

WEILI HOLDINGS LIMITED

偉立控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code: 2372



**INTERIM
REPORT
2025**

WEIli

WEIli Holdings Limited
Interim Report 2025

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Chen Weizhuang (*Chairman*)
Mr. Yu Tianbing (*Chief Executive Officer*)

Non-executive Director

Mr. Hu Haoran

Independent Non-executive Directors

Mr. Liu Yimin
Mr. Chen Yeung Tak
Ms. Feng Yuan

Audit Committee

Mr. Chen Yeung Tak (*Chairperson*)
Mr. Liu Yimin
Ms. Feng Yuan

Remuneration Committee

Ms. Feng Yuan (*Chairperson*)
Mr. Chen Yeung Tak
Mr. Chen Weizhuang

Nomination Committee

Mr. Liu Yimin (*Chairperson*)
Ms. Feng Yuan
Mr. Yu Tianbing

Company Secretary

Mr. Yu Tsz Ngo (*HKICPA*)

Authorised Representatives

Mr. Yu Tsz Ngo
Mr. Yu Tianbing

Auditor

PricewaterhouseCoopers
*Certified Public Accountants and Registered Public
Interest Entity Auditor*
22nd Floor, Prince's Building
Central, Hong Kong

Legal Advisers as to Hong Kong Law

ONC Lawyers
19th Floor, Three Exchange Square
8 Connaught Place
Central
Hong Kong

Principal Banker

Bank of China Hong'an Sub-branch
No.6, Jianshe West Street
Chengguan Town
Hong'an County
Hubei Province
China

CORPORATE INFORMATION

Registered Office

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

Headquarters

New Industrial Park
Mi'ersi Town
Hong'an County
Hubei Province
China

Principal Place of Business in Hong Kong

Unit 2004-6, 20th Floor
Strand 50, 50 Bonham Strand
Sheung Wan
Hong Kong

Principal Share Registrar

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

Boardroom Share Registrars (HK) Limited
2103B, 21st Floor
148 Electric Road
North Point
Hong Kong

Company's Website

www.weiliholdings.com

Stock Code

2372

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
Revenue	5	45,844	57,061
Cost of sales	7	(39,109)	(52,034)
Gross profit		6,735	5,027
Selling expenses	7	(2,736)	(2,507)
Administrative expenses	7	(6,146)	(7,317)
Reversal of loss allowance on financial assets		2,734	946
Other income	6	437	393
Other gains — net	8	100	185
Operating profit/(loss)		1,124	(3,273)
Finance income		302	611
Finance costs		(25)	(450)
Finance income — net		277	161
Profit/(loss) before income tax		1,401	(3,112)
Income tax (expense)/credit	9	(381)	849
Profit/(loss) for the period		1,020	(2,263)
Profit/(loss) attributable to:			
— Shareholders of the Company		1,020	(2,263)
Earning/(loss) per share for profit/(loss) attributable to shareholders of the Company for the period	10		
Basic and diluted (RMB)		0.1 cents	(0.3) cents

The notes on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit/(loss) for the period	1,020	(2,263)
Other comprehensive income	—	—
Total comprehensive profit/(loss) for the period	1,020	(2,263)
Profit/(loss) attributable to:		
— Shareholders of the Company	1,020	(2,263)

The notes on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	36,669	38,536
Right-of-use assets	11	2,808	2,846
Intangible assets		60	72
Deferred income tax assets	12	3,323	3,704
		42,860	45,158
Current assets			
Inventories	13	46,973	40,631
Trade receivables	14	67,325	104,249
Bills receivable	15	8,942	10,722
Prepayments and other receivables	16	10,226	3,440
Restricted cash	17	7,800	4,347
Cash and cash equivalents	17	64,547	53,200
Time deposits	18	10,000	–
		215,813	216,589
Total assets		258,673	261,747
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	19	6,842	6,842
Other reserves	20	169,866	169,866
Retained earnings		35,032	34,012
Total equity		211,740	210,720

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
LIABILITIES			
Non-current liability			
Deferred income		1,520	1,542
Current liabilities			
Trade and other payables	21	45,403	47,485
Bank borrowings	22	10	2,000
		45,413	49,485
Total liabilities		46,933	51,027
Total equity and liabilities		258,673	261,747
Net current assets		170,400	167,104

The notes on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited			
	Attributable to shareholders of the Company			Total RMB'000
	Share capital RMB'000	Other reserves RMB'000	Retained earnings RMB'000	
Balance at 1 January 2025	6,842	169,866	34,012	210,720
Comprehensive income				
Profit for the period	–	–	1,020	1,020
Other comprehensive income	–	–	–	–
Total comprehensive profit	–	–	1,020	1,020
Balance at 30 June 2025	6,842	169,866	35,032	211,740
Balance at 1 January 2024	6,842	169,866	43,502	220,210
Comprehensive loss				
Loss for the period	–	–	(2,263)	(2,263)
Other comprehensive income	–	–	–	–
Total comprehensive loss	–	–	(2,263)	(2,263)
Balance at 30 June 2024	6,842	169,866	41,239	217,947

The notes on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from/(used in) operations	25,099	(17,096)
Interest received	302	611
Net cash generated from/(used in) operating activities	25,401	(16,485)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,139)	(1,011)
Proceeds from disposal of property, plant and equipment	–	29
Purchase of financial assets at fair value through profit or loss ("FVPL")	(31,000)	(20,000)
Proceeds from disposal of financial assets at FVPL	31,000	20,000
Dividend income from financial assets at FVPL	133	138
Placement of time deposits	(10,000)	–
Net cash used in investing activities	(12,006)	(844)
Cash flows from financing activities		
Proceeds from bank borrowings	–	9,800
Repayments of bank borrowings	(1,990)	(20,000)
Interest paid on bank borrowings	(25)	(450)
Net cash used in financing activities	(2,015)	(10,650)
Net increase/(decrease) in cash and cash equivalents	11,380	(27,979)
Cash and cash equivalents at beginning of period	53,200	95,123
Exchange (losses)/gains on cash and cash equivalents	(33)	24
Cash and cash equivalents at end of period	64,547	67,168

The notes on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

WElli Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 21 April 2021 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The address of its registered office is 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in manufacturing and sales of cigarette packaging paper in the People’s Republic of China (the “PRC”).

The Company’s shares (the “Shares”) have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 30 June 2022.

This interim condensed consolidated financial information (the “Interim Financial Information”) is presented in Renminbi (“RMB”), unless otherwise stated, and has been approved for issue by the board of directors (the “Board”) of the Company on 22 August 2025.

This Interim Financial Information has not been audited or reviewed by the external auditor of the Company.

2. BASIS OF PREPARATION

The Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim financial reporting”. The Interim Financial Information is to be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2024 (the “2024 Financial Statements”), which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

Application of amendments to a HKFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2024 Financial Statements.

There have been no changes in the risk management policies since 31 December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

4.2 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances and the availability of funding through committed credit facilities and takes into account all available information on future business environment including unforeseen crisis on the economies of the countries in which the Group and its customers and suppliers operate. The Group expects to fund its future cash flow needs through internally generated cash flows from operations and borrowings from financial institutions.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Total contractual cash flows — on demand or less than 1 year
	RMB'000
As at 30 June 2025 (unaudited)	
Bank borrowings	10
Trade and other payables (excluding other tax payables, employee benefits payable and refund liabilities)	44,110
	44,120
As at 31 December 2024 (audited)	
Bank borrowings	2,065
Trade and other payables (excluding other tax payables, employee benefits payable and refund liabilities)	45,625
	47,690

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

4.3 Fair value estimation

The Group's financial instruments are carried at fair value as at the end of the reporting period, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

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

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

There were no transfers between levels 1, 2 and 3 during the periods ended 30 June 2025 and 2024. The Group has no financial instruments in level 1.

(a) The financial instruments in level 2

The fair value of financial instruments in level 2 (net of provision for impairment), included bills receivable measured at fair value through other comprehensive income ("FVOCI"), was estimated by discounting the future contractual cash flows at the current market interest rate that was available to the Group for similar financial instruments.

The following table presented the financial instruments in level 2 as at 30 June 2025 and 31 December 2024:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Financial asset		
Bills receivable measured at FVOCI (Note 15)	8,942	10,722

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(Continued)*

4.3 Fair value estimation *(Continued)*

(b) The financial instruments in level 3

The following table presents the changes in level 3 instruments for the six months ended 30 June 2025 and 2024.

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
At the beginning of the period	—	—
Addition	31,000	20,000
Net gains recognised in profit or loss (Note 8)	133	138
Settlement	(31,133)	(20,138)
At the end of the period	—	—

5. REVENUE AND SEGMENT INFORMATION

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

The Group is principally engaged in manufacturing and sales of cigarette packaging paper. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. The executive directors of the Company consider that there is only one segment which is used to make strategic decisions. Revenue and profit before income tax are the measures reported to the executive directors for the purpose of resources allocation and performance assessment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

All of the businesses of the Group are carried out in the PRC during periods ended 30 June 2025 and 2024. An analysis of the Group's revenue as well as timing of revenue recognition is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Goods transferred at point in time		
— Sales of cigarette packaging paper and raw materials	45,451	57,055
Services transferred over time		
— Processing service income	393	6
	45,844	57,061

For the six months ended 30 June 2025 and 2024, all revenues of the Group were derived from external customers and they were all generated from the PRC.

For the six months ended 30 June 2025 and 2024, revenue derived from customers who accounted for more than 10% of total revenue were set out below.

	Unaudited	
	Six months ended 30 June	
	2025	2024
Customer 1	47%	19%
Customer 2	16%	41%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6. OTHER INCOME

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Government grants related to income	200	–
Amortisation of deferred income	22	22
Others	215	371
	437	393

7. EXPENSES BY NATURE

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Raw materials and goods used	36,013	49,310
Staff costs	4,773	5,557
Depreciation of property, plant and equipment and right-of-use assets	1,905	1,543
Travelling and entertainment expenses	1,327	891
Professional service fees	975	1,022
Utilities	955	825
Freight charges	725	1,166
Office expense	694	678
Provision for impairment for inventories	190	122
Maintenance fees	103	210
Tax surcharges	88	105
Cost of security and cleaning	59	49
Short-term lease expenses	27	11
Amortisation of intangible assets	12	11
Miscellaneous expenses	145	358
	47,991	61,858

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

8. OTHER GAINS — NET

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Other gains		
— Exchange gains	—	24
— Dividend income from financial assets at FVPL	133	138
— Others	—	78
	133	240
Other losses		
— Loss on disposal of property, plant and equipment	—	(55)
— Exchange losses	(33)	—
	(33)	(55)
Other gains — net	100	185

9. INCOME TAX EXPENSE/(CREDIT)

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax		
— The PRC current tax	—	(351)
Deferred income tax (Note 12)	381	(498)
	381	(849)

Income tax expense is recognised based on management's best estimate of the weighted average effective annual income tax rate expected for the full financial year.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

9. INCOME TAX EXPENSE/(CREDIT) *(Continued)*

(a) Cayman Islands and the British Virgin Islands (the “BVI”) profits tax

The Company was incorporated in the Cayman Islands as an exempted company and is not liable for taxation in the Cayman Islands. The Group’s subsidiary incorporated in the BVI is also an exempted company and is not liable for taxation in the BVI.

(b) Hong Kong profits tax

The subsidiary of the Group incorporated in Hong Kong is subject to profits tax at a rate of 16.5%. No provision for Hong Kong profits tax has been made as the Group did not have estimated assessable profit in Hong Kong during the six months ended 30 June 2025 and 2024.

(c) The PRC Enterprise Income Tax

The subsidiary incorporated in the PRC has obtained the approvals to become a new and high-technology enterprise and is entitled to a preferential income tax rate of 15% on the estimated assessable profits during the six months ended 30 June 2025 and 2024.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that has been effective from 2018 and a new tax incentives policy effective from 2021 onwards, enterprises engaging in research and development activities are entitled to claim 200% of their eligible research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“Super Deduction”). The Group has considered the Super Deduction to be claimed for the Group entities in ascertaining their assessable profits during the six months ended 30 June 2025 and 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

10. EARNING/(LOSS) PER SHARE

(a) Basic

Basic earning/(loss) per share is calculated by dividing the profit/(loss) attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 June	
	2025	2024
Profit/(loss) attributable to shareholders of the Company (RMB'000)	1,020	(2,263)
Weighted average number of ordinary shares for basic earning/(loss) per share (thousand shares)	800,000	800,000
Basic earning/(loss) per share (RMB)	0.1 cents	(0.3) cents

(b) Diluted

Diluted earning/(loss) per share for the six months ended 30 June 2025 and 2024 are the same as the basic earning/(loss) per share.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

11. PROPERTY, PLANT AND EQUIPMENT, CONSTRUCTION IN PROGRESS AND RIGHT-OF-USE ASSETS

	Unaudited			
	Property, plant and equipment RMB'000	Construction in progress RMB'000	Total RMB'000	Right-of-use assets — land use right RMB'000
Six months ended 30 June 2025				
Opening net book amount	16,724	21,812	38,536	2,846
Transfer from construction in progress	21,812	(21,812)	—	—
Disposals	(115)	—	(115)	—
Depreciation	(1,867)	—	(1,867)	(38)
Depreciation — disposal	115	—	115	—
Closing net book amount	36,669	—	36,669	2,808
Six months ended 30 June 2024				
Opening net book amount	21,941	—	21,941	2,923
Additions	936	19,326	20,262	—
Disposals	(1,675)	—	(1,675)	—
Depreciation	(1,505)	—	(1,505)	(38)
Depreciation — disposal	1,591	—	1,591	—
Closing net book amount	21,288	19,326	40,614	2,885

As at 30 June 2025, property, plant and equipment with net book value of approximately RMB6,391,000 (31 December 2024: RMB9,912,000) were pledged to secure bills payable of the Group (Note 21).

As at 30 June 2025 and 31 December 2024, no property, plant and equipment were pledged to secure bank borrowings of the Group (Note 22).

As at 30 June 2025, leasehold land use right with net book value of approximately RMB2,808,000 (31 December 2024: RMB2,846,000) was pledged to secure bills payable of the Group (Note 21).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12. DEFERRED INCOME TAX

Deferred income tax assets

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Deferred income tax assets:		
— to be recovered within 12 months	870	1,461
— to be recovered after more than 12 months	2,453	2,243
	3,323	3,704

The movement of deferred income tax assets during the corresponding period is as follows:

	Unaudited				
	Provision for loss allowance RMB'000	Loss carried forward for future years RMB'000	Deferred income RMB'000	Others RMB'000	Total RMB'000
At 1 January 2025	1,724	1,747	231	2	3,704
(Charged)/credited to profit or loss	(382)	–	(3)	4	(381)
At 30 June 2025	1,342	1,747	228	6	3,323
At 1 January 2024	1,019	577	237	3	1,836
(Charged)/credited to profit or loss	(124)	624	(3)	1	498
At 30 June 2024	895	1,201	234	4	2,334

Pursuant to the relevant PRC corporate income tax rules and regulations, withholding tax is imposed on remittance of dividends in respect of profits earned by the Company's PRC subsidiary at the applicable tax rate of 10%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13. INVENTORIES

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Raw materials	35,563	31,755
Work in progress	1,146	71
Finished goods	11,635	9,890
Packaging materials and others	—	96
	48,344	41,812
Less: Provisions for inventories	(1,371)	(1,181)
	46,973	40,631

14. TRADE RECEIVABLES

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Trade receivables (a)	71,513	111,282
Less: loss allowance	(4,188)	(7,033)
Trade receivables — net	67,325	104,249

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

14. TRADE RECEIVABLES *(Continued)*

- (a) The carrying amounts of trade receivables were denominated in RMB. The credit period for trade receivables was generally 60 to 180 days from the date of billing. The ageing analysis of trade receivables based on invoice date was as follows:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Within 30 days	21,744	29,245
31 to 90 days	9,256	15,255
91 to 180 days	5,671	30,409
181 days to 1 year	17,758	15,530
Over 1 years	17,084	20,843
	71,513	111,282

15. BILLS RECEIVABLE

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Bills receivable measured at FVOCI	8,942	10,722

As at 30 June 2025, no bills receivable measured at FVOCI (31 December 2024: RMB3,000,000) was pledged to secure bills payable of the Group (Note 21).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

16. PREPAYMENTS AND OTHER RECEIVABLES

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Other receivables	9,697	2,461
Recoverable of value added tax	482	11
Right to the returned goods	223	200
Prepayments for purchase and materials	–	821
	10,402	3,493
Less: loss allowance	(176)	(53)
	10,226	3,440

17. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Cash at bank and on hand	72,347	57,547
Less: restricted cash	(7,800)	(4,347)
Cash and cash equivalents	64,547	53,200

The Group's restricted cash were with maturity within one year, denominated in RMB and represented bank deposits pledged to banks for the issuance of bank acceptance bills payable in respect of future settlement to suppliers of the Group.

18. TIME DEPOSITS

Time deposits with original maturity over three months of approximately RMB10,000,000 (2024: nil) represent fixed deposits with maturity more than three months from the date of acquisition which carried interest at prevailing market rate of 1.2% (2024: nil) per annum as at 30 June 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. SHARE CAPITAL

	Authorised ordinary shares	
	Number of shares (‘000)	Hong Kong dollar (“HKD”) ‘000
As at 30 June 2025 and 31 December 2024	10,000,000	100,000

	Number of shares (‘000)	Issued	
		HKD’000	RMB’000
As at 30 June 2025 and 31 December 2024	800,000	8,000	6,842

20. OTHER RESERVES

	Unaudited			Total RMB’000
	Share premium RMB’000	Statutory reserve RMB’000	Capital reserve RMB’000	
As at 1 January 2025 and 30 June 2025	89,979	19,886	60,001	169,866

	Unaudited			Total RMB’000
	Share premium RMB’000	Statutory reserve RMB’000	Capital reserve RMB’000	
As at 1 January 2024 and 30 June 2024	89,979	19,886	60,001	169,866

(a) Statutory reserve

In accordance with relevant rules and regulations in the PRC and the Articles of Association of the Group’s PRC subsidiary, the Group’s PRC subsidiary is required to transfer at least 10% of its profit after taxation calculated under the PRC accounting standards and regulations to a statutory reserve fund, until the accumulated total of the fund reaches 50% of its registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset previous years’ accumulated losses or to increase the capital of the Group’s PRC subsidiary.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21. TRADE AND OTHER PAYABLES

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Trade payables (a)	27,404	32,067
Bills payable (b)	15,600	9,694
Employee benefits payable	986	1,460
Other accrued expenses	1,106	3,864
Refund liabilities	261	215
Other tax payable excluding income tax liabilities	46	185
	45,403	47,485

(a) Ageing analysis of trade payables based on invoice date was as follows:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Up to 30 days	11,774	3,186
31 to 90 days	12,322	18,391
91 to 180 days	2,484	7,009
181 days to 1 year	614	2,602
Over 1 year	210	879
	27,404	32,067

(b) As at 30 June 2025, the bills payable was secured by the Group's bank deposits (Note 17), buildings (Note 11) and land-use right (Note 11) (31 December 2024: secured by bank deposits, bills receivable, buildings and land-use right).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

22. BANK BORROWINGS

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Bank borrowings — unsecured	10	2,000

The Group's bank borrowings were to be settled within one year and denominated in RMB. The weighted average effective interest rates of the Group's bank borrowings as at 30 June 2025 was 3.20% (31 December 2024: 3.75%) per annum.

23. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other parties or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

(a) Key management compensation

Key management includes chairman, executive directors and senior management of the Group.

	Unaudited Six months ended 30 June 2025 RMB'000	2024 RMB'000
Basic salaries, bonus, housing fund, medical insurance and other social insurance	685	640
Pension costs — defined contribution plan	27	71
	712	711

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24. DIVIDEND

The Company did not declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

25. CONTINGENCIES

The Company did not have any material contingent liabilities as at 30 June 2025 and 31 December 2024.

26. SUBSEQUENT EVENTS

As from 30 June 2025 to the date of this report, the Board is not aware of any significant events requiring disclosure that have occurred.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FUTURE OUTLOOK

The Group is a PRC-based cigarette packaging paper manufacturer with research and development capabilities to supply customised products to the customers. The Group supplies products primarily to cigarette package manufacturers which operate in different provinces of the PRC, mainly including Hubei Province and Henan Province. The products sold by the Group are used in the manufacture of cigarette packages for well-known cigarette brands in the PRC. During the six months ended 30 June 2025 (the “Reporting Period”), the Group’s products were used as cigarette packaging materials for cigarette brands which were recognised as the “Dual 15 cigarette brands (雙十五煙草品牌)” by the State Tobacco Monopoly Administration (中國國家煙草專賣局).

During the Reporting Period, the Group’s revenue was mainly derived from the sale of cigarette packaging paper. The Group’s products are categorised into (i) transfer paper; (ii) laminated paper; and (iii) frame paper. To a much lesser extent, the Group also provided cigarette packaging paper processing services to cigarette package manufacturers.

During the Reporting Period, several major customers of the Group have temporarily reduced their orders of transfer paper and laminated paper from the Group. However, there was (i) an improvement in gross profit margin due to the successful implementation of effective operating cost control measures and enhanced operational efficiency and (ii) a reversal of impairment loss during the Reporting Period due to a decrease in the balance of trade receivables. As a result, the Group experienced a decrease in revenue but an increase in gross profit and a turnaround from net loss to net profit during this period. The Directors consider that the sales reduction was temporary and expect that orders will be resumed in the second half of year 2025.

Looking into the future, since the demand for tobacco products is inelastic in general due to its product nature, the number of smokers in the PRC is expected to remain stable in the foreseeable future, despite the smoking control policies imposed by the government. In addition, benefiting from the focus of the cigarette industry towards mid-to-high end and the increase in purchasing power of PRC citizens, the demand of mid-to-high-end cigarettes, which generally entails the use of cigarette packaging paper with advanced technology is expected to increase. Considering the above factors, the Board is expecting a positive prospect in the cigarette packaging paper industry in the near future.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's overall revenue decreased from approximately RMB57.1 million for the six months ended 30 June 2024 to approximately RMB45.8 million for the Reporting Period, representing a decrease of approximately RMB11.3 million or 19.7%. Such decrease was mainly due to several major customers of the Group have temporarily reduced their orders of transfer paper and laminated paper products from the Group, which the Directors consider such reduction in orders was temporary and expect that orders will be resumed in the second half of year 2025.

Cost of sales

The Group's cost of sales decreased from approximately RMB52.0 million for the six months ended 30 June 2024 to approximately RMB39.1 million for the Reporting Period, representing a decrease of approximately RMB12.9 million or 24.8%. Such decrease was mainly due to the combined effect of (i) the decrease in the Group's revenue of approximately 19.7% and (ii) the Group's effective operating cost control measures for the Reporting Period.

Gross profit and gross profit margin

The Group's gross profit increased from approximately RMB5.0 million for the six months ended 30 June 2024 to approximately RMB6.7 million for the Reporting Period, representing an increase of approximately RMB1.7 million or 34.0%. Such increase was mainly due to the decrease in the overall cost of sales for the corresponding period as discussed above.

The Group's gross profit margin increased from approximately 8.8% for the six months ended 30 June 2024 to approximately 14.7% for the Reporting Period, mainly due to the Group's effective operating cost control and enhanced operational efficiency for the Reporting Period.

Selling expenses

The Group's selling expenses increased from approximately RMB2.5 million for the six months ended 30 June 2024 to approximately RMB2.7 million for the Reporting Period, representing an increase of approximately RMB0.2 million or 9.1%. Such increase was mainly due to the increase in market development and selling costs in order to expand the customer base and to boost sales volume in the Henan and Hubei regions.

Administrative expenses

The Group's administrative expenses decreased from approximately RMB7.3 million for the six months ended 30 June 2024 to approximately RMB6.1 million for the Reporting Period mainly due to the decrease in staff costs and professional advisory fees for the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Reversal of loss allowance on financial assets

The Group's reversal of loss allowance on financial assets increased from approximately RMB0.9 million for the six months ended 30 June 2024 to approximately RMB2.7 million for the Reporting Period mainly due to the decrease in the outstanding amount of trade receivables as at 30 June 2025.

Other income

The Group's other income remained stable at approximately RMB0.4 million for the six months ended 30 June 2024 and for the Reporting Period, which was mainly contributed from government grants related to income.

Other gains — net

The Group's net gains decreased from approximately RMB0.2 million for the six months ended 30 June 2024 to approximately RMB0.1 million for the Reporting Period, which was mainly attributable to the combined effect of (i) increase in exchange loss and (ii) decrease in non-operating income.

Finance income — net

The Group's net finance income increased from approximately RMB0.2 million for the six months ended 30 June 2024 to approximately RMB0.3 million for the Reporting Period, which was due to the decrease in interest expenses on bank borrowings during the Reporting Period.

Income tax (expense)/credit

The Group recorded loss before income tax of approximately RMB3.1 million for the six months ended 30 June 2024 and profit before income tax of approximately RMB1.4 million for the Reporting Period, mainly due to the increase in the Group's gross profit driven by the cost control measures as discussed above.

The Group recorded income tax credit of approximately RMB0.8 million for the six months ended 30 June 2024 and income tax expense of approximately RMB0.4 million for the Reporting Period which was mainly due to the turnaround from loss before income tax to profit before income tax for the Reporting Period.

Profit/(loss) and total comprehensive income/(loss)

The Group recorded loss and total comprehensive loss of approximately RMB2.3 million for the six months ended 30 June 2024 and profit and total comprehensive income of approximately RMB1.0 million for the Reporting Period. The change was primarily attributable to the decrease in the Group's costs of sales due to the cost control measures resulting in an increase in the gross profit and a reversal of impairment loss during the Reporting Period due to a decrease in the balance of trade receivables as discussed above.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since the date of Listing (the “Listing Date”) and up to the date of this report.

As at 30 June 2025, the Company’s issued capital was HK\$8.0 million and the number of its issued ordinary Shares was 800,000,000 Shares of HK\$0.01 each. During the Reporting Period, the Company did not hold or sell any treasury Shares.

As at 30 June 2025, the Group had total cash and cash equivalents of approximately RMB64.5 million (31 December 2024: approximately RMB53.2 million), which were principally denominated in RMB.

As at 30 June 2025, the Group had bank borrowings of approximately RMB10,000 (31 December 2024: approximately RMB2.0 million) which were to be settled within one year and denominated in RMB at prevailing interest rate offered by the bank with reference to the PRC loan prime rate. As at 30 June 2025, the Group had no unutilised banking facilities.

The gearing ratio of the Group as at 30 June 2025, calculated as total borrowings (including bank borrowings and finance lease liabilities) divided by the total equity was approximately 0.0% (31 December 2024: approximately 0.9%).

TREASURY POLICY

The Group has implemented a series of internal control policies and rules regarding investment to ensure that the purpose of investment is to preserve capital and liquidity, and the Group would only purchase investment products under limited circumstances. The Group’s finance department is responsible for managing the investment activities, and investment strategies and decisions of the finance department are subject to review and approval of the Board and management team. Prior to making a proposal to invest in investment products, the Group will assess and ensure that there remains sufficient working capital for the business needs, operating activities, research and development and capital expenditures even after purchasing such investment products. The Group adopts a prudent approach in selecting investment products. The Group generally analyses the investment products based on its historical financial performance. Should the Group notice any adverse changes to the financial performance of the investment products based on available information, the finance department will report to the Board and take appropriate actions in a timely manner.

FOREIGN EXCHANGE EXPOSURE

The Group transacts mainly in RMB, which is the functional currency of the Group’s principal operating subsidiaries. However, the Group retains certain proceeds from the Listing in Hong Kong dollars that are exposed to foreign exchange rate risks. The Board considers that the Group has not exposed to significant foreign exchange risk and no foreign exchange hedging was conducted by the Group during the Reporting Period. During the Reporting Period, the Group did not enter into any financial instrument for hedging purpose or enter into any foreign currency hedging transactions.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL EXPENDITURES

During the Reporting Period, the Group incurred capital expenditures of approximately RMB2.1 million in the purchase of machinery (six months ended 30 June 2024: approximately RMB0.6 million in the purchase of machinery and approximately RMB0.4 million in the purchase of electronic and other equipment).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2025 and 31 December 2024, the Group did not have any capital commitments.

As at 30 June 2025 and 31 December 2024, the Group did not have any significant contingent liabilities.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Period. Save for the business plans as disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 17 June 2022 (the “Prospectus”), the Group did not have any future plan for material investments or capital assets as at 30 June 2025. For details, please refer to the section headed “Use of Proceeds” in this report.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investments during the Reporting Period.

PLEDGE OF ASSETS

As at 30 June 2025, buildings with net book value of approximately RMB6.4 million (31 December 2024: approximately RMB9.9 million) were pledged to secure bills payable of the Group.

As at 30 June 2025 and 31 December 2024, no machinery with net book value was pledged to secure bank borrowing of the Group.

As at 30 June 2025, leasehold land use right with net book value of approximately RMB2.8 million (31 December 2024: approximately RMB2.8 million) was pledged to secure bills payable of the Group.

As at 30 June 2025, no bills receivable measured at fair value through other comprehensive income (“FVOCI”) (31 December 2024: RMB3.0 million) was pledged to secure bills payable of the Group.

The Group’s restricted cash were with maturity within one year, denominated in RMB and represented bank deposits pledged to banks for the issuance of bank acceptance bills payable in respect of future settlement to suppliers of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board has resolved not to recommend the declaration of interim dividend for the Reporting Period (six months ended 30 June 2024: nil).

USE OF PROCEEDS

The net proceeds from the Listing, after deducting related expenses, were approximately HK\$90.3 million. The balance of the unutilised net proceeds brought forward from the beginning of the Reporting Period was approximately HK\$52.0 million. An analysis of the utilisation of the use of proceeds from the Listing Date and up to 30 June 2025 are set out as below:

Description	Intended use of proceeds HK\$' million	Utilised amount during the Reporting Period HK\$' million	Utilised amount as at 30 June 2025 HK\$' million	Unutilised amount as at 30 June 2025 HK\$' million	Expected timeline for utilising the unutilised net proceeds
Expanding the Group's production capacity, production efficiency and product portfolio	33.3	1.0	2.3	31.0	Before 31 December 2025
Enhancing the Group's research and development capabilities	17.6	–	1.1	16.5	Before 31 December 2025
Enhancing the Group's enterprise resource planning system and infrastructure system	0.1	–	0.1	–	Fully utilised
Increasing the Group's marketing efforts	2.6	0.2	0.6	2.0	Before 31 December 2025
Acquisition of printing machineries and positioning crosscutting machine for coloured cigarette packaging paper production	22.9	1.3	22.9	–	Fully utilised
Reserved as the Group's general working capital	13.8	–	13.8	–	Fully utilised
Total	90.3	2.5	40.8	49.5	

As at 30 June 2025, all net proceeds were applied and will be applied according to the disclosure in the Prospectus and the Company's announcement in relation to the acquisition of the machineries and change in use of net proceeds dated 27 October 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

In view of the temporary reduction in sales orders received by the Group during the Reporting Period, the decline was primarily attributable to several key factors. During the first half of 2025, products supplied to newly secured customers were subject to small-scale trials, pilot testing, and initial experimental verification in limited batches. In addition, several of the Group's major customers were undergoing product upgrades, leading to a transition period between the phasing out of existing models and the introduction of newly enhanced versions. The Board considers these impacts to be temporary and expects order volumes to recover in the foreseeable future as the product transitions are completed and new orders progress to commercial scale.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 85 employees (30 June 2024: 109 employees). Remuneration to our employees comprises salaries and allowances and bonuses. The Group generally reviews the performance of the employees by way of annual appraisals. The results of these reviews are used for the purposes of salary adjustments and promotion. The total staff costs incurred by the Group for the Reporting Period was approximately RMB4.8 million compared to approximately RMB5.6 million for the corresponding period in 2024. Various on-the-job trainings were provided to the employees. The Group provides various trainings including induction training for new employees, on-the-job training, team-building training and external training for the employees to keep them abreast of the latest technical development relevant to the industry.

As stipulated by the regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal, autonomous regional and provincial governments for its employees in the PRC. The Group is required to make contributions to the retirement plans at certain percentage of the employees' payroll. For the six months ended 30 June 2025, no forfeited contributions may be used by the Group to reduce the existing level of contributions.

EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events from the end of the Reporting Period to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Group is committed to ensuring high standards of corporate governance and business practices. The Company's corporate governance practices are based on the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules. During the six months ended 30 June 2025 to the date of this interim report, the Company has complied with the applicable code provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the required standard for securities transactions by Directors. All Directors, after specific enquiries by the Company, confirmed that 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 interim report.

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

No purchase, sale or redemption of the Company's listed securities (including treasury Shares) was made by the Company or any of its subsidiaries during the six months ended 30 June 2025 and up to the date of this interim report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted at 30 June 2025 or at any time during the six months ended 30 June 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) which were required to be 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 they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in the Company

Name of Director	Capacity/Nature of interest	Number of Shares held/ interested (Note 1)	Percentage of interest
Mr. Chen Weizhuang ("Mr. Chen")	Interest in a controlled corporation (Note 2)	339,040,000 (L)	42.38%
Mr. Yu Tianbing ("Mr. Yu")	Interest in a controlled corporation (Note 3)	96,000,000 (L)	12.00%

Notes:

1. The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.
2. These Shares were owned by City Ease Limited ("City Ease"). City Ease is wholly-owned by Mr. Chen. By virtue of the SFO, Mr. Chen is deemed to be interested in the same number of Shares held by City Ease.
3. These Shares were owned by Yong Ning Limited ("Yong Ning"). Yong Ning is wholly-owned by Mr. Yu. By virtue of the SFO, Mr. Yu is deemed to be interested in the same number of Shares held by Yong Ning.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2025, so far as it was known to the Directors, the following persons (other than the Directors and chief executive of the Company) had or deemed or taken to have an interest and/or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Number of Shares held/ interested (Note 1)	Percentage of interest
City Ease	Beneficial owner (Note 2)	339,040,000 (L)	42.38%
Ms. Liu Yuezhu	Interest of spouse (Note 3)	339,040,000 (L)	42.38%
Enlighten East Limited ("Enlighten East")	Beneficial owner (Note 4)	146,960,000 (L)	18.37%
Yong Ning	Beneficial owner (Note 5)	96,000,000 (L)	12.00%
Ms. Zhou Huaqin	Interest of spouse (Note 6)	96,000,000 (L)	12.00%

Notes:

1. The letter "L" denotes a person's/corporation's "long position" (as defined under Part XV of the SFO) in such Shares.
2. City Ease is wholly-owned by Mr. Chen. By virtue of the SFO, Mr. Chen is deemed to be interested in the same number of Shares held by City Ease.
3. Ms. Liu Yuezhu (劉月珠) is the spouse of Mr. Chen. Under the SFO, Ms. Liu Yuezhu is deemed to be interested in the Shares in which Mr. Chen is interested.
4. Enlighten East is owned as to 32.66%, 28.57%, 22.44% and 16.33% by Mr. Hu Haoran (a non-executive Director), Mr. Wu Bo, Mr. Lu Shunhe and Mr. Lin Huan, respectively, and none of them, together with his respective close associates, controls one-third or more of the voting power at the general meetings of Enlighten East.
5. Yong Ning is wholly-owned by Mr. Yu. By virtue of the SFO, Mr. Yu is deemed to be interested in the same number of Shares held by Yong Ning.
6. Ms. Zhou Huaqin (周華琴) is the spouse of Mr. Yu. Under the SFO, Ms. Zhou Huaqin is deemed to be interested in the Shares in which Mr. Yu is interested.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares, underlying shares or debentures 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 required to be recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

Written resolutions of the Shareholders of the Company were passed on 2 June 2022 to conditionally adopt the share option scheme (the “Share Option Scheme”). The principal terms of the Share Option Scheme are summarised in the paragraph headed “Share Option Scheme” in the report of the Directors in the annual report of the Company for the year ended 31 December 2024.

As at 1 January 2025 and 30 June 2025, the number of options available for grant under the Share Option Scheme was 80,000,000 Shares, respectively, which represents 10% and 10% of the number of issued shares as at 1 January 2025 and 30 June 2025, respectively. There was no service provider sublimit set under the Share Option Scheme during the six months ended 30 June 2025.

Since the adoption of the Share Option Scheme, no option has been granted under the Share Option Scheme. Therefore, no option was exercised or cancelled or has lapsed during the Reporting Period and there was no outstanding option as at 30 June 2025.

MANAGEMENT CONTRACT

No contract, other than a contract of service with any Director or any person in the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total issued share capital was held by the public during the Reporting Period and up to the date of this interim report.

AUDIT COMMITTEE

The Company has established the audit committee (“Audit Committee”) on 2 June 2022 with written terms of reference. The composition of the Audit Committee meets the requirement of Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of external auditor, review the financial statements and provide material advice in respect of financial reporting, oversee the financial reporting process, internal control, risk management systems and audit process of the Company and perform other duties and responsibilities assigned by the Board. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chen Yeung Tak, Mr. Liu Yimin and Ms. Feng Yuan. Mr. Chen Yeung Tak is the chairperson of the Audit Committee.

CORPORATE GOVERNANCE AND OTHER INFORMATION

REVIEW OF INTERIM FINANCIAL RESULTS BY AUDIT COMMITTEE

The unaudited consolidated interim financial information of the Group for the six months ended 30 June 2025 and the accounting information given in this interim report has not been reviewed or audited by the external auditor of the Company but has been reviewed by the Audit Committee, which agreed with the accounting treatment adopted by the Company, and was of the opinion that the preparation of such accounting information complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the period.

On behalf of the Board

Chen Weizhuang

Chairman and Executive Director

Hong Kong, 22 August 2025