the PRC.

The Group’s PHC piles are mainly sold to customers under our own trademark  and the PHC piles, commercial concrete and ceramsite concrete block are primarily used in buildings and infrastructure projects. During the Period, our products were mainly sold to municipal projects and construction companies in Jiangsu Province.

The Group achieved robust financial performance in the first half of 2025, with revenue reaching RMB127.5 million, representing an 84.5% increase from RMB69.1 million recorded in the Corresponding Period. This increase was largely driven by the rising demand for commercial concrete and PHC piles from infrastructure development projects in Nantong. Concurrently, gross profit margin demonstrated pronounced enhancement, rising from 9.2% for the Corresponding Period to 18.0% for the Period, attributable to operational scale efficiencies and strategic cost management.

The enhanced revenue performance reflects the recovery in overall market conditions and the Group’s strategic focus on infrastructure-related opportunities, as demonstrated by the nature of projects secured during the Period – centering on resource integration, business expansion, and operational scalability. This focused strategy, complemented by disciplined order acceptance principles, has enabled the Group to capitalize on the market rebound while strictly adhering to the prioritization of financial stability and risk management.

A key development during the Period was the establishment of a strategic collaboration with Anhui Conch Cement Company Limited (“**Conch**”). Under the relevant agreement, Conch’s subsidiaries in the Shanghai region will continuously supply cement, sand and gravel aggregate, and concrete admixtures (“**Cement Products**”) to the Group, with their supply priority comparable to other customers in the same region. This collaboration secures a sustainable and stable supply chain for the Group’s core production inputs, directly supporting the dual objectives of supply chain stability and cost controllability, while providing solid support for operational scale expansion.

Looking ahead, we will continue to leverage infrastructure opportunities and strategic alliances to maintain operational resilience and profitability under dynamic market conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's principal revenue-generating activities can be attributed to its supply of building materials in Nantong and surrounding areas. During the Period, the Group recorded a significant increase in revenue of approximately RMB58.4 million or 84.5% from approximately RMB69.1 million for the Corresponding Period to approximately RMB127.5 million for the Period. The substantial revenue growth was primarily attributable to the below factors: (i) after the transformation in the infrastructure sector from being dominated by real estate development in 2022, regional infrastructure construction has accelerated. Since the second half of 2024, increased government demand for high-speed rail networks, offshore photovoltaic pile projects, and large-scale shipbuilding and chemical projects has driven robust construction material demand in Nantong; (ii) after the market adjustments in the previous accounting period, construction activities have gradually recovered, with progressive resumption of multiple delayed projects; and (iii) the Group enhanced its competitive position in the local market, which empowered active participation in key development initiatives while maintaining prudent project selection criteria to achieve development objectives.

Gross profit and gross profit margin

The Group's ability to generate gross profit stems from its supply of building materials in Nantong and surrounding areas. During the Period, the Group recorded a significant increase in gross profit of approximately RMB16.6 million, representing a 263.5% increment compared to the Corresponding Period. The Group's gross profit margin concurrently demonstrated significant improvement, rising from 9.2% to 18.0%. This increase was primarily attributable to: (i) optimized operational efficiency driven by enhanced production capacity and utilisation rates; (ii) stabilization of raw material prices through strategic procurement arrangements; and (iii) the Group's prudent project selection and effective risk management. The strengthened gross profit performance reflects both the Group's sustained cost control initiatives and the effectiveness derived from its focused pursuit of infrastructure-related opportunities.

Selling and marketing expenses

The Group's selling and marketing expenses increased by RMB0.1 million or 7.1% from approximately RMB1.4 million for the Corresponding Period to approximately RMB1.5 million for the Period.

Administrative expenses

The Group's administrative expenses increased by approximately RMB3.2 million or 24.4% from approximately RMB13.1 million for the Corresponding Period to approximately RMB16.3 million for the Period. This increase was caused by (i) the resumption of normal business operations and increase in associated staff costs, and (ii) strategic investments in administrative support to facilitate the Group's expanded operations.

Profit for the Period

As a result of the above mentioned, the Group recorded a net profit of approximately RMB6.4 million for the Period as compared to the net loss of approximately RMB4.2 million for the Corresponding Period.

Bank borrowings

The Group's bank borrowing as at 30 June 2025 was approximately RMB49.5 million, representing an increase of approximately RMB49.5 million as compared with 31 December 2024 (31 December 2024: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Looking ahead, the Group will continue to capitalize on the revitalized infrastructure demand in Nantong and its surrounding areas, with a particular focus on large-scale transportation and urban renewal projects. By leveraging our strategic collaboration with Conch for stable raw material supply and cost optimization, we aim to further improve gross margins while expanding production capacity to meet growing market needs. We will implement smart manufacturing solutions to enhance operational efficiency and rigorously manage working capital to maintain healthy cash flow. The Group remains well-positioned to benefit from China's ongoing infrastructure investments while maintaining disciplined risk management to navigate potential market volatility. Our priority is to sustain profitable growth through excellent operations and strategic collaborations in our core markets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed approximately 46 full-time employees and 150 outsourced workers (31 December 2024: approximately 49 full-time employees and 127 outsourced workers). During the Period, the total staff costs incurred by the Group were approximately RMB7.2 million (the Corresponding Period: approximately RMB6.5 million).

The Group generally recruits employees through online recruitment platforms, and outsourced workers are provided by an employment agent. The Group's employees and outsourced workers are remunerated according to their job scope, responsibilities and performance. The Group pays its employees directly and pays the employment agent for services rendered by the outsourced workers. The Group's employees and outsourced workers (indirectly through the employment agent) are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. The Group provided employers' liability insurance including work injury and medical insurance to both its employees and the outsourced workers.

Share options may also be granted to eligible employees of the Group and other eligible participants.

The Group's employees and outsourced workers received different training depending on their respective department and the scope of works. The trainings are provided internally on a regular basis. Typically they are required to attend trainings relating to the Group's quality control, environmental, health and workplace safety policies.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's overall funding and treasury activities are currently managed and controlled by the Directors and senior management. The Directors and senior management will closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding needs.

The Group maintained cash and cash equivalents of approximately RMB23.2 million as at 30 June 2025 (31 December 2024: approximately RMB6.0 million).

As at 30 June 2025, the Group's borrowings amounted to approximately RMB49.5 million (31 December 2024: nil). All borrowings of the Group are at variable rates, which exposes the Group to cash flow interest rate risk. The Group closely monitors its interest rate exposure and will consider managing this risk in a cost-effective manner when appropriate, through a variety of means. The Group did not engage in any hedging activity during the Period. As at 30 June 2025, the gearing ratio, calculated as total borrowings divided by the total equity, was 24.4% (31 December 2024: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2025, the current ratio (current assets/current liabilities) was 1.7 (31 December 2024: 1.9) and the net current assets amounted to approximately RMB83.5 million (31 December 2024: approximately RMB74.1 million).

The ageing analysis of trade payables and the profiles of borrowings are set out in the notes 18 and 19 to the condensed consolidated interim financial statements of this interim report.

MARKET RISK

Market risk is the risk that affects the Group's profitability or its ability to meet its business objectives and it arises from the movement in market prices, like foreign exchange rates, interest rates and equity prices. The management of the Group manages and monitors these risks to ensure appropriate measures are implemented in a timely and effective manner.

FOREIGN EXCHANGE RISK

Operations of the Group were mainly conducted in RMB and Hong Kong dollars ("HK\$"). At 30 June 2025, the Group's major non-RMB denominated assets and liabilities included cash and cash equivalents and other payables, which were denominated in HK\$. Fluctuation of the exchange rate of RMB against HK\$ could affect the Group's results of operations.

The Group currently does not have a foreign currency hedging policy, and manages its foreign currency risk by closely monitoring the movement of the relevant foreign currency rates.

The Directors do not consider the foreign exchange rate risks as material to the Group and therefore, did not carry out any financial instruments such as forward currency exchange contracts to hedge the risks.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

On 18 January 2024, Shanghai Yuanxintai Investment Management Co., Ltd* (上海圓芯泰投資管理有限公司), an indirect wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with Taizhou Jingyi Gelan Technology Co., Ltd* (台州精藝格蘭科技有限公司), an independent third party, to acquire 3,021,500 shares, representing 5% of the issued share capital of Zhejiang Erg Technology Joint Stock Co., Ltd. (浙江爾格科技股份有限公司) ("Zhejiang Erg") at a consideration of RMB15,107,500, which is principally engaged in the research and development, production and sales of cooling systems for renewable energy power generation, power generation and distribution and other devices. Further details are disclosed in the announcement of the Company dated 18 January 2024. The acquisition was completed on 29 January 2024.

As at 30 June 2025, the fair value of the Group's interest in Zhejiang Erg is approximately RMB15,814,000, representing approximately 4.9% of the Group's total assets. There is no any realised and unrealised gain or loss or any dividends received from the Group's investment in Zhejiang Erg during the Period. The Group's investment strategy for significant investments is to identify investment opportunities with growth potential and risk-adjusted return for our shareholders, while also seeking opportunities for strategic cooperation. The future prospects of the Group's investment in Zhejiang Erg will depend on various factors, including but not limited to political, economic, financial, risk factors and market conditions that are specific to the industry in which Zhejiang Erg operates.

Save as disclosed above, the Group did not have any other significant investments, and there were no other material acquisitions or disposals of subsidiaries and affiliated companies during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2025.

PLEDGE OF ASSETS

As at 30 June 2025, the Group's buildings of approximately RMB12,207,000 (31 December 2024: approximately RMB12,685,000) and land use rights of approximately RMB10,614,000 (31 December 2024: approximately RMB10,761,000) were pledged as collateral for the Group's borrowings.

Details of the Group's borrowings are set out in note 19 to the condensed consolidated interim financial statements of this interim report.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Period. As at 30 June 2025, the Company did not hold any treasury shares.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in shares of the Company (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 (Chapter 571 of the Laws of Hong Kong) (the **"SFO"**)) which were required to be entered into the register required to be kept under section 352 of the SFO or otherwise were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) and/or the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 (the **"Model Code"**) to the Rules Governing the Listing of Securities on the Stock Exchange (the **"Listing Rules"**), were as follows:

Name of Director/ chief executive	Nature of interests	Number of Shares ⁽²⁾	Approximate percentage of the issued share capital of the Company ⁽¹⁾
Ms. Wong Han Yu Alice	Interest of a controlled corporation ⁽³⁾	228,536,000 (L)	57.13%
Mr. Wong Leung Yau	Interest of a controlled corporation ⁽⁴⁾	26,870,000 (L)	6.72%
	Interest of a controlled corporation ⁽⁵⁾	14,960,000 (L)	3.74%

Notes:

1. The number of issued Shares as at 30 June 2025 was 400,000,000 Shares.
2. The letter "L" denotes the person's long position in the Shares.
3. These Shares are registered in the name of Apax Investment Holdings Limited (**"Apax Investment"**), which is 72.94% owned by Ms. Wong Han Yu Alice and 27.06% owned by her younger brother, Mr. Wong Chiu Wai (an executive Director). Apax Investment is controlled by Ms. Wong Han Yu Alice as Ms. Wong Han Yu Alice is the sole director of Apax Investment and Ms. Wong Han Yu Alice controls 72.94% of the shareholding of Apax Investment. Under the SFO, Ms. Wong Han Yu Alice is deemed to be interested in all the Shares registered in the name of Apax Investment.
4. These Shares are registered in the name of Glorycore Investment Holdings Limited (**"Glorycore Investment"**), which is wholly-owned by Mr. Wong Leung Yau. Under the SFO, Mr. Wong Leung Yau is deemed to be interested in all the Shares registered in the name of Glorycore Investment.
5. These Shares are registered in the name of Megacore Investment Holdings Limited (**"Megacore Investment"**), which is wholly-owned by Mr. Wong Leung Yau. Under the SFO, Mr. Wong Leung Yau is deemed to be interested in all the Shares registered in the name of Megacore Investment.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had or was deemed to have any interests or short position in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be entered into 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 Divisions 7 and 8 of Part XV of the SFO or the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2025, the persons (not being a Director or chief executive of the Company) who have interest or short position in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Capacity	Number of Shares ⁽²⁾	Approximate percentage of the issued share capital of the Company ⁽¹⁾
Apax Investment	Beneficial owner ⁽³⁾	228,536,000 (L)	57.13%
Mr. Ma Wai Kwok	Interest of spouse ⁽⁴⁾	228,536,000 (L)	57.13%
Glorycore Investment	Beneficial owner ⁽⁵⁾	26,870,000 (L)	6.72%

Notes:

1. The issued share capital of the Company as at 30 June 2025 was 400,000,000 Shares.
2. The letter "L" denotes the person's long position in the Shares.
3. Apax Investment is beneficially owned as to 72.94% by Ms. Wong Han Yu Alice and as to 27.06% by Mr. Wong Chiu Wai. Apax Investment is controlled by Ms. Wong Han Yu Alice as Ms. Wong Han Yu Alice is the sole director of Apax Investment and controls 72.94% of the shareholding of Apax Investment. Under the SFO, Ms. Wong Han Yu Alice is deemed to be interested in all the Shares registered in the name of Apax Investment.
4. Pursuant to the SFO, Mr. Ma Wai Kwok, the spouse of Ms. Wong Han Yu Alice, is deemed to be interested in all the Shares in which Ms. Wong Han Yu Alice is deemed to be interested in.
5. These Shares are registered in the name of Glorycore Investment, which is wholly-owned by Mr. Wong Leung Yau. Under the SFO, Mr. Wong Leung Yau is deemed to be interested in all the Shares registered in the name of Glorycore Investment.

Save as disclosed herein, as at 30 June 2025, the Directors are not aware of any persons (other than the Directors or chief executive of the Company) who had an interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) by a resolution of all the shareholders passed on 5 November 2019 (the “**Adoption Date**”), and the Share Option Scheme became unconditional on 18 December 2019 (the “**Listing Date**”).

The purpose of the Share Option Scheme is to give the eligible persons an opportunity to have a personal stake in the Company and help motivate them to optimise their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain ongoing relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group must not, in aggregate, exceed 10% of the issued share capital of the Company as at the Listing Date, such 10% being equivalent to 40,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of this interim report.

No option has been granted, cancelled, outstanding, exercised or lapsed under the Share Option Scheme since the Adoption Date and up to the date of this interim report. The number of option available for grant under the scheme mandate as at 1 January 2025 and 30 June 2025 is 40,000,000 and 40,000,000 respectively. Therefore, 40,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of this interim report, were available for issue under the Share Option Scheme.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance and considers that conducting business in an ethical and responsible manner will generate the highest level of benefits to its shareholders and the Group in the long term. The Board will continuously review and improve the Group’s corporate governance practices in order to uphold a transparent and effective corporate governance function for the Group.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules as its own code of corporate governance. Saved for the deviation from code provision C.2.1 of the CG Code as disclosed below, the Company has complied with the code provisions as set out in the CG Code during the Period.

Code provision C.2.1

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Ms. Wong Han Yu Alice is currently the chairperson of our Board and the chief executive officer of the Group, who is responsible for overall strategic planning and business direction and management of the Group. Having considered the nature and extent of the Group’s operations, Ms. Wong Han Yu Alice’s in-depth knowledge and experience in the industry and familiarity with the operations of the Group, and the fact that all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering advice on independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company and that it is in the best interest of the Group to have Ms. Wong Han Yu Alice taking up both roles of the chairperson and chief executive officer. As such, the roles of the chairperson and chief executive officer of the Group are not separate pursuant to the requirement under code provision C.2.1 of the CG Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors have confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Period.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") currently has three members comprising Mr. Lai Chun Yu (Chairman), Mr. Cui Yu Shu and Ms. Wong Siu Yin Rosella, all being independent non-executive Directors. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process, risk management and internal control systems of the Group, oversee the audit process and select external auditors and assess their independence and qualifications.

AUDIT COMMITTEE REVIEW

The financial information in this interim report has not been audited by the Company's external auditor but has been reviewed by the Audit Committee.

PUBLICATION OF UNAUDITED INTERIM REPORT

The Company's 2025 interim report is published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.tailamgroup.com.

APPRECIATION

I wish to express my deepest gratitude to our shareholders for their unwavering trust, to the Board and our dedicated management and staff for their relentless commitment, and to our valued customers and business partners for their enduring support. These relationships remain the bedrock of our success, and we look forward to strengthening them in the years ahead.

By Order of the Board of

Tailam Tech Construction Holdings Limited

Wong Han Yu Alice

Chairperson, Executive Director and Chief Executive Officer

Hong Kong, 22 August 2025

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited) (Restated)
Revenue	6	127,456	69,090
Cost of sales	7	(104,537)	(62,765)
Gross Profit		22,919	6,325
Selling and marketing expenses	7	(1,507)	(1,382)
Administrative expenses	7	(16,320)	(13,124)
Reversal of impairment losses on trade and other receivables, net	7	263	3,457
Other income, other costs and other gains, net	8	1,133	869
Operating profit/(loss)		6,488	(3,855)
Finance (costs)/income – net	9	(171)	202
Profit/(loss) before income tax		6,317	(3,653)
Income tax credit/(expense)	10	131	(531)
Profit/(loss) for the period		6,448	(4,184)
Other comprehensive income/(expense)			
– Currency translation differences		165	(15)
Other comprehensive income/(expense) for the period		165	(15)
Total comprehensive income/(expense) for the period		6,613	(4,199)
Earnings/(loss) per share (expressed in RMB per share)			
– Basic and diluted	12	0.016	(0.010)

The notes on pages 18 to 34 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

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	13	104,450	108,092
Intangible assets		531	282
Deferred income tax assets		2,828	2,903
Financial assets at fair value through profit or loss	14	15,814	15,578
		123,623	126,855
Current assets			
Inventories		17,042	17,985
Trade, prepayments and other receivables	15	134,932	108,021
Financial assets at fair value through other comprehensive income		14,885	10,299
Financial assets at fair value through profit or loss	14	1,481	1,721
Restricted cash	16	6,941	9,646
Cash and cash equivalents		23,228	6,003
		198,509	153,675
Total assets		322,132	280,530
Equity			
Equity attributable to owners of the Company			
Share capital	17	3,584	3,584
Share premium		153,337	153,337
Other reserves		(14,994)	(16,152)
Retained earnings		60,633	55,178
Total equity		202,560	195,947

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Provision for long service payments		212	–
Deferred income tax liabilities		4,362	5,000
		4,574	5,000
Current liabilities			
Trade and other payables	18	60,372	75,954
Contract liabilities	6(b)	2,331	1,108
Current income tax liabilities		2,764	2,382
Borrowings	19	49,500	–
Lease liabilities		31	139
		114,998	79,583
Total liabilities		119,572	84,583
Total equity and liabilities		332,132	280,530

The notes on pages 18 to 34 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2025 (Audited)	3,584	153,337	(16,152)	55,178	195,947
Comprehensive income					
Profit for the period	–	–	–	6,448	6,448
Other comprehensive income					
Currency translation differences	–	–	165	–	165
Total comprehensive income	–	–	165	6,448	6,613
Transactions with owners of the Company					
Appropriation to statutory reserves	–	–	993	(993)	–
	–	–	993	(993)	–
Balance at 30 June 2025 (Unaudited)	3,584	153,337	(14,994)	60,633	202,560
Balance at 1 January 2024 (Audited)	3,584	153,337	(16,059)	66,198	207,060
Comprehensive income					
Loss for the period	–	–	–	(4,184)	(4,184)
Other comprehensive expense					
Currency translation differences	–	–	(15)	–	(15)
Total comprehensive expense	–	–	(15)	(4,184)	(4,199)
Transactions with owners of the Company					
Appropriation to statutory reserves	–	–	74	(74)	–
	–	–	74	(74)	–
Balance at 30 June 2024 (Unaudited) (Restated)	3,584	153,337	(16,000)	61,940	202,861

The notes on pages 18 to 34 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited) (Restated)
Operating activities		
Cash (used in)/generated from operating activities	(30,549)	3,694
Income tax paid	(50)	(16)
Net cash (used in)/generated from operating activities	(30,599)	3,678
Investing activities		
Purchase of property, plant and equipment	(2,164)	(51)
Purchase of intangible assets	(303)	(63)
Purchase of financial assets at fair value through profit or loss	(20,698)	(15,416)
Proceeds from sale of financial assets at fair value through profit or loss	21,909	–
Net cash used in investing activities	(1,256)	(15,530)
Financing activities		
Proceeds from bank borrowings	86,500	27,000
Repayments of bank borrowings	(37,000)	(32,000)
Interest paid	(306)	(85)
Lease payments (including interest paid)	(114)	(138)
Net cash generated from/(used in) financing activities	49,080	(5,223)
Net increase/(decrease) in cash and cash equivalents	17,225	(17,075)
Cash and cash equivalents at 1 January	6,003	44,061
Effect of exchange rate changes	–	110
Cash and cash equivalents at 30 June	23,228	27,096

The notes on pages 18 to 34 form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 7 March 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sale of pre-stressed high-strength concrete piles (the **"PHC piles"**), ceramsite concrete block and commercial concrete in the People's Republic of China (the **"PRC"**).

Ms. Wong Han Yu Alice (**"Ms. Wong"**) is the ultimate controlling shareholder of the Company.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 18 December 2019.

The condensed consolidated interim financial statements are presented in Renminbi (**"RMB"**), unless otherwise stated. The condensed consolidated interim financial statements were approved for issue by the board of directors of the Company on 22 August 2025.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard (**"HKASs"**) 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the **"HKICPA"**) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the **"Listing Rules"**). The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2024 (the **"Financial Statements 2024"**), which have been prepared in accordance with Hong Kong Financial Reporting Standards (**"HKFRSs"**), together with HKASs and Interpretations, collectively referred to as **"HKFRS"**) issued by the HKICPA.

The condensed consolidated interim financial statements have not been audited or reviewed by the Company's external auditors, but have been reviewed by the audit committee of the Company.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis. Except for the adoption of the new and amended HKFRSs for annual periods beginning on 1 January 2025, the accounting policies and methods of computation used in the condensed consolidated interim financial statements are consistent with those described in the Financial Statements 2024.

(a) Adoption of new or revised HKFRS effective on 1 January 2025

During the interim period, the Group has adopted the following new and amended HKFRS which is first effective for the reporting period and potentially relevant to the Group.

Standard

HKAS 21 (Amendments)

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard to the Group are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information of the Group.

(b) New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's condensed consolidated interim financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Standards		Effective for reporting periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries Without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

These above standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Recurring fair value measurements As at 30 June 2025 (Unaudited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at fair value through profit or loss ("FVTPL")				
– Investments in unlisted equity securities	–	–	15,814	15,814
– Investments in Mainland China listed equity securities	1,481	–	–	1,481
	1,481	–	15,814	17,295
Financial assets at fair value through other comprehensive income ("FVOCI")				
– Bank and commercial acceptance notes	–	–	14,885	14,885
Total financial assets	1,481	–	30,699	32,180

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. FAIR VALUE MEASUREMENTS (Continued)

Recurring fair value measurements As at 31 December 2024 (Audited)	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at FVTPL				
– Investments in unlisted equity securities	–	–	15,578	15,578
– Investments in Hong Kong listed equity securities	949	–	–	949
– Investments in Mainland China listed equity securities	772	–	–	772
	1,721	–	15,578	17,299
Financial assets at FVOCI				
– Bank and commercial acceptance notes	–	–	10,299	10,299
Total financial assets	1,721	–	25,877	27,598

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices 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. As at 30 June 2025 and 31 December 2024, level 1 instruments of the Group's assets mainly include investments in listed securities, classified as financial assets at FVTPL.

(b) Financial instruments in level 3

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

As at 30 June 2025 and 31 December 2024, level 3 instruments of the Group's assets mainly include:

- (1) Investments in unlisted equity securities: investments in Zhejiang Erg Technology Joint Stock Co., Ltd. ("Zhejiang Erg"), classified as financial assets at FVTPL;
- (2) Bank and commercial acceptance notes: are held for collection of contractual cash flow and for selling the financial assets. The fair values are estimated by using a discounted cash flow approach with discount rates quoted in main state-owned banks, classified as financial assets at FVTPL;

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. FAIR VALUE MEASUREMENTS (Continued)

(b) Financial instruments in level 3 (Continued)

As these instruments are not traded in an active market, their fair values have been determined by using below applicable valuation techniques:

Valuation process and techniques

For investments in unlisted companies, their fair values have been determined using applicable valuation techniques including comparable companies approach. These valuation approaches require significant judgments, assumptions and inputs, including Price-to-Book ratio, discount for lack of marketability (“**DLOM**”).

There were no change to valuation techniques during the reporting period.

5. SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (the “**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group is principally engaged in the manufacturing and sale of commercial concrete, PHC piles and ceramsite concrete block in the PRC. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment. A measure of segment assets and liabilities is not disclosed as such measure is not regularly provided to the CODM.

The major operating entity of the Group is domiciled in the PRC. All of the Group’s revenue are derived in the PRC, and accordingly no geographical segment information is presented.

As at 30 June 2025, the non-current assets other than deferred income tax assets and non-current portion of prepayments of RMB113,507,000 (31 December 2024: RMB101,135,000) and RMB7,288,000 (31 December 2024: RMB7,423,000) were located in the PRC and Hong Kong respectively.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. REVENUE

(a) Disaggregation of revenue from contracts with customers

The Group derived its revenue from the transfer of goods at point in time of the following major products and services:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Sales of goods		
PHC piles	79,099	41,414
Commercial concrete	48,351	26,115
Ceramsite concrete block	6	1,561
	127,456	69,090

(b) Contract liabilities

The Group recognised the following revenue-related contract liabilities:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Commercial concrete	476	520
PHC piles	1,818	550
Ceramsite concrete block	37	38
	2,331	1,108

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. REVENUE (Continued)

(c) Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, as set out below:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A	18,241	N/A
Customer B	N/A	12,649
Customer C	N/A	8,021

7. EXPENSES BY NATURE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Raw materials and consumables used	86,793	45,505
Changes in inventories of finished goods	(862)	3,803
Freight charges	7,835	6,113
Employee benefit expenses	7,219	6,535
Outsourcing labour costs	6,601	3,846
Depreciation of property, plant and equipment	5,085	6,142
Amortization charges	245	76
Utilities	2,870	1,285
Travelling and entertainment expenses	1,708	1,054
Consulting fees	1,748	512
Business tax and surcharges	853	520
Maintenance costs	830	160
Reversal impairment losses on trade and other receivables, net	(263)	(3,457)
Others	1,439	1,720
	122,101	73,814

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. OTHER INCOME, OTHER COSTS AND OTHER GAINS – NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other income:		
– Rental income	1,018	–
– Value-added tax super deduction	361	–
	1,379	–
Other costs	(1,215)	–
Other gains – net:		
– Exchange (losses)/gains – net	(242)	104
– Net fair value gains on financial assets at FVTPL	246	–
– Others	965	768
	969	872
	1,133	872

9. FINANCE (COSTS)/INCOME – NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Finance income:		
– Interest income from bank deposits	136	298
Finance costs:		
– Interest expenses on bank borrowings	(296)	(85)
– Interest expenses on long service payment	(5)	–
– Interest expenses on leases	(6)	(11)
	(307)	(96)
	(171)	202

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. INCOME TAX (CREDIT)/EXPENSE

The amount of income tax expense in the condensed consolidated interim statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax		
– PRC corporate income tax expense	432	16
Deferred income tax		
– PRC corporate income tax (credit)/expense	(563)	515
	(131)	531

PRC corporate income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands and, is exempted from payment of Cayman Islands income tax.

The subsidiaries incorporated in British Virgin Islands under the International Business Companies Acts of the British Virgin Islands are exempted from payment of British Virgin Islands income tax.

Subsidiaries incorporated in Hong Kong are subject to income tax at the prevailing rates of 16.5% (2024: 16.5%). Hong Kong profits tax has not been provided as there is no estimated assessable profit arising in or derived from Hong Kong during the Period.

The PRC Corporate Income Tax (the “**CIT**”) is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for income tax purposes. The applicable corporate income tax rate for Mainland China subsidiaries is 25%, except for the subsidiary which is qualified as High and New Technology Enterprise (the “**HNTE**”). Tailam Technology (Jiangsu Nantong) Co., Ltd.* (previously known as Jiangsu Tailam Construction Co., Ltd.*) obtained the qualification of the HNTE in 2023, and the applicable income tax rate is 15% for the HNTE.

* For identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. INCOME TAX (CREDIT)/EXPENSE (Continued)

According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% of their eligible research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (the “**Super Deduction**”). The additional tax deduction amount of the qualified research and development expenses has been increased from 150% to 175%, effective from 2018 to 2020, and further increased to 200%, particularly for manufacturing enterprise, effective since 2021, according to a new tax incentive policy promulgated by the State Tax Bureau of the PRC. The Group has considered the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits for the Period.

PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied when the immediate holding companies of the PRC subsidiaries are incorporated or operated in Hong Kong and fulfil the requirements under the tax treaty arrangement between the PRC and Hong Kong.

11. DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

12. EARNINGS PER SHARE

Basic earnings per share for the six months ended 30 June 2025 and 2024 are calculated by dividing the profit/(loss) of the Group attributable to owners of the Company by the weighted average number of ordinary shares deemed to be in issue during each respective period. The weighted average number of shares of the Company in issue during the six months ended 30 June 2025 was 400,000,000 shares (six months ended 30 June 2024: 400,000,000 shares).

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit/(loss) attributable to equity holders of the Company (RMB'000)	6,448	(4,181)
Weighted average number of shares in issue (in thousands)	400,000	400,000
Basic earnings per share for profit attributable to shareholders of the Company during the period (expressed in RMB per share)	0.016	(0.010)

The Company did not have any potential ordinary shares outstanding during the Period and six months ended 30 June 2025, so diluted earnings per share are equal to basic earnings per share.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment at an aggregate cost amounting to approximately RMB2,164,000 (six months ended 30 June 2024: RMB51,000).

In addition, during the same period, the Group did not dispose of any property, plant and equipment (six months ended 30 June 2024: nil), which did not result in any gain or loss on disposal (six months ended 30 June 2024: nil).

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include the following:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current assets		
Investment in unlisted equity securities	15,814	15,578
Current assets		
Investment in Hong Kong listed equity securities	–	949
Investment in Mainland China listed equity securities	1,481	772
	1,481	1,721
	17,295	17,299

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. TRADE, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables		
– Third parties	125,711	107,262
Less: provision for impairment of trade receivables	(12,855)	(13,119)
	112,856	94,143
Other receivables		
– Deposits	2,888	1,449
– Others	21	333
	2,909	1,782
Less: allowance for impairment of other receivables	(81)	(81)
	2,828	1,701
Prepayments for purchase of raw materials		
– Third parties	19,248	12,177
	19,248	12,177
	134,932	108,021

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. TRADE, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

As of the end of the reporting period, the ageing analysis of trade receivables, 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 month	50,154	26,536
1 to 6 months	42,556	41,906
6 months to 1 year	17,566	16,583
1 to 2 years	9,593	14,961
Over 2 years	5,842	7,276
	125,711	107,262

16. RESTRICTED CASH

Restricted cash represents guarantee deposits for issuance of bank acceptances bills and is denominated in RMB.

17. SHARE CAPITAL

The share capital balance as at 30 June 2025 and 31 December 2024 represented the issued and fully paid share capital of the Company as follows:

	Number of ordinary shares Shares	Share capital HK\$	RMB'000
Authorised:			
As at 31 December 2024 and 30 June 2025	1,000,000,000	10,000,000	
Issued and fully paid:			
As at 31 December 2024 and 30 June 2025	400,000,000	4,000,000	3,584

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables		
– Third parties	50,645	61,746
Notes payables	6,717	9,163
Accrued payroll	1,104	1,292
Other tax payables	1,585	919
Other payables		
– Third parties	321	1,893
– Related parties	–	941
	60,372	75,954

As at the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Up to 1 month	24,933	38,042
1 to 6 months	10,360	12,189
6 months to 1 year	7,459	8,772
1 to 2 years	5,242	2,046
Over 2 years	2,651	697
	50,645	61,746

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

19. BORROWINGS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Current		
Short-term bank borrowings (note (a))		
– Secured bank borrowings	49,500	–

All of the Group's borrowings are denominated in RMB.

Notes:

- (a) As at 30 June 2025, the Group's short-term bank borrowings of approximately RMB49,500,000 were secured by the pledge of the Group's buildings with net book value of approximately RMB12,207,000 and the Group's land use rights with net book value of approximately RMB10,614,000.
- (b) As at 30 June 2025, the carrying amounts of borrowings approximate their fair value, as the impact of discounting is not significant.

20. RELATED PARTY TRANSACTIONS

Key management personnel remuneration

Key management remuneration, including salaries and other employee benefits, amounted to approximately RMB1,383,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB2,247,000).

None of the related party transactions as disclosed above falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

21. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2025.

22. EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 30 June 2025 which would materially affect the Group's and the Company's operating and financial performance as of the date of this interim report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

23. RESTATEMENT

In preparing the condensed consolidated interim financial information for the year ended 30 June 2025, the Group identified a misstatement and made corrections in the presentation and disclosures of certain comparative information in the previously issued condensed consolidated interim financial information for the six months ended 30 June 2024.

Adjustments relating to classification of listed equity securities and unlisted equity securities

The Group previously classified certain listed equity securities as financial assets at FVOCI based on an intention to hold them for long-term dividend income. However, during the period, our investment strategy for these securities shifted to active trading for short-term gains. As this change in business model means the securities no longer meet the financial assets at FVOCI criteria under HKFRS 9. Such investments should have been classified as financial assets at FVTPL at the date of acquisition in 2024.

The investments in unlisted equity securities which were previously classified as equity instruments at FVOCI contain a put option that requires the covenantors to buy all or part of the unlisted equity securities upon the Group's written request, if Zhejiang Erg or the controllers of Zhejiang Erg fail to perform certain undertakings. Accordingly, those investments do not meet the definition of an equity instrument in HKAS 32 Financial Instruments: Presentation and cannot be designated as financial assets at FVOCI by the Group. Such investments should have been classified as financial assets at FVTPL under HKFRS 9 at the date of acquisition in 2024.

Accordingly, certain comparative information has been restated to correct these errors. The effect of correcting these errors are as follows:

Impact on the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2024:

	As previously reported (Unaudited) RMB'000	Prior period adjustments (Unaudited) RMB'000	As restated (Unaudited) RMB'000
Other income, other costs and other gains, net	872	(3)	869
Operating loss	(3,852)	(3)	(3,855)
Loss before income tax	(3,650)	(3)	(3,653)
Loss for the period	(4,181)	(3)	(4,184)
Other comprehensive expense			
– Change in fair value of financial assets measured at fair value through other comprehensive income	(3)	3	–
Other comprehensive expense for the period	(18)	3	(15)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

23. RESTATEMENT (Continued)

Adjustments relating to classification of listed equity securities and unlisted equity securities (Continued)

Impact on the condensed consolidated statement of cash flows for the six months ended 30 June 2024:

	As previously reported (Unaudited) RMB'000	Prior period adjustments (Unaudited) RMB'000	As restated (Unaudited) RMB'000
Purchase of financial assets at fair value through other comprehensive income	(15,416)	15,416	–
Purchase of financial assets at fair value through profit or loss	–	(15,416)	(15,416)