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## **FUTURE MACHINE LIMITED**

### **未來機器有限公司**

*(formerly known as “Sprocomm Intelligence Limited”)*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1401)**

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

	<b>Six months ended 30 June</b>	
	<b>2025</b> <b>(Unaudited)</b>	<b>2024</b> <b>(Unaudited)</b>
Revenue ( <i>RMB'000</i> )	<b>1,600,917</b>	1,256,912
Gross profit ( <i>RMB'000</i> )	<b>135,767</b>	109,926
Gross profit margin (%)	<b>8.5</b>	8.7
Net profit for the period ( <i>RMB'000</i> )	<b>11,508</b>	9,222
Earnings per share		
– Basic and diluted ( <i>RMB cents</i> )	<b>1.12</b>	0.99

## **INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Future Machine Limited (the “**Company**”) announces the unaudited interim consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025. These results have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
*FOR THE SIX MONTHS ENDED 30 JUNE 2025*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	4	<b>1,600,917</b>	1,256,912
Cost of sales		<b>(1,465,150)</b>	(1,146,986)
Gross profit		<b>135,767</b>	109,926
Other gains and income	6	<b>33,799</b>	40,978
Selling expenses		<b>(31,987)</b>	(25,091)
Administrative and other expenses		<b>(34,208)</b>	(31,666)
Research and development expenses		<b>(70,240)</b>	(60,167)
Finance costs		<b>(15,925)</b>	(20,800)
<b>Profit before tax</b>		<b>17,206</b>	13,180
Income tax expenses	7	<b>(5,698)</b>	(3,958)
<b>Profit for the period</b>	8	<b>11,508</b>	9,222
Other comprehensive income for the period:			
<i>Item that may be reclassified subsequently to     profit or loss</i>			
Exchange difference arising on translating foreign operations		<b>140</b>	77
<b>Total comprehensive income for the period</b>		<b>11,648</b>	9,299
Profit/(loss) attributable to:			
Owners of the Company		<b>11,209</b>	9,856
Non-controlling interests		<b>299</b>	(634)
		<b>11,508</b>	9,222
Total comprehensive income/(expense) attributable to:			
Owners of the Company		<b>11,343</b>	9,938
Non-controlling interests		<b>305</b>	(639)
		<b>11,648</b>	9,299
Earnings per share			
Basic and diluted ( <i>RMB cents</i> )	10	<b>1.12</b>	0.99

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

		<b>30 June 2025</b>	<b>31 December 2024</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current Assets</b>			
Property, plant and equipment		<b>93,004</b>	97,166
Right-of-use assets		<b>32,461</b>	35,855
Intangible assets		<b>5,158</b>	4,720
Deferred tax asset		<b>2,304</b>	2,966
		<b>132,927</b>	140,707
<b>Current Assets</b>			
Inventories		<b>353,498</b>	326,034
Trade and bills receivables	11	<b>827,663</b>	587,382
Prepayments and other receivables	12	<b>156,900</b>	127,997
Amounts due from shareholders		<b>6,341</b>	6,341
Pledged bank deposits		<b>1,829,266</b>	2,127,302
Bank balances and cash		<b>113,122</b>	79,364
		<b>3,286,790</b>	3,254,420
<b>Current Liabilities</b>			
Trade and bills payables	13	<b>2,641,008</b>	2,708,516
Accruals and other payables		<b>83,974</b>	88,331
Contract liabilities		<b>104,175</b>	23,117
Borrowings		<b>146,846</b>	138,877
Lease liabilities		<b>5,974</b>	5,861
Deferred income		<b>847</b>	850
Income tax payable		<b>2,024</b>	2,277
		<b>2,984,848</b>	2,967,829
<b>Net current assets</b>		<b>301,942</b>	286,591
<b>Total assets less current liabilities</b>		<b>434,869</b>	427,298

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
<b>Non-current liabilities</b>		
Deferred income	3,281	3,705
Deferred tax liability	15,583	14,738
Lease liabilities	30,506	33,504
Borrowings	7,317	8,817
	<u>56,687</u>	<u>60,764</u>
<b>Net assets</b>	<u>378,182</u>	<u>366,534</u>
<b>Capital and Reserves</b>		
Share capital	8,945	8,945
Reserves	370,539	359,196
	<u>379,484</u>	<u>368,141</u>
Equity attributable to owners of the Company	(1,302)	(1,607)
Non-controlling interests		
<b>Total Equity</b>	<u><u>378,182</u></u>	<u><u>366,534</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands as an exempted company with limited liability on 15 August 2018 and its shares have been listed on Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 13 November 2019 (the “**Listing Date**”). The ultimate controlling parties are Mr. Li Chengjun and Mr. Xiong Bin, who are also executive directors of the Company.

The address of the registered office is located in P.O. BOX 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and the principal place of business of the Company is located in 33/F, Building 1, Huaqiang Science and Technology Innovation Plaza, Meilin Street, No. 6018 North Ring Boulevard, Futian District, Shenzhen, China.

The Company is an investment holding company. The principal activities of its subsidiaries are designing, manufacturing and sales of mobile phones, printed circuit board assembly (“**PCBA**”) and Internet of things (“**IoT**”) related products and investment holding.

The condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The condensed consolidated financial statements are presented in RMB which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

### 2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

### 3. PRINCIPAL ACCOUNTING POLICIES

Other than changes in accounting policies resulting from the application of new amendments to Hong Kong Financial Reporting Standards and application of the accounting policies which become relevant to the Group, the accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

#### **Application of new and amendments to Hong Kong Financial Reporting Standards**

In the current interim period, the Group has applied the amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The amendments to HKFRSs in the current interim period did not have material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has not applied any new standards or interpretation that is not yet effective for the current period.

#### 4. REVENUE

Revenue represents revenue arising on sales of goods in the normal course of business, net of discounts and sales related taxes. The Group's revenue for the period is recognised on a point in time basis.

An analysis of revenue from contracts with customer disaggregated by major product types is as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Mobile phones	917,480	799,590
IoT related products	584,650	362,887
Others	98,787	94,435
	<u>1,600,917</u>	<u>1,256,912</u>

#### Transaction price allocated to the remaining performance obligations

The sales contracts are with an original expected duration of less than one year. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price for the performance obligation that is unsatisfied as of the end of respective reporting period.

#### 5. SEGMENT INFORMATION

Information is reported on a regular basis to the executive directors of the Company, being the chief operating decision makers, for their review of the Group's internal reporting in order to assess performance and allocate resource. The Group is principally engaged in designing, manufacturing and sales of mobile phones, PCBA and IoT related products. Information reported to the chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Company as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

#### Geographical information

The Group's operations are mainly located in the People's Republic of China (the "PRC") (the place of domicile of the Group's operation).

Information about the Group's revenue from external customers presented based on the location of customers is as follows:

	<b>Revenue from external customers</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
The PRC	<b>1,111,247</b>	976,650
India	<b>371,844</b>	183,780
Pakistan	<b>5,810</b>	41,480
People's Republic of Bangladesh	<b>16,996</b>	30,463
United States of America	<b>52,453</b>	20,914
Algeria	<b>12,809</b>	3,625
Other regions	<b>29,758</b>	—
	<b>1,600,917</b>	<b>1,256,912</b>

The Group's non-current assets, excluding deferred tax assets, amounted to RMB130,623,000 (31 December 2024: RMB135,741,000), and are all located in the PRC.

## 6. OTHER GAINS AND INCOME

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Bank interest income	<b>17,099</b>	25,323
Gain on reversal of credit loss for trade and bills receivables	<b>2,801</b>	2,541
Government subsidies ( <i>Note</i> )	<b>13,465</b>	8,005
Amortisation of government grants	<b>426</b>	5,010
Sundry income	<b>8</b>	99
	<b>33,799</b>	<b>40,978</b>

*Note:* The government subsidies represent the one-off government grants that were received from local government authorities of which the entitlements were unconditional and were therefore immediately recognised as other income.



## 7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current Tax:		
Hong Kong profits tax	46	1,320
PRC enterprise income tax (“EIT”)	3,212	1,961
Under provision in prior years:		
EIT	933	269
	<u>4,191</u>	<u>3,550</u>
Deferred tax:		
Charge to current period	1,507	408
Income tax expenses	<u>5,698</u>	<u>3,958</u>

## 8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Directors’ emoluments	2,100	1,395
Salaries, allowances and other benefits (excluding directors’ emoluments)	89,253	85,294
Contributions to retirement benefits scheme (excluding directors’ emoluments)	11,155	7,295
Total staff costs	<u>102,508</u>	<u>93,984</u>
Amortisation of intangible assets	611	849
Amount of inventories recognised as an expense	1,465,150	1,146,986
Net foreign exchange losses	1,442	890
Depreciation of property, plant and equipment	8,276	6,894
Depreciation of right-of-use assets	3,384	7,032
Reversal of impairment loss recognised in respect of trade and bills receivables	(2,801)	(2,541)

## 9. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

## 10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Earnings</b>		
Earnings for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	<b>11,209</b>	9,856
<b>Number of shares</b>	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,000,000</b>	1,000,000

### (a) Basic earnings per share

The number of shares used for the purpose of calculating basic earnings per share for the six months ended 30 June 2025 and 2024 is calculated on the basis of the number of ordinary shares of the Company.

### (b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2025 and 2024 was the same as the basic earnings per share as there were no potential ordinary shares in issue for the six months ended 30 June 2025 and 2024.

## 11. TRADE AND BILLS RECEIVABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables	<b>759,055</b>	588,302
Less: Loss allowance	<b>(11,479)</b>	(14,280)
	<b>747,576</b>	574,022
Bills receivables	<b>80,087</b>	13,360
Trade and bills receivables	<b>827,663</b>	587,382

The gross amount of trade and bills receivables arising from contracts with customers amounted to approximately RMB839,142,000 as at 30 June 2025 (31 December 2024: RMB601,662,000).

The Group allows credit period of 90 days to its trade customers depending on creditability of the customers. The Group does not hold any collateral over its trade and bills receivables. An ageing analysis of trade and bills receivables (after loss allowance) based on invoice dates is as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
Within 30 days	<b>516,914</b>	276,611
31 to 60 days	<b>145,017</b>	168,363
61 to 90 days	<b>104,852</b>	73,617
Over 90 days	<b>60,880</b>	68,791
Total	<b>827,663</b>	587,382

No interest is charged on the trade and bills receivables.

## 12. PREPAYMENTS AND OTHER RECEIVABLES

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
Prepayments to suppliers	<b>54,863</b>	45,595
Lease deposits and other deposits	<b>17,761</b>	2,891
VAT recoverable ( <i>Note</i> )	<b>71,658</b>	64,661
Interest receivables	<b>1,154</b>	6,928
Others	<b>11,464</b>	7,922
Total	<b>156,900</b>	127,997

*Note:* VAT recoverable includes the input VAT and prepaid VAT that is expected to be deducted within one year.

As at 30 June 2025 and 31 December 2024, there was no significant impairment for the prepayments and other receivables.

### 13. TRADE AND BILLS PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	672,020	555,359
Bills payables	1,968,988	2,153,157
Trade and bills payables	<u>2,641,008</u>	<u>2,708,516</u>

The following is an ageing analysis of trade payables presented based on invoice date at the end of the reporting period.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 30 days	413,476	324,145
31 to 60 days	192,747	173,950
61 to 90 days	46,658	39,532
Over 90 days	19,140	17,732
Total	<u>672,020</u>	<u>555,359</u>

The average credit period on purchases of goods is ranging from 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is an ageing analysis of bills payables at the end of the reporting period.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 30 days	214,154	484,230
31 to 60 days	487,491	459,996
61 to 90 days	535,445	440,993
Over 90 days	731,898	767,938
Total	<u>1,968,988</u>	<u>2,153,157</u>

All the bills payables of the Group are not yet due at the end of each reporting period. Bills payables as at 30 June 2025 were secured by pledged bank deposit amounts of approximately RMB1,829,266,000 (31 December 2024: RMB2,127,302,000).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS OVERVIEW**

During the six months ended 30 June 2025, the Group, as one of the leading ODM mobile phone suppliers based in China, continued to focus on the research and development, designing, manufacturing and sale of mobile phones, PCBAs for mobile phones and IoT related products, targeting emerging markets.

In the first half of 2025, the Group sustained its strong market position by leveraging a differentiated product portfolio and competitive pricing strategies. The Group secured a higher volume of purchase orders for both smartphones and IoT related products, primarily from its major customers in China and India. This reflects the continued confidence of these customers in the Group's product quality and service standards. Revenue from these two markets increased by 27.8% to RMB1,483.1 million for the six months ended 30 June 2025 from RMB1,160.4 million for the six months ended 30 June 2024.

Overall, the Group delivered satisfactory results for the six months ended 30 June 2025. Revenue increased by approximately 27.4% to RMB1,600.9 million for the six months ended 30 June 2025 from RMB1,256.9 million for the six months ended 30 June 2024. Net profit increased by approximately 25.0% to RMB11.5 million for the six months ended 30 June 2025 from RMB9.2 million for the six months ended 30 June 2024.

### **OUTLOOK AND BUSINESS STRATEGY**

In July 2025, the Company completed the change of name from “Sprocomm Intelligence Limited” to “Future Machine Limited” and adopted the dual foreign name of the Company of “未來機器有限公司”. The short stock name for trading in the securities of the Company on the Stock Exchange also changed from “SPROCOMM INTEL” to “FUTURE MACH LTD” in English and “未來機器有限公司” was adopted as the short stock name in Chinese.

The Board considers that the adoption of the new name, Future Machine Limited, better reflects the direction of the future business plans and development of the Company. The Board also believes that the new name can provide the Company with a new corporate image and identity, which will strengthen its future business development.

Looking ahead, China's ODM mobile phone market is expected to present both challenges and opportunities. The Group is committed to strengthening its market-leading position through the implementation of strategic initiatives aimed at sustaining growth and long-term success. By remaining at the forefront of innovation and proactively anticipating market trends, the Group seeks to capitalise on emerging opportunities while effectively addressing potential challenges.

The Directors believe that the integration of artificial intelligence into smartphones and other devices, coupled with the rapid deployment of 5G telecommunications networks worldwide, will significantly boost demand for smartphones and IoT products. To capture the potential market opportunities and maximise the interests of the Company and its shareholders, the Group will adopt a prudent approach to develop its business, enhance its research and development capability, enrich its product portfolio and increase its sales and marketing effort to diversify its geographical locations.

## FINANCIAL REVIEW

### Revenue

#### *Revenue by product categories*

The Group's product portfolio includes smartphones, feature phones, PCBAs for mobile phones and IoT related products. During the six months ended 30 June 2025, the Group mainly derives its revenue from the sales of smartphones and IoT related products. Set out below is a breakdown of the Group's total revenue by product categories and the revenue generated from each product category as a percentage of total revenue for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>
Mobile phones				
– Smartphones	<b>787,242</b>	<b>49.2</b>	581,705	46.3
– Feature phones	<b>130,238</b>	<b>8.1</b>	217,885	17.3
Sub-total:	<b>917,480</b>	<b>57.3</b>	799,590	63.6
IoT related products	<b>584,650</b>	<b>36.5</b>	362,887	28.9
Others ( <i>Note</i> )	<b>98,787</b>	<b>6.2</b>	94,435	7.5
Total	<b><u>1,600,917</u></b>	<b><u>100</u></b>	<b><u>1,256,912</u></b>	<b><u>100.0</u></b>

*Note:* Others mainly include revenue from the sales of mobile device components used for after sales-services and the provision of research and development and technical services for mobile phones, PCBAs and cloud related products.

The Group's total revenue increased by approximately 27.4% to RMB1,600.9 million for the six months ended 30 June 2025 from RMB1,256.9 million for the six months ended 30 June 2024.

Revenue from mobiles phones increased by 14.7% to RMB917.5 million for the six months ended 30 June 2025 from RMB799.6 million for the six months ended 30 June 2024, primarily attributed to the increase in sales of smartphones to the PRC and India.

Revenue from IoT related products increased by 61.1% to RMB584.7 million for the six months ended 30 June 2025 from RMB362.9 million for the six months ended 30 June 2024, primarily attributed to increase in sales orders for tablets from major customers in the PRC.

### ***Revenue by geographical regions***

The Group's products are mainly sold to emerging markets which have high population and growing demands on mobile phones. Set out below is a breakdown of the Group's total revenue by geographical region and the revenue generated from each region as a percentage of total revenue for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>
<b>Emerging Asia</b>				
The PRC	1,111,247	69.4	976,650	77.7
India	371,844	23.2	183,780	14.6
Pakistan	5,810	0.4	41,480	3.3
People's Republic of Bangladesh	16,996	1.1	30,463	2.4
Sub-total:	1,505,897	94.1	1,232,373	98.0
<b>Other regions</b>				
United States of America	52,453	3.3	20,914	1.7
Algeria	12,809	0.8	3,625	0.3
Others	29,758	1.8	—	—
Sub-total:	95,020	5.9	24,539	2.0
Total	1,600,917	100.0	1,256,912	100.0

Revenue from the PRC increased by 13.8% to RMB1,111.2 million for the six months ended 30 June 2025 from RMB976.7 million for the six months ended 30 June 2024, primarily attributed to increase in sales orders for smartphones and IoT related products, particularly tablets, from major customers in the PRC.

Revenue from India increased by 102.3% to RMB371.8 million for the six months ended 30 June 2025 from RMB183.8 million for the six months ended 30 June 2024, primarily attributed to the increase in demand for smartphones from major customers.

Revenue from Pakistan decreased by 86.0% to RMB5.8 million for the six months ended 30 June 2025 from RMB41.5 million for the six months ended 30 June 2024, primarily attributed to the Group's strategic reallocation of resources to prioritise sales orders from the PRC and India.

Revenue from People's Republic of Bangladesh decreased by 44.3% to RMB17.0 million for the six months ended 30 June 2025 from RMB30.5 million for the six months ended 30 June 2024, primarily attributed to the Group's strategic reallocation of resources to prioritise sales orders from the PRC and India.

Revenue from the United States of America increased by 151.2% to RMB52.5 million for the six months ended 30 June 2025 from RMB20.9 million for the six months ended 30 June 2024, resulting from the Group's strategic marketing initiatives in this country.

Revenue from Algeria increased by 255.6% to RMB12.8 million for the six months ended 30 June 2025 from RMB3.6 million for the six months ended 30 June 2024, primarily attributed to the increase in demand for smartphones.

### **Gross profit and gross profit margin**

Gross profit increased by 23.6% to RMB135.8 million for the six months ended 30 June 2025 from RMB109.9 million for the six months ended 30 June 2024, primarily attributed to the increase in revenue. Gross profit margin remained relatively stable at 8.5% for the six months ended 30 June 2025 as compared with 8.8% for the six months ended 30 June 2024.

### **Other gains and income**

Other gains and income mainly include government subsidies, amortisation of government subsidies, net exchange gain, bank interest income, gain on reversal of credit loss for trade and bills receivables and sundry income. The Group's other gains and income decreased by 17.6% to RMB33.8 million for the six months ended 30 June 2025 from RMB41.0 million for the six months ended 30 June 2024, primarily attributed to the decrease in bank interest income and amortisation of government subsidies, but partially offset by the increase in government subsidies.



## **Selling expenses**

Selling expenses mainly represent transportation and custom declaration expenses, salaries and employee benefits of our sales and marketing staff, marketing expenses, business-related travelling and entertainment expenses. Selling expenses increased by 27.5% to RMB32.0 million for the six months ended 30 June 2025 from RMB25.1 million for the six months ended 30 June 2024, primarily attributed to higher transportation costs, salaries, and marketing expenses aimed at expanding the customer base.

## **Administrative and other expenses**

Administrative and other expenses mainly represent salaries and benefits of our administrative and management staff, depreciation, amortisation of intangible assets, general office expenses, legal and professional fees, rental expenses, insurance expenses, bank charges and other miscellaneous administrative expenses. Administrative and other expenses increased by 7.9% to RMB34.2 million for the six months ended 30 June 2025 from RMB31.7 million for six months ended 30 June 2024, primarily attributed to the increase in exchange losses and general administrative expenses.

## **Research and development expenses**

Research and development expenses increased by 16.6% to RMB70.2 million for the six months ended 30 June 2025 from RMB60.2 million for the six months ended 30 June 2024, primarily driven by higher staff costs and moulding expenses related to research and development activities.

## **Finance costs**

Finance costs mainly represent interests on discounted bills, interest portion of lease liabilities, bank borrowings and factoring loans. The Group's finance costs decreased by 23.6% to RMB15.9 million for the six months ended 30 June 2025 from RMB20.8 million for the six months ended 30 June 2024, primarily attributed to decrease in interest on discounted bills financing and factoring loans.

## **Income tax expenses**

The Group's income tax expenses increased by 42.5% to RMB5.7 million for the six months ended 30 June 2025 from RMB4.0 million for the six months ended 30 June 2024, primarily attributed to the increase in tax assessable profits. The effective income tax rate for the six months ended 30 June 2025 was 33.1% (six months ended 30 June 2024: 30.0%).

## **Profit for the period**

As a result of the above factors, the Group recorded a net profit of RMB11.5 million for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB9.2 million).

## **Dividend**

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

## **Right-of-use assets**

As at 30 June 2025, the Group's right-of-use assets amounted to RMB32.5 million (31 December 2024: RMB35.9 million). The decrease was primarily attributed to the depreciation recognised during the six months ended 30 June 2025.

## **Trade and bills receivables**

As at 30 June 2025, the Group's trade and bills receivables amounted to RMB827.7 million (31 December 2024: RMB587.4 million). The Group generally grants credit period of 90 days to its customers and allows its PRC customers to settle their purchases by way of bills with maturity period ranging from three to seven months.

In order to minimise credit risk, the Group carefully assesses the background information and credit worthiness of its customers before it decides to grant them credit periods. Further, the Group also closely monitors the payment record of its customers and regularly reviews the credit terms granted to them. The Group's credit assessment is based on various factors, including but not limited to the financial strength, size of the business and payment history of customers and length of their business relationship with the Group.

The increase in the Group's trade and bills receivables as at 30 June 2025 was primarily attributed to increased sales during the six months ended 30 June 2025. Based on the dates of the relevant sales invoices, 92.6% of the Group's trade and bills receivables as at 30 June 2025 aged within 90 days and the Group did not notice any substantial long outstanding balances.

## **Prepayments and other receivables**

As at 30 June 2025, the Group's prepayments and other receivables amounted to RMB156.9 million (31 December 2024: RMB128.0 million). The increase was primarily attributed to (i) higher prepayments to suppliers for raw materials in response to growing customer demand for the Group's products; (ii) an increase in deposits; and (iii) an increase in VAT recoverable.

## **Trade and bills payables**

As at 30 June 2025, the Group's trade and bills payables amounted to RMB2,641.0 million (31 December 2024: RMB2,708.5 million). Suppliers generally grant the Group credit period ranging from 30 to 60 days, with certain suppliers require the Group to make advance payment before product delivery. The decrease in the Group's trade and bills payables as at 30 June 2025 was attributed to the settlements made by the Group to its suppliers. The Group has financial risk management policies in place to ensure that all payables are settled within

the credit timeframe. Certain suppliers allow the Group to settle its purchases by way of bank acceptance bills and the Group may also endorse certain bills receivables to its suppliers in order to settle the trade payable due to them.

## **CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING**

The Company's shares were successfully listed on the Main Board of the Stock Exchange on 13 November 2019. There has been no change in the capital structure of the Group since then. The Group mainly funds its business and working capital requirements by using a balanced mix of internal resources and borrowings.

The funding mix will be adjusted depending on the costs of funding and the actual needs of the Group. As at 30 June 2025, the Group had net current assets of RMB301.9 million (31 December 2024: RMB286.6 million), cash and cash equivalents amounted to RMB113.1 million (31 December 2024: RMB79.4 million), pledged bank deposits of RMB1,829.3 million (31 December 2024: RMB2,127.3 million) and borrowings amounted to RMB154.2 million (31 December 2024: RMB147.7 million). The Group's cash and cash equivalents and borrowings as at 30 June 2025 were mainly denominated in RMB. As at 30 June 2025, the Group had borrowings of RMB70.0 million (31 December 2024: RMB122.9 million) subject to fixed interest rates and borrowings of RMB84.2 million (31 December 2024: RMB24.8 million) subject to variable interest rates. As at 30 June 2025, the Group had a current ratio of 1.1 times (31 December 2024: 1.1 times) and gearing ratio of 0.4 (calculated by dividing total debt by total equity) (31 December 2024: 0.4).

As at 30 June 2025, the Group's unutilised borrowing facilities amounted to RMB205.1 million (31 December 2024: RMB162.7 million).

## **CAPITAL EXPENDITURE**

For the six months ended 30 June 2025, the Group incurred cash flows on capital expenditures for the purchase of properties, plant and equipment in the amount of RMB4.2 million (six months ended 30 June 2024: RMB9.5 million); and intangible assets in the amount of RMB1.0 million (six months ended 30 June 2024: nil).

## **CAPITAL COMMITMENTS**

As at 30 June 2025, the Group did not have capital commitments (31 December 2024: nil).

## **CONTINGENT LIABILITIES**

As at 30 June 2025, the Group did not have any material contingent liabilities or guarantees (31 December 2024: nil).

## **PLEDGE OF ASSETS**

As at 30 June 2025, the Group pledged trade and bills receivables with carrying amount of RMB73.6 million (31 December 2024: RMB5.1 million), bank deposits with carrying amount of RMB1,829.3 million (31 December 2024: RMB2,127.3 million) and land and building with carrying amount of RMB43.0 million (31 December 2024: RMB44.6 million) to secure its borrowings and banking facilities.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the six months ended 30 June 2025 and 2024, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

## **SIGNIFICANT INVESTMENTS HELD BY THE GROUP**

Saved as disclosed herein, the Group did not make any other significant investments during the six months ended 30 June 2025.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

To further enhance the value the Group and its shareholders, the Group will consider potential investment opportunities when they arise. Saved as disclosed herein, the Group did not have any future plans for material investments and capital assets during the six months ended 30 June 2025.

## **FOREIGN EXCHANGE RISKS**

For the six months ended 30 June 2025, the Group derived 30.6% (2024: 22.3%) of its total revenue from export sales and these export sales were principally denominated in USD. As at 30 June 2025, the Group had USD-denominated monetary assets with carrying amount of RMB203.1 million (31 December 2024: RMB142.7 million) and USD-denominated monetary liabilities of RMB144.5 million (31 December 2024: RMB109.4 million). The Group is exposed to foreign exchange risk arising from its export sales, monetary assets and liabilities denominated in foreign currencies. During the six months ended 30 June 2025, the Group entered into USD/HKD foreign currency forward contracts with bank in the PRC to hedge against foreign currency risk arising from USD-denominated sales transactions. Management of the Group regularly reviews the impact of exchange risk exposure on the Group's financial performance and may use foreign exchange hedging instruments to reduce the Group's exchange risk exposure if appropriate.

## EMPLOYEES, REMUNERATION POLICY AND TRAINING

As at 30 June 2025, the Group had approximately 1,509 employees (31 December 2024: 1,414 employees), whose remunerations and benefits are determined based on market rates, government policies and individual performance. For the six months ended 30 June 2025, the Group's total staff costs amounted to RMB102.5 million (2024: RMB94.0 million). To provide incentives or rewards to its employees, the Company adopted a share option scheme, particulars of which are set out in the section headed "Share option scheme" in this announcement. The Group provides comprehensive training and development opportunities to its employees on a regular basis. The trainings are arranged according to needs of employees, which are identified annually by individual departments.

## OTHER INFORMATION

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

As at 30 June 2025, interests and short positions of the Directors and chief executive of the Company in the shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction By Directors of Listed Issuers (the "Model Code") are as follows:

#### Interest in the Company

Name of Director	Capacity/nature of interest	Number of shares/underlying shares held (Note 1)	Percentage of shareholding in the Company (Approximate)
Mr. Li Chengjun (Note 2)	Founder of a discretionary trust	204,967,204 (L)	20.5%
Mr. Xiong Bin (Note 3)	Founder of a discretionary trust	140,032,256 (L)	14.0%

Notes:

1. The letter "L" denotes long position of the shares.
2. Leap Elite Limited is legally owned as to 100% by Mr. Li Chengjun for the benefit of the beneficiaries of the family trust found by himself. Accordingly, Mr. Li Chengjun is deemed to be interested in the shares held by Leap Elite Limited pursuant to the SFO.

- Beyond Innovation Limited is legally owned as to 100% by Mr. Xiong Bin for the benefit of the beneficiaries of the family trust found by himself. Accordingly, Mr. Xiong Bin is deemed to be interested in the shares held by Beyond Innovation Limited pursuant to the SFO.

Save as disclosed above, none of the Directors or chief executive of the Company had registered any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations as at 30 June 2025, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

## ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Saved as disclosed in this announcement, at no time during the six months ended 30 June 2025 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, as at 30 June 2025, the following corporation/persons (other than the interests of the Directors or chief executives of the Company as disclosed above) had interests of 5% or more in the issued shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/nature of interest	Number of shares held (Note 1)	Percentage of shareholding in the Company (Approximate)
Leap Elite Limited	Beneficial owner	204,967,204 (L)	20.5%
Beyond Innovation Limited	Beneficial owner	140,032,256 (L)	14.0%
Ms. Sui Rongmei (Note 2)	Interest of spouse	204,967,204 (L)	20.5%
Ms. Yan Xue (Note 3)	Interest of spouse	140,032,256 (L)	14.0%

Notes:

- The letter "L" denotes long position of the shares.
- Ms. Sui Rongmei is the spouse of Mr. Li Chengjun. By virtue of the SFO, she is deemed to be interested in the same number of shares held by Mr. Li Chengjun.
- Ms. Yan Xue is the spouse of Mr. Xiong Bin. By virtue of the SFO, she is deemed to be interested in the same number of shares held by Mr. Xiong Bin.

Save as disclosed above, as at 30 June 2025, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares if any) for the six months ended 30 June 2025.

As at 30 June 2025, the Company did not hold any treasury shares.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

Apart from the Group's business, none of the Directors or any of their respective close associates was engaged in or had any interest in any business that competes or may compete with the principal business of the Group, which would require disclosure under Rule 8.10 of the Listing Rules, or has any other conflict of interest with the Group during the six months ended 30 June 2025 and up to the date of this announcement.

## **SHARE OPTION SCHEME**

The Company conditionally adopted a share option scheme (the "**Share Option Scheme**") on 18 October 2019 ("**Adoption Date**"), which became effective on 13 November 2019. The purpose of which is to motivate the eligible participants to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

The eligible participants include any full-time or part-time employees, executives or officers, directors, advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries; and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group.

Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the shares in issue as at 13 November 2019 (i.e. 100,000,000 shares) unless approved by the shareholders of the Company.



Unless approved by shareholders of the Company in general meeting in the manner stipulated in The Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the maximum entitlement for each eligible participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the total number of shares in issue as at the date of grant.

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the options duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The minimum period for which an option must be held before it can be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted.

The exercise price of share option granted under the Share Option Scheme shall be a price solely determined by the Board and shall be at least highest of: (a) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant of the option; (b) the average of the closing prices of the shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (c) the nominal value of a share.

Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the Adoption Date. As at 30 June 2025, the remaining life of the Share Option Scheme is approximately four years and 3.5 months.

For further details on the principal terms of the Share Option Scheme, please refer to the paragraph headed “Statutory and General Information – Other Information – 1. Share Option Scheme” in Appendix IV to the Prospectus.

As at 1 January 2025 and 30 June 2025, the number of share options available for grant under the Share Option Scheme was 100,000,000 and 100,000,000, respectively. During the six months ended 30 June 2025, no share options were granted, exercised, cancelled or lapsed.

## **AUDIT COMMITTEE**

The Company’s interim results for the six months ended 30 June 2025 have been reviewed by the Audit Committee and the Audit Committee have also discussed the related financial matters with the Board.



## **INTERIM DIVIDEND**

The Board does not recommend the payment of dividend for the six months ended 30 June 2025.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. All Directors of the Company have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code during the six months ended 30 June 2025 and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

The Company has adopted a set of corporate governance practices which aligns with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules since the Listing Date. Except for code provision C.2.1, the Company has complied with the code provisions set out in the CG Code for the six months ended 30 June 2025.

Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current organisation structure of the Company, Mr. Li Chengjun is the Group's chief executive officer, and he also performs as the chairman of the Board as he has considerable experience in the mobile communication industry. The Board believes that vesting the roles of both the chairman of our Board and the 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 of the Group.

Although Mr. Li Chengjun performs both the roles of chairman of the board and chief executive officer, the division of responsibilities between the chairman of the board and chief executive officer is clearly established. In general, the chairman of the board is responsible for supervising the functions and performance of the Board, while the chief executive officer is responsible for the management of the Group's businesses. The two roles are performed by Mr. Li Chengjun distinctly. Further, the current structure does not impair the balance of power and authority between the Board and management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors.

## **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued shares during the six months ended 30 June 2025 and up to the date of this announcement.

## **EVENT AFTER THE REPORTING PERIOD**

In July 2025, the Company completed the change of name from “Sprocomm Intelligence Limited” to “Future Machine Limited” and adopted the dual foreign name of the Company of “未來機器有限公司”. The short stock name for trading in the securities of the Company on the Stock Exchange also changed from “SPROCOMM INTEL” to “FUTURE MACH LTD” in English and “未來機器有限公司” was adopted as the short stock name in Chinese. For details, please refer to the Company’s announcements dated 23 April 2025, 30 May 2025 and 14 July 2025 and the Company’s circular dated 29 April 2025.

In July 2025, the Company proposed rights issue of 500,000,000 rights shares (the “**Rights Issue**”) on the basis of one (1) rights share for every two (2) shares held on the record date on a non-underwritten basis, at the subscription price of HK\$0.28 per rights share, to raise gross proceeds of up to approximately HK\$140 million before expenses. For details, please refer to the Company’s announcement on 23 July 2025, 7 August 2025 and 21 August 2025.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.sprocomm.com](http://www.sprocomm.com)). The interim report of the Company for the six months ended 30 June 2025 will be dispatched (if requested by Shareholder(s)) to shareholders of the Company and published on the aforementioned websites in due course.

By order of the Board  
**Future Machine Limited**  
**Mr. Li Chengjun**  
*Chairman*

Hong Kong, 28 August 2025

*As at the date of this announcement, the executive Directors are Mr. LI Chengjun, Mr. XIONG Bin, Mr. WEN Chuanchuan, Mr. GUO Qinglin, Mr. HE Wenyuan and Mr. CHAN Hoi Shu, and the independent non-executive Directors are Mr. HUNG Wai Man, Mr. WONG Kwan Kit, Mr. LU Brian Yong Chen, Mr. CHING Khei Cheong Christopher and Ms. WANG Huihui.*