



# Zhengwei Group Holdings Company Limited

## 正味集团控股有限公司

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

Stock Code: 2147



**2024**  
SECOND  
INTERIM REPORT



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Yang Shengyao (*Chairman and Chief Executive Officer*)  
Ms. Lin Qiuyun  
Mr. Li Hui (*resigned with effect from 30 June 2024*)

### Independent Non-Executive Directors

Mr. Li Taihong (*resigned on 29 February 2024*)  
Mr. Lau Jing Yeung William (*resigned on 10 October 2024*)  
Mr. Lee Kwok Tung Louis (*resigned on 29 February 2024*)  
Mr. Hu Ruiwo (*appointed on 29 February 2024*)  
Mr. Ye Sangzhi (*appointed on 29 February 2024*)  
Mr. Yu Chi Kit (*appointed on 15 January 2025*)

## AUTHORISED REPRESENTATIVES

Mr. Yang Shengyao  
Mr. Chan Ngai Fan

## COMPANY SECRETARY

Mr. Chan Ngai Fan

## AUDIT COMMITTEE

Mr. Lau Jing Yeung William (*Chairman*)  
(*resigned on 10 October 2024*)  
Mr. Yu Chi Kit (*Chairman*) (*appointed on 15 January 2025*)  
Mr. Li Taihong (*resigned on 29 February 2024*)  
Mr. Lee Kwok Tung Louis (*resigned on 29 February 2024*)  
Mr. Hu Ruiwo (*appointed on 29 February 2024*)  
Mr. Ye Sangzhi (*appointed on 29 February 2024*)

## REMUNERATION COMMITTEE

Mr. Li Taihong (*Chairman*) (*resigned on 29 February 2024*)  
Mr. Hu Ruiwo (*Chairman*) (*appointed on 29 February 2024*)  
Mr. Yang Shengyao (*ceased to be a member of the remuneration committee with effect from 10 October 2024*)  
Mr. Lau Jing Yeung William (*resigned on 10 October 2024*)  
Mr. Ye Sangzhi (*appointed as a member of remuneration committee with effect from 10 October 2024*)  
Mr. Yu Chi Kit (*appointed on 15 January 2025*)

## NOMINATION COMMITTEE

Mr. Li Taihong (*Chairman*) (*resigned on 29 February 2024*)  
Mr. Hu Ruiwo (*Chairman*) (*appointed on 29 February 2024*)  
Mr. Yang Shengyao (*ceased to be a member of the nomination committee with effect from 10 October 2024*)  
Mr. Lau Jing Yeung William (*resigned on 10 October 2024*)  
Mr. Ye Sangzhi (*appointed as a member of nomination committee with effect from 10 October 2024*)  
Mr. Yu Chi Kit (*appointed on 15 January 2025*)

## REGISTERED OFFICE

71 Fort Street  
PO Box 500, George Town  
Grand Cayman KY1-1106  
Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN PRC

487 Yuhu Road  
Xiaolan Economic Development and Technology Zone  
Nanchang  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 12, 12/F Tower A, New Mandarin Plaza  
No. 14 Science Museum Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

## AUDITOR

### SFAI (HK) CPA Limited

*Certified Public Accountants*  
Room 2702, 27/F, Wu Chung House  
213 Queen's Road East  
Wanchai  
Hong Kong

## CORPORATE INFORMATION

### LEGAL ADVISOR AS TO HONG KONG LAW

#### **Bird & Bird**

6/F, The Annex, Central Plaza  
Wanchai, 18 Harbour Road  
Hong Kong

### COMPLIANCE ADVISOR

#### **Grand Moore Capital Limited**

21/F, No. 88 Lockhart Road  
Wanchai  
Hong Kong

### CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

#### **Appleby Global Services (Cayman) Limited**

71 Fort Street  
PO Box 500, George Town  
Grand Cayman KY1-1106  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

#### **Computershare Hong Kong Investor Services Limited**

17M Floor  
Hopewell Centre, 183 Queen's Road East  
Wan Chai, Hong Kong

### PRINCIPAL BANKER

#### **Jiangxi Bank Co., Ltd. (Nanchang Tielu Branch)**

96 Zhanqian Road, Xihu District  
Nanchang City, Jiangxi Province  
PRC

### STOCK CODE

2147

### COMPANY'S WEBSITE

[www.zhengwei100.com](http://www.zhengwei100.com)

# MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Zhengwei Group Holdings Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the twelve months ended 31 December 2024 (the “**Reporting Period**”), together with comparative figures for the corresponding period in 2023 (the “**Previous Period**”) as set out below:

## CHANGE OF FINANCIAL YEAR END DATE

As disclosed in the Company’s announcement dated 15 November 2024, the Board resolved to change the financial year end date of the Company from 31 December to 30 June. Accordingly, the next financial year end date of the Company will be 30 June 2025 and the next audited consolidated financial statements of the Group to be published will cover the period of 18 months commencing on 1 January 2024 and ending on 30 June 2025. Please refer to the above announcement for details.

## BUSINESS REVIEW

The Group mainly produces, and to a lesser extent trade, dried food products and snacks in Jiangxi Province in the PRC, and to a lesser extent, Sichuan Province and Hubei Province in the PRC.

### Manufacturing business

For the manufacturing business, the Group produces and sells a variety of (i) snacks (including vegetable snacks and meat snacks) such as bamboo shoots crisps and roasted duck necks; and (ii) packaged dried food products such as fungi, dried aquatic products, algae, grains and seasonings in the PRC. The Group generally (i) sources raw materials from its suppliers; (ii) processes the raw materials and package products at its own production facilities; and (iii) sells the products under the Group’s own “Shengyao (聲耀)” and “Ganweifang (贛味坊)” brands to customers including retailers such as supermarkets and grocery stores, corporate customers and other individual customers in the PRC as well as e-commerce channel on Tmall.com.

### Trading business

For the trading business, the Group purchases dried candied fruit, nuts and other products in bulk from suppliers and sell to retailers and corporate customers without further processing in the PRC.

### Sales channels and customer base

Having over 20 years of history and experience in dried food production and the continuous commitment and effort in maintaining high quality product and emphasis on food safety, the Group has established a solid customer base, including retailers such as supermarkets and grocery stores, corporate customers and other individual customers. Some of the Group’s products are sold at concessionary counters in supermarkets where the promoters will promote and interact face-to-face with end consumers to provide useful product information tailored to the interests and needs of individual consumers. During the Reporting Period, the Group’s products were mainly sold and delivered to customers located in Jiangxi Province, Hubei Province, Zhejiang Province and Sichuan Province in the PRC.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Production facilities

As at the date of this interim report, the Group has two production facilities in Nanchang and Guangchang, namely the Nanchang plant (the “**Nanchang Plant**”) and the Guangchang plant (the “**Guangchang Plant**”), in Jiangxi Province, the PRC. The Nanchang Plant is specialised in the processing and packaging of dried food products and the Guangchang Plant is equipped with cooking equipment which is dedicated for the production of snacks.

### PROSPECT

As consumers are constantly evolving with their tastes and preferences, the Group will continuously develop and introduce new snack products to keep up with consumer trends. The Group will conduct internal research on popularity of different snacks products and obtain feedback from its retailer customers on acceptance of new flavours and purchase pattern of end consumers in the market. The Group intends to introduce new vegetable snacks such as mushrooms, and new meat snacks such as boneless chicken feet, beef jerky, pork trotters, quail eggs and quail meat snacks. With the long-term and established relationship with the Group’s retailer customers, the Directors consider that the Group already has established stable sales channels to sell and market new snack products readily.

In the future, the Group will continue to enhance marketing efforts and expand sales channels to maximise the exposure of its own brands and the accessibility of products to end consumers across the PRC in order to maximise returns for shareholders. In particular, the Group intends to (i) expand sales network and concessionary counter network in supermarkets in Southwestern China, in particular, in Sichuan Province, the PRC; (ii) strengthen marketing and promotional efforts in cooperation with supermarket chain customers; and (iii) expand marketing efforts by advertising snacks products through traditional media such as television and commercial broadcasts, at high-traffic locations and social media platforms such as WeChat.

### FINANCIAL REVIEW

#### Revenue

During the Reporting Period, the revenue of the Group mainly represented (i) the sales from manufacturing of snacks and dried food products; and (ii) the sales from trading of snacks and dried food products.

During the Reporting Period, the Group recorded a total revenue of approximately RMB598.1 million, representing an increase of approximately 34.3% from approximately RMB445.2 million for the Previous Period. Such increase was mainly attributable to the increase in sales of dried delicacies and seasonings and others.

#### Cost of sales

The cost of sales of the Group mainly comprised of (i) direct materials costs; (ii) production costs; (iii) direct labour costs; and (iv) others.

For the Reporting Period, the Group’s cost of sales was approximately RMB588.6 million, representing an increase of approximately 97.5% from approximately RMB298.0 million for the Previous Period. Such increase was mainly due to the increase in direct material costs.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Gross profit and gross profit margin

For the Reporting Period, the Group recorded (i) a gross profit of approximately RMB9.4 million, representing a decrease of approximately 93.6% from approximately RMB147.3 million for the Previous Period; and (ii) a gross profit margin of approximately 1.6%, representing a decrease of 31.5 percentage points from approximately 33.1% for the Previous Period. The decrease in gross profit and gross profit margin was mainly due to the increase in direct material costs resulting in the increase in cost of sales outweighing the increase in revenue.

### Other revenue

Other revenue mainly comprised government grants, interest income from bank deposits and rental income. Government grants were one-off in nature and mainly represented grants received from the PRC local government authority as subsidies to the Group.

Other revenue of the Group decreased from approximately RMB6.4 million for the Previous Period to approximately RMB4.2 million for the Reporting Period, which was mainly attributable to the decrease in government grant.

### Other gains and losses

Other gains and losses of the Group amounted a loss of approximately RMB6.8 million for the Reporting Period as compared to a loss of RMB164,000 for the Previous Period. Such change was mainly due to the loss on disposal on property, plant and equipment.

### Distribution and selling expenses

The distribution and selling expenses of the Group decreased from approximately RMB32.8 million for the Previous Period to approximately RMB9.0 million for the Reporting Period.

### Administrative expenses

Administrative expenses mainly comprised of research and development, staff cost, legal and professional expenses, depreciation and amortization, other taxes, entertainment and transportation expenses, office expenses and others. The administrative expenses of the Group decreased from approximately RMB36.6 million for the Previous Period to approximately RMB31.4 million for the Reporting Period.

### Income tax expense

The income tax expenses of the Group increased from approximately RMB9.2 million for the Previous Period to approximately RMB19.8 million for the Reporting Period. Such increase was due to the increase in taxable income of a subsidiary of the Company.

### Net loss for the Reporting Period

The Group's net loss for the Reporting Period was approximately RMB53.6 million, as compared to a net profit of approximately RMB67.5 million in the Previous Period. The turnaround of profitability for the Reporting Period was mainly due to the significant increase in direct material costs resulting in the significant increase in cost of sales outweighing the increase in revenue.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Net current assets

The net current assets of the Group decreased from approximately RMB311.8 million as at 31 December 2023 to approximately RMB304.9 million as at 31 December 2024.

### Liquidity and capital resources

To manage liquidity risk, the Board closely monitors the Group's liquidity position and its compliance with lending covenants in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet its liquidity requirements in the short and long term.

	During the Reporting Period RMB'000 (Unaudited)	During the Previous Period RMB'000 (Audited)
Net cash (used in)/generated from operating activities	(59,794)	36,595
Net cash generated from/(used in) investing activities	1,171	(79,909)
Net cash generated from financing activities	9,981	85,669
Net (decrease)/increase in cash and cash equivalents	(48,642)	42,355

As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately RMB150.5 million, representing a decrease of approximately 24.4% from approximately RMB199.2 million as at 31 December 2023.

### Gearing ratio

As at 31 December 2024, the Group had no borrowings (as at 31 December 2023: approximately RMB18,199,000). Accordingly, the gearing ratio was not applicable as at 31 December 2024 (as at 31 December 2023: approximately 4.0%).

### Significant investment held

As at 31 December 2024, the Group had no significant investment with the fair value accounted for more than 5% of the Group's total assets.

### Future plans for significant investments or capital assets

As at 31 December 2024, the Group had no future plans for significant investments or acquisitions of capital assets.

### Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group had no material acquisition or disposal of subsidiaries, associates and joint ventures for the Reporting Period.

### Capital commitments and contingent liabilities

As at 31 December 2024, the Group had no significant capital commitments or contingent liabilities.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Foreign exchange risks

During the Reporting Period, the Group had not adopted any foreign currency hedging policy. However, our management will regularly monitor foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

### Placing of new shares under general mandate

On 14 May 2024, the Company entered into a placing agreement (the “**Matrix Placing Agreement**”) with Matrix Securities Limited (“**Matrix**”) pursuant to which the Company appointed Matrix as its agent to procure not less than six placees to subscribe up to 160,000,000 new ordinary shares (“**Share(s)**”) of the Company (the “**First Batch of Placing Share(s)**”) at an issue price of HK\$0.138 per Share on a best effort basis on the terms and subject to the condition of the Matrix Placing Agreement (the “**First Placing**”). The price of HK\$0.138 per First Batch of Placing Share was determined after arm’s length negotiations between the Company and Matrix with reference to the prevailing market price of the Shares on the Stock Exchange. The placing price represents: (a) a discount of approximately 4.83% to the closing price of HK\$0.145 per Share as quoted on the Stock Exchange on 14 May 2024, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of the announcement dated 14 May 2024 (the “**Last Trading Day of the First Placing**”); and (b) a discount of approximately 4.83% to the average closing price of HK\$0.145 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day of the First Placing. The net price per First Batch of Placing Share is approximately HK\$0.1295.

The Directors consider that the First Placing offers a good opportunity to raise further capital of the Company thereby increasing the liquidity of the Shares as well as to strengthen the financial position of the Group.

On 5 June 2024, the Company completed the First Placing to allot and issue the First Batch of Placing Shares at HK\$0.138 each in accordance with the terms and conditions of the Matrix Placing Agreement. The net proceeds from the First Placing (the “**First Placing Proceeds**”) were approximately HK\$20.8 million. As at 31 December 2024, the Company has fully utilised the First Placing Proceeds according to the use of proceeds as disclosed in the announcement of the Company dated 14 May 2024:

	As at 31 December 2024 HK\$’000
The First Placing Proceeds	20,800
Less: Utilised for the general working capital of the Group	20,800
Unutilised proceeds	–

There are no unutilised proceeds from the First Placing as at the date of this interim report.

Details of the First Placing were disclosed in the announcements of the Company dated 14 May 2024 and 23 May 2024.

The total issued Shares as at 31 December 2024 were 960,000,000 Shares.

## MANAGEMENT DISCUSSION AND ANALYSIS

On 18 November 2024, the Company entered into a placing agreement (the “**CNI Placing Agreement**”) with CNI Securities Group Limited (“**CNI**”) pursuant to which the Company appointed CNI as its agent to procure not less than six placees to subscribe up to 160,000,000 new Shares (the “**Second Batch of Placing Share(s)**”) at a price of HK\$0.038 per Share on a best effort basis on the terms and subject to the condition of the CNI Placing Agreement (the “**Second Placing**”).

The price of HK\$0.038 per Second Batch of Placing Share was determined after arm’s length negotiations between the Company and CNI with reference to, among other things, the prevailing market price of the Shares and the liquidity of the Shares on the Stock Exchange. The placing price represents: (a) a discount of approximately 19.15% to the closing price of HK\$0.047 per Share as quoted on the Stock Exchange on 18 November 2024, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of the announcement dated 18 November 2024 (the “**Last Trading Day of the Second Placing**”); and (b) a discount of approximately 11.21% to the average closing price of HK\$0.0428 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day of the Second Placing. The net price per Second Batch of Placing Share is approximately HK\$0.036.

The Directors are of the view that the Second Placing can strengthen the financial position of the Group and provide additional working capital to the Group to meet any future development and obligations. The Second Placing also represents good opportunities to broaden the shareholders’ base and the capital base of the Company.

On 6 January 2025, the Company completed the Second Placing to allot and issue the Second Batch of Placing Shares at HK\$0.038 each in accordance with the terms and conditions of the CNI Placing Agreement. The net proceeds from the Second Placing (the “**Second Placing Proceeds**”) were approximately HK\$5.76 million. As at the date of this interim report (i.e. 28 February 2025), the Company has fully utilised the Second Placing Proceeds according to the use of proceeds as disclosed in the announcement of the Company dated 18 November 2024:

	<b>As at 28 February 2025 HK\$’000</b>
The Second Placing Proceeds	5,760
Less: Utilised for the general working capital of the Group	5,760
Unutilised proceeds	–

There are no unutilised proceeds from the Second Placing as at the date of this interim report.

Details of the Second Placing were disclosed in the announcements of the Company dated 18 November 2024 and 9 December 2024.

The total issued Shares as at the date of this interim report are 1,120,000,000 Shares.

## EMPLOYEES AND REMUNERATION

As at 31 December 2024, the Group had a total of 123 employees, where there were a total of 755 employees in the Group as at 31 December 2023. The increase in the number of employees of the Group was due to the corresponding increase in sales and the need for more production staff in the Group’s factories. The Group’s remuneration policies were determined with reference to the performance, qualification and experience of individual employee, as well as the results of the Group and the market condition. The Group contributed in respect of our employees in the PRC social security funds including, pension insurance, medical insurance, unemployment insurance, occupational injury insurance, insurance for maternity leave and housing provident fund contributions as required under the PRC laws and regulations.

## OTHER INFORMATION

### DISCLOSURE OF INTERESTS

As at 31 December 2024, the interests and short positions of Directors and the chief executive of the Company in the Shares, underlying Shares, equity derivatives and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)) as recorded in the register required to be kept under section 336 and 352 of the SFO, or as notified the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), are as follows:

#### Director’s interest in the Company

Name of Director	Capacity/nature	Number of Shares held/ interested in	Long/short position	Approximate percentage of shareholding as at 31 December 2024 <sup>(1)</sup>
Mr. Yang Shengyao (“Mr. Yang”)	Interest in a controlled corporation	190,207,478 <sup>(2)</sup>	Long	19.81%
	Interest in a controlled corporation	93,080,255 <sup>(3)</sup>	Long	9.70%
Ms. Lin Qiuyun (“Ms. Lin”)	Interest of spouse	1,174 <sup>(5)</sup>	Long	0.00%
	Interest in a controlled corporation	1,174 <sup>(4)</sup>	Long	0.00%
	Interest of spouse	283,287,733 <sup>(5)</sup>	Long	29.51%

Notes:

- (1) The percentage of shareholding is calculated on the basis of the Company’s issued share capital of 960,000,000 Shares as at 31 December 2024.
- (2) The Company is held as to approximately 19.81% by Shengyao Investment Group Limited (“Shengyao Investment”). The issued share capital of Shengyao Investment is ultimately wholly owned by Mr. Yang. Therefore, Mr. Yang is deemed, or taken to be, interested in all the Shares held by Shengyao Investment for the purpose of the SFO.
- (3) The Company is held as to approximately 9.70% by Prosperous Season Group Limited (“Prosperous Season”). The issued share capital of Prosperous Season is wholly owned by Nanchang Tongli Enterprise Management Center (Limited Partnership) (“Nanchang Tongli LP”), which is a limited partnership established in the PRC managed and controlled by Mr. Yang as the general partner. Accordingly, Mr. Yang is deemed, or taken to be, interested in all the Shares held by Prosperous Season for the purpose of the SFO.
- (4) Trendy Peak International Limited (“Trendy Peak”) beneficially holds 1,174 Shares of the Company. The issued share capital of Trendy Peak is ultimately wholly owned by Ms. Lin. Therefore, Ms. Lin is deemed, or taken to be, interested in all the Shares held by Trendy Peak for the purpose of the SFO.
- (5) Mr. Yang and Ms. Lin are spouses. Under the SFO, each of Mr. Yang and Ms. Lin is deemed to be interested in the Shares that the other person is interested in.



## OTHER INFORMATION

Save as disclosed above, as at 31 December 2024, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register of the Company pursuant to section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

So far as the Directors are aware, as at 31 December 2024, the interest and short positions of the persons, other than a director or chief executive of the Company, in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of the SFO are as follows:

### Substantial shareholders' interest in the Company

Name of shareholder	Capacity/nature	Number of Shares/ underlying Shares held/ interested in	Long/short position	Approximate percentage of shareholding as at 31 December 2024 <sup>(1)</sup>
Shengyao Investment	Beneficial owner	190,207,478 <sup>(2)</sup>	Long	19.81%
Prosperous Season	Beneficial owner	93,080,255 <sup>(3)</sup>	Long	9.70%
Nanchang Tongli LP	Interest in a controlled corporation	93,080,255 <sup>(3)</sup>	Long	9.70%
Nanchang County Cultural Tourism Investment Co., Ltd.* (南昌縣文化旅遊投資有限公司) ("Nanchang Tourism")	Beneficial owner	283,287,733 <sup>(4)</sup>	Long	29.51%
Nanchang Science Industry and Information Technology Bureau* (南昌縣科技和工業信息化局) ("Nanchang Science Bureau")	Interest in a controlled corporation	333,504,331 <sup>(4, 6)</sup>	Long	34.74%
Best Talent Venture Holdings Limited ("Best Talent")	Beneficial owner	54,320,565 <sup>(5)</sup>	Long	5.66%
Mr. Li Hui	Interest in a controlled corporation	54,320,565 <sup>(5)</sup>	Long	5.66%
Chang Nan Financial Control Limited ("Chang Nan Financial")	Beneficial owner	50,216,598 <sup>(6)</sup>	Long	5.23%
Nanchang County Changnan Financial Control Fund Management Co., Ltd.* (南昌縣昌南金控基金管理有限公司) ("Changnan Fund")	Interest in a controlled corporation	50,216,598 <sup>(6)</sup>	Long	5.23%

## OTHER INFORMATION

### Notes:

- (1) The percentage of shareholding is calculated on the basis of the Company's issued share capital of 960,000,000 Shares as at 31 December 2024.
- (2) Shengyao Investment is wholly owned by Mr. Yang. Accordingly, Mr. Yang is deemed, or taken to be, interested in all the Shares held by Shengyao Investment for the purpose of the SFO.
- (3) Prosperous Season is wholly owned by Nanchang Tongli LP, which is a limited partnership established in the PRC managed and controlled by Mr. Yang as the general partner. Accordingly, Mr. Yang is deemed, or taken to be, interested in all the Shares held by Prosperous Season for the purpose of the SFO.
- (4) On 28 July 2023, Shengyao Investment pledged 146,000,000 Shares in favour of Nanchang Tourism as security for a financial assistance (the "**Financial Assistance**") in the limit of up to RMB60,000,000 provided by Nanchang Tourism to Jiangxi Zhengwei Food Co., Limited\* (江西正味食品有限公司) ("**Jiangxi Zhengwei**") and Jiangxi Lewejia Food Co., Ltd.\* (江西樂味佳食品有限公司) ("**Jiangxi Lewejia**"), each an indirect wholly-owned subsidiary of the Company. On 8 February 2024, Shengyao Investment agreed to pledge 190,207,478 Shares, instead of 146,000,000 Shares in favour of Nanchang Tourism as security for the Financial Assistance provided by Nanchang Tourism to Jiangxi Zhengwei and Jiangxi Lewejia. On 8 February 2024, Prosperous Season pledged 93,080,255 Shares in favour of Nanchang Tourism as a further security for the Financial Assistance provided by Nanchang Tourism to Jiangxi Zhengwei and Jiangxi Lewejia. Nanchang Tourism is wholly owned by Nanchang Science Bureau. Accordingly, Nanchang Science Bureau is deemed, or taken to be, interested in all the Shares held by Nanchang Tourism for the purpose of the SFO.
- (5) Best Talent is owned as to approximately 57.14%, 23.81% and 19.05% by Mr. Li, Mr. Wu Bangjun and Mr. Luo Zikang, respectively. Accordingly, Mr. Li is deemed, or taken to be, interested in all the Shares held by Best Talent for the purpose of the SFO.
- (6) Chang Nan Financial is wholly owned by Changnan Fund, a limited liability company established under the laws of the PRC and is ultimately wholly owned by Nanchang Science Bureau.

Save as disclosed above, as at 31 December 2024, the Directors were not aware of any interests or short positions owned by any persons (other than the Directors or Chief Executive of the Company) in the Shares or underlying Shares which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

## CHARGE ON GROUP'S ASSETS

As at 31 December 2024, there was no charge on the Group's assets (31 December 2023: approximately RMB18.2 million).

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares (as defined in the Listing Rules), if any) during the Reporting Period.

## OTHER INFORMATION

### EVENT AFTER THE REPORTING PERIOD

#### Completion of placing under general mandate

On 6 January 2025, the Company completed the Second Placing to allot and issue the Second Batch of Placing Shares at HK\$0.038 per share in accordance with the terms and conditions of the CNI Placing Agreement. For more details, please refer to the paragraph headed “Placing of new shares under general mandate” under the section headed “Management Discussion and Analysis” in this interim report and the announcements of the Company dated 18 November 2024 and 9 December 2024.

#### Appointment of independent non-executive Director

Mr. Yu Chi Kit has been appointed as an independent non-executive Director with effect from 15 January 2025. Following his appointment, Mr. Yu Chi Kit has also been appointed as the chairman of the audit committee of the Board (the “**Audit Committee**”) and a member of each of the remuneration committee of the Board and the nomination committee of the Board. For more details, please refer to the announcement and the supplemental announcement of the Company dated 15 January 2025 and 16 January 2025, respectively.

#### Change of auditor of the Company

CCTH CPA Limited (“**CCTH**”) resigned as the auditor of the Company with effect from 24 February 2025, as the Board could not reach a consensus with CCTH on the audit fee for carrying out the audit for the financial period ending 30 June 2025. With the recommendation from the Audit Committee, it has resolved to appoint SFAI (HK) CPA Limited as the new auditor of the Company with effect from 24 February 2025 to fill the casual vacancy following the resignation of CCTH and to hold office until the conclusion of the next annual general meeting of the Company. For more details regarding the change of auditor of the Company, please refer to the announcement of the Company dated 24 February 2025.

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders of the Company (the “**Shareholder(s)**”) and to enhance corporate value and accountability.

The Company’s corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. During the Reporting Period, save for the deviation from code provision C.2.1 of the CG Code as disclosed in the paragraph headed “Chairman and Chief Executive Officer” below, the Board considers that, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the CG Code.

#### Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. Mr. Yang Shengyao (“**Mr. Yang**”) is the chairman of the Board and the chief executive officer of the Company. Considering that Mr. Yang has been operating and managing the Group since its inception, the Board believes that it is in the best interest of the Group to have Mr. Yang taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. The Board will continue to review and consider splitting the roles of chairman and chief executive officer at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.



## OTHER INFORMATION

### UPDATE ON DIRECTORS' INFORMATION

There is no other changes in the information of the Directors which is required to be disclosed pursuant to Rules 13.51B(1) of the Listing Rules subsequent to the date of the 2023 annual report of the Company and up to the date of this interim report.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has also adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code regarding directors' securities transactions during the Reporting Period.

### DIVIDEND

The Board does not recommend the payment of any interim dividend for the Reporting Period (Previous Period: nil). There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

### AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference. The Audit Committee currently comprises three independent non-executive Directors, Mr. Yu Chi Kit, Mr. Hu Ruiwo and Mr. Ye Sangzhi. Mr. Yu Chi Kit is the chairman of the Audit Committee. The primary duties of the Audit Committee include but not limited to supervising our internal control, risk management, financial information disclosure and financial reporting matters. Their composition and written terms of reference are in line with the CG Code.

The Audit Committee has reviewed the unaudited interim results for the twelve months ended 31 December 2024 and discussed with the management of the Company and is of the view that such financial information has been prepared in compliance with the applicable accounting treatment and standards, the Listing Rules and other applicable legal requirements, and that adequate disclosure has been made with no disagreement by the Audit Committee.

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this interim report, there is sufficient public float of not less than 25% of the Shares in issue as required under the Listing Rules.

By order of the Board  
**Zhengwei Group Holdings Company Limited**  
**Mr. Yang Shengyao**  
*Chairman*

Hong Kong, 28 February 2025

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

		Twelve months ended 31 December	
	Notes	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Revenue	5	598,057	445,214
Cost of sales		(588,610)	(297,954)
Gross profit		9,447	147,260
Other revenue		4,166	6,355
Other gains and losses		(6,830)	(164)
Distribution and selling expenses		(8,994)	(32,821)
Administrative expenses		(31,439)	(41,027)
Finance costs	6	(81)	(2,904)
(Loss)/profit before income tax expense		(33,731)	76,699
Income tax expense	7	(19,843)	(9,182)
(Loss)/profit for the period		(53,574)	67,517
<b>Total comprehensive (expense)/income for the period attributable to:</b>			
Owner of the Company		(53,574)	67,638
(Loss)/earnings per share – Basic and diluted (RMB)	9	(0.06)	0.09

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	89,105	107,149
Right-of-use assets		5,693	6,032
Prepayment for acquisition of land use rights	14	9,525	9,525
Goodwill		269	269
Financial asset at fair value through other comprehensive income	11	1,354	1,354
Deferred tax assets, net		837	797
<b>Total non-current assets</b>		<b>106,783</b>	125,126
<b>Current assets</b>			
Inventories	12	114,195	98,272
Trade receivables	13	94,805	92,300
Prepayments, deposits and other receivables	14	21,062	7,736
Right of return assets		156	156
Cash and cash equivalents		150,544	199,186
<b>Total current assets</b>		<b>380,762</b>	397,650
<b>Total assets</b>		<b>487,545</b>	522,776
<b>Current liabilities</b>			
Trade payables	15	71,127	48,360
Contract liabilities		–	9
Other payables and accruals		3,592	16,774
Borrowings	16	–	18,199
Lease liabilities		84	84
Income tax payable		1,036	2,415
<b>Total current liabilities</b>		<b>75,839</b>	85,841



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 December 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
<b>Net current assets</b>		<b>304,923</b>	311,809
<b>Total assets less current liabilities</b>		<b>411,706</b>	436,935
<b>NET ASSETS</b>		<b>411,706</b>	436,935
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	17	66,944	55,580
Reserves		344,762	381,355
<b>TOTAL EQUITY</b>		<b>411,706</b>	436,935

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Merger reserve RMB'000	Property revaluation reserve RMB'000	FVOCI reserve (non-recycling) RMB'000	Retained earnings RMB'000	
Balance as at 1 January 2023 (audited)	372	–	16,405	50,603	826	(267)	190,506	258,445
Profit for the period	–	–	–	–	–	–	29,662	29,662
Transfer from retained earnings to statutory reserve	–	–	–	–	–	–	–	–
Total comprehensive income	372	–	16,405	50,603	826	(267)	220,168	288,107
Issue of new shares under share offer	13,895	107,596	–	–	–	–	–	121,491
Expenses attributed to issuance of new shares upon listing	–	(15,984)	–	–	–	–	–	(15,984)
Capitalisation issue	41,313	(41,313)	–	–	–	–	–	–
As at 31 December 2023 (audited)	55,580	50,299	16,405	50,603	826	(267)	220,168	393,614
Balance as at 1 January 2024 (audited)	55,580	55,644	20,823	50,603	826	(146)	253,605	436,935
Loss for the period	–	–	–	–	–	–	(40,570)	(40,570)
Placement of new shares	11,364	8,449	–	–	–	–	–	19,813
As at 31 December 2024 (unaudited)	66,944	64,093	20,823	50,603	826	(146)	213,035	416,178

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Twelve months ended 31 December	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
<b>Cash flows from operating activities</b>		
(Loss)/profit before income tax expense	(33,731)	76,699
Adjustments for:		
Depreciation of property, plant and equipment	11,080	6,010
Depreciation of right-of-use assets	423	223
Finance costs	81	2,904
Provision of impairment loss on deposits and other receivables, net	—	(120)
Amortisation of intangible assets	—	330
Interest income	(711)	(646)
(Reversal of write-down)/write-down of inventories	—	334
Loss on disposal of property, plant and equipment	6,504	2
<b>Operating (loss)/profit before working capital changes</b>	<b>(16,354)</b>	<b>85,736</b>
Increase in inventories	(15,923)	(7,935)
Increase in trade receivables	(2,505)	(28,284)
Increase in prepayments, deposits and other receivables	(13,326)	(602)
Increase in trade payables	22,767	597
Decrease in the other payables and accruals	(13,182)	(5,117)
Decrease in right of return assets	—	996
Decrease in contract liabilities	(9)	(497)
Decrease in amounts due from shareholders	—	343
<b>Cash (used in)/generated from operations</b>	<b>(38,532)</b>	<b>45,237</b>
Income tax paid	(21,262)	(8,642)
<b>Net cash (used in)/generated from operating activities</b>	<b>(59,794)</b>	<b>36,595</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(40)	(71,075)
Proceeds from sale of property, plant and equipment	500	—
Prepayment for acquisition of land use rights	—	(9,525)
Interest received	711	646
<b>Net cash generated from/(used in) investing activities</b>	<b>1,171</b>	<b>(79,909)</b>



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Twelve months ended 31 December	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
<b>Cash flows from financing activities</b>		
Repayment of principal portion of the lease liabilities	(84)	(84)
Proceeds from new borrowings	—	16,600
Repayment of borrowings	(18,199)	(44,477)
Interest paid	(81)	(2,904)
Proceeds from placement of shares	28,345	—
Payment of deferred listing expenses	—	(4,957)
Proceeds from issue of ordinary shares	—	121,491
<b>Net cash generated from financing activities</b>	<b>9,981</b>	<b>85,669</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(48,642)</b>	<b>42,355</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>199,186</b>	<b>156,831</b>
<b>Cash and cash equivalents at the end of period</b>	<b>150,544</b>	<b>199,186</b>
<b>Analysis of the balances of cash and cash equivalents:</b>		
Cash and bank balances	150,544	199,186

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Zhengwei Group Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 30 June 2020, as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2023.

The registered office of the Company is located at 71 Fort Street, P.O. Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands. Its principal place of business is 487 Yuhu Road, Jingji Development Area, Xiaolan, Nanchang County, Nanchang City, Jiangxi Province, the People’s Republic of China (the “**PRC**”).

The Company is an investment holding company and the Group, comprising the Company and its subsidiaries, is principally engaged in sourcing, processing and trading of dried delicacies, snacks, dried aquatic products, grains, seasonings and others in the PRC.

The ultimate controlling parties of the Group are Mr. Yang Shengyao (“**Mr. Yang**”) and Ms. Lin Qiuyun (“**Ms. Lin**”, together with Mr. Yang, the “**Controlling Shareholders**”), the spouse of Mr. Yang, who are the executive Director and the chairman of the Company and the executive Director, respectively.

## 2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

These condensed consolidated financial statements have been prepared with the same accounting policies adopted in the Group’s consolidated financial statements for the year ended 31 December 2023 (the “**2023 Annual Financial Statements**”), except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2024.

The preparation of these condensed consolidated financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods. The details are disclosed in Note 4.

These condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated. These condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group for the twelve months ended 31 December 2024. These condensed consolidated financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRS**”) and should be read in conjunction with the 2023 Annual Financial Statements.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis. These condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2023 Annual Financial Statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2024.

### 4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2023 Annual Financial Statements.

### 5. REVENUE

The Group is principally engaged in sourcing, processing and trading of dried delicacies, snacks, dried aquatic products, grains, seasonings and others in the PRC.

Revenue represents the net invoiced value of goods supplied and earned by the Group.

	Twelve months ended 31 December	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Dried delicacies	356,362	112,060
Snacks	64,284	233,975
Dried aquatic products	73,569	72,888
Grains	9,581	22,955
Seasonings and others	94,261	3,336
	598,057	445,214
<b>Timing of revenue recognition</b>		
At a point in time	598,057	445,214

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 6. FINANCE COSTS

	Twelve months ended 31 December 2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Interest expenses on borrowings	81	2,902

### 7. INCOME TAX EXPENSE

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

	Twelve months ended 31 December 2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Current tax – PRC Enterprise Income Tax (the “ <b>PRC EIT</b> ”) – for the period	19,883	9,033
Deferred tax – for the period	(40)	149
Income tax expenses	19,843	9,182

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “**BVI**”), the Company incorporated in the Cayman Islands and the Company’s subsidiary incorporated in the BVI are not subject to any income tax.

Hong Kong profits tax for the Company’s subsidiary incorporated in Hong Kong has been provided at the rate of 16.5% on the estimated assessable profits.

Pursuant to the income tax rules and regulations of the PRC, the provision for PRC EIT of the subsidiaries of the Group is calculated based on the statutory tax rate of 25%, except for the following two subsidiaries. Jiangxi Zhengwei Food Co., Limited\* (江西正味食品有限公司) and Guangchang County Zhenglian Biotechnology Co., Limited\* (廣昌縣正蓮生物科技有限公司) were approved for the High and New Technology Entities (“**HNTE**”) qualification under the PRC EIT law and its relevant regulations and are entitled to a preferential tax rate of 15%.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 8. DIVIDENDS

No interim dividend in respect of the twelve months ended 31 December 2024 has been proposed by the Directors (twelve months ended 31 December 2023: Nil).

### 9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to ordinary equity holders of the Company is based on the following data:

	Twelve months ended 31 December	
	2024 (Unaudited)	2023 (Audited)
(Loss)/profit for the period attributable to owners of the Company for the purpose of computation of basic and diluted (loss)/earnings per share (RMB'000)	(53,574)	67,517
Weighted average number of ordinary shares for the purpose of computation of basic and diluted (loss)/earnings per share ('000)	891,616	793,425
Basic and diluted (loss)/earnings per share (RMB)	(0.06)	0.09

The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the twelve months ended 31 December 2023 included the weighted average number of shares pursuant to issuance of shares of 200,000,000 shares and 600,000,000 shares assumed to be in issue throughout the twelve months ended 31 December 2023.

Diluted earnings per share amount was the same as basic earnings per share amount as there were no potential dilutive ordinary shares outstanding for the twelve months ended 31 December 2024 and 2023.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the twelve months ended 31 December 2024, additions to the Group's property, plant and equipment were approximately RMB40,000 (twelve months ended 31 December 2023: approximately RMB74,000).

### 11. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	As at 31 December 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Equity instrument in an unlisted company measured at FVOCI ( <i>Note</i> )		
– Jiangxi Gannong Financing Guarantee Co., Ltd*		
(江西省贛農融資擔保有限責任公司) ("Jiangxi Gannong")	1,354	1,354

The following table presents the changes in investment in Jiangxi Gannong for the year ended 31 December 2023 and for the twelve months ended 31 December 2024.

	RMB'000
At 1 January 2023	1,233
Change in fair value	121
At 31 December 2023 and 1 January 2024	1,354
Change in fair value	–
At 31 December 2024	1,354

*Note:* The equity investment of 0.5% in a state-owned enterprise located in the PRC was irrevocably designated at FVOCI as the Group considers this investment to be strategic in nature.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 12. INVENTORIES

	As at 31 December 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Raw materials	2,298	50,340
Finished goods	0	43,536
Finished goods – purchased merchandise	111,897	4,730
	114,195	98,606
Less: Provision for write down	—	(334)
	114,195	98,272

### 13. TRADE RECEIVABLES

The Group's trading term with customers is mainly on credit. The credit terms are generally 30 to 90 days.

An ageing analysis based on the invoice date as of 31 December 2024 and 31 December 2023 is as follows:

	As at 31 December 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 1 month	62,604	62,392
1 to 2 months	32,201	29,908
Over 2 months	—	—
	94,805	92,300

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Note		
<b>Non-current</b>		
Prepayment for acquisition of land use rights	9,525	9,525
<b>Current</b>		
Prepayments	819	451
Value added tax recoverable	243	7,061
Deposit	20,000	224
(a)	30,587	17,261

Note:

- (a) The carrying amounts of prepayments and deposits were primarily denominated in RMB and approximated their fair values due to their short maturity as at the reporting date.

### 15. TRADE PAYABLES

	As at 31 December 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables	71,127	48,360

An ageing analysis of trade payables based on the invoice dates as at the respective reporting dates is as follows:

	As at 31 December 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 6 months	71,127	48,360



NOTES TO THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS

16. BORROWINGS

	As at 31 December 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
<b>Current</b>		
Bank loans – secured	–	18,199
<b>Total borrowings</b>	–	18,199

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 17. SHARE CAPITAL

	Number	Par value per share US\$	Amount US\$'000	Amount RMB'000
Ordinary shares				
<b>As at 1 January 2023 (audited), 31 December 2023 (audited) and 31 December 2024 (unaudited)</b>	8,000,000,000	0.01	80,000	1,272
<b>1 January 2023 (audited)</b>	5,263,200	0.01	53	372
Issuance of shares for Capitalisation Issue (Note (i))	594,736,800	0.01	5,947	41,313
Issuance of new shares upon listing (Note (ii))	200,000,000	0.01	2,000	13,895
<b>As at 31 December 2023 (audited)</b>	800,000,000	0.01	8,000	55,580
Placement of new shares (Note (iii))	160,000,000	0.01	1,600	11,364
<b>As at 31 December 2024 (unaudited)</b>	960,000,000	–	9,600	66,944

*Notes:*

- (i) Pursuant to another resolutions of the shareholders passed on 16 December 2022, subject to the share premium account of the Company being credited as a result of the share offer, the directors were authorised to allot and issue a total of 594,736,800 shares credited as fully paid at par to the holders of the shares on the register of members of the Company at the close of business on 15 December 2022 in proportion to their shareholdings by way of capitalisation of the sum of HK\$5,947,368 standing to the credit of the share premium account of the Company (the “**Capitalisation Issue**”). The Capitalisation Issue is effective upon listing on 13 January 2023, pursuant to the written resolutions of the shareholders passed on 16 December 2022. The shares allotted and issued rank pari passu in all respects with the existing issued shares.
- (ii) On 13 January 2023, the Company issued 200,000,000 new shares at a price of HK\$0.68 per share, resulting in the receipt of gross proceeds of HK\$136,000,000 (equivalent to approximately RMB121,491,000) (before share issue expenses).
- (iii) On 5 June 2024, the Company issued 160,000,000 new shares by way of placement at a price of HK\$0.138 per share, resulting in the receipt of gross proceeds of approximately HK\$22,080,000 (equivalent to approximately RMB20,068,000) (before share placement expenses).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 18. FINANCIAL INSTRUMENTS

### Fair value

#### Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade receivables, other receivables, trade payables, lease liabilities, other payables and accruals and borrowings.

Due to their short term nature, the carrying value of cash and cash equivalents, trade receivables, other receivables, trade payables and other payables approximates fair value.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2024 and 31 December 2023.

## 19. RELATED PARTY DISCLOSURES

In addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following transactions and balances with related parties:

### (a) Significant transactions with related parties

The Group had the following significant transactions with related parties:

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Leishi School	Sales of finished goods	110	336
Leishi Training	Sales of finished goods	—	88

Note: Leishi School and Leishi Training are controlled by Mr. Lei Junfeng, who is a director of Jiangxi Zhengwei.

### (b) Compensation of key management personnel

The key management personnel of the Group represent directors and other senior management of the Group. Details of the remuneration paid to them during the years ended 31 December 2024 and 2023 are set out in Note 13 to the consolidated financial statements.