



**Labixiaoxin Snacks Group Limited**  
**蠟筆小新休閒食品集團有限公司**

(Incorporated in Bermuda with limited liability)

Stock Code: 1262



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# CORPORATE INFORMATION

## REGISTERED OFFICE

Clarendon House,  
2 Church Street,  
Hamilton HM 11,  
Bermuda

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Wuli Industrial Area,  
Jinjiang, Fujian,  
PRC

## PLACE OF BUSINESS IN HONG KONG

Unit 2108, 21/F,  
Island Place Tower,  
510 King's Road,  
North Point, Hong Kong

## PLACE OF LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited  
Stock code: 1262

## COMPANY WEBSITE

<http://www.lbxgroup.com>

*(information contained in this website does not form part of this interim report)*

## BOARD OF DIRECTORS

### Executive Directors

Zheng Yu Huan (*Chairman*)  
Zheng Yu Shuang (*Chief Executive Officer*)  
Zheng Yu Long  
Wu Qiongyao

### Non-Executive Director

Li Hung Kong (*Vice-Chairman*)

### Independent Non-Executive Directors

Li Biao  
Chung Yau Tong  
So Ching Tung, *JP*

## COMPANY SECRETARY

Chan Yee Lok

## AUTHORIZED REPRESENTATIVES

Zheng Yu Shuang  
Chan Yee Lok

## AUDIT COMMITTEE

Chung Yau Tong (*Chairman*)  
Li Biao  
So Ching Tung, *JP*

## REMUNERATION COMMITTEE

So Ching Tung, *JP* (*Chairman*)  
Zheng Yu Long  
Chung Yau Tong

## CORPORATE INFORMATION *(Continued)*

### NOMINATION COMMITTEE

Li Biao (*Chairman*)

Chung Yau Tong

Wu Qiongyao

(appointed as a member with effect from 19 June 2025)

Zheng Yu Shuang

(ceased to be a member with effect from 19 June 2025)

### AUDITORS

HLB Hodgson Impey Cheng Limited

*Certified Public Accountant and*

*Registered Public Interest Entity Auditor*

31st Floor, Gloucester Tower,

The Landmark, 11 Pedder Street,

Central, Hong Kong

### LEGAL ADVISOR

Sidley Austin

Level 39,

Two International Finance Centre,

8 Finance Street,

Central, Hong Kong

### PRINCIPAL SHARE REGISTRAR

Conyers Corporate Services (Bermuda) Limited

Clarendon House,

2 Church Street,

Hamilton HM 11,

Bermuda

### HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre,

16 Harcourt Road,

Hong Kong

### PRINCIPAL BANKERS

Construction Bank of China, Jinjiang Branch

Construction Bank Building,

Zeng Jin Area, Qing Yang,

Jinjiang, Fujian,

PRC

Ping An Bank Co., Ltd., Quanzhou Branch

1/F, Jun Yi Building, 311 Fengze Street,

Quanzhou, Fujian,

PRC

China CITIC Bank, Quanzhou Branch

1-2/F, Renmin Yinhang Building,

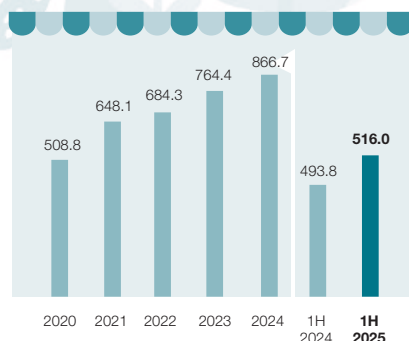
Quanzhou, Fujian,

PRC

# FINANCIAL HIGHLIGHTS

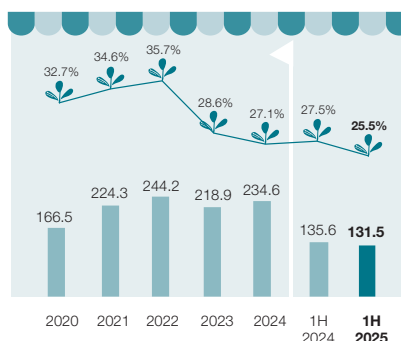
## Revenue

RMB'M



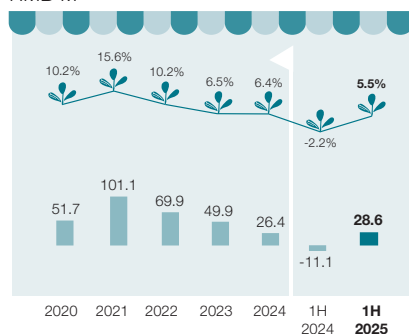
## Gross Profit

RMB'M



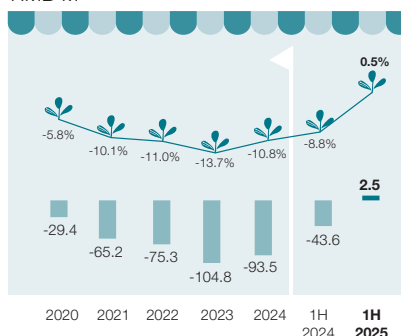
## EBITDA/(LBITDA) (Note)

RMB'M



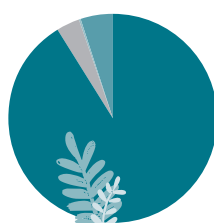
## Net Profit/(Loss)

RMB'M

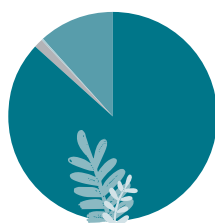


## Revenue by Products

1H2025



1H2024

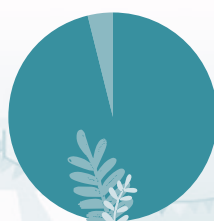


## Revenue by Products

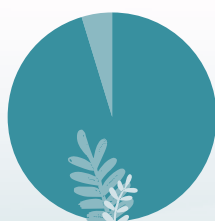
- Jelly Products
- Confectionary Products
- Beverage Products
- Other Snacks Products

## Revenue by Locations of End Customers

1H2025



1H2024



## Revenue by Distribution Channels

- Wholesale Distributors
- Overseas

Note: EBITDA/(LBITDA) refers to profit/(loss) before interests, income tax, depreciation, amortization, allowance for expected credit losses, gain on disposal of asset classified as held for sale and written-off of property, plant and equipment. The Company believes that the presentation of EBITDA/(LBITDA), being a non-IFRS measure, will facilitate the evaluation of financial performance of the Group by excluding potential impact of certain non-operating and non-recurring items. Such non-IFRS measure may be defined differently from similar terms used by other companies. The Company's presentation of this non-IFRS measure should not be construed as an inference that the Group's future results will be unaffected by these items.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

During the six months ended 30 June 2025, the Group recorded revenue of RMB516.0 million, representing an increase of approximately 4.5% as compared with the corresponding period in 2024 mainly due to increase in sales of jelly products and other snacks products by 9.7% and 180.8%, respectively. During the six months ended 30 June 2025, the consumer sentiment in the People's Republic of China (the “**PRC**”) continued to recover from the impact of the Coronavirus Disease 2019 (“**COVID-19**”) outbreak. The Group's sales benefited from the continual recovery of the consumer sentiment in the PRC. In addition, in the past few years, the Group had put immense efforts in expanding its new sales channels (“**New Sales Channels**”) e.g. sales through major snacks convenience stores chains in the PRC (“**Snacks Convenience Stores Chains**”) and e-commerce on major social media platforms e.g. Douyin. The expansion of these New Sales Channels had boosted the sales of our jelly products and other snacks products.

The gross profit margin of the Group decreased slightly from 27.5% in the six months ended 30 June 2024 to 25.5% in the six months ended 30 June 2025 as the profit margin from the sales through the Snacks Convenience Stores Chains are in general lower than the sales through traditional distributors.

For the six months ended 30 June 2025, the Group recorded a net profit of RMB2.5 million (six months ended 30 June 2024: net loss of RMB43.6 million). The reasons for the turnaround from net loss to net profit were mainly attributable to the fact that less advertising and promotion expenses and allowance for expected credit losses were incurred during the six months ended 30 June 2025, as compared to the corresponding period in 2024.

## Revenue

Revenue increased by approximately 4.5% to RMB516.0 million in the first half of year 2025 when compared with the same period in year 2024. During the period under review, the Group's sales performance has been positively impacted by the recovery of consumer sentiments of the PRC. In addition, the expansion of the New Sales Channels had also boosted the sales of our jelly products and other snacks products.

## Jelly products

Revenue of jelly products increased by approximately 9.7% from RMB429.2 million in the first half of year 2024 to RMB470.7 million in the first half of year 2025 due to the reasons explained above. During the six months ended 30 June 2025, revenue attributable to jelly snacks increased by approximately 14.3% to RMB289.1 million while sales attributable to jelly beverages increased by approximately 3.1% to RMB181.6 million.

## Confectionary products

Revenue of confectionary products decreased by approximately 54.3% from RMB56.2 million in the first half of year 2024 to RMB25.7 million in the first half of year 2025. The Group's confectionary products are mainly for Chinese New Year festival. Since the Chinese New Year festival of 2025 was in early February 2025, many of the Group's customers had already purchased the confectionary products in December 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### Beverages products

The beverages market in the PRC remained highly competitive and was dominated by several major brands. Revenue of beverages products of the Group decreased by approximately 40.2% to RMB1.1 million in the first half of year 2025 mainly because the Group did not launch new major products in this category in the six months ended 30 June 2025 as the contribution of these products is minimal to the Group.

### Other snacks products

Revenue of other snacks products increased by approximately 180.8% to RMB18.5 million, mainly due to strong growth in sales performance through Snacks Convenience Stores Chains and e-commerce channels and the launch of new bean curd products during the period.

### Cost of Sales and Gross Profit

Cost of sales increased by approximately 7.3% to RMB384.5 million in the first half of year 2025, mainly attributable to the corresponding increase in sales. The gross profit decreased by approximately 3.0% to RMB131.5 million in the first half of year 2025. The gross profit margin decrease slightly from 27.5% in the first half of year 2024 to 25.5% in the first half of year 2025 mainly due to increase in the proportion of sales through Snacks Convenience Stores Chains which in general have lower gross profit margin.

### Selling and Distribution Expenses

Selling and distribution expenses decreased by approximately 41.1% to RMB71.1 million in the first half of year 2025 primarily due to decrease in advertising and promotion expenses incurred during the period as the proportion of sales through Snacks Convenience Stores Chains increases, which in general requires less advertising and promotion activities.

### Administrative Expenses

Administrative expenses increased by approximately 10.7% to RMB51.2 million in the first half of year 2025 as compared with the same period in year 2024. This was mainly due to increase in various administrative costs due to inflation.

### Income Tax Expense

During the six months ended 30 June 2025, the Group did not have any assessable income in Bermuda, BVI and Hong Kong. The subsidiaries in the PRC are subject to income tax rate of 25% on their taxable profit during the period. The income tax expense during the period under review was primarily due to income tax expenses incurred by a PRC subsidiary.

### Net Profit/(Loss) for the Period

For the six months ended 30 June 2025, the Group recorded a net profit of RMB2.5 million (six months ended 30 June 2024: net loss of RMB43.6 million). The reasons for the turnaround from net loss to net profit were mainly attributable to the fact that less advertising and promotion expenses and allowance for expected credit losses were incurred during the six months ended 30 June 2025, as compared to the corresponding period in 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

## FINANCIAL REVIEW

### Financial resources and liquidity

The Group mainly finances its operations and capital expenditures by cash and bank balances, operating cash flows and bank borrowings. As at 30 June 2025, the bank balances and bank deposits amounted to RMB47.5 million which is RMB5.0 million less than the balance as at 31 December 2024. The decrease in bank balances and bank deposits was mainly because the Group has spent RMB13.4 million in investing activities in the first half of year 2025 mainly for the upgrade of production lines of the production plants.

As at 30 June 2025, the Group's gearing ratio (total borrowings divided by total equity) was 212.8% (As at 31 December 2024: 212.8%). The Group maintains sufficient cash and available banking facilities for its working capital requirements and for capitalizing on any potential investment opportunities in the future. The Group will from time to time make prudent financial arrangements and decisions to address changes in the domestic and international financial environment.

### Cash flow

The Group recorded net cash inflow from operating activities of RMB11.4 million in the first half of year 2025 (2024: RMB5.0 million). The improvement in operating cash inflow for the period under review was mainly because less advertising and promotion expenses were incurred by the Group during the period under review.

The Group has spent RMB13.4 million in investing activities in the first half of year 2025 mainly for the upgrade of production lines of the production plants. The Group has net cash outflow from financing activities of RMB3.1 million in the first half of year 2025 mainly due to payment of interest expenses for bank borrowings during the period under review.

### Capital expenditure

During the six months ended 30 June 2025, the Group incurred RMB13.4 million in capital expenditure mainly for the upgrade of production lines of the production plants.

### Inventory analysis

The Group's inventories primarily consist of finished goods of jelly products, confectionary products, beverage products and other snacks products, as well as raw materials and packaging materials. As at 30 June 2025, the balance of inventory has increased by 12.0% from the beginning of the year mainly due to the expected increase in sales to Snacks Convenience Stores Chains.

The inventory turnover days for the first half of year 2025 and year 2024 were 47 days and 45 days, respectively.

### Trade receivables

Trade receivables mainly represent the balance due from wholesale distributors and Snacks Convenience Stores Chains. The Group typically sells its products on credit and grant 180 days credit to most of the wholesale distributors and Snacks Convenience Stores Chains. There is no significant change in the balance from the beginning of the year.

The trade receivables turnover days for the first half of year 2025 and year 2024 were 60 days and 93 days, respectively. Subsequent to the period end and up to the date of this interim report, approximately RMB103.0 million of the trade receivables were settled by the wholesale distributors and Snacks Convenience Stores Chains.



## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### Trade payables

Trade payables mainly represent the balances due to the Group's suppliers who generally grant credit terms ranging from 30 days to 60 days to the Group.

Trade payable turnover days for the six months ended 30 June 2025 and 2024 were 39 days and 40 days respectively.

### Foreign exchange fluctuations

The Group earns revenue and incurs costs and expenses mainly in Renminbi. The Group is exposed to certain foreign exchange fluctuations arising mainly from the exposure of Renminbi against the Hong Kong dollar and United States dollar. During the six months ended 30 June 2025, the Group did not enter into any forward contracts to hedge the foreign exchange exposures as the Directors considered the financial benefits of such forward contracts might not outweigh their costs. The Company will continue to monitor foreign exchange exposures of the Group to best preserve the Group's cash value.

### Charges on assets

As at 30 June 2025, land use rights and buildings of the Group with carrying values of RMB83,076,000 (31 December 2024: RMB84,316,000) and RMB125,508,000 (31 December 2024: RMB134,715,000) respectively, were pledged to banks as securities for banking facilities granted to the Group.

### Contingent liabilities

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

## DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

## PROSPECT

After the COVID-19 pandemic, the consumer sentiment in the PRC and the market demand for the Group's snack products continued to recover. During the six months ended 30 June 2025, the Group's revenue continued to grow steadily. The Directors expected that the steady and healthy recovery of the PRC's economy and our business will continue in the short to medium term. To build a solid foundation for mid-to-long term growth, the Group will continue to (i) take proactive steps in marketing its brand image and products in 2025 and onwards, (ii) launch new snacks products from time to time to offer better choices to the consumers and (iii) expand the New Sales Channels coverage in the PRC. The Directors believe that these measures will bring positive impacts to the Group's financial performance in the long run. While the near-term outlook for the snacks products sector of the PRC remains challenging due to stiff competition in the industry, the country's ongoing economic reforms and the continuous expansion of the middle and upper class population will propel growth in retail consumption in the long run. Therefore, the Directors are cautiously optimistic to the long term development of the Group's business.

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

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Unaudited Six months ended 30 June	
	Note	2025 RMB'000	2024 RMB'000
Revenue	5	515,996	493,797
Cost of sales		(384,462)	(358,217)
Gross profit		131,534	135,580
Other income	6	3,984	4,831
Other gain, net	7	78	162
Allowance for expected credit losses, net		(1,143)	(6,911)
Selling and distribution expenses		(71,104)	(120,635)
Administrative expenses		(51,234)	(46,300)
Operating profit/(loss)		12,115	(33,273)
Finance income		41	129
Finance costs		(8,659)	(10,501)
Finance costs, net	8	(8,618)	(10,372)
Profit/(loss) before taxation	9	3,497	(43,645)
Taxation	10	(973)	–
Profit/(loss) and total comprehensive profit/(loss) for the period		2,524	(43,645)
<b>Profit/(loss) per share attributable to equity holders of the Company</b> (RMB per share)	11		
– Basic		0.01	(0.33)
– Diluted		0.01	(0.33)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets	13	83,076	84,316
Property, plant and equipment	13	237,546	237,420
Deposits for property, plant and equipment		32,259	33,098
		352,881	354,834
<b>Current assets</b>			
Inventories		102,732	91,748
Trade receivables	14	162,728	165,489
Prepayments and other receivables		171,308	129,269
Cash and bank balances		47,481	52,501
		484,249	439,007
<b>Total assets</b>		<b>837,130</b>	<b>793,841</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

AS AT 30 JUNE 2025

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital		1,546	1,546
Reserves		215,497	212,973
<b>Total equity</b>		<b>217,043</b>	214,519
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Deferred tax liabilities		15,846	15,846
		15,846	15,846
<b>Current liabilities</b>			
Trade and other payables	15	145,178	107,076
Bank borrowings	16	458,090	456,400
Tax payable		973	—
		604,241	563,476
<b>Total liabilities</b>		<b>620,087</b>	579,322
<b>Total equity and liabilities</b>		<b>837,130</b>	793,841
<b>Net current liabilities</b>		<b>(119,992)</b>	(124,469)
<b>Total assets less current liabilities</b>		<b>232,889</b>	230,365

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Statutory reserves RMB'000	Contributed surplus RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Balance as at 1 January 2025</b>	<b>1,546</b>	<b>84,815</b>	<b>(87,600)</b>	<b>184,506</b>	<b>1,084,746</b>	<b>(41)</b>	<b>(1,053,453)</b>	<b>214,519</b>
Profit and total comprehensive profit for the period	-	-	-	-	-	-	2,524	2,524
<b>Balance as at 30 June 2025</b>	<b>1,546</b>	<b>84,815</b>	<b>(87,600)</b>	<b>184,506</b>	<b>1,084,746</b>	<b>(41)</b>	<b>(1,050,929)</b>	<b>217,043</b>
Balance as at 1 January 2024	470,030	615,656	(87,600)	184,506	-	(41)	(959,993)	222,558
Capital reorganisation	(469,090)	(615,656)	-	-	1,084,746	-	-	-
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(43,645)	(43,645)
<b>Balance as at 30 June 2024</b>	<b>940</b>	<b>-</b>	<b>(87,600)</b>	<b>184,506</b>	<b>1,084,746</b>	<b>(41)</b>	<b>(1,003,638)</b>	<b>178,913</b>



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	11,428	4,981
Income tax paid	–	–
<b>Net cash generated from operating activities</b>	<b>11,428</b>	<b>4,981</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(13,394)	(19,148)
Deposits for property, plant and equipment	–	(5,452)
Increase in pledged bank deposits	–	(3,510)
Interest received	41	129
<b>Net cash used in investing activities</b>	<b>(13,353)</b>	<b>(27,981)</b>
<b>Cash flows from financing activities</b>		
Proceeds from shareholder's loan	3,854	11,045
Proceeds from borrowings	61,000	160,000
Repayments of borrowings	(59,310)	(147,350)
Interest paid	(8,638)	(10,140)
<b>Net cash (used in)/generated from financing activities</b>	<b>(3,095)</b>	<b>13,555</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,020)</b>	<b>(9,445)</b>
Cash and cash equivalents at the beginning of the period	52,501	44,319
<b>Cash and cash equivalents at the end of the period</b>	<b>47,481</b>	<b>34,874</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Labixiaoxin Snacks Group Limited (the “**Company**”) was incorporated in Bermuda on 4 May 2004 and domiciled in Bermuda. The Company’s immediate and ultimate holding company is Alliance Food and Beverages (Holding) Company Limited (“**Alliance Holding**”), a company incorporated in the British Virgin Islands (“**BVI**”). The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Wuli Industrial Area, Jinjiang, Fujian, the People’s Republic of China (“**PRC**”) (中國福建省晉江市五里工業園區).

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are manufacturing and sale of jelly products, confectionery products, beverages products and other snacks products. The Company’s shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The condensed consolidated interim financial information is presented in Renminbi (“**RMB**”), unless otherwise stated. The condensed consolidated interim financial information has not been audited.

## 2 BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

The Group recorded a net profit of approximately RMB2,524,000 (six months ended 30 June 2024: net loss of approximately RMB43,645,000) for the six months ended 30 June 2025. As at 30 June 2025, the Group’s current liabilities exceeded its current assets by approximately RMB119,992,000 (as at 31 December 2024: approximately RMB124,469,000). The directors of the Company have reviewed the Group’s cash flow projections prepared by management. The cash flow projections cover a period of twelve months from 30 June 2025. They are of the opinion that, taking into account the plans and measures as stated below, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2025. Accordingly, the directors are satisfied that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

Notwithstanding the above results, the condensed consolidated interim financial information have been prepared on a going concern basis, the validity of which is dependent upon the success of the Group’s future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements. Also, the directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 2 BASIS OF PREPARATION *(Continued)*

#### (1) Bank borrowings

The Group had bank borrowings of approximately RMB458,090,000 as at 30 June 2025, of which approximately RMB300,120,000 is repayable within one year. The remaining bank borrowings, amounting to approximately RMB157,970,000 were classified as current liabilities due to the existence of a repayment on demand clause in the loan agreements. The directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

#### (2) Financial support from substantial shareholder

Mr. Zheng Yu Long, the substantial shareholder of the Company who has already provided the unutilised loan facility of RMB60,000,000 to the Group as at 30 June 2025, has to continuously provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the twelve months from the date of this interim report.

#### (3) Alternative sources of external funding

The Group will take steps to obtain external funding in order to improve the working capital and liquidity and cash flow position of the Group.

#### (4) Cost control measurements

The Group has taken measures to tighten cost controls over production costs and expenses with the aim of attaining profitable and positive cash flow operations.

#### (5) Business reorganisation

The Group may consider the disposal of non-core business and/or financial assets if required.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently carried in the consolidated statement of financial position. The effect of these adjustments has not been reflected in the condensed consolidated interim financial information.

The preparation of condensed consolidated 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 condensed consolidated 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 annual financial statements for the year ended 31 December 2024.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following new and revised IFRSs for the first time for the current period's financial information.

#### Application of amendments to IFRS Accounting Standards

In the reporting period, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group's condensed consolidated interim financial information:

Amendments to IAS 21

Lack of Exchangeability

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

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

The application of the amendments in the current period had no material impact on the condensed consolidated interim financial information and the annual consolidated financial statements for the year ending 31 December 2025.

### 4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risks (including currency risk and interest rate risk), credit risk and liquidity risk.

The condensed consolidated 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 Group's annual financial statements as at 31 December 2024.

There have been no material changes in the risk management department since year end or in any risk management policies since the year end.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 5 SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and sale of jelly products, confectionary products, beverages products and other snacks products.

The chief operating decision-maker (the “**CODM**”) has been identified as the executive directors of the Company. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business by products and assesses the performance of the following operating segments:

- i. Jelly products
- ii. Confectionary products
- iii. Beverages products
- iv. Other snacks products

The CODM assesses the performance of the operating segments based on measure of segment results without allocation of corporate income (included the other income and other gain) and corporate expenses including the administrative expense and other loss. Other information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements. The Company’s executive directors make decisions based on the operating results of each segment and review reports on the ageing analysis of trade receivables and expected usage of inventories of the Group as a whole. No information of segment assets and liabilities is reviewed by the Company’s executive directors for the assessment of performance of operating segments. Therefore, only the segment revenue and segment results are presented.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the condensed consolidated statement of profit or loss and other comprehensive income.

#### Geographical information

No geographical information has been presented as all of the Group’s operating activities are carried out in the PRC.

As at 30 June 2025 and 31 December 2024, majority of the Group’s assets, liabilities and capital expenditure were located or utilised in the PRC.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 5 SEGMENT INFORMATION (Continued)

## Information about major customers

Revenue from customers which individually contributed over 10% of the Group's revenue for the six months ended 30 June 2025 and 2024 is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Customer A	80,679	70,653

## Segment revenue and results

	Unaudited				
	Six months ended 30 June 2025				
	Jelly products	Confectionary products	Beverages products	Other snacks products	Reportable segments total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Revenue</b>					
Sales to external customers	470,686	25,676	1,112	18,522	515,996
Cost of sales	(348,643)	(20,582)	(1,578)	(13,659)	(384,462)
Gross profit/(loss)	122,043	5,094	(466)	4,863	131,534
<b>Results of reportable segments</b>	<b>56,057</b>	<b>2,213</b>	<b>(622)</b>	<b>2,782</b>	<b>60,430</b>

Note: For sales to external customer, the revenue is recognized at a point in time. All revenue contracts are for period of one year or less. As permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 5 SEGMENT INFORMATION (Continued)

## Segment revenue and results (Continued)

A reconciliation of results of reportable segments to profit for the period is as follows:

Unaudited Six months ended 30 June 2025					
	Jelly products RMB'000	Confectionary products RMB'000	Beverages products RMB'000	Other snacks products RMB'000	Reportable segments total RMB'000
<b>Results of reportable segments</b>					60,430
Corporate income					4,062
Corporate expenses					(52,377)
<b>Operating profit</b>					12,115
Finance income					41
Finance costs					(8,659)
<b>Profit before taxation</b>					3,497
Taxation					(973)
<b>Profit for the period</b>					2,524
Amounts included in the measure of segment profit or loss:					
Capital expenditure	12,172	–	1,222	–	13,394
Depreciation of right-of-use assets	772	–	468	–	1,240
Depreciation of property, plant and equipment	13,929	–	33	144	14,106
Allowance for expected credit losses on trade receivables	1,043	57	2	41	1,143

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**5 SEGMENT INFORMATION (Continued)**  
**Segment revenue and results (Continued)**

	Unaudited Six months ended 30 June 2024				Reportable segments total
	Jelly products RMB'000	Confectionary products RMB'000	Beverages products RMB'000	Other snacks products RMB'000	RMB'000
<b>Revenue</b>					
Sales to external customers	429,157	56,183	1,860	6,597	493,797
Cost of sales	(309,758)	(41,570)	(1,623)	(5,266)	(358,217)
Gross profit	119,399	14,613	237	1,331	135,580
<b>Results of reportable segments</b>	13,604	1,693	(200)	(152)	14,945

Note: For sales to external customer, the revenue is recognized at a point in time. All revenue contracts are for period of one year or less. As permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

A reconciliation of results of reportable segments to loss for the period is as follows:

	Unaudited Six months ended 30 June 2024				Reportable segments total
	Jelly products RMB'000	Confectionary products RMB'000	Beverages products RMB'000	Other snacks products RMB'000	RMB'000
<b>Results of reportable segments</b>					14,945
Corporate income					4,993
Corporate expenses					(53,211)
<b>Operating loss</b>					(33,273)
Finance income					129
Finance costs					(10,501)
<b>Loss before taxation</b>					(43,645)
Taxation					—
<b>Loss for the period</b>					(43,645)

Amounts included in the measure  
of segment profit or loss:

Capital expenditure	20,197	—	4,403	—	24,600
Depreciation of right-of-use assets	772	—	468	—	1,240
Depreciation of property, plant and equipment	13,846	—	42	98	13,986
Allowance for expected credit losses on trade receivables	6,007	786	26	92	6,911

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***6 OTHER INCOME**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Rental income	<b>1,291</b>	1,825
Government subsidy	<b>835</b>	105
Sundry income	<b>2,418</b>	2,994
Loss on sale of scrap materials	<b>(560)</b>	(93)
	<b>3,984</b>	4,831

**7 OTHER GAIN, NET**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Net exchange gain	<b>78</b>	162
	<b>78</b>	162

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 8 FINANCE COSTS, NET

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
<b>Finance costs:</b>		
Interest expenses on bank borrowings	(8,638)	(10,140)
Interest expenses on loan from a director	(21)	(361)
Total finance costs	(8,659)	(10,501)
<b>Finance income:</b>		
Interest income on bank deposits	41	129
Total finance income	41	129
<b>Finance costs, net</b>	<b>(8,618)</b>	<b>(10,372)</b>

## 9 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging the following:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cost of inventory sold	306,411	295,322
Advertising and promotion expenses	27,873	59,510
Freight and transportation expenses	18,282	18,851
Staff cost (including directors' remunerations)		
– Salaries and bonuses	55,997	60,071
– Employer's contribution to defined contribution plans	4,045	3,353
Subcontracting expenses	27,413	18,844
Depreciation of property, plant and equipment	14,106	13,986
Depreciation of right-of-use assets	1,240	1,240
Allowance for expected credit losses, net	1,143	6,911



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***10 TAXATION**

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax – PRC Enterprise Income Tax	973	–
Deferred tax, net	–	–
	973	–

**Hong Kong Profits Tax, Bermuda and BVI income tax**

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

No provision of Hong Kong Profits Tax, Bermuda and BVI Income Tax has been made, as the Group did not generate any assessable profits in these jurisdictions during the six months ended 30 June 2025 and 2024.

**PRC Enterprise Income Tax**

PRC Enterprise Income Tax has been provided at rate of 25% (2024: 25%) on taxable profit of the Group's PRC subsidiaries during the six months ended 30 June 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***11 EARNING/(LOSS) PER SHARE****(a) Basic earning/(loss) per share**

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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
Net profit/(loss) attributable to the equity holders of Company (RMB'000)	<b>2,524</b>	(43,645)
Weighted average number of ordinary shares in issue for basic earning/(loss) per share ('000)	<b>218,416</b>	132,898
Basic earning/(loss) per share (RMB per share)	<b>0.01</b>	(0.33)

**(b) Diluted earning/(loss) per share**

There were no potential ordinary shares in issue for both the six months ended 30 June 2025 and 2024. Therefore, the diluted earning/(loss) per share of the Company is the same as the basic earning/(loss) per share.

**12 DIVIDENDS**

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

## 13 CAPITAL EXPENDITURE

	Right-of-use assets RMB'000	Unaudited Property, plant and equipment RMB'000	Total RMB'000
<b>Six months ended 30 June 2025</b>			
<b>Cost</b>			
As at 1 January 2025	123,938	1,570,376	1,694,314
Additions	–	14,232	14,232
As at 30 June 2025	123,938	1,584,608	1,708,546
<b>Accumulated depreciation</b>			
As at 1 January 2025	39,622	1,332,956	1,372,578
Depreciation	1,240	14,106	15,346
As at 30 June 2025	40,862	1,347,062	1,387,924
<b>Net book value</b>			
As at 30 June 2025	83,076	237,546	320,622

The land use rights of the Group are located in the PRC which the leasehold periods were 50 years.

As at 30 June 2025, buildings with carrying values of approximately RMB125,508,000 (31 December 2024: approximately RMB134,715,000) and land use right with carrying value of approximately RMB83,076,000 (31 December 2024: approximately RMB84,316,000) were pledged as securities for banking facilities granted to the Group as at 30 June 2025.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 13 CAPITAL EXPENDITURE (Continued)

	Right-of-use assets RMB'000	Unaudited Property, plant and equipment RMB'000	Total RMB'000
<b>Six months ended 30 June 2024</b>			
<b>Cost</b>			
As at 1 January 2024	124,613	1,553,600	1,678,213
Additions	–	19,148	19,148
Written-off	–	(1,107)	(1,107)
As at 30 June 2024	124,613	1,571,641	1,696,254
<b>Accumulated depreciation</b>			
As at 1 January 2024	37,815	1,315,622	1,353,437
Depreciation	1,240	13,986	15,226
Written-off	–	(996)	(996)
As at 30 June 2024	39,055	1,328,612	1,367,667
<b>Net book value</b>			
As at 30 June 2024	85,558	243,029	328,587

## 14 TRADE RECEIVABLES

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade receivables	218,754	220,372
Less: Allowance for expected credit losses	(56,026)	(54,883)
	162,728	165,489

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***14 TRADE RECEIVABLES *(Continued)***

For the six months ended 30 June 2025, the Group's revenue are generally on credit term of 180 days (For the six months ended 30 June 2024: 180 days). As at 30 June 2025, the ageing analysis of trade receivables, based on pass due, and net of allowance for credit losses, is as follows:

	<b>Unaudited 30 June 2025 RMB'000</b>	Audited 31 December 2024 RMB'000
Less than 30 days	<b>156,605</b>	155,418
31 days – 90 days	<b>3,752</b>	6,410
91 days – 180 days	<b>2,371</b>	3,661
	<b>162,728</b>	165,489

Included in the above allowance for expected credit losses on trade receivables is approximately RMB56,026,000 (As at 31 December 2024: approximately RMB54,883,000). The individually impaired trade receivable relates to consumers that were in default or delinquency in payments and only a portion of the receivables is expected to be recovered.

**15 TRADE AND OTHER PAYABLES**

	<b>Unaudited 30 June 2025 RMB'000</b>	Audited 31 December 2024 RMB'000
Trade payables	<b>69,321</b>	39,560
Bills payable (Note (i))	<b>10,000</b>	–
Accrued expenses	<b>17,509</b>	13,751
Directors' fees and emoluments payable	<b>3,520</b>	2,201
Loan from a director (Note (ii))	<b>3,853</b>	–
Other payables and sundry creditors (Note (iii))	<b>40,975</b>	51,564
	<b>145,178</b>	107,076



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 15 TRADE AND OTHER PAYABLES (Continued)

Notes:

- (i) The bills payable were unsecured and with maturity period of within one year.
- (ii) As at 30 June 2025, the Company has drawn down an aggregate amount of approximately RMB3,853,000 (31 December 2024: Nil) from a loan facility of RMB60,000,000 (31 December 2024: RMB70,000,000) entered into with Mr. Zheng Yu Long, an executive director of the Company. The amount is unsecured, repayable within 12 months and bears fixed interest at 2% per annum.
- (iii) As at 30 June 2025, other payables included interest payable of approximately RMB21,000 (31 December 2024: Nil) due to a director.

The credit periods granted by suppliers generally range from 30 to 60 days. As at 30 June 2025, the ageing analysis of trade payables based on invoice date is as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Less than 30 days	39,599	28,297
31 days – 90 days	25,912	9,008
Over 90 days	3,810	2,255
	69,321	39,560

## 16 BANK BORROWINGS

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Secured bank borrowings	458,090	456,400
Unsecured bank borrowings	–	–
Total bank borrowings	458,090	456,400
Carrying amount of bank borrowings wholly repayable:		
On demand or within 1 year	458,090	456,400

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***17 COMMITMENTS**

As at 30 June 2025, the Group had no material capital commitments (30 June 2024: Nil).

**18 MATERIAL RELATED PARTY TRANSACTIONS**

In addition to the information disclosed elsewhere in the condensed consolidated interim financial information, the following transactions took place between the Group and related parties at terms agreed between the parties:

**(a) Key management personnel compensation:**

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Directors' fee	395	326
Salaries and other employee benefits	2,027	1,919
	2,422	2,245

**(b) Loan from a director**

As at 30 June 2025, the Company has drawn down an aggregate amount of approximately RMB3,853,000 (31 December 2024: RMBNil) from a loan facility of RMB60,000,000 (31 December 2024: RMB70,000,000) entered into with Mr. Zheng Yu Long, an executive director of the Company. The amount is unsecured, repayable within 12 months and bears fixed interest at 2% per annum.

**(c) Personal guarantee provided by directors**

Mr. Zheng Yu Shuang, Mr. Zheng Yu Long and Mr. Zheng Yu Huan, directors of the Company, have provided personal guarantee to bank borrowings of the Group of approximately RMB274,150,000 (31 December 2024: RMB391,790,000). The bank borrowings are repayable within one year.

**19 EVENT AFTER THE REPORTING PERIOD**

There were no significant events that have occurred subsequent to the end of the reporting period.

# OTHER INFORMATION

## SHARE OPTION SCHEME

On 23 June 2021 (the “**Adoption Date**”), the Company conditionally adopted a new share option scheme (the “**2021 Share Option Scheme**”) whereby the Board can grant options for the subscription of ordinary shares of the Company (“**Shares**”) to any full-time or part-time employees, executives, officers or directors (including independent non-executive Directors) of the Company or any of its subsidiaries; and any advisors, consultants, agents, suppliers, customers and distributors who, in the sole opinion of the Board will contribute or have contributed to the Company and/or any of its subsidiaries (the “**Eligible Participants**”) and to provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

To be an Eligible Participant, the overriding principle is that the person must have contributed or will contribute to the Group. The 2021 Share Option Scheme is subject to the applicable requirements of Chapter 17 of the Listing Rules. The maximum number of Shares that can be issued pursuant to the exercise of options that may be granted under the 2021 Share Option Scheme shall not exceed 13,289,770 Shares, representing 6.08% of the issued share capital of the Company as at the date of this interim report.

The total number of Shares which may be issued upon exercise of all the options granted and yet to be exercised under the 2021 Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the aggregate number of the Shares in issue from time to time. Unless otherwise approved by the shareholders of the Company, the number of Shares that may be granted to an Eligible Participant (including both exercised, cancelled and outstanding options) under the 2021 Share Option Scheme or any other share option scheme adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) in any 12 month period must not exceed 1% of the Shares in issue. There is no minimum period that the options must be held before they become exercisable, and the options granted shall be exercised within the period decided by the Board, however no options shall be exercised 10 years after they have been granted. The exercise price of the option shall be the higher of (a) the closing price of the Shares on the daily quotation sheet of the Stock Exchange on the date of grant; (b) the average closing price of the Shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) nominal value of the Share on the date of grant. Each grantee shall pay a consideration of HK\$1.00 at the time the option is granted.

The 2021 Share Option Scheme shall take effect from the Adoption Date and shall remain effective within a period of 10 years from the Adoption Date. As at the date of this interim report, the remaining life of the 2021 Share Option Scheme is approximately 5 years and 9 months.

Since the Adoption Date and up to the date of this interim report, no options have been granted under the 2021 Share Option Scheme, while the number of options available for grant under the 2021 Share Option Scheme as at 1 January 2025 and 30 June 2025 was 13,289,770.

## OTHER INFORMATION *(Continued)*

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

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

#### (i) Long position in Shares and underlying Shares of the Company

Name of Director/ Chief Executive	Nature of interest	Number of Shares interested	Approximate percentage of interest in the Company (Note 1)	Note
Zheng Yu Long	Interest of a controlled corporation	84,076,046	38.49%	2
	Beneficial owner	74,527,400	34.12%	3
Zheng Yu Shuang	Interest of a controlled corporation	84,076,046	38.49%	2
Zheng Yu Huan	Interest of a controlled corporation	84,076,046	38.49%	2
Li Hung Kong	Interest of a controlled corporation	84,076,046	38.49%	2

Notes:

- (1) The calculation is based on the total number of 218,416,088 Shares having a par value of US\$0.001 each in issue as at 30 June 2025.
- (2) The 84,076,046 Shares are beneficially owned by Alliance Food and Beverages (Holding) Company Limited ("**Alliance Holding**"), a company which is owned as to 28% by each of Zheng Yu Long, Zheng Yu Shuang, Zheng Yu Huan and as to 16% by Li Hung Kong. Accordingly, each of Zheng Yu Long, Zheng Yu Shuang, Zheng Yu Huan and Li Hung Kong is deemed to be interested in the shares held by Alliance Holding for the purpose of the SFO.
- (3) In addition to the 84,076,046 Shares held through Alliance Holding, Zheng Yu Long is also personally and beneficially interested in 74,527,400 Shares.

OTHER INFORMATION *(Continued)*DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

## (ii) Long position in shares and underlying shares of associated corporation

Name of Director	Name of associated corporation	Total number of shares held in associated corporation	Approximate percentage of issued share capital of associated corporation
Zheng Yu Long	Alliance Holding	28	28%
Zheng Yu Shuang	Alliance Holding	28	28%
Zheng Yu Huan	Alliance Holding	28	28%
Li Hung Kong	Alliance Holding	16	16%

Save as disclosed above, as at 30 June 2025, none of the Directors and the 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 (within the meaning of Part XV of the SFO), (a) 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 were taken or deemed to have under such provisions of the SFO) or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the interests or short positions of persons other than the Directors and chief executive of the Company in the Shares and underlying Shares of the Company as required by Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company or as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Beneficial owner	Interest of a controlled corporation	Other interests	Total interests in shares (Note 1)	Approximate percentage of shareholding (Note 2)	Note
Alliance Holding	84,076,046	—	—	84,076,046 (L)	38.49%	3

Notes:

- (1) The letter "L" denotes the person's long position in such securities and the letter "S" denotes the person's short position in such securities.
- (2) The calculation is based on the total number of 218,416,088 Shares in issue as at 30 June 2025.
- (3) The 84,076,046 Shares are beneficially owned by Alliance Holding, a company which is owned as to 28% by each of Zheng Yu Long, Zheng Yu Shuang, Zheng Yu Huan and as to 16% by Li Hung Kong. Accordingly, each of Zheng Yu Long, Zheng Yu Shuang, Zheng Yu Huan and Li Hung Kong is deemed to be interested in the Shares held by Alliance Holding for the purpose of the SFO.

## OTHER INFORMATION *(Continued)*

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

#### *(Continued)*

Save as disclosed above, the Company has not been notified by any other persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company as at 30 June 2025 which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### CONNECTED TRANSACTIONS

As at 30 June 2025, the Company has drawn down an aggregate amount of approximately RMB3,853,000 (31 December 2024: Nil) from a loan facility of RMB60,000,000 (31 December 2024: RMB70,000,000) entered into with Mr. Zheng Yu Long, an executive director of the Company. The amount is unsecured, repayable within 12 months and bears fixed interest at 2% per annum.

Under the Listing Rules, Mr. Zheng Yu Long is a connected person to the Company and the loan facility constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Since such transaction is conducted on normal commercial terms or better and is not secured by the assets of the Group, it is fully exempt from Shareholders' approval, annual review and all disclosure requirements according to Rule 14A.90 of the Listing Rules.

### EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2025, the Group had approximately 920 employees (As at 31 December 2024: approximately 860 employees) and the total remuneration expenses for the six months ended 30 June 2025 amounted to RMB60.0 million. The employees' salaries are reviewed and adjusted annually based on employees' performance and experience. The Group's employee benefits include performance bonus, mandatory provident fund for Hong Kong employees, social insurance packages for the PRC employees and education subsidy to encourage continuous professional development of staff.

The emoluments of the Directors and senior management of the Company are decided by the Board with the recommendation of the remuneration committee of the Company, having regard to the Group's operating results, individual performance and comparable market statistics.

### SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no significant investments, material acquisition and disposal of subsidiaries and associated companies during the six months ended 30 June 2025. Further, there was no plan authorised by the Board for other material investments or additional capital assets as at the date of this interim report.

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

During the six months ended 30 June 2025, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2025, the Company did not have any treasury shares.



## OTHER INFORMATION *(Continued)*

### AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established in compliance with Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with written terms of reference in compliance with the code provisions in Part 2 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chung Yau Tong (chairman of the Audit Committee), Mr. Li Biao and Mr. So Ching Tung, JP. The Audit Committee has reviewed with the auditor and management the interim results for the six months ended 30 June 2025, the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters for the six months ended 30 June 2025.

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to promoting stringent corporate governance practices and procedures with a view to safeguarding the interests of the shareholders of the Company (the “**Shareholders**”) as well as enhancing investor confidence and the Company’s accountability and transparency. The Company sets out its corporate governance practices with reference to Part 2 of the CG Code. During the six months ended 30 June 2025, the Company has complied with all the code provisions set forth under Part 2 of the CG Code and there has been no deviation from the code provisions throughout the six months ended 30 June 2025.

The Company continues to review its corporate governance practices regularly to ensure compliance with the CG Code.

### MODEL CODE FOR DIRECTORS’ 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 and devised its own code of conduct regarding Directors’ dealings in the Company’s securities (the “**Company Code**”) on terms no less exacting than the Model Code.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code and the Company Code throughout the six months ended 30 June 2025.

The Company has also established written guidelines on terms no less exacting than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the six months ended 30 June 2025.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company maintained adequate public float throughout the period for the six months ended 30 June 2025.