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Shinelong Automotive Lightweight Application Limited

勳龍汽車輕量化應用有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1930)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Shinelong Automotive Lightweight Application Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) hereby announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2025 (the “**1H2025**”). The interim results of the Group have been reviewed by the Company’s auditor in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The interim results of the Group have also been reviewed by the Company’s audit committee (the “**Audit Committee**”).

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

	For the six months ended 30 June		
	2025	2024	Change
Revenue (<i>RMB'000</i>)	118,163	117,764	0.3%
Gross profit (<i>RMB'000</i>)	25,224	23,012	9.6%
Gross profit margin	21.3%	19.5%	1.8 percentage points
Net profit attributable to owners of the Company (<i>RMB'000</i>)	8,269	7,278	13.6%
Net profit margin	7.0%	6.2%	0.8 percentage points
Basic earnings per share (<i>RMB cents</i>)	1.3	1.1	18.2%
Diluted earnings per share (<i>RMB cents</i>)	1.3	1.1	18.2%

SUMMARY OF THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2025	As at 31 December 2024	Change
Total assets (<i>RMB'000</i>)	716,424	683,288	4.8%
Cash and cash equivalents (<i>RMB'000</i>)	33,260	31,034	7.2%
Total liabilities (<i>RMB'000</i>)	355,882	326,799	8.9%
Total equity (<i>RMB'000</i>)	360,542	356,489	1.1%
Return on equity ^(Note)	2.3%	2.1%	0.2 percentage points
Return on total assets ^(Note)	1.2%	1.1%	0.1 percentage points

Note: Return on equity and return on total assets are compared between this reporting period and the corresponding period of last year.

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

For the six months ended 30 June 2025

		2025	2024
		(Unaudited)	(Unaudited)
	<i>Notes</i>	RMB'000	RMB'000
REVENUE	4	118,163	117,764
Cost of sales		<u>(92,939)</u>	<u>(94,752)</u>
Gross profit		25,224	23,012
Other income and gains, net		1,633	3,425
Selling and distribution expenses		(2,641)	(3,521)
General and administrative expenses		(14,137)	(13,905)
Finance costs		<u>(409)</u>	<u>(512)</u>
PROFIT BEFORE TAX	5	9,670	8,499
Income tax expense	6	<u>(1,477)</u>	<u>(1,299)</u>
PROFIT FOR THE PERIOD		<u>8,193</u>	<u>7,200</u>
Attributable to:			
Owners of the Company		8,269	7,278
Non-controlling interests		<u>(76)</u>	<u>(78)</u>
		<u>8,193</u>	<u>7,200</u>
OTHER COMPREHENSIVE INCOME			
Changes in fair value of debt investments at fair value through other comprehensive income		—	133
Exchange differences on translation of foreign operations		<u>235</u>	<u>22</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		<u>235</u>	<u>155</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>8,428</u>	<u>7,355</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

For the six months ended 30 June 2025

		2025	2024
		(Unaudited)	(Unaudited)
	<i>Notes</i>	RMB'000	RMB'000
Attributable to:			
Owners of the Company		8,504	7,433
Non-controlling interests		(76)	(78)
		<u>8,428</u>	<u>7,355</u>
 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
(in RMB cents per share)	8		
Basic			
— For profit for the period		1.3	1.1
Diluted			
— For profit for the period		<u>1.3</u>	<u>1.1</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	9	175,421	184,732
Right-of-use assets		8,055	8,838
Intangible assets		1,738	1,347
Deferred tax assets		6,279	3,947
Net investments in subleases		475	714
Restricted bank deposits	12	1,390	1,390
Total non-current assets		193,358	200,968
CURRENT ASSETS			
Inventories	10	387,032	329,761
Trade and notes receivables	11	92,826	111,453
Prepayments, other receivables and other assets		9,466	9,605
Net investments in subleases		482	467
Cash and cash equivalents	12	33,260	31,034
Total current assets		523,066	482,320
CURRENT LIABILITIES			
Trade payables	13	98,862	84,002
Other payables and accruals		32,813	36,060
Government grants		1,020	964
Contract liabilities	14	196,984	173,934
Interest-bearing bank and other borrowings		13,362	14,395
Dividends payable	7	4,375	—
Lease liabilities		1,166	1,548
Income tax payable		2,152	2,571

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	<i>Notes</i>		
Total current liabilities		<u>350,734</u>	<u>313,474</u>
NET CURRENT ASSETS		<u>172,332</u>	<u>168,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>365,690</u></u>	<u><u>369,814</u></u>
NON-CURRENT LIABILITIES			
Government grants		3,914	4,009
Interest-bearing bank borrowings		–	7,362
Deferred tax liabilities		239	487
Lease liabilities		<u>995</u>	<u>1,467</u>
Total non-current liabilities		<u>5,148</u>	<u>13,325</u>
Net assets		<u><u>360,542</u></u>	<u><u>356,489</u></u>
EQUITY			
Equity attributable to the owners of the Company			
Share capital	15	5,806	5,806
Treasury shares		(43)	(43)
Reserves		<u>353,441</u>	<u>349,312</u>
		359,204	355,075
Non-controlling interests		<u>1,338</u>	<u>1,414</u>
Total equity		<u><u>360,542</u></u>	<u><u>356,489</u></u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 2 October 2018. The registered address of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Group are involved in the provision of comprehensive moulding services and solutions, covering product analysis, mould design and development, mould fabrication, assembling, testing and adjustment, trial production and aftersales services.

The holding company of the Company is Shine Art International Limited (“**Shine Art**”), a company incorporated in the British Virgin Islands. The ultimate controlling shareholder of the Company is Mr. Lin Wan-Yi.

The Company’s shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) since 28 June 2019.

The Interim Financial Information comprises the condensed consolidated statement of financial position as at 30 June 2025, the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the “**Interim Financial Information**”).

The Interim Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

The Interim Financial Information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendment to IAS 21 *Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

- a. Amendments to IAS 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 Financial Information.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended	
	30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Sales of moulds		
Automotive moulds	93,314	91,189
Electrical appliance moulds	15,025	19,320
Other moulds	2,302	204
	<hr/>	<hr/>
Sub-total	110,641	110,713
Parts processing services	6,083	6,190
Others	1,439	861
	<hr/>	<hr/>
Total	118,163	117,764
	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
Goods and services transferred at a point in time	118,163	117,764
	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
Geographic markets		
Mainland China	102,634	97,541
Overseas	15,529	20,223
	<hr/>	<hr/>
Total	118,163	117,764
	<hr/> <hr/>	<hr/> <hr/>

5. PROFIT BEFORE TAX

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Raw materials consumed	36,686	38,507
Direct labor cost	15,050	14,660
Subcontracting expenses	24,722	23,229
Depreciation of property, plant and equipment	9,058	8,622
Depreciation of right-of-use assets	783	1,466
Amortization of intangible assets	254	293
Research and development costs	5,316	4,332
Auditor's remuneration	519	600
Employee benefit expenses (including directors' and chief executive's remuneration)		
Salaries and bonuses	9,038	8,662
Pension scheme contributions	960	956
	<u>9,998</u>	<u>9,618</u>
Accrual of impairment losses on trade and notes receivables, net	104	493
Provision for warranty	250	1,212
Write-down of inventories to net realizable value	543	1,048
Foreign exchange differences, net	<u>97</u>	<u>136</u>

6. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands. Tax on profits assessable in the PRC has been calculated at the applicable PRC corporate income tax rate of 25%. During the six months ended 30 June 2025 and 2024, Shinelong Intellectual Manufacture Precision Applied Materials (Suzhou) Company Limited (“**Shinelong (Suzhou)**”) was qualified as a high and new technology enterprise and enjoyed a preferential income tax rate of 15%. Qingdao Xunzhan Molding Technology Company Limited, Xunhou Laser Technology (Suzhou) Company Limited, and Kunshan Longjun Management Consulting Company Limited were certified as small and micro-sized enterprises and enjoyed an 75% reduction in taxable income and the preferential income tax rate of 20% for the period ended 30 June 2025 and 2024, as their respective estimated annual taxable incomes were below RMB1 million.

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current — PRC	3,570	1,441
Deferred — PRC	(2,093)	(142)
	<u>1,477</u>	<u>1,299</u>
Total tax charge for the period	<u>1,477</u>	<u>1,299</u>

7. DIVIDENDS

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
At beginning of the period	—	—
Final declared		
— RMB0.663 cents (2024: RMB0.219 cents) per ordinary share	<u>4,375</u>	<u>1,445</u>
At end of the period	<u>4,375</u>	<u>1,445</u>

On 25 March 2025, the directors proposed a final dividend of RMB0.663 cents per ordinary share totalling approximately RMB4,375,000 for the year ended 31 December 2024, which was approved by the Company’s shareholders at the annual general meeting on 12 June 2025.

The directors did not recommend the payment of an interim dividend for the six months ended 30 June 2025 and 2024.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for six months ended 30 June 2025 attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 659,864,800 (six months ended 30 June 2024: 659,864,800) outstanding during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2025.

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation:	<u>8,269</u>	<u>7,278</u>
	Number of shares For the six months ended 30 June	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	<u>659,864,800</u>	<u>659,864,800</u>
Weighted average number of ordinary shares used in the diluted earnings per share calculation	<u>659,864,800</u>	<u>659,864,800</u>

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery RMB'000	Furniture, fixtures and equipment RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost						
At 1 January 2025	93,902	164,916	10,035	1,551	2,790	273,194
Additions	–	120	153	–	133	406
Disposals	–	(2,515)	(255)	–	(274)	(3,044)
At 30 June 2025	<u>93,902</u>	<u>162,521</u>	<u>9,933</u>	<u>1,551</u>	<u>2,649</u>	<u>270,556</u>
Accumulated depreciation						
At 1 January 2025	4,316	76,366	4,712	1,279	1,789	88,462
Depreciation charges for the period	2,157	6,112	530	132	127	9,058
Disposals	–	(1,913)	(226)	–	(246)	(2,385)
At 30 June 2025	<u>6,473</u>	<u>80,565</u>	<u>5,016</u>	<u>1,411</u>	<u>1,670</u>	<u>95,135</u>
Net carrying amount						
At 30 June 2025 (unaudited)	<u>87,429</u>	<u>81,956</u>	<u>4,917</u>	<u>140</u>	<u>979</u>	<u>175,421</u>

	Buildings RMB'000	Machinery RMB'000	Furniture, fixtures and equipment RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
At 1 January 2024	83,060	148,941	7,200	1,843	2,445	20,663	264,152
Additions	–	4	600	–	344	15,048	15,996
Transfer	8,688	24,071	2,483	–	–	(35,242)	–
Disposals	–	(4,663)	(84)	–	–	–	(4,747)
Transfer to assets classified as held for sale	–	(2,039)	–	–	–	–	(2,039)
At 30 June 2024	<u>91,748</u>	<u>166,314</u>	<u>10,199</u>	<u>1,843</u>	<u>2,789</u>	<u>469</u>	<u>273,362</u>
Accumulated depreciation							
At 1 January 2024	675	70,712	4,173	1,307	1,561	–	78,428
Depreciation charges for the period	1,710	6,322	348	132	110	–	8,622
Disposals	–	(4,184)	(76)	–	–	–	(4,260)
Transfer to assets classified as held for sale	–	(581)	–	–	–	–	(581)
At 30 June 2024	<u>2,385</u>	<u>72,269</u>	<u>4,445</u>	<u>1,439</u>	<u>1,671</u>	<u>–</u>	<u>82,209</u>
Net carrying amount							
At 30 June 2024 (unaudited)	<u>89,363</u>	<u>94,045</u>	<u>5,754</u>	<u>404</u>	<u>1,118</u>	<u>469</u>	<u>191,153</u>

As at 30 June 2025, the Group's buildings with a net carrying amount of approximately RMB74,192,000 (31 December 2024: RMB75,358,000) were mortgaged to secure the general bank facility granted to the Group.

10. INVENTORIES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Finished goods	252,550	210,123
Work in progress	133,461	118,602
Raw materials and low value consumables	1,021	1,036
	<hr/>	<hr/>
Total	387,032	329,761
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11. TRADE AND NOTES RECEIVABLES

An ageing analysis of the Group's trade and notes receivables as at the end of the reporting period, based on the date of the final acceptance report and net of loss allowance, was as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 30 days	23,453	21,489
31–60 days	7,880	13,975
61–90 days	9,878	10,474
91–180 days	18,977	38,976
181–365 days	23,058	20,735
Over 365 days	9,580	5,804
	<hr/>	<hr/>
Total	92,826	111,453
	<hr/>	<hr/>

12. CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Cash and bank balances	<u>34,650</u>	<u>32,424</u>
Less: Restricted bank deposits (<i>Note</i>)	<u>(1,390)</u>	<u>(1,390)</u>
Cash and cash equivalents	<u>33,260</u>	<u>31,034</u>

Note:

As at 30 June 2025, the Group had placed restricted bank deposits in a bank with an aggregate amount of approximately RMB1,390,000 (31 December 2024: RMB1,390,000) relating to performance guarantees issued by the bank to Zhangpu Town People's Government of Kunshan Municipality for the acquisition of a parcel of leasehold land.

As at 30 June 2025 and 31 December 2024, the Group's cash and bank balances denominated in RMB were held in Mainland China amounting to RMB26,403,000 and RMB28,409,000, respectively. RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks that are authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

13. TRADE PAYABLES

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, was as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 30 days	34,266	34,808
31–60 days	25,553	18,173
61–90 days	19,223	14,736
91–120 days	17,471	8,920
Over 120 days	2,349	7,365
	<hr/>	<hr/>
Total	98,862	84,002
	<hr/> <hr/>	<hr/> <hr/>

14. CONTRACT LIABILITIES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Contract liabilities	196,984	173,934
	<hr/> <hr/>	<hr/> <hr/>

Contract liabilities include advances received to deliver moulds.

15. SHARE CAPITAL

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Issued and fully paid/credited as fully paid 660,000,000 ordinary shares of HK\$0.01 each	5,806	5,806
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BUSINESS REVIEW

The Group is a developer and major supplier of customised moulds in the People's Republic of China (the “**PRC**”), with a focus on moulds for the production of automotive parts which cater for the growing trend of automotive lightweight application, as well as electrical appliance parts and other parts. The Group seeks to offer comprehensive moulding services and solutions to the customers, covering product analysis, mould design and development, mould fabrication, assembling, testing and adjustment, trial production and aftersales services.

In the first half of 2025, under the influence of unclear direction of US tariff policies and persistent geopolitical conflicts, the global economy confronted with dual challenges of slower growth and increasing uncertainty. Faced with the complex and volatile international environment, numerous instabilities and uncertainties, and insufficient domestic demand, the Chinese government has stepped up the implementation of more proactive and effective macro policies, and the domestic economy has maintained a stable and positive development trend.

In the first half of 2025, the trade-in policy continued to exert effort, coupled with favorable factors such as new model launches by automakers and the promotions of auto shows across multiple regions, which collectively accelerated the release of consumption vitality in the automobile market. In the first half of 2025, the production and sales of China's automobiles increased by 12.5% and 11.4% year on year, respectively, among which the new energy vehicle sales accounted for 44.3% of total sales of new vehicles. On the other hand, the numerous barriers in global trade and the ongoing price wars among automakers have led to a continuous decline in industry profitability, putting even greater pressure on the automobile and automotive mould industries.

In the first half of 2025, driven by subsidy policy of the trade-in, as well as trends in consumption upgrading, intelligent and high-end development of the industry, major brands of household electrical appliance increased their technological innovation, and the household electrical appliance market maintains a stable recovery momentum. However, the household electrical appliance and household electrical appliance mould market also faced challenges and pressures stemming from changes in the overseas trade environment, fierce competition and sluggish overall market demand.

The revenue of the Group for the six months ended 30 June 2025 (the “**1H2025**”) amounted to approximately RMB118.2 million, representing an increase of approximately RMB0.4 million or 0.3% as compared with that of approximately RMB117.8 million for the six months ended 30 June 2024 (the “**1H2024**”). Such increase was mainly due to the net effect of the increase in the revenue generated from the sales of automotive moulds and other moulds and the decrease in the revenue generated from the sales of electrical appliance moulds. Profit attributable to owners of the Company for 1H2025 amounted to approximately RMB8.3 million, representing an increase of approximately 13.6% as compared with that of approximately RMB7.3 million for 1H2024. Such increase was mainly due to the net effect of (i) the increase in revenue generated from one of the Group’s major customers, whose gross profit margin is relatively higher than that of other customers of automotive moulds, resulting in the increase of gross profit from the sales of automotive moulds; (ii) no expense relevant with plant relocation was incurred during the reporting period, while the relocation cost for equipment was recorded in 1H2024 due to plant relocation; (iii) the increase in impairment provision for finished goods of automotive mould; (iv) the decrease in other income and gains resulting from the decrease in government grants and the loss on disposal of assets during the reporting period; and (v) the decrease in selling and distribution expenses.

OUTLOOK

Looking ahead, against the backdrop of escalating trade tensions, inflationary pressures and intertwined geopolitical conflicts, the external environment is fraught with uncertainties and the global economic recovery is slowing down. Facing the complex and volatile international environment, the Chinese government will persist in implementing a series of policies to boost domestic demand and stimulate consumption, and play a supporting role in the stable operation of the economy.

In the second half of 2025, favorable policies such as trade-in and penetration of new energy vehicles into rural areas will continue to be implemented in the automobile industry. Automakers are accelerating innovation in green and intelligent technologies, with the iteration of new models speeding up, which will help further unleash the consumption potential of the automobile market. However, the price war in the automobile industry is still ongoing, and competition is becoming increasingly fierce. Both the automobile and automotive mould industries are facing multiple pressures and challenges from domestic and international markets. Corporate profit margins are being squeezed, and operational pressures continue to increase.

Policy incentives, consumption upgrades and technological innovation have created some new opportunities for the household electrical appliance industry. However, the overall market demand is weak, competition is intensifying, and the uncertainty of the external environment faced by household electrical appliance enterprises under the tariff war has increased. Opportunities and challenges coexist in the household electrical appliances and household electrical appliance moulds market.

Facing the complex market environment, the Group will closely monitor changes in the business environment to mitigate potential risks and seize possible opportunities, actively explore domestic and foreign markets, and expand market share. At the same time, we will continue to strive to implement various cost reduction and efficiency improvement measures in all aspects of production and operation to enhance business performance and strengthen comprehensive competitiveness.

FINANCIAL REVIEW

Revenue

The revenue of the Group amounted to approximately RMB118.2 million for 1H2025, representing an increase of approximately RMB0.4 million or 0.3% as compared with that of approximately RMB117.8 million for 1H2024.

The following table sets forth a breakdown of the revenue of the Group by business segment:

	For the six months ended 30 June		
	2025	2024	Change
	<i>RMB'000</i>	<i>RMB'000</i>	%
Sales of moulds			
Automotive moulds	93,314	91,189	2.3
Electrical appliance moulds	15,025	19,320	-22.2
Other moulds	2,302	204	1,028.4
Sub-total	110,641	110,713	-0.1
Parts processing services	6,083	6,190	-1.7
Others	1,439	861	67.1
Total	118,163	117,764	0.3

(i) Sales of moulds

The Group principally engages in the design, development, manufacture and sales of customised hot-pressing moulds, hydroforming moulds and injection moulds which are used in auto manufacturing. Apart from automotive moulds, the Group also engages in the design, development, manufacture and sales of customised plastic moulds for the production of electrical appliance parts. Sales of moulds accounted for approximately 93.6% of the Group's revenue for 1H2025.

The revenue generated from sales of automotive moulds for 1H2025 amounted to approximately RMB93.3 million, representing an increase of approximately RMB2.1 million or 2.3% as compared with that of approximately RMB91.2 million for 1H2024. Such increase was primarily due to the net effect of (i) the increase in amounts of the final acceptance reports received from one of the Group's major customers; and (ii) the decrease in orders from one of the Group's overseas customers.

The revenue generated from sales of electrical appliance moulds for 1H2025 amounted to approximately RMB15.0 million, representing a decrease of approximately RMB4.3 million or 22.2% as compared with that of approximately RMB19.3 million for 1H2024. Such decrease was mainly due to (i) the decrease in orders from one of the Group's customers; and (ii) the decrease in amounts of the final acceptance reports received from one of the Group's major customers as compared with that for the corresponding period of the previous year.

(ii) Parts processing services

Parts processing services principally include services provided to the customers for (i) modification of moulds the Group manufactured and sold; and (ii) processing machine parts that are used in automotive moulds and electrical appliance moulds. The revenue generated from parts processing services for 1H2025 amounted to approximately RMB6.1 million, which was basically unchanged as compared with that of approximately RMB6.2 million for 1H2024.

Cost of sales

The Group's cost of sales primarily consists of direct materials, direct labour, manufacturing overhead and subcontracting expenses. The major raw materials used by the Group in the production of moulds include, among others, mould steel, mould parts, casting parts, hot runner and mould base.

The cost of sales of the Group for 1H2025 amounted to approximately RMB92.9 million, representing a decrease of approximately RMB1.9 million or 1.9% as compared with that of approximately RMB94.8 million for 1H2024. Such decrease was mainly attributable to the net effect of (i) no expense relevant with plant relocation was incurred during the reporting period, while the relocation cost for equipment was recorded in 1H2024 due to the plant relocation; and (ii) the increase in impairment provision for finished goods of automotive moulds.

Gross profit and gross profit margin

The gross profit of the Group for 1H2025 amounted to approximately RMB25.2 million, representing an increase of approximately RMB2.2 million or 9.6% as compared with that of approximately RMB23.0 million for 1H2024. The gross profit margin increased from approximately 19.5% for 1H2024 to approximately 21.3% for 1H2025, which was mainly due to the net effect of (i) the increase in revenue generated from one of the Group's major customers, whose gross profit margin is relatively higher than that of other customers of automotive moulds, resulting in the increase in gross profit from the sales of automotive moulds; (ii) the increase in the impairment provision for finished goods of automotive moulds; and (iii) no expense relevant with plant relocation was incurred during the reporting period, while the relocation cost for equipment was recorded in 1H2024 due to the plant relocation.

Other income and gains

The other income and gains of the Group mainly consisted of government grants, interest income, gains and losses on disposal of assets and exchange gains and losses. The amount decreased from approximately RMB3.4 million for 1H2024 to approximately RMB1.6 million for 1H2025, which was mainly attributable to (i) the decrease in government grants of approximately RMB1.0 million as compared with the corresponding period of last year; and (ii) the losses on disposal of assets of approximately RMB0.7 million during the reporting period.

Selling and distribution expenses

The selling and distribution expenses of the Group mainly consisted of staff costs for sales staff and provision for warranty. The selling and distribution expenses of the Group for 1H2025 amounted to approximately RMB2.6 million, representing a decrease of approximately RMB0.9 million or 25.0% as compared with that of approximately RMB3.5 million for 1H2024. Such decrease was mainly due to the decrease in provision for warranty of approximately RMB0.9 million as compared with the corresponding period of last year.

General and administrative expenses

The general and administrative expenses of the Group for 1H2025 amounted to approximately RMB14.1 million, representing an increase of approximately RMB0.2 million or 1.7% as compared with that of approximately RMB13.9 million for 1H2024. The increase was mainly attributable to the net effect of (i) the increase in research and development costs of approximately RMB1.0 million; and (ii) the decrease in depreciation expense of approximately RMB0.6 million as compared with the corresponding period of last year.

Finance costs

The finance costs of the Group mainly consisted of interest expenses on bank borrowings, lease liabilities and discounted note receivable. The amount decreased from approximately RMB0.5 million for 1H2024 to approximately RMB0.4 million for 1H2025. Such decrease was mainly due to the decrease in interest expenses on bank borrowings of approximately RMB0.2 million as compared with the corresponding period of last year.

Income tax expenses and effective tax rate

The income tax expenses of the Group increased from approximately RMB1.3 million for 1H2024 to approximately RMB1.5 million for 1H2025. The effective tax rate, representing income tax expense divided by profit before taxation, were 15.3% and 15.3% for 1H2024 and 1H2025, respectively.

Net profit and net profit margin

The Group recorded net profit attributable to owners of the Company of approximately RMB7.3 million and approximately RMB8.3 million for 1H2024 and 1H2025, with a net profit margin of approximately 6.2% and 7.0%, respectively. The increase in net profit for 1H2025 was mainly due to the combined effects of (i) no expense relevant with plant relocation was incurred during the reporting period, while the relocation cost for equipment was recorded in 1H2024 due to the plant relocation; (ii) the increase in the gross profit generated from the sales of the automotive moulds; (iii) the increase in the impairment provision for finished goods of automotive moulds; (iv) the decrease in other income and gains, net; and (v) the decrease in selling and distribution expenses.

Interim dividends

The Company did not declare any interim dividends during 1H2025.

Liquidity and Financial Resources

The Group's operations were primarily financed through cash generated from its operating activities in 1H2025. The Group derived its cash inflow from operating activities primarily through the receipt of payments from the customers in relation to the sales of moulds and parts processing services. The Group's cash outflows from operating activities primarily comprised payments for purchases of raw materials, direct labour costs, subcontracting fees to third-party contractors and operating expenses such as staff costs.

As at 30 June 2025, the Group's total current assets and current liabilities were approximately RMB523.1 million (31 December 2024: approximately RMB482.3 million) and approximately RMB350.7 million (31 December 2024: approximately RMB313.5 million), respectively, while the current ratio was approximately 1.5 times (31 December 2024: approximately 1.5 times). The increase in total current assets as at 30 June 2025 as compared to that as at 31 December 2024 was mainly due to the net effect of (i) the increase in inventory of finished goods which comprised moulds that had only passed the customers' initial inspection for which the Group had not received their final acceptance reports; and (ii) the decrease in trade and notes receivables. The increase in total current liabilities as at 30 June 2025 as compared to that as at 31 December 2024 was mainly due to the increase in contract liabilities and trade payables.

As at 30 June 2025, the Group had cash and bank balances amounting to approximately RMB34.7 million (31 December 2024: approximately RMB32.4 million), among which restricted bank deposits were approximately RMB1.4 million (31 December 2024: approximately RMB1.4 million).

As at 30 June 2025, the Group's balance of interest-bearing bank and other borrowings were approximately RMB13.4 million (31 December 2024: approximately RMB21.8 million). As a result of the adjustment of the loan prime rate (“**LPR**”) during the reporting period, the Group's loan interest rate was adjusted once during the reporting period. On 1 April 2025, the Group entered into a supplementary agreement for preferential loan interest rates, according to which the interest rate was lowered prospectively for outstanding borrowings from 3.3% to 3.0%. As at 30 June 2025, the Group's gearing ratio was approximately 4.3% (31 December 2024: approximately 6.9%), which was calculated based on interest-bearing liabilities (including lease liabilities) divided by total equity.

Going forward, the Group expects to fund its future operations and expansion plans primarily with cash generated from operations and borrowings.

Reserves and Capital Structure

As at 30 June 2025, the Group's total equity was approximately RMB360.5 million (31 December 2024: approximately RMB356.5 million), which represented share capital of approximately RMB5.8 million (31 December 2024: share capital of approximately RMB5.8 million) and reserves of approximately RMB353.4 million (31 December 2024: approximately RMB349.3 million), treasury shares of approximately RMB0.1 million (31 December 2024: approximately RMB0.1 million) and non-controlling interests of approximately RMB1.3 million (31 December 2024: approximately RMB1.4 million). The increase in total equity was primarily due to the net profit recorded for 1H2025.

Capital Expenditure and Commitments

The Group's capital expenditure in 1H2025 primarily comprised expenditure on plant and equipment and amounted to a total of approximately RMB3.3 million (31 December 2024: approximately RMB35.1 million).

As at 30 June 2025, the Group had no capital commitments (31 December 2024: approximately RMB1.0 million).

Property, Plant and Equipment

The Group's property, plant and equipment mainly comprised buildings, machinery, furniture, fixtures and equipment, leasehold improvements and motor vehicles. As at 30 June 2025, the Group's property, plant and equipment amounted to approximately RMB175.4 million (31 December 2024: approximately RMB184.7 million).

Inventories

The Group's inventories comprised (i) raw materials and low-value consumables used in production; (ii) work-in-progress for products being manufactured in the production plants; and (iii) finished goods which comprised moulds that had only passed the customers' initial inspection for which the Group had not received their final acceptance reports. As at 30 June 2025, the Group's inventories amounted to approximately RMB387.0 million (31 December 2024: approximately RMB329.8 million). Such increase was mainly due to the increase in finished goods of moulds that had only passed the customers' initial inspection for which the Group had not received their final acceptance reports.

Trade and notes receivables

The Group's trade and notes receivables represented amounts receivable from customers in relation to the sales of moulds and parts processing services. The Group's notes receivables were issued by the customers with which the Group could receive the amount at a fixed future date, or could readily be discounted into cash at an expense of finance charge. As at 30 June 2025, the Group's trade and notes receivables amounted to approximately RMB92.8 million (31 December 2024: approximately RMB111.5 million). Such decrease was mainly due to a decrease in the balance amount of notes receivables issued by the customers as of the end of the reporting period as compared with that at the end of last year.

Since the outbreak of COVID-19 in the first half of 2020, the Group had strengthened the internal control measures on its assessment of expected credit losses on trade receivables, reviewed the trade receivables ageing regularly and assessed the customers individually for provision for expected credit loss allowance which take into account the historical settlement pattern, communications with the customers, and evidence from external sources including the relevant public search results relating to the financial circumstances of the relevant customers.

Trade payables

The Group's trade payables primarily consisted of payable to the suppliers in relation to the purchase of the raw materials for the manufacture of moulds, and subcontracting fees payable to third-party contractors. As at 30 June 2025, the Group's trade payables amounted to approximately RMB98.9 million (31 December 2024: approximately RMB84.0 million). Such increase was mainly due to the combined effects of the increase in subcontracting fees payable to third-party contractors incurred in the second quarter of the reporting period as compared with that in the fourth quarter of 2024, and the adjustment in payment terms to raw material suppliers.

Contract liabilities

The Group's contract liabilities consisted of the short-term advances received to deliver moulds. Pursuant to the contract, the Group generally requires the customers to pay around 30% of the total fee when they place a purchase order and around 30% to 50% of the total fee when the moulds have been fabricated and are ready for delivery to the customers. Such payments from the customers were recorded as contract liabilities and the moulds related to these contract liabilities were recorded as work-in-progress for products being manufactured in production plants and finished goods in the Group's inventories.

After the moulds have passed the customers' final inspection and examination, the customers would issue final acceptance reports to the Group, at which time, the Group would recognise the sales and reverse the related contract liabilities and record the remaining balance of around 20% to 40% of the total fee as trade receivables.

As at 30 June 2025, the Group's contract liabilities amounted to approximately RMB197.0 million (31 December 2024: approximately RMB173.9 million), most of which represented payments from the customers for moulds that had passed their initial inspection but for which the Group had not received their final acceptance reports.

EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As at 30 June 2025, the Group had 360 employees (31 December 2024: 362 employees). To promote employees' knowledge and technical expertise, the Group offers training programmes to employees from time to time according to their job duties. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. In addition to basic remuneration, the Group also makes contributions to mandatory social security funds for the benefit of the PRC employees that provide for retirement insurance, medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing funds. The Company also maintains a share option scheme and a share award scheme, which aims to providing incentives to employees to contribute to the Group's development.

The total staff cost including remuneration, other benefits and contributions to retirement schemes for the directors of the Company (the "**Directors**") and other staff of the Group for 1H2025 amounted to approximately RMB25.0 million (1H2024: approximately RMB24.3 million). The increase in staff cost was mainly due to the increase in direct labor cost.

MATERIAL ACQUISITIONS AND DISPOSALS

During 1H2025, the Group had no material acquisitions or disposals of subsidiaries, associated companies or joint ventures.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no material contingent liabilities (as at 31 December 2024: Nil).

PLEDGES OVER GROUP'S ASSETS

In October 2022, the Group entered into a ten-year general facility agreement with a maximum credit limit of RMB80.0 million with Jiangsu Kunshan Rural Commercial Bank Co., Ltd. Zhangpu Sub-branch, which was raised to approximately RMB89.6 million in January 2024. The general facility was secured by the mortgages over the Group's leasehold land with a net carrying value at 30 June 2025 of approximately RMB6.3 million (31 December 2024: approximately RMB6.5 million), together with the plant on the leasehold land with a net carrying value at 30 June 2025 of approximately RMB74.2 million (31 December 2024: approximately RMB75.4 million). As at 30 June 2025, the Group had bank borrowings of approximately RMB13.4 million in aggregate under the general facility agreement, which bear interest at a rate of 3.0% per annum (31 December 2024: 3.3% per annum) and are repayable in December 2025 and June 2026, respectively.

SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments held as at 30 June 2025.

FOREIGN CURRENCY EXPOSURE

Since the Group generated most of the revenue and incurred most of the costs in Renminbi for 1H2025, there was no significant exposure to foreign exchange rate and the Group did not maintain any hedging policy against foreign exchange risk. The management will consider hedging significant currency exposure should the need arise.

USE OF PROCEEDS

The net proceeds (the “**Net Proceeds**”) from the global offering and the listing of the Company shares (the “**Listing**”), after deducting the underwriting fees and other related expenses in connection with the Listing, was approximately HK\$95.6 million. The business objectives, future and planned use of proceeds as stated in the prospectus of the Company dated 17 June 2019 (the “**Prospectus**”) were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus, while the Net Proceeds were applied based on the actual development of the Group’s business and the industry. The Directors regularly evaluate the Group’s business objectives and may change or modify plans against the changing market condition to ascertain the business growth of the Group.

The Board has resolved to change the intended use of the unutilised Net Proceeds. For further details, please refer to the announcement of the Company dated 27 August 2024.

The following table sets out the utilisation of the Net Proceeds as at 30 June 2025:

		Net Proceeds		Utilised	Unutilised	Expected
	Percentage of	from	Revised	up to	as at	timeline for
	Net Proceeds	the global	allocation	30 June 2025	30 June 2025	full utilisation
		offering				
		HK\$' million	HK\$' million	HK\$' million	HK\$' million	
Lease the premises for new factory	4.0%	3.8	–	3.8	–	N/A
General set up costs of the factory	3.2%	3.1	–	2.7	0.4	By the end of 2025
Purchase new production equipment	76.3%	72.9	0.9	73.8	–	N/A
Purchase softwares	6.5%	6.2	(0.9)	5.3	–	N/A
Supplement working capital	10.0%	9.6	–	9.6	–	N/A
	<u>100.0%</u>	<u>95.6</u>	<u>–</u>	<u>95.2</u>	<u>0.4</u>	

The Board considers that the change in intended use of Net Proceeds will allow the Company to deploy its financial resources more effectively and will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders as a whole.

The expected timeline of utilisation of the unutilised Net Proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of the Group’s business and the market conditions.

As at 30 June 2025, the unutilised Net Proceeds of approximately HK\$0.4 million have been placed as interest bearing deposits with a bank in the Mainland of China.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders of the Company, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Listing Rules as the basis of the Company’s corporate governance practices.

The Board is of the view that, during 1H2025 and up to the date of this announcement, the Company has complied with all the code provisions as set out in the CG Code, except for code provision C.2.1 as set out below:

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Group does not have a separate chairman and chief executive officer and Mr. Lin Wan-Yi currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Given that (i) all material decisions are approved by the Board, which currently comprises four executive Directors (including Mr. Lin Wan-Yi), one non-executive Director and three independent non-executive Directors; and (ii) the Directors proactively participate in all the board meetings and the relevant board committee meetings, and the chairman cum chief executive officer ensures all the Directors are duly informed of all the matters to be approved at the meetings, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

The Company has also put in place certain recommended best practices as set out in the CG Code.

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

During 1H2025 and up to the date of this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE

The Company has an Audit Committee with written terms of reference in compliance with Rule 3.22 of the Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. So George Siu Ming, Mr. Lin Lien-Hsing and Mr. Fan Chi Chiu. The Group’s unaudited consolidated interim results for 1H2025 have been reviewed by the Audit Committee. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

Ernst & Young, the Company’s auditor, has reviewed the unaudited consolidated interim results of the Group for 1H2025 in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules and specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code during 1H2025 and up to the date of this announcement.

The Company has also adopted Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Model Code by the employees was noted by the Company during 1H2025 and up to the date of this announcement.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for 1H2025 (for 1H2024: Nil).

By order of the Board
Shinelong Automotive Lightweight Application Limited
Lin Wan-Yi
Chairman and Executive Director

Hong Kong, 26 August 2025

As at the date of this announcement, the Board comprises Mr. Lin Wan-Yi as Chairman and executive director; Mr. Yung Chia-Pu, Mr. Cheng Ching-Long and Mr. Lu Jen-Chieh as executive directors; Ms. Hsieh Pei-Chen as a non-executive director; and Mr. So George Siu Ming, Mr. Lin Lien-Hsing and Mr. Fan Chi Chiu as independent non-executive directors.