

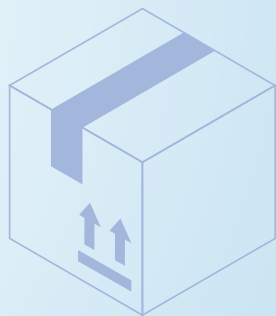


PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION

國際濟豐包裝集團

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1820



Interim Report
2025

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Hsien-Chun (*Chairman*)
Mr. Philip Tan

Independent Non-executive Directors

Mr. Wang Jisheng
Mr. Kiang Tien Sik David
Dr. Su Morley Chung Wu
Ms. Zhu Ying

AUDIT COMMITTEE

Mr. Kiang Tien Sik David (*Chairman*)
Dr. Su Morley Chung Wu
Mr. Wang Jisheng

REMUNERATION COMMITTEE

Mr. Wang Jisheng (*Chairman*)
Mr. Cheng Hsien-Chun
Dr. Su Morley Chung Wu

NOMINATION COMMITTEE

Mr. Cheng Hsien-Chun (*Chairman*)
Mr. Wang Jisheng
Mr. Kiang Tien Sik David
Ms. Zhu Ying
(appointed with effect from 30 June 2025)

ENVIRONMENT COMMITTEE

Dr. Su Morley Chung Wu (*Chairman*)
Mr. Cheng Hsien-Chun
Mr. Kiang Tien Sik David

COMPANY SECRETARY

Ms. Fu Chanyi

AUDITOR

BDO Limited
Certified Public Accountants and
Registered Public Interest Entity Auditor
25th Floor, Wing On Centre
111 Connaught Road Central
Central, Hong Kong

PRINCIPAL BANKER

Shanghai Pudong Development Bank Co., Ltd.
Jiading Sub-branch
No. 199, Bole Road
Shanghai, PRC

REGISTERED OFFICE

P.O. Box 472, 2nd Floor
Harbour Place
103 South Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands



HEADQUARTERS AND HEAD OFFICE

A303, 3rd Floor
Block 2
No. 398 Tian Lin Road
Shanghai, PRC

STOCK CODE

1820

COMPANY'S WEBSITE

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Lippo Centre, 89 Queensway
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

International Corporation Services Ltd.
P.O. Box 472, 2nd Floor
Harbour Place
103 South Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

Financial Highlights

The board (the “**Board**”) of director(s) (the “**Director(s)**”) of Pacific Millennium Packaging Group Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby set forth below a summary of the unaudited condensed consolidated results of the Group for the six months ended 30 June 2025 (the “**Period**”) together with comparative figures for the corresponding period in 2024 (the “**Corresponding Period**”):

- Revenue amounting to approximately RMB993.9 million was recorded for the Period (Corresponding Period: approximately RMB997.2 million), representing a decrease of approximately 0.3% as compared with the Corresponding Period.
- The net loss attributable to owners of the Company for the Period was approximately RMB24.5 million (Corresponding Period: a net loss of approximately RMB15.3 million), representing an increase in the net loss of approximately 60.0% as compared with the Corresponding Period.
- The Board has resolved not to declare any interim dividend for the Period.



Management Discussion and Analysis

BUSINESS REVIEW

In the first half of 2025, the global economic recovery was weak, with geopolitical conflicts and trade protectionism intensifying, resulting in a complex and severe external environment. Nonetheless, China's economy maintained steady growth amid structural optimisation, with the service industry contributing more and industrial production showing resilience. However, it also faced structural challenges: the in-depth adjustment of the real estate market affected upstream and downstream industries, downward price pressure emerged, consumer and industrial product prices declined, corporate profits were squeezed, and the investment sector showed obvious fatigue.

Nevertheless, during the Period, China's economy also had positive momentum: industrial production grew faster than expected, driven by factors such as the recovery of exports and the growth of new productive forces; the consumer market showed vitality, with total retail sales increasing and sales of upgraded products growing rapidly. Focusing on the paper packaging industry, although the current overall environment, especially the downward price, has put pressure on the profitability of the industry, the resilient recovery of exports, the deepening trend of consumption upgrading, and the vigorous development of new productive forces have created important downstream demand support points for the paper packaging industry. The Group is actively seizing market opportunities brought by high-end manufacturing, consumption upgrading and export recovery, optimising product structure and customer portfolio, and is full of confidence in overcoming short-term challenges and seizing future growth.

FINANCIAL REVIEW

For the Period, the Company recorded revenue of approximately RMB993.9 million, representing a decrease of approximately RMB3.3 million or approximately 0.3% as compared with approximately RMB997.2 million for the Corresponding Period. Consolidated gross profit margin for the Period was approximately 13.3%, representing a decrease of approximately 1.7 percent point as compared with approximately 15.0% for the Corresponding Period. Gross profit for the Period was approximately RMB131.8 million, representing a decrease of approximately 11.9% as compared with approximately RMB149.6 million for the Corresponding Period. Basic loss per Share for the Period was RMB0.08, while basic loss per Share of RMB0.05 was recorded for the Corresponding Period.

Having considered that the second half of each year is traditionally a peak season, the Directors maintain a cautiously optimistic view as to the results of the Group in the second half of 2025. The management of the Group will continue monitoring the market condition and take appropriate steps to cope with the changing demand of the market.

REVENUE

During the Period, the Group recorded an increase in revenue in sales of corrugated packaging products and a decrease in revenue in corrugated sheet boards. For the Period, the Group recorded revenue of approximately RMB993.9 million, representing a decrease of approximately RMB3.3 million or approximately 0.3% as compared with that for the Corresponding Period.

Sales of corrugated packaging products

For the Period, revenue from sales of corrugated packaging products was approximately RMB905.8 million, representing an increase of approximately 0.5% as compared with approximately RMB901.7 million for the Corresponding Period, and accounted for approximately 91.1% of the Group's total revenue for the Period. The increase in revenue from sales of corrugated packaging products was mainly attributable to the increase in sales volume.

Sales of corrugated sheet boards

For the Period, revenue from sales of corrugated sheet boards was approximately RMB88.1 million, representing a decrease of approximately 7.8% as compared with approximately RMB95.5 million for the Corresponding Period, and accounted for approximately 8.9% of the Group's total revenue for the Period. The decrease in sales of corrugated sheet boards was mainly attributable to the decrease in sales volume.

COST OF SALES

For the Period, cost of sales of the Group was approximately RMB862.1 million, representing an increase of approximately 1.7% as compared with approximately RMB847.6 million for the Corresponding Period, mainly attributable to the increase in sales volume.



GROSS PROFIT

Gross profit of the Group was approximately RMB131.8 million for the Period, representing a decrease of approximately 11.9% as compared with approximately RMB149.6 million for the Corresponding Period, of which gross profit from sales of corrugated packaging products decreased by approximately 10.5% to RMB128.1 million, while gross profit from sales of corrugated sheet boards decreased by approximately 44.3% to approximately RMB3.6 million. Gross profit margins of the Group for the Corresponding Period and the Period were 15.0% and 13.3% respectively, of which gross profit margins of sales of corrugated packaging products for the Corresponding Period and the Period were 15.9% and 14.1% respectively, while gross profit margins of sales of corrugated sheet boards for the Corresponding Period and the Period were 6.8% and 4.1% respectively. The decrease of gross profit margin for the Period as compared to the Corresponding Period was mainly attributable to the rate of decline in unit price is greater than the rate of decline in unit cost of raw paper.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses increased by approximately 0.9% from approximately RMB67.5 million for the Corresponding Period to approximately RMB68.1 million for the Period. The increase was mainly due to the increase in sales volume.

ADMINISTRATIVE EXPENSES

For the Period, the Group's administrative expenses were approximately RMB72.4 million, representing a decrease of approximately 14.6% as compared with approximately RMB84.9 million for the Corresponding Period. The decrease was mainly due to the enhanced measures of cost control.

FINANCE COSTS

Finance costs comprise interest on finance leases net of capitalised amounts, interest on bank loans and interest on sale and leaseback arrangements. Finance costs increased by approximately 29.2% from approximately RMB17.7 million for the Corresponding Period to approximately RMB22.9 million for the Period. The increase was primarily due to the increase in bank loans.

LOSS FOR THE PERIOD

For the Period, the Group recorded a loss of RMB24.5 million, while a net loss of approximately RMB15.3 million was recorded for the Corresponding Period. The increase in loss was primarily due to (i) the drop of sales unit price; and (ii) the making of investment in new plants.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As at 30 June 2025, cash and cash equivalents of the Group amounted to approximately RMB120.6 million mainly comprised the cash generated from the Group's operating activities during the Period and accumulated cash and bank balances at the beginning of the Period.

Cash Flows

Cash inflows of the Group were principally generated from cash inflow from operating activities, namely sales of corrugated packaging products and corrugated sheet boards in the PRC and cash outflow from financing activities, namely repayments from bank borrowings. The Company's primary cash expenditures were used to purchase property, plant and equipment and to make prepayment for the purchase of property, plant and equipment. The following table sets out the Group's cash flows from operating activities, investing activities and financing activities for the Corresponding Period and the Period:

	For the six months ended	
	30 June	
	2025	2024
	RMB million	RMB million
	(unaudited)	(unaudited)
Net cash generated from operating activities	162.4	35.1
Net cash used in investing activities	(18.7)	(54.2)
Net cash used in financing activities	(122.5)	(76.5)
Cash and cash equivalents at beginning of the period	99.4	145.3
Effect of exchange rate changes on cash and cash equivalents	(0.02)	0.02
Cash and cash equivalents at end of the period	120.6	49.7



Net cash generated from operating activities

During the Period, our net cash generated from operating activities was approximately RMB162.4 million, which comprised cash generated from operations of approximately RMB165.7 million, partially offset by income tax of approximately RMB3.3 million. Net cash generated from operating activities increased by approximately RMB127.3 million as compared with the net cash generated from operating activities of approximately RMB35.1 million for the Corresponding Period, mainly due to the decrease in inventory level and the changes in amount receivables.

Net cash used in investing activities

During the Period, the Group's net cash used in investing activities decreased by approximately RMB35.5 million from approximately RMB54.2 million for the Corresponding Period to approximately RMB18.7 million for the Period. Net cash used in investing activities was primarily due to the equipment purchase.

Net cash used in financing activities

During the Period, the Group's net cash used in financing activities increased by approximately RMB46.0 million from RMB76.5 million for the Corresponding Period to approximately RMB122.5 million for the Period. The net cash in financing activities was mainly attributable to (i) the repayment of certain principal amount and interest under finance leases; (ii) the repayment of certain bank loans and interest.

MAJOR ACQUISITIONS AND DISPOSALS

During the Period, the Group had no major acquisition and disposal.

PLEDGE OF ASSETS

Details of the pledged assets of the Group are set out in note 19 to the condensed consolidated interim financial statements in this report.

CONTINGENT LIABILITIES

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Period, the Company did not redeem any of its Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (Corresponding Period: Nil).

IMPORTANT EVENTS AFTER THE PERIOD

After the Period and up to the date of this report, no important events have occurred.

BOARD CHANGES AND CHANGES IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Since the publication of the 2024 annual report of the Company, there have been changes to the particulars of a Director, which is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rules 13.52(2) of the Listing Rules as follows:

With effect from 30 June 2025, Ms. Zhu Ying, an independent non-executive Director, has been appointed as a member of the nomination committee of the Board.

Save as disclosed above, during the Period, there was no other change in information of Directors which is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of rule 13.51 (2) of the Listing Rules.



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

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 any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) (i) 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 were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules were as follows:

Name of Director	Capacity	Number of Shares held	Percentage of shareholdings ⁽²⁾
Cheng Hsien-Chun (“Mr. Cheng”)	Beneficial owner	300,000 (Long Position)	0.10%
	Interest of a controlled corporation	15,748,800 ⁽¹⁾ (Long Position)	5.24%
Tan Philip	Beneficial owner	1,785,000 (Long Position)	0.59%
Kiang Tien Sik David	Beneficial owner	40,000 (Long Position)	0.01%
Dr. Su Morley Chung Wu	Beneficial owner	40,000 (Long Position)	0.01%

Notes:

(1) Such interest is beneficially held by Lead Forward Limited (“Lead Forward”) which is ultimately wholly-owned by Mr. Cheng and as such, he is deemed to be interested in all the interest held by Lead Forward under the SFO.

(2) The approximate percentage was calculated based on 300,632,000 Shares in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors and the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares held	Percentage of shareholding ⁽⁴⁾
Pacific Millennium Holdings Corporation (" PMHC ")	Beneficial owner	203,025,200 ⁽¹⁾ (Long Position)	67.53%
Golden Ford Investments Limited (" Golden Ford ")	Interest of a controlled corporation	205,255,200 ⁽²⁾ (Long Position)	68.27%
Lead Forward	Beneficial owner	15,748,800 ⁽³⁾ (Long Position)	5.24%

Notes:

- (1) PMHC is wholly-owned by Golden Ford and as such, Golden Ford is deemed to be interested in all the interest held by PMHC under the SFO.
- (2) Golden Ford is owned as to 60% by Elite Age International Limited ("**Elite Age**") and as to 40% by Ample Bright Management Limited ("**Ample Bright**") which are in turn, respectively, wholly-owned by Star Concord Worldwide Limited ("**Star Concord**") and Fortune China Resources Limited ("**Fortune China**") and as such, each of Elite Age, Ample Bright, Star Concord and Fortune China is deemed to be interested in all the interest held by Golden Ford under the SFO. Moreover, given that Tsai Wen Hao ("**Mr. Tsai**") is the sole shareholder of Star Concord and Tan Richard Lipin ("**Mr. Tan**") is the sole shareholder of Fortune China, each of Mr. Tsai and Mr. Tan is also deemed to be interested in all the interest held by Golden Ford under the SFO. Star Concord is the trustee of the TCC Entrepreneur Trust while Fortune China is the trustee of the TCC Education Trust.
- (3) As Lead Forward is wholly-owned by Mr. Cheng, Mr. Cheng is deemed to be interested in all the interest held by Lead Forward under the SFO.
- (4) The approximate percentage was calculated based on 300,632,000 Shares in issue as at 30 June 2025.



Save as disclosed above, as at 30 June 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register of the Company referred to therein.

Corporate Governance and Other Information

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Except for deviation from provision C.2.1 of the Corporate Governance Code (the “**CG Code**”) as set forth in Appendix C1 to the Listing Rules, the Company had no material deviation from the CG Code since the Shares were listed on the Main Board of the Stock Exchange on 21 December 2018.

Under code provision C.2.1 of the CG Code, the responsibilities between the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Cheng Hsien-Chun (“**Mr. Cheng**”), an executive Director performs similar function to that of a chief executive officer, and he also performs as the chairman of the Board. As Mr. Cheng has considerable experience in the corrugated packaging industry and has been assuming day-to-day responsibilities of managing and leading the Group since 1995, the Board believes that Mr. Cheng, being an executive Director and the chairman of the Board has the benefit of ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning of the Group which is in the best interest of the Group.

The Board considers that the deviation from provision C.2.1 of the CG Code is appropriate in such circumstances. Notwithstanding the above, the Board is of the view that this management structure is effective for the Group’s operations, and sufficient checks and balances are in place.

The Company will continue reviewing and enhancing its corporate governance practices to ensure compliance with 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 its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he has complied with the required standards as set out in the Model Code during the Period and up to the date of this report.



REVIEW OF INTERIM RESULTS

The audit committee of the Company (the “**Audit Committee**”) has reviewed the accounting principles and practices adopted by the Group and has also reviewed and confirmed the Group’s unaudited financial results for the Period and discussed auditing, internal control, risk management systems and financial reporting matters of the Group. The Audit Committee comprises three directors, namely Mr. Kiang Tien Sik David (chairman), Mr. Wang Jisheng and Dr. Su Morley Chung Wu. None of them is employed by or otherwise affiliated with the former or current independent auditor of the Company. In addition, BDO Limited, the independent auditor of the Company, has reviewed the condensed consolidated interim financial statements for the Period in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

On behalf of the Board

Cheng Hsien-Chun

Chairman

Hong Kong, 26 August 2025

Report on Review of Condensed Consolidated Interim Financial Statements



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To the Board of Directors of

PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements set out on pages 18 to 44 which comprise the condensed consolidated statement of financial position of Pacific Millennium Packaging Group Corporation (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) as at 30 June 2025 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements, including material accounting policy information (the “**condensed consolidated interim financial statements**”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

BDO Limited

Certified Public Accountants

Fong Wai Yee Wendy

Practising Certificate Number P06821

Hong Kong, 26 August 2025

Condensed Consolidated Statement of Comprehensive Income

		Six months ended 30 June	
	Notes	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	4	993,903	997,243
Cost of sales		(862,141)	(847,649)
Gross profit		131,762	149,594
Other income and other gains and losses, net	5	1,799	3,913
Selling and distribution expenses		(68,052)	(67,477)
Administrative expenses		(72,444)	(84,879)
Impairment loss on trade receivables, net		(656)	(739)
Finance costs	6	(22,870)	(17,701)
Loss before income tax	7	(30,461)	(17,289)
Income tax credit	8	6,003	1,997
Loss for the period		(24,458)	(15,292)
Item that will not be reclassified subsequently to profit or loss:			
Exchange differences on translation of the Company's financial statements into its presentation currency		(19)	24
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		681	162
Total comprehensive income for the period		(23,796)	(15,106)
Loss per Share (RMB) — basic	9	(8 cents)	(5 cents)



Condensed Consolidated Statement of Financial Position

		As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
	Notes		
Non-current assets			
Property, plant and equipment	10	816,030	866,502
Prepayments for purchase of property, plant and equipment		4,627	627
Deferred tax assets		35,504	27,734
		856,161	894,863
Current assets			
Inventories		89,891	172,810
Trade and other receivables	11	610,045	673,888
Pledged deposits	19	11,250	11,250
Bank balances and cash		120,646	99,402
		831,832	957,350
Current liabilities			
Trade and other payables	12	251,267	321,783
Contract liabilities		2,840	3,255
Dividend payable	20	21,934	—
Bank and other borrowings	13	400,123	396,767
Loans from immediate holding company	14	126,903	140,222
Tax payable		1,400	2,942
Lease liabilities	15	40,875	45,038
		845,342	910,007
Net current (liabilities)/assets		(13,510)	47,343
Total assets less current liabilities		842,651	942,206

	Notes	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Non-current liabilities			
Bank and other borrowings	13	34,113	43,886
Lease liabilities	15	328,478	372,257
		362,591	416,143
Net assets		480,060	526,063
Equity			
Share capital	16	2,442	2,442
Reserves		477,618	523,621
Total equity		480,060	526,063

On behalf of the board of directors

Cheng Hsien-Chun
Director

Kiang Tien Sik David
Director



Condensed Consolidated Statement of Changes in Equity

	Share capital RMB'000 (Note 16)	Share premium RMB'000	Merger reserve RMB'000 (Note (a))	Translation reserve RMB'000 (Note (b))	Surplus reserve RMB'000 (Note (c))	Other reserve RMB'000 (Note (d))	(Accumulated losses)/ retained profits RMB'000	Total RMB'000
At 1 January 2025	2,442	398,312	16,844	(17,557)	139,320	8,471	(21,769)	526,063
Loss for the period	—	—	—	—	—	—	(24,458)	(24,458)
Other comprehensive income for the period:								
Exchange differences on translation of the Company's financial statements into its presentation currency	—	—	—	(19)	—	—	—	(19)
Exchange differences on translation of foreign operations	—	—	—	681	—	—	—	681
Total comprehensive income for the period	—	—	—	662	—	—	(24,458)	(23,796)
Dividend declared (Note 20)	—	—	—	—	—	—	(22,207)	(22,207)
At 30 June 2025 (unaudited)	2,442	398,312	16,844	(16,895)	139,320	8,471	(68,434)	480,060
At 1 January 2024	2,442	398,312	16,844	(16,514)	136,949	3,609	43,740	585,382
Loss for the period	—	—	—	—	—	—	(15,292)	(15,292)
Other comprehensive income for the period:								
Exchange differences on translation of the Company's financial statements into its presentation currency	—	—	—	24	—	—	—	24
Exchange differences on translation of foreign operations	—	—	—	162	—	—	—	162
Total comprehensive income for the period	—	—	—	186	—	—	(15,292)	(15,106)
Dividend declared (Note 20)	—	—	—	—	—	—	(21,812)	(21,812)
At 30 June 2024 (unaudited)	2,442	398,312	16,844	(16,328)	136,949	3,609	6,636	548,464

Notes:

(a) Merger reserve

Merger reserve represented the difference between the investment costs in subsidiaries and the aggregate amount of issued share capital of subsidiaries acquired pursuant to the group reorganisation in 2014.

(b) Translation reserve

This reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and the translation of the Company's financial statements into its presentation currency.

(c) Surplus reserve

In accordance with the relevant laws and regulations of the People's Republic of China (the "PRC"), each subsidiary incorporated in the PRC is required to provide for PRC surplus reserve, by way of transferring 10% of the profit after income tax to a surplus reserve until such reserve reaches 50% of the registered capital of each of the PRC subsidiary. Subject to certain restrictions set out in the Company Law of the PRC, part of the surplus reserve may be converted to increase paid-up capital/issued capital of the PRC subsidiary, provided that the remaining balance after capitalisation is not less than 25% of the registered capital.

(d) Other reserve

This reserve represents the shareholder's contribution to the Group.

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Cash generated from operating activities		
Net cash generated from operating activities	162,450	35,060
Investing activities		
Purchase of property, plant and equipment	(21,748)	(19,919)
Proceeds from disposal of property, plant and equipment	7,421	1,649
Prepayments made for purchase of property, plant and equipment	(4,627)	(29,550)
Increase in pledged deposits	—	(6,984)
Interest received	272	584
Net cash used in investing activities	(18,682)	(54,220)
Financing activities		
Interest paid on bank loans	(6,483)	(4,858)
Repayment of interest element of lease liabilities	(9,625)	(9,671)
Interest paid on sale and leaseback arrangements	(2,846)	(3,092)
Proceeds from loans from immediate holding company	5,017	11,447
Repayment of loans from immediate holding company	(20,249)	(32,686)
Repayment of capital element of lease liabilities	(46,961)	(25,366)
Proceeds from bank and other borrowings	86,999	102,717
Repayment of bank and other borrowings	(93,357)	(114,974)
Repayment under supplier finance arrangements	(35,000)	—
Net cash used in financing activities	(122,505)	(76,483)
Net increase/(decrease) in cash and cash equivalents	21,263	(95,643)
Cash and cash equivalents at beginning of the period	99,402	145,302
Effect of exchange rate changes on cash and cash equivalents	(19)	24
Cash and cash equivalents at end of the period	120,646	49,683
Analysis of cash and cash equivalents:		
Bank balances and cash	120,646	49,683



Notes to the Condensed Consolidated Interim Financial Statements

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 31 July 2014 as an exempted company with limited liability under the law of the Cayman Islands. The registered office of the Company is at P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands and the principal place of business of the Company in Hong Kong is Suite 2104, 21st Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in manufacture and sale of packaging materials.

The immediate holding company of the Company is Pacific Millennium Holdings Corporation which is incorporated in the British Virgin Islands. The ultimate holding company of the Company is Golden Ford Investments Limited which is incorporated in the Independent State of Samoa. The directors of the Company consider Mr. Tan Richard Lipin to be the ultimate controlling shareholder.

The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 21 December 2018.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**"), issued by the International Accounting Standards Board ("**IASB**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). These condensed consolidated interim financial statements were authorised for issue on 26 August 2025.

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements. The Group has not early adopted any new or amended IFRS Accounting Standards that has been issued but is not yet effective.

2. BASIS OF PREPARATION (Continued)

For the Period, the Group has applied all the new or amended IFRS Accounting Standards that are relevant to its operations and effective for the financial periods beginning on or after 1 January 2025. These applications do not have a material impact on the condensed consolidated interim financial statements of the Group.

These condensed consolidated interim financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the 2024 annual financial statements.

These condensed consolidated interim financial statements are unaudited, but have been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants.



3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of these condensed consolidated interim financial statements in compliance with IAS 34 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 these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2024 annual financial statements.

4. REVENUE AND SEGMENT REPORTING

Revenue represents the net invoiced value of goods sold by the Group during the Period, net of value-added tax.

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Corrugated packaging products	905,823	901,710
Corrugated sheet boards	88,080	95,533
	993,903	997,243

4. REVENUE AND SEGMENT REPORTING (Continued)

Disaggregation of revenue

The following table sets out a breakdown of the Group's revenue all of which is recognised at a point in time categorised by the industries of the end products, in which the Group's products were applied, during the Period:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue by industry		
Food and beverage	283,882	266,756
Paper and packaging	125,394	139,385
Non-food-and-beverage-consumables (Note (i))	176,962	151,009
Home furniture	42,831	65,529
Medical products	59,899	59,974
Supplier chain solution	19,339	27,236
E-commerce	11,228	14,398
Home electronics	24,736	22,783
Chemical products	40,470	43,880
Mechanical manufacturing	40,620	40,617
Computer and electronic product manufacturing	28,846	33,314
Textiles	29,032	29,983
Others (Note (ii))	110,664	102,379
	993,903	997,243

Notes:

(i) Non-food-and-beverage-consumables include, but not limited to, daily household products such as shampoo, detergent, skin care products.

(ii) Others include logistics, architecture, automobile, etc.

The Group has applied the practical expedient under IFRS 15 so that transaction price allocated to unsatisfied performance obligations under contracts is not disclosed as such contracts have an original expected duration of one year or less.



4. REVENUE AND SEGMENT REPORTING (Continued)

Segment Reporting

The executive director of the Company has been identified as the chief operating decision-maker (“CODM”) of the Group who reviews the Group’s internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

(a) *Reportable segments*

The Group is principally engaged in manufacture and sale of packaging materials. The CODM assesses the performance of the business based on a measure of operating results and considers the business as a single operating segment. Information reported to the CODM for the purposes of resources allocation and performance assessment focuses on the operation results of the Group as a whole as the Group’s resources are integrated. Accordingly, the Group has identified one operating segment which is manufacture and sale of packaging materials.

(b) *Geographical information*

Since over 90% of the Group’s revenue and operating profit were generated from the manufacture and sale of packaging materials in the PRC and over 90% of the Group’s identifiable assets and liabilities were located in the PRC, no geographical segment information is presented in accordance with IFRS 8 Operating Segments.

(c) *Information about major customers*

None of the Group’s sales to a single customer amounted to 10% or more of the Group’s revenue during the Corresponding Period.

5. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Consulting fee income	1,377	—
Sales of other materials and consumables	142	585
Interest income	272	584
Government subsidies (Note)	210	2,716
Loss on disposal of property, plant and equipment	(85)	(48)
Others	(117)	76
	1,799	3,913

Note: The amount mainly includes subsidies for payroll support of RMB54,000 (six months ended 30 June 2024: RMB442,000) and subsidies for outstanding performance award of RMB70,000 (six months ended 30 June 2024: subsidies for environment friendly development of RMB2,274,000) obtained by the Group during the period. There were no unfulfilled conditions attached to these subsidies by the relevant PRC local government.

6. FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interest on lease liabilities	9,625	8,009
Interest on bank loans	6,483	4,858
Interest on sale and leaseback arrangements	2,846	3,092
Interest on loans from immediate holding company	3,916	1,742
	22,870	17,701



7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of inventories sold (Note (i))	862,141	847,649
Depreciation of property, plant and equipment (Note (ii))	59,926	52,467
Auditors' remuneration	213	215
Freight charges	43,104	41,256
Short-term lease expense	1,164	603
Impairment loss on inventories	1,639	1,420
Reversal of impairment loss on inventories	(1,526)	(1,568)
Impairment loss on trade receivables	1,886	1,872
Reversal of impairment loss on trade receivables	(1,230)	(1,133)
	656	739
Exchange (gain)/loss, net	(1,662)	1,120
Employee benefits expenses (including directors' remuneration):		
— Wages, salaries and benefits	110,991	115,492
— Retirement benefit costs (Note (iii))	15,547	15,537

Notes:

- (i) Cost of inventories sold for the Period includes RMB579,441,000, RMB51,800,000, RMB26,023,000, RMB73,519,000 and RMB47,278,000 (Corresponding Period: RMB578,854,000, RMB54,101,000, RMB24,005,000, RMB67,521,000 and RMB40,995,000), relating to costs of raw materials consumed, costs of accessories, outsourced production costs, employee benefits expenses and depreciation of property, plant and equipment respectively. The amounts disclosed of employee benefits expenses and depreciation of property, plant and equipment included in cost of inventories sold are also included in the respective total amounts disclosed separately above.
- (ii) Depreciation of property, plant and equipment for the Period includes depreciation of right-of-use assets amounted to RMB15,988,000 (Corresponding Period: RMB15,325,000) and depreciation of plant and equipment held under finance leases amounted to RMB1,530,000 (Corresponding Period: RMB1,695,000).
- (iii) For the Period, there were neither contributions forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions (Corresponding Period: Nil). As at 30 June 2025, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the government defined contribution retirement benefit Scheme (Corresponding Period: Nil).

8. INCOME TAX CREDIT

The amount of income tax credit in the condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Current tax		
— Provision for PRC enterprise income tax for the period	1,767	3,872
	1,767	3,872
Deferred tax		
— Origination and reversal of temporary differences	(7,770)	(5,869)
Income tax credit	(6,003)	(1,997)

No provision of Hong Kong profits tax has been made as the Group has no assessable profits arising in Hong Kong for the Period and Corresponding Period.

Provision for PRC enterprise income tax is based on the statutory rate of 25% (Corresponding Period: same) of the assessable profits of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC for the Period and Corresponding Period.



8. INCOME TAX CREDIT (Continued)

According to applicable tax regulations prevailing in the PRC, dividends distributed by a company incorporated in the PRC to foreign investors with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding tax. Under the double taxation arrangement between the PRC and Hong Kong, the relevant withholding tax rate applicable to the Group is reduced from 10% to 5% subject to the fulfilment of certain conditions. On 28 September 2018, China's Ministry of Finance, State Administration of Taxation and National Development and Reform Commission and Ministry of Commerce jointly issued Caishui [2018] No. 102 (Circular 102) to expand the scope of withholding tax deferral treatment on direct reinvestment to all non-prohibited foreign investments. Under the new policy, there is no withholding tax on dividend distributed by a PRC subsidiary if such dividend is reinvested in foreign investments that are not prohibited for foreign investors.

9. LOSS PER SHARE

The basic loss per share of the Company (the "Share(s)") is calculated based on the loss for the Periods and the weighted average number of ordinary shares during the Periods as follows.

	Six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)
Loss for the period (RMB'000)	(24,458)	(15,292)
Weighted average number of ordinary shares in issue (in thousand)	300,632	300,632
Basic loss per share (RMB)	(8 cents)	(5 cents)

No diluted earnings per share was presented as there were no potential ordinary shares outstanding during the Period and the Corresponding Period.

10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired items of property, plant and equipment with cost of RMB17,941,000 including right-of-use assets (six months ended 30 June 2024: RMB96,106,000). Items of property, plant and equipment with net book value of RMB7,506,000 were disposed of during the period (six months ended 30 June 2024: RMB1,697,000), resulting in a loss on disposal of RMB85,000 (six months ended 30 June 2024: loss on disposal of RMB48,000).

As at 30 June 2025, the net carrying amounts of Group's plant and equipment held under finance leases were RMB28,824,000 (31 December 2024: RMB79,592,000).

As at 30 June 2025, certain property, plant and equipment were pledged to secure its bill payables, bank and other facilities (Note 19).

As at 30 June 2025, the net carrying amounts of the Group's plant and equipment pledged under sale and leaseback arrangements were RMB68,933,000 (31 December 2024: RMB65,044,000).

11. TRADE AND OTHER RECEIVABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade receivables	530,850	606,517
Less: allowance for impairment loss	(4,629)	(4,044)
	526,221	602,473
Bills receivables	20,464	18,182
	546,685	620,655
Other receivables	13,698	9,664
Deposits	25,927	24,360
Prepayments	23,735	19,209
	610,045	673,888



11. TRADE AND OTHER RECEIVABLES (Continued)

As at the end of each reporting period, all bills receivables were due for settlement within 180 days and not past due.

The ageing analysis of trade and bills receivables (net of impairment loss) as at the end of each reporting period, based on invoice dates, is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Within 1 month	240,714	297,188
Over 1 month but within 3 months	236,155	255,056
Over 3 months but within 1 year	69,816	68,411
	546,685	620,655

The average credit period on sales of goods is 30–120 days from the invoice date.

The basis used by the Group in assessing of the expected credit losses for trade receivables is the same as 31 December 2024.

12. TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade payables	130,973	191,106
Bills payables	56,250	56,250
Accruals and other payables	64,044	74,427
	251,267	321,783

As at 30 June 2025, the Group's bank deposits of RMB11,250,000 (31 December 2024: RMB11,250,000) were pledged to secure certain bills payables (Note 19).

All trade and other payables are due to be settled within twelve months.

The ageing analysis of trade and bills payables, based on the invoice dates, as at the end of each reporting period is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Within 1 month	100,647	173,461
Over 1 month but within 3 months	57,644	63,165
Over 3 months but within 1 year	28,932	10,730
	187,223	247,356



13. BANK AND OTHER BORROWINGS

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Bank loans, secured	(a)	320,151	328,505
Liabilities under supplier finance arrangements	(b)	45,000	45,000
Other borrowings, secured	(c)	69,085	67,148
		434,236	440,653
Categorised as:			
Current liabilities		400,123	396,767
Non-current liabilities		34,113	43,886
		434,236	440,653

Notes:

- (a) During the Period, the average effective interest rates of the Group's bank loans ranged from 2.24% to 3.75% per annum (Corresponding Period: 3.00% to 6.51% per annum).

Properties with net carrying amount of RMB28,401,000 (31 December 2024: RMB31,176,000) were pledged for the Group's banking facilities in connection with the bank loans (Note 19).

As at 30 June 2025, right-of-use assets of leasehold land with net carry amount of RMB8,549,000 (31 December 2024: RMB8,691,000) were pledged by the Group to secure certain bank loans (Note 19).

As at 30 June 2025, the Group's bank deposits of RMB11,250,000 (31 December 2024: RMB11,250,000) were pledged and corporate guarantee executed by a PRC subsidiary to secure certain bank loans (Note 19).

As at 30 June 2025, all bank loans were scheduled to be repaid within one year (31 December 2024: same).

13. BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

(b) During the Period, the Group entered into certain new supplier finance arrangements. During the six months ended 30 June 2025, there were non-cash transfers from trade payables to liabilities under supplier finance arrangements of RMB35,000,000 (31 December 2024: RMB45,000,000). There had been no change on the terms and conditions of the arrangement from these suppliers, other than:

- the due date has been extended to 365 days after the invoice date from the original 30 to 45 days, and
- acquired payables are no longer able to offset against credit notes received from the suppliers.

**Six months ended
30 June 2025 and
year ended 31 December 2024**

Range of payment due dates

Liabilities under supplier finance arrangements	365 days after invoice date
Comparable trade payables that are not part of supplier finance arrangements	30 to 45 days after invoice date

Carrying amounts of liabilities under supplier finance arrangement

Liabilities under supplier finance arrangements	RMB45,000,000
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(c) As at 30 June 2025, other borrowings represented six sale and leaseback arrangements (31 December 2024: five) for plant and equipment entered into with Chongqing Stone Tan Financial Leasing Limited ("**Chongqing Stone Tan**"), a related company over which one of the controlling shareholders of the Company has significant influence. As at 30 June 2025, the transactions were classified as secured loan financing instead of disposal of the underlying assets as the transfers of the plant and equipment to the buyer-lessor do not satisfy the requirements to be accounted for as a sale of the assets. The carrying amounts of the corresponding plant and equipment pledged under the sale and leaseback arrangements were RMB68,933,000 as at 30 June 2025 (31 December 2024: RMB65,044,000).



14. LOANS FROM IMMEDIATE HOLDING COMPANY

As at 30 June 2025, the Group obtained loans with principal amount of HK\$139,148,000 (31 December 2024: HK\$151,450,000) from its immediate holding company, Pacific Millennium Holdings Limited (“**PMHC**”), and the loans carry interest at One-Month Hong Kong Interbank Offered Rate (“**HIBOR**”) plus 2.6% per annum (31 December 2024: 2.6% per annum). All loans are denominated in Hong Kong Dollars (HK\$), unsecured and are repayable within one year.

On 31 December 2024, immediate holding company granted a deed of waiver to the Group discharging the obligation to repay the outstanding interest expenses of RMB4,862,000.

The loans from immediate holding company qualified as fully exempt connected transactions under Chapter 14A.90 of the Listing Rules.

15. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	30 June 2025		31 December 2024	
	Present value RMB'000 (unaudited)	Minimum lease payments RMB'000 (unaudited)	Present value RMB'000 (audited)	Minimum lease payments RMB'000 (audited)
Not later than 1 year	40,875	58,287	45,038	65,634
Later than 1 year and not later than 2 years	33,472	48,768	61,394	78,686
Later than 2 years and not later than 5 years	94,198	130,765	93,126	131,883
Over 5 years	200,808	237,666	217,737	259,162
	369,353	475,486	417,295	535,365
Less: total future interest expenses		(106,133)		(118,070)
Present value of lease liabilities		369,353		417,295

The balance included lease liabilities of RMB15,447,000 (31 December 2024: RMB50,659,000) owing to Chongqing Stone Tan, a related party over which one of the controlling shareholders of the Company has significant influence.



16. SHARE CAPITAL

Authorised and issued share capital

	Number of ordinary shares	Par value HK\$'000	
Ordinary shares of par value of HK\$0.01 each			
Authorised			
At 31 December 2024, 1 January 2025 and 30 June 2025	600,000,000	6,000	
Issued and fully paid			
	Number	HK\$'000	RMB'000
At 31 December 2024, 1 January 2025 and 30 June 2025	300,632,000	3,006	2,442

17. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the condensed consolidated interim financial statements, the Group entered into the following transactions with related companies:

Name of related parties	Related party relationship	Type of transaction	Transaction amount Six months ended 30 June	
			2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Pacific Millennium Holdings Corporation	Immediate holding company	Use of trademarks (Note (iii))	—	—
Pacific Millennium Holdings Corporation	Immediate holding company	Interest expenses on loans (Note (i))	3,916	1,742

17. RELATED PARTY TRANSACTIONS (Continued)

Name of related parties	Related party relationship	Type of transaction	Transaction amount	
			Six months ended 30 June	
			2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Pacific Millennium Investment Corporation	One of the controlling shareholders of the Company has significant influence over the entity	Consulting fee income	1,377	—
Shanghai Asia Corp. Communications Inc. Limited* 上海寰亞信息技術有限公司	The entity is a subsidiary of one of the controlling shareholders of the Company	Administrative and support charges (Note (i))	142	142
Shanghai Asia Corp. Communications Inc. Limited* 上海寰亞信息技術有限公司	The entity is a subsidiary of one of the controlling shareholders of the Company	Domain hosting and support charges (Note (i))	1,981	1,981
Shanghai Pacific Millennium Asia Corp. Communications Inc. Limited* 上海濟豐寰亞信息技術有限公司	The entity is wholly-owned by a member of the key management personnel of the Group	Domain hosting and support charges (Note (i))	551	722
Suzhou Vendure New Energy Technology Co., Ltd* 蘇州沃潔新能源科技有限公司	One of the controlling shareholders of the Company has significant influence over the entity	Electricity fee	189	369
Tianjin Vendure New Energy Technology Co., Ltd* 天津沃潔新能源有限公司	One of the controlling shareholders of the Company has significant influence over the entity	Electricity fee	198	164
Nanjing Vendure New Energy Technology Co., Ltd* 南京沃潔新能源科技有限公司	One of the controlling shareholders of the Company has significant influence over the entity	Electricity fee	174	—
Chongqing Stone Tan* 重慶談石融資租賃有限公司	One of the controlling shareholders of the Company has significant influence over the entity	Interest expenses on lease liabilities (Note (ii))	1,744	2,177
Chongqing Stone Tan* 重慶談石融資租賃有限公司	One of the controlling shareholders of the Company has significant influence over the entity	Interest expenses on sale and leaseback arrangements (Note (ii))	2,846	3,092



17. RELATED PARTY TRANSACTIONS (Continued)

Name of related parties	Related party relationship	Type of transaction	Transaction amount	
			Six months ended 30 June	
			2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Chongqing Stone Tan* 重慶談石融資租賃有限公司	One of the controlling shareholders of the Company has significant influence over the entity	Handling fee in relation to leases (Note (ii))	—	329
Chongqing Stone Tan* 重慶談石融資租賃有限公司	One of the controlling shareholders of the Company has significant influence over the entity	Handling fee in relation to sale and leaseback arrangements (Note (ii))	139	397

* The English name is for identification only. The official names of the companies are in Chinese.

Notes:

- (i) The transactions were determined with reference to the terms mutually agreed between the Group and the respective counterparty.
- (ii) Details of sale and leaseback and lease arrangements as at 30 June 2025 and 31 December 2024 are set out in Notes 13(c) and 15 respectively to the condensed consolidated interim financial statements.
- (iii) The immediate holding company at nil consideration granted to the Group a non-exclusive licence to use the trademarks in relation to the business of paper and packaging.

The transactions as set out in Note (i) above qualified as fully exempt connected transactions. The sale and leaseback and lease arrangements as set out in Note (ii) above were non-exempt continuing connected transactions. The free use of trademarks owned by the immediate holding company as set out in Note (iii) above qualified as fully exempt continuing connected transaction.

17. RELATED PARTY TRANSACTIONS (Continued)

Details of the loans from immediate holding company are set out in Note 14 to the condensed consolidated interim financial statements.

The emoluments of key management personnel, comprising the directors of the Company and certain senior management personnel of the Group, during the period were as follows:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Short-term benefits	1,670	2,297
Post-employment benefits	89	88
	1,759	2,385

18. CAPITAL COMMITMENTS

The following are the details of capital expenditure contracted for but not provided for in the condensed consolidated interim financial statements.

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Commitment for the acquisition of property, plant and equipment	10,041	1,259



19. PLEDGE OF ASSETS

As at the end of each reporting period, the Group pledged the following assets to secure its bills payables, banking facilities granted to the Group and sale and leaseback arrangements with a related company. The carrying amounts of these assets are analysed as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Property, plant and equipment	97,334	96,220
Right-of-use assets of leasehold land	8,549	8,691
Pledged deposits	11,250	11,250
	117,133	116,161

20. DIVIDEND

No interim dividend has been declared by the Company for the six months ended 30 June 2025 and 2024. Nonetheless, a special dividend amounted to HK\$0.08 per share totalling RMB21,952,000 was declared by the directors of the Company on 26 August 2024 and paid on 16 December 2024.

The board of directors has resolved not to declare any final dividend in respect of the year ended 31 December 2024 (2024: final dividend of HK\$0.08 per share totalling RMB21,812,000 in respective of the year ended 31 December 2023). Nonetheless, a special dividend of HK\$0.08 per share totalling RMB22,207,000 was approved by the shareholders in its meeting held on 25 March 2025. The unpaid special dividend of RMB21,934,000 after exchange realignment of RMB273,000 was recognised as dividend payable in the condensed consolidated statement of financial position as at 30 June 2025.

21. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the financial assets included above approximate their fair values due to their short term nature.

The carrying values of the financial liabilities (including current portion of bank and other borrowings) included above approximate their fair values due to their short term nature.

The fair values of the non-current portion of bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for borrowings with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for bank and other borrowings as at 30 June 2025 and 31 December 2024 were assessed to be insignificant. The carrying value of the non-current portion of bank and other borrowings also approximate their fair values as at 31 December 2024.

22. EVENT AFTER THE REPORTING DATE

There was no significant event which took place after 30 June 2025.