

Baiying Holdings Group Limited
百應控股集團有限公司

Interim Report

2025

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8525

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CONTENTS

2	Definitions
4	Corporate Information
6	Management Discussion and Analysis
23	Other Information
29	Independent Review Report
30	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
32	Condensed Consolidated Statement of Financial Position
34	Condensed Consolidated Statement of Changes in Equity
35	Condensed Consolidated Cash Flows Statement
36	Notes to the Unaudited Interim Financial Report

Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below.

“Baiying Paper”	Fujian Baiying Paper Product Co., Ltd.* (福建百應紙業有限公司), a company established in the PRC on 13 January 2021, a subsidiary of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“BVI”	the British Virgin Islands
“China” or “PRC”	the People’s Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires, references in this report to “China” and “PRC” do not apply to Taiwan, Macau Special Administrative Region and Hong Kong
“Company”	Baiying Holdings Group Limited (百應控股集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 5 June 2017, the Shares of which are listed on GEM (stock code: 8525)
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules and in case of the Company, refers to Septwolves Holdings, Mr. Zhou Yongwei, Mr. Zhou Shaoxiong and Mr. Zhou Shaoming
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of entire equity interest of Qiaoxin to Qingxiangyuan by Xiamen Baiying as contemplated under the sale and purchase agreement dated 27 March 2025
“Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Fujian Province” or “Fujian”	Fujian Province (福建省), a province located in the southeastern coast of China
“Fujian Septwolves Group”	Fujian Septwolves Group Co., Ltd.* (福建七匹狼集團有限公司), a company established in the PRC, which is approximately 37.82%, 31.09% and 31.09% owned by Mr. Zhou Yongwei (周永偉), Mr. Zhou Shaoxiong (周少雄) and Mr. Zhou Shaoming (周少明), respectively
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”, “we”, “us” or “our”	the Company and its subsidiaries from time to time
“HDK Capital”	HDK Capital Limited, a company incorporated in BVI with limited liability on 26 May 2017
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Branch Share Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

Definitions

“Qiaoxin”	Fujian Yongchun Qiaoxin Brewing Co., Ltd. (福建永春僑新釀造有限責任公司), a company established in the PRC on 23 April 2020
“Qingxiangyuan”	Sichuan Qingxiangyuan Condiment Co., Ltd. (四川清香園調味品股份有限公司), a limited liability company established in the PRC, the purchaser under the Disposal
“Reporting Period”	the period for six months ended 30 June 2025
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“Septwolves Holdings”	Septwolves Holdings Limited, a company incorporated in BVI with limited liability on 26 May 2017
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Shanghai Baiying”	Shanghai Baiying Brewing Co., Ltd.* (上海百應釀造有限公司), a company established in the PRC with limited liability on 11 January 2019, an indirectly wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shengshi Capital”	Shengshi Capital Limited, a company incorporated in BVI with limited liability on 26 May 2017
“SMEs”	small and medium-sized enterprise(s), as defined in the Statistics on the Measures for Classification of Large, Medium, Small and Miniature Enterprises (2017) (統計上大中小微型企業劃分辦法 (2017))
“VAT”	Value added tax
“Xiamen Baiying”	Xiamen Baiying Leasing Co., Ltd.* (廈門百應融資租賃有限責任公司), a company established in the PRC with limited liability on 9 March 2010, an indirectly wholly-owned subsidiary of the Company, the vendor under the Disposal
“Zijiang Capital”	Zijiang Capital Limited, a company incorporated in BVI with limited liability on 26 May 2017

* for identification purpose only

Corporate Information

DIRECTORS

Executive Directors

Mr. Zhou Shiyuan (*Chairman*)
Mr. Huang Dake
Ms. Lin Zhenyan

Non-executive Director

Mr. Ke Jinding

Independent Non-executive Directors

Mr. Li Yao (*appointed on 5 March 2025*)
Mr. Tu Liandong
Mr. Xie Mianbi
Mr. Chen Chaolin (*resigned on 5 March 2025*)

AUDIT COMMITTEE

Mr. Tu Liandong (*Chairman*)
Mr. Xie Mianbi (*appointed on 5 March 2025*)
Mr. Ke Jinding
Mr. Chen Chaolin (*resigned on 5 March 2025*)

REMUNERATION COMMITTEE

Mr. Xie Mianbi (*Chairman*) (*appointed on 5 March 2025*)
Mr. Li Yao (*appointed on 5 March 2025*)
Mr. Huang Dake
Mr. Chen Chaolin (*resigned on 5 March 2025*)

NOMINATION COMMITTEE

Mr. Xie Mianbi (*Chairman*) (*appointed on 5 March 2025*)
Mr. Tu Liandong
Ms. Lin Zhenyan (*appointed on 5 March 2025*)
Mr. Zhou Shiyuan (*resigned on 5 March 2025*)

JOINT COMPANY SECRETARIES

Ms. Yang Lexing
Ms. Ng Ka Man (*ACG, HKACG*)

AUTHORISED REPRESENTATIVES

Mr. Huang Dake
Ms. Ng Ka Man

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTER/PRINCIPAL PLACE OF BUSINESS IN THE PRC

Unit 2, 18/F
No. 77, Tai Nan Road
Siming District, Xiamen
Fujian Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

COMPANY WEBSITE

www.byleasing.com

STOCK CODE

8525

AUDITOR

Moore CPA Limited
Registered Public Interest Entity Auditor
1001-1010, North Tower
World Finance Centre
Harbour City
19 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong

LEGAL ADVISERS TO THE COMPANY

YYC Legal LLP
(as to Hong Kong laws)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China (Dongdu Branch)
No. 77 Dongdu Road
Siming District, Xiamen
Fujian Province
PRC

China Everbright Bank (Xiamen Branch)
China Everbright Bank Building
No. 81 Hubin South Road
Siming District, Xiamen
Fujian Province
PRC

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

Management Discussion and Analysis

Business Overview

We are a finance leasing company in Fujian Province primarily dedicated to providing equipment-based financing solutions and financial information service in the PRC. We provide customized services to meet specific needs and requirements of our customers by closely interacting with them to determine the appropriate interest rates, repayment plans and terms of our services based on their businesses, cash flows and source of payment. Our customers are mainly SMEs and entrepreneurial individuals, and also include reputable large enterprises. While our Group remains focused in developing the finance leasing business, as well as extending into financial information service provision, we also actively look for opportunities to expand into other areas of business.

On 13 January 2021, we established Baiying Paper to expand our business portfolio into the packaging and paper products trading industry. Our packaging and paper products trading business has continued to operate steadily by engaging in the trading of paper products, such as corrugated cardboard box, packaging paper and kraft paper, etc. The packaging and paper products trading businesses will not affect our financial services business.

On 18 February 2025, the Group established a new subsidiary, namely Xiamen Baishun Information Technology Limited (“**Baishun**”) (廈門柏順信息科技有限公司) and primarily providing SaaS service to small and medium-sized financial consultancies in China.

On 27 March 2025, Xiamen Baiying entered into the sale and purchase agreement with Qingxiangyuan, an associate of the three ultimate individual Controlling Shareholders. Pursuant to which, among other things, Xiamen Baiying conditionally agreed to sell, and Qingxiangyuan conditionally agreed to acquire, entire equity interest of Qiaoxin. The Disposal was completed on 13 June 2025. Following the completion, the Company ceased to hold any interest, directly or indirectly, in Qiaoxin and its subsidiaries and their financial results, assets and liabilities will no longer be consolidated into the financial statements of the Group. For more details, please refer to the note 5 and note 22 to the unaudited interim financial report, the major and connected transaction announcement dated 27 March 2025, supplemental announcement dated 1 April 2025, the circular of extraordinary general meeting and notice of extraordinary general meeting both dated 12 May 2025, the poll results announcement dated 3 June 2025 and the completion announcement dated 13 June 2025.

For the six months ended 30 June 2025, we served 92 customers located in 19 provinces in China in relation to our financial services and packaging and paper products trading business. Our revenue increased from RMB9.1 million for the six months ended 30 June 2024 to RMB16.8 million for the six months ended 30 June 2025. We recorded a loss of approximately RMB9.7 million for the six months ended 30 June 2024 and a profit of approximately RMB4.8 million for the Reporting Period. The revenue and profit generated from our financial services was RMB11.7 million and RMB17.3 million for the six months ended 30 June 2025, respectively. The revenue and profit generated from packaging and paper products trading was RMB5.1 million and RMB0.01 million for the six months ended 30 June 2025, respectively.

Financial Services

Finance Leasing Services

We primarily offered two types of finance leasing services, namely, direct finance leasing and sale-leaseback, to our customers. Direct finance leasing is mainly used to satisfy the need of our customers to commence new projects, expand production, make advancements in technology and have finance demands to purchase new equipment. Sale-leaseback is primarily used by our customers to fund their business operations. Through sale-leaseback, our customers sell the assets, of which they have the ownership, to us to finance their working capital and then we lease the sold assets back. We usually enter into financial leasing agreements with our customers which sets out major terms such as the leased asset concerned, purchase price of the leased asset, term of the lease, the payment schedule of the lease payments, security deposit (if any), management fee (if any), transfer of title clause and insurance for the leased asset, which will usually be paid by our customers. In addition, depending on the credit profile of our customers, we may require our customers to provide other collaterals, such as immovable property. For the six months ended 30 June 2025, our revenue from finance leasing services was RMB7.4 million, accounting for 44% of our total revenue.

The following table sets forth average monthly balance of the interest-generating receivables arising from finance leasing services and the range of corresponding effective interest rate for the periods indicated:

	For the six months ended 30 June 2025	For the year ended 31 December 2024
Average monthly balance of interest-generating receivables arising from finance leasing services (<i>RMB'000</i>)		
– Direct finance leasing	929	101
– Sale-leaseback	204,277	92,468
Range of interest rate per annum		
– Direct finance leasing	7.2% to 12.5%	10.5% to 14.4%
– Sale-leaseback	6.5% to 15.6%	6.5% to 15.6%

The following tables set forth the credit quality analysis of our finance lease receivables as of the dates indicated:

	As of 30 June 2025 <i>RMB'000</i>	As of 31 December 2024 <i>RMB'000</i>
Neither overdue nor credit-impaired	927	1,214
Overdue but not credit-impaired		
– Overdue within 30 days (inclusive)	–	–
– Overdue 31 to 90 days (inclusive)	–	–
– Overdue above 90 days	–	–
Overdue and credit-impaired	4,409	41,104
Net amount of finance lease receivables	5,336	42,318
Allowances for impairment losses	(3,941)	(26,895)
Carrying amount of finance lease receivables	1,395	15,423

Our net amount of finance lease receivables classified as overdue and credit-impaired decreased significantly from RMB41.1 million as of 31 December 2024 to RMB4.4 million as of 30 June 2025 mainly because of the disposal of overdue finance lease receivables.

Management Discussion and Analysis

The following table sets forth the credit quality analysis of receivables from sale-leaseback transactions as of the dates indicated:

	As of 30 June 2025 RMB'000	As of 31 December 2024 RMB'000
Neither overdue nor credit-impaired	253,130	171,143
Overdue but not credit-impaired		
– Overdue within 30 days (inclusive)	–	–
– Overdue 31 to 90 days (inclusive)	–	–
– Overdue above 90 days	–	–
Overdue and credit-impaired	4,808	8,118
Net amount of receivables from sale-leaseback transaction	257,938	179,261
Allowances for impairment losses	(7,567)	(7,639)
Carrying amount of finance lease receivables	250,371	171,622

Our receivables from sale-leaseback transaction classified as overdue and credit-impaired decreased from RMB8.1 million as of 31 December 2024 to RMB4.8 million as of 30 June 2025 mainly due to the recovery of receivables of approximately RMB3.3 million from sale-leaseback transactions that were overdue for more than 90 days.

The allowances for impairment losses of finance lease receivables and receivables from sale-leaseback transaction were provided on expected credit loss model. The following tables set forth our loss allowance as of the dates indicated:

	As of 30 June 2025			
	Stage I 12-month ECL RMB'000	Stage II Lifetime ECL RMB'000	Stage III Lifetime ECL RMB'000	Total RMB'000
Net amount of finance lease receivables	927	–	4,409	5,336
Allowances for impairment losses	(15)	–	(3,926)	(3,941)
Carrying amount of finance lease receivables	912	–	483	1,395
Receivables from sale-leaseback transaction	251,916	–	6,022	257,938
Allowances for impairment losses	(3,902)	–	(3,665)	(7,567)
Carrying amount of receivables from sale-leaseback transaction	248,014	–	2,357	250,371

Management Discussion and Analysis

	As of 31 December 2024			
	Stage I	Stage II	Stage III	Total
	12-month ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Net amount of finance lease receivables	1,214	–	41,104	42,318
Allowances for impairment losses	(19)	–	(26,876)	(26,895)
Carrying amount of finance lease receivables	1,195	–	14,228	15,423
Receivables from sale-leaseback transaction	171,143	–	8,118	179,261
Allowances for impairment losses	(2,633)	–	(5,006)	(7,639)
Carrying amount of receivables from sale-leaseback transaction	168,510	–	3,112	171,622

Factoring Services

For the six months ended 30 June 2025, we have not recorded any revenue from factoring services.

The following table sets forth the average monthly balance of our factoring services and the range of corresponding interest rate for the periods indicated:

	For the six months ended 30 June 2025 RMB'000	For the year ended 31 December 2024 RMB'000
Average monthly balance of factoring receivables (RMB'000)	1,983	19,099
Range of interest rate	8.0%	8.0%

Management Discussion and Analysis

The following tables set forth our loss allowance as of the dates indicated:

	As of 30 June 2025			
	Stage I 12-month ECL RMB'000	Stage II Lifetime ECL RMB'000	Stage III Lifetime ECL RMB'000	Total RMB'000
Factoring receivables	–	–	1,983	1,983
Allowances for impairment losses	–	–	(1,983)	(1,983)
Carrying amount of factoring receivables	–	–	–	–

	As of 31 December 2024			
	Stage I 12-month ECL RMB'000	Stage II Lifetime ECL RMB'000	Stage III Lifetime ECL RMB'000	Total RMB'000
Factoring receivables	–	2,121	1,983	4,104
Allowances for impairment losses	–	(636)	(1,983)	(2,619)
Carrying amount of factoring receivables	–	1,485	–	1,485

Advisory Services

For the six months ended 30 June 2025, we have not recorded any revenue from advisory services.

Financial Information Services

We provided financial information services to small and medium-sized financial consultancies in China since February 2025. Such services are software-centric, consultation-supported technology solutions. We assist financial consultancies reach entities with financing needs and swiftly and accurately distribute the matched finance leasing needs to those consultancies.

For the six months ended 30 June 2025, our revenue from financial information services was RMB4.3 million, accounting for 25.8% of our total revenue.

Packaging and Paper Products Trading

We conducted our packaging and paper products trading business through Baiying Paper since January 2021. For the six months ended 30 June 2025, the products we sold to our customers were packaging paper and all of our customers were either in the paper industry or were trading companies.

For the six months ended 30 June 2025, the revenue from sales of packaging and paper products was RMB5.1 million, accounting for 30% of our total revenue.

The cost of sales of packaging and paper products was RMB5.0 million for the six months ended 30 June 2025, all of which consisted of the procurement cost.

For the six months ended 30 June 2025, the gross profit of packaging and paper products trading business was RMB0.1 million and the gross profit margin was approximately 2.2%.

Compliance with Key Regulatory Requirements

The following table summarizes the key statutory capital requirements and lending restrictions applicable to us and our compliance status for the six months ended 30 June 2025:

Key requirements

A foreign-funded finance leasing company shall not provide in any form of direct or indirect financing for local governments' financing platform companies that undertake public welfare duties.

The total assets of the foreign investor(s) of a foreign-funded finance leasing company shall not be less than US\$5 million and the foreign investor(s) shall not be in insolvency and ordinarily shall have been existed more than one year.

The registered capital of a foreign-funded finance leasing company shall not be less than US\$10 million and the proportion of the foreign investment shall not be lower than 25%.

A foreign-funded finance leasing company shall have professional staff. Its senior management team shall have professional qualifications and no less than three years of experience in the relevant industries.

The term of operation of a foreign-funded finance leasing company shall generally not exceed 30 years.

A foreign-funded finance leasing company shall contain the words "finance leasing" (融資租賃) in its corporate name and shall not contain the words "financial lease" (金融租賃) in its corporate name or its business scope.

A finance leasing company can conduct guarantee business only in relation with its leasing transactions, but shall not contain the word "guarantee" in its corporate name and shall not take guarantee business as its main business.

Compliance status

Our Group complied with such requirement for the six months ended 30 June 2025.

Our Group complied with such requirement for the six months ended 30 June 2025.

Our Group complied with such requirement for the six months ended 30 June 2025.

Our Group complied with such requirement for the six months ended 30 June 2025.

Our Group complied with such requirement for the six months ended 30 June 2025.

Our Group complied with such requirement for the six months ended 30 June 2025.

Our Group complied with such requirement for the six months ended 30 June 2025.

Management Discussion and Analysis

Key requirements

A finance leasing company shall not engage in deposit taking (吸收存款), lending (發放貸款), entrusted lending (受託發放貸款), and without the approval of the competent authority, shall not engage in inter-bank borrowing and is prohibited from carrying out illegal fund-raising activities under the disguise of finance leasing in any circumstances.

As a general practice and according to the Measures for the Administration of Entrusted Loans of Commercial Banks (商業銀行委託貸款管理辦法) and General Rules for Loans (貸款通則), a company is allowed to entrust a commercial bank to provide loans to a third party.

A finance leasing company shall not accept any property to which a lessee has no disposal rights or on which any mortgage has been created, or which has been sealed or seized by any judicial organs, or whose ownership has any other defects as the subject matter of a sale-leaseback transaction.

Risk assets of a finance leasing company shall not exceed eight times of its total net assets. The portion of assets under finance leasing and other leasing of a finance leasing company shall not be less than 60% of its total assets. The fix-income securities investment business carried out by a finance leasing company shall not exceed 20% of its net assets. The aggregate balance of the financial leasing businesses conducted by the financial leasing company with a single lessee or a single related party shall not exceed 30% of its net assets. The aggregate balance of the financial leasing businesses conducted by the financial leasing company with all related parties shall not exceed 50% of its net assets. The balance of financing with a single shareholder and its related parties shall not exceed the shareholder's capital contribution to the financial leasing company and the aggregate balance of the financial leasing businesses conducted by the financial leasing company with such shareholder shall not exceed 30% of its net assets.

A company engaged in food production, food sales and catering services should be licensed according to the applicable laws.

Compliance status

Our Group complied with such requirement for the six months ended 30 June 2025.

Our Group complied with such requirement for the six months ended 30 June 2025.

Our Group complied with such requirement for the six months ended 30 June 2025.

Our Group complied with such requirement for the six months ended 30 June 2025.

Our Group complied with such requirement for the six months ended 30 June 2025.

Financial Overview

On 27 March 2025, Xiamen Baiying entered into the sale and purchase agreement with Qingxiangyuan, an associate of the three ultimate individual Controlling Shareholders. Pursuant to which, among other things, Xiamen Baiying conditionally agreed to sell, and Qingxiangyuan conditionally agreed to acquire, entire equity interest of Qiaoxin. The Disposal was completed on 13 June 2025. Following the completion, the Company ceased to hold any interest, directly or indirectly, in Qiaoxin and its subsidiaries and their financial results, assets and liabilities will no longer be consolidated into the financial statements of the Group. Hence, the Group was no longer engaged in manufacture and sales of vinegar and other condiment products in the PRC (the **“Discontinued Business”**). For the financial performance of the Discontinued Business, please refer to the note 5 and note 22 to the unaudited interim financial report.

The Group continues to provide financial services and conduct packaging and paper products trading business in the PRC (the **“Continuing Businesses”**).

Results of Continuing Businesses Operations

Revenue

Our revenue consists of interest income, advisory fee income, and income from sales of packaging and paper products.

During the Reporting Period, our interest income consisted of interests in installments and one-time management fees received from our finance leasing services, income from our financial information services, and all of our income from packaging and paper products trading business were driven from sales of packaging paper. The following table sets forth our revenue by business type for the periods indicated:

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest Income:		
Finance leasing services	7,353	2,788
– Direct finance leasing	35	16
– Sale-leaseback	7,318	2,772
Financial information services	4,330	–
Income from packaging and paper products trading business:		
Sales of packaging paper	5,073	6,293
Total	16,756	9,081

Our revenue increased from RMB9.1 million for the six months ended 30 June 2024 to RMB16.8 million for the six months ended 30 June 2025 mainly due to (i) the increase in income from our finance leasing services of RMB4.6 million, (ii) the increase in income from financial information services of RMB4.3 million, and (iii) the decrease in income from packaging and paper products trading business of RMB1.2 million.

Other Income, Other Gains and Losses

Our other income, other gains and losses mainly consists of government grants, interest income from deposits with financial institutions and net loss from financial assets at fair value through profit or loss.

Our other income, other gains and losses changed from net loss of RMB0.1 million for the six months ended 30 June 2024 to gain of RMB2.2 million for the six months ended 30 June 2025, mainly due to gain on disposal of one finance lease receivable with amount of RMB4.5 million.

Management Discussion and Analysis

Interest Expenses

Our interest expenses mainly consist of interest expenses on our interest-bearing borrowings and imputed interest expense on interest-free guaranteed deposits from lessees. We incur interest expenses on borrowings which are principally used to fund our finance leasing business.

Our gearing ratio was 0.58 times as of 31 December 2024 and 0.22 times as of 30 June 2025. The gearing ratio is a measure of financial leverage. It represents total interest-bearing borrowings divided by total equity as of 30 June 2025.

Our interest expenses increased from RMB0.2 million for the six months ended 30 June 2024 to RMB0.9 million for the six months ended 30 June 2025 mainly due to the increase in average monthly balance of loans.

Administrative Expenses

Our administrative expenses primarily consist of staff cost, legal expenses, depreciation, property management expenses, amortization and auditor's remuneration. The table below sets forth the components of our operating expenses by nature for the periods indicated:

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Staff cost	1,496	994
Legal expenses	220	353
Business travel and transportation expenses	38	74
Amortisation cost of intangible assets	31	38
Depreciation charge		
– owned property, plant and equipment	4	31
– right-of-use assets	117	54
Auditor's remuneration	368	363
Consulting expenses	83	16
Sundry expenses	518	609
Total administrative expenses	2,875	2,532

Our administrative expenses increased from RMB2.5 million for the six months ended 30 June 2024 to RMB2.9 million for the six months ended 30 June 2025 mainly due to the increase in staff cost of RMB0.5 million, partially offset by the decrease in legal expenses of RMB0.1 million.

Net Impairment Losses Recognised/(Reversed)

Our impairment losses charged mainly include impairment losses charged on finance lease receivables and loans and receivables. The table below sets forth our total impairment losses charged by asset type for the periods indicated:

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Finance lease receivables	949	(43)
Trade and other receivables	(154)	(545)
Loans and receivables	(708)	(916)
Total net impairment losses recognised/(reversed)	87	(1,504)

Our net impairment losses recognised or reversed changed from reversal of RMB1.5 million for the six months ended 30 June 2024 to recognition of RMB0.9 million for the six months ended 30 June 2025 primarily due to the increase in outstanding finance lease receivables.

Selling and Distribution Expenses

Our selling and distribution expenses for the six months ended 30 June 2025 was RMB0.03 million, all of which consisted of staff cost.

Income Tax Credit

We recorded income tax expense of RMB1.0 million for the six months ended 30 June 2024 and income tax credit of RMB7.0 million for the six months ended 30 June 2025 as a result of recording a defer tax asset due to the Disposal.

The Directors confirm that we have paid all relevant taxes and are not subject to any dispute or unresolved tax issues with the relevant tax authorities in the PRC.

Profit for the Period

We recorded a loss of RMB9.7 million for the six months ended 30 June 2024 and a profit of RMB4.8 million for the six months ended 30 June 2025 mainly because of the increase in the income from the Continuing Businesses of RMB17.1 million, partially offset by the loss from the Discontinued Business of RMB12.3 million.

Management Discussion and Analysis

Liquidity and Capital Resources

We primarily funded our operations and expansions through our Shareholders' equity, interest-bearing borrowings, net proceeds from the share offer and cash flows from our operations. Our liquidity and capital requirements primarily relate to our finance leasing and factoring businesses and other working capital requirements. We monitor our cash flows and cash balance on a regular basis and strive to maintain liquidity that can meet our working capital needs while maintaining a healthy level of business scale and expansion.

Cash Flows

The following table sets forth a selected summary of our cash flow statement for the periods indicated:

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cash and cash equivalents at beginning of the period	19,730	13,649
Net cash flows used in operating activities	(77,215)	(22,457)
Net cash flows generated from investing activities	49,825	10,383
Net cash flows generated from financing activities	33,188	8,409
Net increase/(decrease) in cash and cash equivalents	5,798	(3,665)
Effect of foreign exchange rate changes	(17)	(19)
Cash and cash equivalents at end of the period	25,511	9,965

Net cash flows used in operating activities

For the six months ended 30 June 2025, we had net cash used in operating activities of RMB77.2 million, primarily as a result of operating loss before changes in working capital of RMB20.0 million and the combined effect of the changes in working capital, which consisted of: (i) the decrease in cash of RMB26.8 million as a result of the increase in trade and other receivables; (ii) the decrease in cash of RMB3.5 million as a result of the decrease in trade and other liabilities; (iii) the decrease in cash of RMB77.3 million as a result of the increase in loan and receivables; and (iv) the increase in cash of RMB14.0 million as a result of the decrease in finance lease receivables.

Net cash flows generated from investing activities

For the six months ended 30 June 2025, our net cash generated from investing activities was RMB49.8 million. Our net cash flow generated from investing activities mainly due to the payments on acquisition of investments of RMB1.0 million, partially offset by the proceeds from disposal and redemption of investments of RMB20.3 million. Furthermore, during the Reporting Period, we have disposed of an associate at a consideration of approximately RMB13.5 million, which brought in additional cash flow for our financial services business.

Net cash flows generated from financing activities

For the six months ended 30 June 2025, our net cash flows generated from financing activities was RMB33.2 million. Our net cash flows generated from financing activities consisted of repayment of borrowings of RMB20.0 million, partially offset by proceeds from borrowings of RMB53.8 million.

Selected Items of the Consolidated Statements of Financial Position

	As of 30 June 2025 RMB'000	As of 31 December 2024 RMB'000
Non-current assets		
Property, plant and equipment	158	112,492
Intangible assets	628	407
Loans and receivables	183,939	122,233
Trade and other receivables	10	1,240
Deferred tax assets	10,530	4,120
Finance lease receivables	260	617
Total non-current assets	195,525	241,109
Current assets		
Finance lease receivables	1,135	14,806
Cash and cash equivalents	25,511	19,730
Trade and other receivables	49,195	21,157
Loans and receivables	66,432	50,874
Financial assets at fair value through profit or loss	2,304	13,212
Total current assets	144,577	135,749
Current liabilities		
Borrowings	56,900	96,980
Trade and other liabilities	10,447	17,769
Income tax payable	3,978	4,713
Lease liabilities	118	293
Total current liabilities	71,443	119,755
Net current assets	73,134	15,994
Non-current liabilities		
Borrowings	–	31,308
Trade and other liabilities	7,402	3,714
Lease liabilities	–	534
Total non-current liabilities	7,402	35,556
Net assets	261,257	221,547

Management Discussion and Analysis

Our total current assets increased from RMB135.7 million as of 31 December 2024 to RMB144.6 million as of 30 June 2025 primarily due to the increase in loans and receivables.

Our total current liabilities decreased from RMB119.8 million as of 31 December 2024 to RMB71.3 million as of 30 June 2025.

Our net assets increased from RMB221.5 million as of 31 December 2024 to RMB261.3 million as of 30 June 2025 mainly due to the increase in profit for the period.

Finance Lease Receivables

Carrying amount of our finance lease receivables decreased from RMB15.4 million as of 31 December 2024 to RMB1.4 million as of 30 June 2025. For the six months ended 30 June 2025, all of our finance lease receivables were charged by fixed interest rates.

Loans and Receivables

Our loans and receivables mainly consist of our sale-leaseback transactions. Our loans and receivables increased from RMB173.1 million as of 31 December 2024 to RMB250.4 million as of 30 June 2025.

Inventories

Our inventories consist of work in progress, finished goods and raw materials. We had no inventories as of 30 June 2025 as a result of the Disposal.

Cash and Cash Equivalents

Cash and cash equivalents consist of our deposits with banks. Our cash and cash equivalents increased from RMB19.7 million as of 31 December 2024 to RMB25.5 million as of 30 June 2025 as a result of the Disposal.

Trade and Other Receivables

Our trade and other receivables mainly include trade receivables, deductible value-added tax, prepaid expense.

Our trade and other receivables increased from RMB21.2 million as of 31 December 2024 to RMB49.2 million as of 30 June 2025.

As of the end of the Reporting Period, the ageing analysis of trade receivables, net of allowances for impairment losses, based on invoice date, is as follows:

	As of 30 June 2025 RMB'000	As of 31 December 2024 RMB'000
Within 3 months	1,862	5,516
Over 3 months but within 6 months	–	102
Over 6 months but within 1 year	143	405
Over 1 year but within 2 years	–	1,521

Trade and Other Liabilities

Our trade and other liabilities mainly include guaranteed deposits from lessees, accrued staff costs, VAT payable and other tax payable, and other payables. The following table sets forth our trade and other liabilities as of the dates indicated:

	As of 30 June 2025 RMB'000	As of 31 December 2024 RMB'000
Guaranteed deposits from lessees	8,864	5,192
VAT payable and other tax payable	6,308	6,706
Accounts payable	388	263
Accrued staff costs	630	3,838
Accrued liabilities	310	1,242
Trade payable	–	912
Payables for purchase of property, plant and equipment	17	1,265
Other payables	1,332	2,065
Total trade and other liabilities	17,849	21,483

Our trade and other liabilities decreased from RMB21.5 million as of 31 December 2024 to RMB17.8 million as of 30 June 2025. The decrease is mainly due to (i) the decrease in accrued staff costs of RMB3.0 million; (ii) the decrease in payables for purchase of property, plant and equipment of RMB1.2 million; (iii) the decrease in accrued liabilities of RMB0.9 million; and (iv) the decrease in trade payable of RMB0.9 million, partially offset by the increase in guaranteed deposits from lessees of RMB3.7 million.

Financial Assets at Fair Value through Profit or Loss

For the six months ended 30 June 2025, our financial assets at fair value primarily consisted of wealth management products.

We invest in wealth management products with our paid-up capital, and the investment amount should match our capital structure in terms of scale and must not affect our ordinary business operations. All such financial assets, depending on their amounts and types, will be strictly reviewed and approved by our management at different levels. Our securities investment team conducts risk control and supervision over our investment to effectively manage the investment procedures. All these investment activities are subject to applicable laws and regulations. As of 30 June 2025, the balance of wealth management products was RMB2.3 million.

Management Discussion and Analysis

Indebtedness

Borrowings

The following table sets forth our outstanding borrowings as of the dates indicated:

	As of 30 June 2025 RMB'000 ⁽¹⁾	As of 31 December 2024 RMB'000 ⁽²⁾
Borrowings:		
– within one year	56,900	96,980
– after one year but within two years	–	2,000
– after two years	–	29,308
Total	56,900	128,288

Notes:

(1) As of 30 June 2025, no borrowings were secured by pledge of property, plant and equipment.

(2) As of 31 December 2024, RMB33.3 million of the borrowings were guaranteed by pledge of property, plant and equipment.

Contingent Liabilities

As of 30 June 2025, we have no contingent liability.

Capital Expenditures

We did not have any capital expenditures for the six months ended 30 June 2025.

Capital Commitments

We had no commitments as of 30 June 2025.

Foreign Currency Exposure

Since our Group's business activities are solely operated in the PRC and denominated in RMB, the Directors consider that our Group's risk in foreign exchange is insignificant.

Off-balance Sheet Arrangements

As of 30 June 2025, we did not have any off-balance sheet arrangements.

MATERIAL INVESTMENTS, ACQUISITION AND DISPOSALS

On 27 March 2025, Xiamen Baiying (as vendor) entered into the sale and purchase agreement with Qingxiangyuan (as purchaser). Pursuant to which, among other things, Xiamen Baiying conditionally agreed to sell, and Qingxiangyuan conditionally agreed to acquire, entire equity interest of Qiaoxin at the consideration of RMB13,450,000 in cash. The Disposal was completed on 13 June 2025. Following the completion, the Company ceased to hold any interest, directly or indirectly, in Qiaoxin and its subsidiaries and their financial results, assets and liabilities will no longer be consolidated into the financial statements of the Group. For more details, please refer to the major and connected transaction announcement dated 27 March 2025, supplemental announcement dated 1 April 2025, the circular of extraordinary general meeting and notice of extraordinary general meeting both dated 12 May 2025, the poll results announcement dated 3 June 2025 and the completion announcement dated 13 June 2025.

Save as disclosed above, there were no material investments (including any investment with a value of 5% or more of the Company's total assets), acquisitions or disposals for the six months ended 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCES OF FUNDING

Other than bank borrowings we obtained from commercial banks and save as disclosed in the section headed "Events after the Reporting Period" of this report, we have no future plans for investments or external financing.

As of 30 June 2025, we had no specific future plan for material investments or capital assets.

EMPLOYMENT AND EMOLUMENTS

As of the date of this report, our Group had 24 full time employees, who were all based in China. Our employees' remuneration was paid with reference to their individual responsibility and performance, as well as the actual practice of the Company. We have made contributions to social insurance funds, including pension plans, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing funds for our employees. As of the date of this report, we had complied with all applicable PRC laws and regulations in all material aspects.

We invest in continuing education and training programs for our management and other employees with a view to constantly upgrading their skills and knowledge. We also arrange for internal and external professional training programs to develop our employees' skills and knowledge. These programs include further educational studies, fundamental economics and finance knowledge, skills training, and professional development courses for our management personnel. New employees are required to attend induction training courses to ensure that they are equipped with the necessary skills to perform their duties.

In 2025, we provide both online and offline training to our employees. In order to make the training more targeted and quantifiable, the Company provides company-wide training covering finance, risk control, recovery and collection, industry research, management skills, etc., We also arrange regular business sessions and book-sharing forums where staff choose their own topics, conduct in-depth research, and present their findings to others. This encourages employees to pursue self-improvement in their spare time, and spreads proven practices across the team. By sharing knowledge, supporting and mentoring one another, we enhanced our collaboration, sharpened industry expertise, raised overall competence, and strengthened the Company's cohesion.

CHARGES ON GROUP ASSETS

As of 30 June 2025, we did not have any charge over our assets.

PROSPECTS

With the deepening adjustment of policies in the financial leasing industry, the financial leasing industry has been focusing on the green and technology-related sectors while continuously driving business transformation. In active response to national strategic directives, the Group has adhered to the principles of stable operation and rigorous risk management, precisely formulating strategies that align with market demands. It has expanded its financial leasing business in areas such as regional infrastructure construction and new energy engineering machinery, achieving significant growth in business scale. This robustly demonstrates the sustainability and market competitiveness of its core operations.

During the Reporting Period, the Group successfully completed the strategic disposal of its vinegar business, which will further focus on the advantages of capital and resources to deepen the professional development of its financial business. Leveraging its extensive experience in the financial leasing sector, the Group has also been actively exploring the derivative value of its business. Initial attempts have been made to apply the mature customer screening model and intelligent risk control system to a wider range of financial service scenarios to provide diversified financial solutions to high-quality customer segments, which have achieved initial results and will continue to be explored further in the future.

Subsequently, the Group will focus on expanding new growth drivers while consolidating its existing strengths. By continuously optimizing operational processes, strengthening pre-investment due diligence, strictly adhering to risk control standards, and deepening strategic synergies with equipment manufacturers, technology platforms and other partners in the industry chain, the Group is committed to providing customers with comprehensive financial service solutions covering the entire lifecycle of the equipment. This approach aims to achieve high-quality and sustainable business development while better serving the real economy.

Other Information

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has reviewed and discussed with the management the accounting principles and practices adopted by the Company, internal controls and financial report matters, and the Company’s policies and practices on corporate governance. This unaudited interim report has been reviewed by the Audit Committee. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the Reporting Period.

INTERIM DIVIDEND

The Board did not propose or recommend the distribution of any dividend for the six months ended 30 June 2025.

COMPETING BUSINESS

None of the Directors or their respective close associates (as defined in the GEM Listing Rules) was engaged in any business which competes or was likely to compete, either directly or indirectly, with the business of the Company during the Reporting Period.

COMPLIANCE WITH NON-COMPETITION UNDERTAKING

Each of Septwolves Holdings, Mr. Zhou Yongwei, Mr. Zhou Shaoxiong and Mr. Zhou Shaoming has confirmed to the Company that, during the Reporting Period, it/he has complied with the non-competition undertakings given by them to the Company on 20 June 2018, details of the non-competition undertakings were set out in the prospectus.

The independent non-executive Directors have reviewed the status of compliance and enforcement of the non-competition undertakings and confirmed that all the undertakings thereunder have been complied with by each of Septwolves Holdings, Mr. Zhou Yongwei, Mr. Zhou Shaoxiong and Mr. Zhou Shaoming.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Group recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group so as to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. The Board and the management of the Company have adopted the code provisions (the “**Code Provisions**”) of the Corporate Governance Code set out in Appendix C1 to the GEM Listing Rules and reviewed its corporate governance policies and compliance from time to time. During the Reporting Period, the Company has fully complied with the Code Provisions.

CONTINUING DISCLOSURE REQUIREMENTS UNDER THE GEM LISTING RULES

As of 30 June 2025, the Directors have confirmed that they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 17.15 to 17.21 or Rule 17.43 of the GEM Listing Rules.

Other Information

SHARE OPTION SCHEME

The share option scheme was adopted by the Company and approved by the Shareholders on 20 June 2018 (the “**Share Option Scheme**”) for the primary purposes of enabling the Company to attract, retain and motivate talented participants and, to strive for future developments and expansion of our Group. Eligible participants of the Share Option Scheme include any employees, any executives, non-executive Directors (including independent non-executive Directors), advisors and consultants of our Group. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on 20 June 2018 and will expire on 20 June 2028.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other scheme(s) of the Company in aggregate shall not exceed 30% of the Shares in issue from time to time. In addition, under a refreshment of the 10% limit mentioned below is approved by the Shareholders pursuant to the GEM Listing Rules, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other scheme(s) of the Company shall not in aggregate exceed 10% of all the issued Shares as of 18 July 2018, being the Listing Date. As at the date hereof, the options available for grant by the Company is 27,000,000 Shares, representing 10% of the total issued Shares. As at 1 January 2025 and 30 June 2025, the number of options available for grant under the scheme mandate of the share option scheme was 27,000,000.

The maximum number of Shares issued and to be issued upon exercise of the options granted to each eligible person in any 12-month period shall not exceed 1% of our Shares in issue on the last day of such 12-month period, unless approved by the Shareholders in accordance with the GEM Listing Rules.

An option shall be regarded as having been granted and accepted when the duplicate of the offer letter, comprising acceptance of the offer of the option, is duly signed by the grantee together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within a period of 30 days from the date of offer of the option, provided that no such offer may be accepted after the expiry of the scheme period or after the Share Option Scheme has been terminated.

There is no minimum period for which an option granted must be held before it can be exercised unless otherwise imposed by the Board. An option shall be exercised in whole or in part within the period, in respect of an option, commencing immediately after the business day on which the option is deemed to be granted and accepted in accordance with the Share Option Scheme (the “**Commencement Date**”) and expiring on such date of the expiry of the option as our Board may in its absolute discretion determine and which shall not exceed 10 years from the Commencement Date but subject to the provisions for early termination thereof contained in the Share Option Scheme.

The exercise prices of the options will be determined by the Board in its absolute discretion but shall not be less than whichever is the highest of: (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the offer date; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of the Shares on the offer date.

No share options have been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption. As of 30 June 2025, the Company has no outstanding share option under the Share Option Scheme.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any other material events after the Reporting Period.

UPDATES ON DIRECTORS' INFORMATION

There was no change in the information of the Directors required to be disclosed pursuant to Rule 17.50A(1) of the Listing Rules since the date of the Board meeting approving the 2024 annual report up to the date of the Board meeting approving this report.

REQUIRED STANDARD OF DEALINGS FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions of the Company by the Directors on terms no less exacting than the required standard of dealings concerning securities transaction by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Code of Conduct**”) as its own code governing securities transactions of the Directors. Having made specific enquiry of all the Directors, all of them confirmed that they had fully complied with the required standard of dealings as set out in the Code of Conduct throughout the Reporting Period. Pursuant to Rule 5.66 of the Code of Conduct, the Directors have also requested any employee of the Company or director or employee of any subsidiary of the Company who, because of his office or employment in the Company or any subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he would be prohibited from dealing by the Code of Conduct as if he was a Director.

Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

As of 30 June 2025, the interests or short positions of the Directors and the 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 SFO which will have 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 he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name	Position	Nature of interest	Number of Shares ⁽¹⁾	Percentage in the total issued share capital
Mr. Ke Jinding ⁽²⁾	Non-executive Director	Interest in controlled corporation	37,968,750 Shares (L)	14.06%
Mr. Huang Dake ⁽³⁾	Executive Director	Interest in controlled corporation	12,430,934 Shares (L)	4.60%

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Shares or the shares in the share capital of the relevant associated corporation.
- (2) Zijiang Capital is directly interested in approximately 14.06% of the issued Shares. The disclosed interest represents the interest in the Company held by Zijiang Capital, which is in turn held as to 40%, 40% and 20% by Mr. Ke Shuiyuan, Mr. Ke Jinding and Mr. Ke Zijiang, respectively. Therefore, Mr. Ke Jinding is deemed to be interested in Zijiang Capital's interest in the Company by virtue of the SFO.
- (3) HDK Capital is directly interested in approximately 4.60% of the issued Shares. The disclosed interest represents the interest in the Company held by HDK Capital, which is wholly owned by Mr. Huang Dake. Therefore, Mr. Huang Dake is deemed to be interested in HDK Capital's interest in the Company by virtue of the SFO.

Save as disclosed above, as of 30 June 2025, none of the Directors and chief executive of the Company had any interests or short positions 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, which will have 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 he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As of 30 June 2025, the persons or corporations (other than a Director or the chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	Nature of interest	Number of Shares ⁽¹⁾	Percentage in the total issued share capital
Mr. Zhou Yongwei ⁽²⁾	Interest in controlled corporation	124,143,908 Shares (L)	45.98%
Septwolves Holdings	Beneficial owner	118,968,750 Shares (L)	44.06%
Zijiang Capital	Beneficial owner	37,968,750 Shares (L)	14.06%
Mr. Ke Shuiyuan ⁽³⁾	Interest in controlled corporation	37,968,750 Shares (L)	14.06%
Shengshi Capital	Beneficial owner	15,885,500 Shares (L)	5.88%
Mr. Wong Po Nei ⁽⁴⁾	Interest in controlled corporation	15,885,500 Shares (L)	5.88%

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Shares.
- (2) The disclosed interest represents the interest in the Company held by Septwolves Holdings and SEPTWOLVES INTERNATIONAL GROUP LIMITED respectively. Septwolves Holdings is approximately 37.06%, 31.47% and 31.47% owned by Mr. Zhou Yongwei, Mr. Zhou Shaoxiong and Mr. Zhou Shaoming, respectively. SEPTWOLVES INTERNATIONAL GROUP LIMITED is approximately 82.86% indirectly owned by Fujian Septwolves Group, which in turn is approximately 37.82% owned by Mr. Zhou Yongwei. Therefore, Mr. Zhou Yongwei is deemed to be interested in Septwolves Holdings' and SEPTWOLVES INTERNATIONAL GROUP LIMITED's respective interest in the Company by virtue of the SFO.
- (3) The disclosed interest represents the interest in the Company held by Zijiang Capital, which is in turn held as to 40%, 40% and 20% by Mr. Ke Shuiyuan, Mr. Ke Jinding and Mr. Ke Zijiang, respectively. Therefore, Mr. Ke Shuiyuan is deemed to be interested in Zijiang Capital's interest in the Company by virtue of the SFO.
- (4) The disclosed interest represents the interest in the Company held by Shengshi Capital, which is wholly owned by Mr. Wong Po Nei. Therefore, Mr. Wong Po Nei is deemed to be interested in Shengshi Capital's interest in the Company by virtue of the SFO.

Save as disclosed above, as of 30 June 2025, the Directors were not aware of any other person or corporation having an interest or short position in Shares and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

Other Information

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 9 June 2025 and will remain suspended until the trading of the Shares is allowed to resume by the Stock Exchange after re-compliance with Rule 17.26 of the GEM Listing Rules, fulfilment of the resumption guidance and full compliance with the GEM Listing Rules to the satisfaction of the Stock Exchange.

Further announcement(s) will be made by the Company to update the Shareholders on the progress of the resumption as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Independent Review Report



Moore CPA Limited

1001-1010, North Tower, World Finance Centre,
Harbour City, 19 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

大華馬施雲會計師事務所有限公司

香港九龍尖沙咀廣東道19號
海港城環球金融中心北座1001-1010室

T +852 2375 3180

F +852 2375 3828

www.moore.hk

To the Board of Directors of Baiying Holdings Group Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 30 to 68 which comprises the condensed consolidated statement of financial position of Baiying Holdings Group Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on the interim financial report and to report our conclusion 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 the interim financial report consists of making enquiries, 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 interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34.

Moore CPA Limited

Certified Public Accountants

Ng Ngai Yan

Practising Certificate Number: P07422

Hong Kong, 28 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB (Unaudited)	2024 RMB (Unaudited) (Re-presented)
Continuing operations			
Sales revenue		5,072,847	6,293,347
Interest income		7,352,655	2,787,967
Service income		4,330,581	–
Revenue	4	16,756,083	9,081,314
Cost of sales		(4,962,051)	(6,139,378)
Other income and other gains or losses		2,158,785	(113,975)
Interest expenses		(883,948)	(204,612)
Impairment losses (recognised)/reversed	6	(87,296)	1,503,649
Administrative expense		(2,875,287)	(2,532,169)
Selling and distribution expenses		(33,055)	(32,082)
Profit before income tax	7	10,073,231	1,562,747
Income tax credit/(expense)	8	7,000,698	(1,036,479)
Profit for the period from continuing operations		17,073,929	526,268
Discontinued operation			
Loss for the period from discontinued operation	5	(12,302,136)	(10,230,269)
Profit/(loss) for the period		4,771,793	(9,704,001)
Other comprehensive loss for the period, net of tax:			
Item that may be reclassified subsequently to profit or loss			
– Exchange differences on translation of financial statements of foreign operations		(17,383)	(18,965)
Total comprehensive income/(loss) for the period		4,754,410	(9,722,966)

The notes on pages 36 to 68 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 19(a).

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB (Unaudited)	2024 RMB (Unaudited) (Re-presented)
Profit/(loss) for the period from continuing operations attributable to:			
Equity shareholders of the Company		17,155,135	510,384
Non-controlling interests		(81,206)	15,884
		17,073,929	526,268
Profit/(loss) for the period attributable to:			
Equity shareholders of the Company		4,852,999	(9,719,885)
Non-controlling interests		(81,206)	15,884
		4,771,793	(9,704,001)
Total comprehensive income/(loss) for the period attributable to:			
Equity shareholders of the Company		4,835,616	(9,738,850)
Non-controlling interests		(81,206)	15,884
		4,754,410	(9,722,966)
Earnings/(losses) per share	9		
From continuing and discontinued operations			
Basic and diluted (RMB cents)		1.80	(3.60)
From continuing operations			
Basic and diluted (RMB cents)		6.35	(0.19)

The notes on pages 36 to 68 form part of this interim financial report.

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Non-current assets			
Property, plant and equipment	10	158,365	112,491,833
Intangible assets		627,699	407,106
Loans and receivables	11	183,939,121	122,233,131
Finance lease receivables	12	260,123	617,218
Trade and other receivables	13	9,651	1,239,488
Deferred tax assets		10,530,261	4,120,361
		195,525,220	241,109,137
Current assets			
Inventories	15	–	15,969,792
Loans and receivables	11	66,432,336	50,874,058
Finance lease receivables	12	1,134,680	14,805,686
Trade and other receivables	13	49,194,696	21,157,640
Financial assets at fair value through profit or loss	14	2,304,242	13,211,970
Cash and cash equivalents	16	25,510,670	19,730,061
		144,576,624	135,749,207
Current liabilities			
Borrowings	17	56,900,000	96,980,000
Trade and other liabilities	18	10,446,948	17,768,796
Lease liabilities		117,673	293,133
Income tax payable		3,978,339	4,712,893
		71,442,960	119,754,822
Net current assets		73,133,664	15,994,385
Total assets less current liabilities		268,658,884	257,103,522

The notes on pages 36 to 68 form part of this interim financial report.

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Non-current liabilities			
Borrowings	17	–	31,307,871
Trade and other liabilities	18	7,402,028	3,713,947
Lease liabilities		–	533,776
		7,402,028	35,555,594
NET ASSETS		261,256,856	221,547,928
CAPITAL AND RESERVES			
Share capital	19(b)	2,301,857	2,301,857
Share premium		238,097,760	238,097,760
Reserves/(deficits)		18,516,348	(21,273,786)
Total equity attributable to equity shareholders of the Company		258,915,965	219,125,831
Non-controlling interests		2,340,891	2,422,097
TOTAL EQUITY		261,256,856	221,547,928

Approved and authorised for issue by the board of directors on 28 August 2025.

Huang Dake
Director

Lin Zhenyan
Director

The notes on pages 36 to 68 form part of this interim financial report.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to equity shareholders of the Company									
	Share capital RMB	Share premium RMB	Capital reserve RMB	Surplus reserve RMB	Other reserve RMB	Exchange reserve RMB	(Accumulated losses)/ retained profits RMB	Total RMB	Non-controlling interests RMB	Total equity RMB
Balance at 1 January 2024	2,301,857	238,097,760	(6,640,176)	9,364,503	-	1,561,279	(8,129,373)	236,555,850	2,373,508	238,929,358
Changes in equity for the six months ended 30 June 2024:										
Loss for the period	-	-	-	-	-	-	(9,719,885)	(9,719,885)	15,884	(9,704,001)
Other comprehensive loss	-	-	-	-	-	(18,965)	-	(18,965)	-	(18,965)
Total comprehensive (loss)/income	-	-	-	-	-	(18,965)	(9,719,885)	(9,738,850)	15,884	(9,722,966)
Balance at 30 June 2024 and 1 July 2024	2,301,857	238,097,760	(6,640,176)	9,364,503	-	1,542,314	(17,849,258)	226,817,000	2,389,392	229,206,392
Changes in equity for the six months ended 31 December 2024:										
(Loss)/profit for the period	-	-	-	-	-	-	(7,670,473)	(7,670,473)	32,705	(7,637,768)
Other comprehensive loss	-	-	-	-	-	(20,696)	-	(20,696)	-	(20,696)
Total comprehensive (loss)/income	-	-	-	-	-	(20,696)	(7,670,473)	(7,691,169)	32,705	(7,658,464)
Appropriation to statutory reserve	-	-	-	774,798	-	-	(774,798)	-	-	-
Balance at 31 December 2024 and 1 January 2025	2,301,857	238,097,760	(6,640,176)	10,139,301	-	1,521,618	(26,294,529)	219,125,831	2,422,097	221,547,928
Changes in equity for the six months ended 30 June 2025:										
Profit for the period	-	-	-	-	-	-	4,852,999	4,852,999	(81,206)	4,771,793
Other comprehensive loss	-	-	-	-	-	(17,383)	-	(17,383)	-	(17,383)
Total comprehensive (loss)/income	-	-	-	-	-	(17,383)	4,852,999	4,835,616	(81,206)	4,754,410
Disposal of subsidiaries (Note 22)	-	-	-	-	34,954,518	-	-	34,954,518	-	34,954,518
Balance at 30 June 2025	2,301,857	238,097,760	(6,640,176)	10,139,301	34,954,518	1,504,235	(21,441,530)	258,915,965	2,340,891	261,256,856

The notes on pages 36 to 68 form part of this interim financial report.

Condensed Consolidated Cash Flows Statement

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 RMB (Unaudited)	2024 RMB (Unaudited)
Operating activities			
Cash used in operations		(76,025,523)	(23,216,531)
Taxes (paid)/refund		(1,189,300)	760,030
Net cash used in operating activities		(77,214,823)	(22,456,501)
Investing activities			
Interest received from deposits with financial institutions		37,249	50,094
Proceeds from disposal and redemption of investments		20,333,446	59,316,239
Proceeds from disposal of property, plant and equipment		–	18,960
Payments on acquisition of investments		(9,909,170)	(30,860,000)
Payments of purchase of intangible assets		(471,698)	–
Payments of purchase of property, plant and equipment		(88,339)	(18,142,175)
Repayment from a related party		27,718,265	–
Net proceeds received from disposal of subsidiaries	22	12,205,264	–
Net cash generated from investing activities		49,825,017	10,383,118
Financing activities			
Proceeds from borrowings		53,766,641	10,000,000
Repayment of borrowings		(20,020,000)	(1,000,000)
Capital element of lease rentals paid		(287,757)	(278,710)
Interest element of lease rentals paid		(16,004)	(25,675)
Other interest paid		(255,082)	(287,034)
Net cash generated from financing activities		33,187,798	8,408,581
Net increase/(decrease) in cash and cash equivalents		5,797,992	(3,664,802)
Cash and cash equivalents at 1 January		19,730,061	13,649,340
Effect of foreign exchange rate changes		(17,383)	(18,965)
Cash and cash equivalents at 30 June	16	25,510,670	9,965,573

The notes on pages 36 to 68 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands as an exempted company with limited liability on 5 June 2017.

The Company's issued shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 July 2018.

2. BASIS OF PREPARATION

This unaudited interim financial report has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange. It was authorised for issue on 28 August 2025.

The unaudited interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in accordance with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This unaudited interim financial report contains 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. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

3. CHANGES IN ACCOUNTING POLICIES

Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to a HKFRS Accounting Standards issued by the HKICPA to this unaudited interim financial report for the current accounting period:

- Amendments to HKAS 21, Lack of Exchangeability

This development does not have a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this unaudited interim financial report.

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

Accounting policies newly applied by the Group

Loss control of a subsidiary

When the Group loses control of a subsidiary (except for disposal of subsidiaries by way of distribution in specie by the Company, where the disposed subsidiaries are ultimately under control of the same parties before and after the distribution), the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the relevant assets or liabilities were disposed of.

For the six months ended 30 June 2025

4. REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

The principal activities of the Group are providing equipment based financing solutions, financial information services to customers, sales of packaging and paper products and manufacture and sales of vinegar and other condiment products in the People's Republic of China (the "PRC"). During the reporting period, manufacture and sales of vinegar and other condiment products was classified as a discontinued operation, so the amount of each significant category of revenue recognised during the six months ended 30 June 2025 and 2024 as follows does not include any amount for this discontinued operation, which is described in more details in note 5:

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited) (Re-presented)
Continuing operations		
<i>Revenue from contract with customers within the scope of HKFRS 15, types of goods or services, recognised at point in time</i>		
Sales of products arising from		
Sales of packaging and paper products	5,072,847	6,293,347
<i>Revenue from contract with customers within the scope of HKFRS 15, types of goods or services, recognised over time</i>		
Service income		
Financial information services	4,330,581	–
<i>Revenue from other source</i>		
Interest income from		
Finance lease receivables	35,075	16,069
Receivables from sale – leaseback transaction under loans and receivables	7,317,580	2,771,898
	7,352,655	2,787,967
	16,756,083	9,081,314

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

4. REVENUE AND SEGMENT REPORTING (Continued)

(a) Disaggregation of revenue (Continued)

- (i) The Group has no customer and one customer for six months ended 30 June 2025 and 2024 respectively, with whom transactions have exceeded 10% of the Group's aggregate revenues. Such revenue from the customers is set out below:

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited) (Re-presented)
Customer A (Packaging and paper products trading)	—*	2,337,259

Note: * Revenue from the customer was less than 10% for six months ended 30 June 2025.

- (ii) Revenue from sales of packaging and paper products is recognised when control of goods has transferred, being when the goods have been delivered as agreed in the sales contracts. Revenue from providing financial information services includes granting the right to access the financial information platforms and solutions to the customers and is recognised over time in accordance with the terms of the relevant contracts.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. During the reporting period, manufacture and sales of vinegar and other condiment products was classified as a discontinued operation, so the following segment information does not include any amounts for this discontinued operation, which is described in more details in note 5 and 22. No operating segments have been aggregated to form the following reportable segments.

- Financial services segment: providing financial leasing service and financial information services in the PRC; and
- Packaging and paper products trading segment: the Group set up Fujian Baiying Paper Co., Ltd. ("Baiying Paper") to diversify the business of the Group. The main business of Baiying Paper is sales of packaging and paper products in the PRC.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets, and current assets with the exception of deferred tax assets. Segment liabilities include borrowings, trade and other liabilities, lease liabilities, income tax payable with the exception of deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

For the six months ended 30 June 2025

4. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

The measure used for reporting segment profit or loss is “profit/(loss) for the period”. To arrive at profit or loss for the period the Group’s profits or losses are further adjusted for items, such as other head office or corporate administration costs.

Disaggregation of revenue by the timing of revenue recognition, as well as information regarding the Group’s reportable segments as provided to the Group’s most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Six months ended 30 June 2025 (Unaudited)		
	Financial services RMB	Packaging and paper products trading RMB	Total RMB
Reportable segment revenue	11,683,236	5,072,847	16,756,083
Cost of sales	–	(4,962,051)	(4,962,051)
Other income and other gains or losses	2,153,002	5,783	2,158,785
Interest expenses	(883,948)	–	(883,948)
Impairment losses (recognised)/reversed	(94,790)	7,494	(87,296)
Administrative expense	(2,591,825)	(82,716)	(2,674,541)
Selling and distribution expenses	–	(33,055)	(33,055)
Reportable segment profit before income tax	10,265,675	8,302	10,273,977
Income tax credit	6,998,397	2,301	7,000,698
Reportable segment profit for the period	17,264,072	10,603	17,274,675
Reportable segment assets	332,450,032	15,524,758	347,974,790
Reportable segment liabilities	87,929,119	10,322,779	98,251,898

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

4. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

	Six months ended 30 June 2024 (Unaudited) (Re-presented)		
	Financial services RMB	Packaging and paper products trading RMB	Total RMB
Reportable segment revenue	2,787,967	6,293,347	9,081,314
Cost of sales	–	(6,139,378)	(6,139,378)
Other income, other gains and losses	(127,518)	13,209	(114,309)
Interest expenses	(204,612)	–	(204,612)
Impairment losses reversed	1,499,382	4,267	1,503,649
Administrative expense	(1,461,513)	(107,232)	(1,568,745)
Selling and distribution expenses	–	(32,082)	(32,082)
Reportable segment profit before income tax	2,493,706	32,131	2,525,837
Income tax (expense)/credit	(1,039,646)	3,167	(1,036,479)
Reportable segment profit for the period	1,454,060	35,298	1,489,358
Reportable segment assets	276,196,527	5,617,171	281,813,698
Reportable segment liabilities	53,484,530	307,411	53,791,941

(ii) Reconciliations of reportable segment profit or loss, assets and liabilities

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited) (Re-presented)
Profit for the period		
Reportable segment profit	17,274,675	1,489,358
Unallocated head office and corporate expenses	(200,746)	(963,090)
Consolidated profit	17,073,929	526,268

For the six months ended 30 June 2025

4. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment profit or loss, assets and liabilities (Continued)

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited) (Re-presented)
Assets		
<u>Continuing operations</u>		
Reportable segment assets	347,974,790	281,813,698
Elimination of inter-segment receivables	(19,717,306)	(16,703,351)
	328,257,484	265,110,347
Deferred tax assets	10,530,261	3,074,816
Unallocated head office and corporate assets	1,314,099	489,745
Assets relating to discontinued operation	–	108,183,436
Consolidated total assets	340,101,844	376,858,344
Liabilities		
<u>Continuing operations</u>		
Reportable segment liabilities	98,251,898	53,791,941
Elimination of inter-segment payables	(19,717,306)	(16,703,351)
	78,534,592	37,088,590
Unallocated head office and corporate liabilities	310,396	362,938
Liabilities relating to discontinued operation	–	117,858,888
Consolidated total liabilities	78,844,988	155,310,416

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

5. DISCONTINUED OPERATION

Loss for the period from discontinued operation:

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited)
<i>Loss for the period from:</i>		
Manufacture and sale of vinegar and other condiment products (Note)	(12,302,136)	(10,230,269)

Note: On 27 March 2025, Xiamen Baiying Leasing Co., Ltd (廈門百應融資租賃有限責任公司, the "Vendor"), an indirect wholly-owned subsidiary of the Company and Sichuan Qingxiangyuan Condiment Co., Ltd. (四川清香園調味品股份有限公司, the "Purchaser"), a limited liability company established in the PRC, entered into a sale and purchase agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the entire equity interest in the Fujian Yongchun Qiaoxin Brewing Co., Ltd. (福建永春僑新釀造有限責任公司, the "Disposal Target"), an indirect wholly-owned subsidiary of the Company, at a consideration of RMB13,450,000 in cash (the "Disposal"). In addition, the Purchaser shall, or shall procure the Disposal Target to, repay the Vendor in full the outstanding indebtedness in the aggregate amount of approximately RMB55,436,000 owing by the Disposal Target to the Vendor within 90 days after the Completion. Both the Vendor and the Purchaser are indirect non wholly-owned subsidiaries of Fujian Septwolves Group Co., Ltd. (福建七匹狼集團有限公司).

The Disposal was completed on 13 June 2025 (the "Completion"). After the Completion, the Disposal Target and its subsidiaries (collectively, the "Disposal Target Group") would cease to be subsidiaries of the Company and the financial results of the Disposal Target Group would no longer be consolidated into the financial statements of the Group. Accordingly, the Group would cease to engage in the business of the Disposal Target Group, representing the entirety of the Group's manufacture and sale of vinegar and other condiment products business upon Completion. Details of the disposal of the entire equity interest in Disposal Target are set out in Note 22.

The financial results for the period from 1 January 2025 to the date of Completion, which was a discontinued operation, included in the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows for the six months ended 30 June 2025 are set out below.

The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows have been restated to re-present the Group's manufacture and sale of vinegar and other condiment products business as a discontinued operation.

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

5. DISCONTINUED OPERATION (Continued)

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited)
Sales revenue	2,008,462	5,335,480
Other revenue	687,480	263,689
Revenue	2,695,942	5,599,169
Cost of sales	(1,877,191)	(3,644,262)
Other income and other gains or losses	241,523	300,177
Interest expenses	(1,758,999)	(290,086)
Impairment losses reversed	187,729	57,329
Administrative expense	(6,177,741)	(5,618,383)
Selling and distribution expenses	(5,663,973)	(6,677,719)
Loss before income tax	(12,352,710)	(10,273,775)
Income tax credit	50,574	43,506
Loss for the period for discontinued operation	(12,302,136)	(10,230,269)

Loss for the period from discontinued operation has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited)
(a) Staff cost		
Salaries, wages and other benefits	4,419,047	2,573,194
Contributions to defined contribution retirement plan	604,240	429,441
Subtotal	5,023,287	3,002,635
(b) Other items		
Amortisation cost of intangible assets	10,561	8,145
Depreciation charge		
– owned property, plant and equipment	2,236,131	2,515,756
Less: transfer to inventories	(1,770,702)	(2,021,879)
Charged to profit and loss	465,429	493,877
– right-of-use assets	345,668	464,705
Interest on lease liabilities	14,071	25,675
Cost of inventories	1,877,191	3,644,262
Legal expenses	77,025	83,358

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

5. DISCONTINUED OPERATION (Continued)

Cash flows from discontinued operation

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited)
Net cash (outflow)/inflow from operating activities	(9,385,083)	19,027,934
Net cash inflow/(outflow) from investing activities	1,746,956	(21,992,175)
Net cash inflow from financing activities	1,652,488	8,010,658
Net cash (outflow)/inflow	(5,985,639)	5,046,417

6. IMPAIRMENT LOSSES RECOGNISED/(REVERSED)

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited) (Re-presented)
Continuing operations		
Loans and receivables	(707,919)	(916,410)
Finance lease receivables	949,006	(42,717)
Trade and other receivables	(153,791)	(544,522)
	87,296	(1,503,649)

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

7. PROFIT BEFORE INCOME TAX

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

	Note	Six months ended 30 June	
		2025 RMB (Unaudited)	2024 RMB (Unaudited) (Re-presented)
Continuing operations			
(a) Staff cost			
Salaries, wages and other benefits		1,375,793	2,142,191
Contributions to defined contribution retirement plan		119,919	212,970
Subtotal		1,495,712	2,355,161
(b) Other items			
Gain on transfer of one finance lease receivable (Note 12)	12	(4,450,250)	–
Loss on waiver the interest part of one factoring receivable		2,000,855	–
Amortisation cost of intangible assets (included in administrative expenses)		31,437	38,367
Depreciation charge to profit or loss			
– owned property, plant and equipment		3,947	30,825
– right-of-use assets		117,326	54,323
Charged to profit and loss		121,273	85,148
Interest on lease liabilities		1,933	–
Auditor's remuneration		368,421	363,429
Legal expenses		220,184	352,775
Consulting expenses		82,895	15,566
Cost of inventories		4,962,051	6,139,378
Gain on disposal of property, plant and equipment		–	(12,671)

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

8. INCOME TAX (CREDIT)/EXPENSE

(a) Income tax in the consolidated statements of profit or loss and other comprehensive income:

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited) (Re-presented)
Continuing operations		
Current tax		
– PRC Enterprise Income Tax (“EIT”) provision for the period	994,635	784,173
– Over-provision in respect of prior periods	(539,889)	(14,477)
Deferred tax		
– (Origination)/reversal of temporary differences	(7,455,444)	266,783
	(7,000,698)	1,036,479

(b) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited) (Re-presented)
Profit before income tax	10,073,231	1,562,747
Tax on profit before income tax, calculated at the rates applicable in the jurisdictions concerned	2,452,725	631,459
Tax effect of non-deductible expenses	175,362	426,135
Tax effect of unused tax losses not recognised	48,604	–
Tax effect of deductible temporary differences not recognised	–	366
Tax effect of deferred tax assets recognised	(9,137,500)	–
Tax effect of utilisation of unused tax loss previously not recognised	–	(7,004)
Over-provision in respect of prior period	(539,889)	(14,477)
Income tax (credit)/expense for the period	(7,000,698)	1,036,479

For the six months ended 30 June 2025

9. EARNINGS/(LOSSES) PER SHARE

The basic earnings/(loss) per share for the year is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue of 270,000,000 (six months ended 30 June 2024: 270,000,000) during the interim period. There were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024, and hence the diluted loss per share are the same as basic earnings or losses per share.

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

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Weighted average number of ordinary shares in issue during the period for basic earnings/(loss) per share	270,000,000	270,000,000

(a) From continuing and discontinued operations

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

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited)
Profit/(loss) attributable to owners of the Company	4,852,999	(9,719,885)

(b) From continuing operations

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

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited)
Profit attributable to owners of the Company	17,155,135	510,384

(c) From discontinued operations

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following:

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited)
Loss attributable to owners of the Company	(12,302,136)	(10,230,269)
Loss per share Basic and diluted (RMB cents)	(4.56)	(3.79)

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

10. PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2025, the Group entered into several lease agreements in the PRC, and therefore recognised the additions to right-of-use assets of RMB117,326 (six months ended 30 June 2024: RMB536,812).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2025, the Group acquired items of office equipment and machinery with a cost of RMB91,762 (six months ended 30 June 2024: RMB123,432).

During the six months ended 30 June 2025, the Group disposed items of property, plant and equipment mainly resulted from the disposal of subsidiaries. Details refer to notes 5 and 22.

(c) Impairment losses

During the six months ended 30 June 2025, no impairment loss of property, plant and equipment was recognised (six months ended 30 June 2024: nil).

11. LOANS AND RECEIVABLES

	Note	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Factoring receivables with recourse		1,983,050	4,103,957
Less: Allowances for impairment losses	(iv)	(1,983,050)	(2,619,322)
Sub-total		–	1,484,635
Receivables from sale-leaseback transaction		257,938,718	179,261,462
Less: Allowances for impairment losses	(iv)	(7,567,261)	(7,638,908)
Sub-total		250,371,457	171,622,554
Total		250,371,457	173,107,189

Notes:

- (i) The allowances for impairment losses of loans and receivables were provided on expected credit loss model. As at 30 June 2025, the overdue gross loans and receivables analysed by overdue period are as follows:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Overdue above 90 days	6,791,587	10,101,682
At the end of the period/year	6,791,587	10,101,682

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

11. LOANS AND RECEIVABLES (Continued)

(ii) Analysis for reporting purpose as:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Non-current assets	183,939,121	122,233,131
Current assets	66,432,336	50,874,058
	250,371,457	173,107,189

(iii) Loans and receivables and allowances for impairment losses are as follows:

	As at 30 June 2025 (Unaudited)			
	12-month ECL RMB	Lifetime ECL (Not credit- impaired) RMB	Lifetime ECL (Credit- impaired) RMB	Total RMB
Factoring receivables	–	–	1,983,050	1,983,050
Less: Allowances for impairment losses	–	–	(1,983,050)	(1,983,050)
Carrying amount of factoring receivables	–	–	–	–
Receivables from sale-leaseback transaction	251,916,394	–	6,022,324	257,938,718
Less: Allowances for impairment losses	(3,901,806)	–	(3,665,455)	(7,567,261)
Carrying amount of receivables from sale-leaseback transaction	248,014,588	–	2,356,869	250,371,457
Total carrying amount of loans and receivables	248,014,588	–	2,356,869	250,371,457

	As at 31 December 2024 (Audited)			
	12-month ECL RMB	Lifetime ECL (Not credit- impaired) RMB	Lifetime ECL (Credit- impaired) RMB	Total RMB
Factoring receivables	–	2,120,907	1,983,050	4,103,957
Less: Allowances for impairment losses	–	(636,272)	(1,983,050)	(2,619,322)
Carrying amount of factoring receivables	–	1,484,635	–	1,484,635
Receivables from sale-leaseback transaction	171,142,830	–	8,118,632	179,261,462
Less: Allowances for impairment losses	(2,632,596)	–	(5,006,312)	(7,638,908)
Carrying amount of receivables from sale-leaseback transaction	168,510,234	–	3,112,320	171,622,554
Total carrying amount of loans and receivables	168,510,234	1,484,635	3,112,320	173,107,189

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

11. LOANS AND RECEIVABLES (Continued)

(iv) Movements of allowance for impairment losses on loans and receivables:

	As at 30 June 2025 (Unaudited)			
	12-month ECL RMB	Lifetime ECL (Not credit- impaired) RMB	Lifetime ECL (Credit- impaired) RMB	Total RMB
Balance at 1 January	2,632,596	636,272	6,989,362	10,258,230
Net remeasurement of loss allowance	12,879	–	16,934	29,813
Partial settlement of receivables	(469,060)	–	(84,091)	(553,151)
New financial assets originated or purchased	1,812,050	–	–	1,812,050
Financial assets that have been derecognised due to settlement	(86,659)	–	(1,273,700)	(1,360,359)
Reversal of impairment losses due to interest waiver	–	(636,272)	–	(636,272)
Balance at 30 June (Unaudited)	3,901,806	–	5,648,505	9,550,311

	As at 31 December 2024 (Audited)			
	12-month ECL RMB	Lifetime ECL (Not credit- impaired) RMB	Lifetime ECL (Credit- impaired) RMB	Total RMB
Balance at 1 January	772,178	11,013,827	6,830,078	18,616,083
Transfer:				
Stage I and stage II to stage III	(20,629)	–	20,629	–
Net remeasurement of loss allowance	(27,433)	–	212,474	185,041
Partial settlement of receivables	(126,323)	(10,374,000)	(17,584)	(10,517,907)
New financial assets originated or purchased	2,242,392	–	–	2,242,392
Financial assets that have been derecognised due to settlement	(207,589)	(3,555)	(56,235)	(267,379)
Balance at 31 December (Audited)	2,632,596	636,272	6,989,362	10,258,230

For the six months ended 30 June 2025

12. FINANCE LEASE RECEIVABLES

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Minimum finance lease receivables not later than one year		
Not later than one year	5,086,877	44,263,156
Later than one year and not later than five years	272,275	653,320
Gross amount of finance lease receivables	5,359,152	44,916,476
Less: Unearned finance income	(23,614)	(2,598,116)
Net amount of finance lease receivables	5,335,538	42,318,360
Less: Allowances for impairment losses	(3,940,735)	(26,895,456)
Carrying amount of finance lease receivables	1,394,803	15,422,904

Analysis for reporting purpose as:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Non-current assets	260,123	617,218
Current assets	1,134,680	14,805,686
	1,394,803	15,422,904

Analysis by security

Finance lease receivables are mainly secured by leased assets which are used in infrastructure, manufacturing, construction and other industries, lessees' deposits and leased assets repurchase arrangement where applicable.

Additional collateral may be obtained from lessees to secure their repayment obligation and such collateral include residential properties, car parks etc. Due to restriction of the collateral registration procedure, finance lease receivables with carrying amount of RMB422,089 was arranged through an entrusted loan with properties as the collateral as at 30 June 2025 (31 December 2024: RMB422,089).

Lessees' deposits are calculated and collected based on a certain percentage of the entire value of the lease contract. The deposits are returned to the lessees in full by end of lease period according to the terms of the lease contracts. The balance of the customers' deposits can also be applied and used to settle any outstanding lease payments for the corresponding lease contract.

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

12. FINANCE LEASE RECEIVABLES (Continued)

Overdue gross finance lease receivables analysed by overdue period:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Overdue above 90 days	4,409,055	41,103,996
At the end of the period/year	4,409,055	41,103,996

Finance lease receivables overdue related to a number of lessees failing to pay the instalments, but the Group could collect the remaining balance from lessees, the suppliers or the agents of the leased assets through guarantee or from the disposal of leased assets.

(a) Finance lease receivables and allowance for impairment losses

	As at 30 June 2025 (Unaudited)			
	12-month ECL RMB	Lifetime ECL (Not credit- impaired) RMB	Lifetime ECL (Credit- impaired) RMB	Total RMB
Net amount of finance lease receivables	926,483	–	4,409,055	5,335,538
Less: Allowances for impairment losses	(14,689)	–	(3,926,046)	(3,940,735)
Carrying amount of finance lease receivables	911,794	–	483,009	1,394,803

	As at 31 December 2024 (Audited)			
	12-month ECL RMB	Lifetime ECL (Not credit- impaired) RMB	Lifetime ECL (Credit- impaired) RMB	Total RMB
Net amount of finance lease receivables	1,214,364	–	41,103,996	42,318,360
Less: Allowances for impairment losses	(19,082)	–	(26,876,374)	(26,895,456)
Carrying amount of finance lease receivables	1,195,282	–	14,227,622	15,422,904

For the six months ended 30 June 2025

12. FINANCE LEASE RECEIVABLES (Continued)

(b) Movements of allowances for impairment losses on finance lease receivables

	As at 30 June 2025 (Unaudited)			
	12-month ECL RMB	Lifetime ECL Not credit- impaired RMB	Lifetime ECL credit- impaired RMB	Total RMB
Balance at 1 January	19,082	–	26,876,374	26,895,456
Net remeasurement of loss allowance	130	–	1,029,153	1,029,283
Partial settlement of receivables	(4,523)	–	(17,100)	(21,623)
Financial assets that have been derecognised due to settlement	–	–	(58,654)	(58,654)
Charged to profit or loss	(4,393)	–	953,399	949,006
Financial assets that have been derecognised due to transfer (Note)	–	–	(19,029,917)	(19,029,917)
Write-offs	–	–	(4,873,810)	(4,873,810)
Balance at 30 June (Unaudited)	14,689	–	3,926,046	3,940,735

	As at 31 December 2024 (Audited)			
	12-month ECL RMB	Lifetime ECL Not credit- impaired RMB	Lifetime ECL credit- impaired RMB	Total RMB
Balance at 1 January	2,364	9,061	26,935,022	26,946,447
Transfer:				
Stage II to Stage III	–	(9,061)	9,061	–
Net remeasurement of loss allowance	–	–	42,838	42,838
Partial settlement of loss allowance	–	–	(110,547)	(110,547)
New financial assets originated or purchased	19,082	–	–	19,082
Financial assets that have been derecognised	(2,364)	–	–	(2,364)
Balance at 31 December (Audited)	19,082	–	26,876,374	26,895,456

Note:

On 30 June 2025, Xiamen Baiying Leasing Co., Ltd. (廈門百應融資租賃有限責任公司) (the "Xiamen Baiying"), an indirect wholly-owned subsidiary of the Company, entered into the creditor's rights transfer agreement with Xiamen International Trust Co., Ltd. (廈門國際信託有限公司) (the "Xiamen International Trust"), a limited liability company incorporated in the PRC and a financial institution approved by China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), pursuant to which Xiamen Baiying agreed to transfer to Xiamen International Trust the creditors' rights with the gross amount and expected credit loss of approximately RMB32,579,667 and RMB19,029,917 respectively at the consideration of RMB18,000,000. The Group has recorded a gain of RMB4,450,250 in respect of the disposal of the Creditor's Rights, which is calculated on the basis of the consideration of RMB18,000,000 less the net carrying value of the creditor's rights of RMB13,549,750.

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

13. TRADE AND OTHER RECEIVABLES

	Notes	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Non-current assets			
Prepayments for sale channels		–	1,107,191
Rental deposits		9,651	132,297
		9,651	1,239,488
Current assets			
Trade receivables		2,007,720	7,906,041
Less: allowances for impairment losses	(i)	(3,378)	(362,643)
	(ii)	2,004,342	7,543,398
Other receivables	(iii)	46,461,996	1,252,952
Less: allowances for impairment losses	(i)	(375,103)	(526,650)
		46,086,893	726,302
		48,091,235	8,269,700
Deductible value-added tax		165,965	10,249,456
Prepayments for sale channels		–	1,666,842
Prepaid expenses		846,644	880,790
Prepayment for leased assets		90,852	90,852
		49,194,696	21,157,640
Total		49,204,347	22,397,128

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

13. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (i) Movements of allowances on trade and other receivables

	As at 30 June 2025 (Unaudited)			As at 31 December 2024 (Audited)		
	Interest receivables	Trade receivables	Other receivables	Interest receivables	Trade receivables	Other receivables
	RMB	RMB	RMB	RMB	RMB	RMB
At 1 January	-	362,643	526,650	70,977	226,705	1,399,266
Addition	-	-	-	-	215,438	27,771
Reversal	-	(7,494)	(146,297)	(70,977)	(79,500)	(900,387)
Credited to profit or loss	-	(7,494)	(146,297)	(70,977)	135,938	(872,616)
Disposal of subsidiaries	-	(351,771)	(5,250)	-	-	-
At 30 June/31 December	-	3,378	375,103	-	362,643	526,650

- (ii) Ageing analysis of trade receivables

As of the end of the reporting period, the ageing analysis of trade receivables, net of allowances for impairment losses, based on invoice date, is as follows:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Within 3 months	1,861,736	5,516,243
Over 3 months but within 6 months	-	101,750
Over 6 months but within 1 year	142,606	404,539
Over 1 year but within 2 years	-	1,520,866
Total	2,004,342	7,543,398

Trade receivables are due within 1-60 days from the date of billing. Trade receivable that are more than 60 days past due are requested to settle all outstanding balances before any further credit is granted.

- (iii) As at 30 June 2025, this balance mainly represented the receivable from Xiamen International Trust of RMB18,000,000 as disclosed in Note 12 and the remaining outstanding indebtedness due from the Purchaser of RMB27,718,265 as disclosed in Note 5.

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Wealth management products (Note)	2,304,242	3,382,858
Listed securities in the PRC	–	9,829,112
	2,304,242	13,211,970

Note: The above wealth management products were issued by commercial banks in the PRC. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

15. INVENTORIES

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Raw materials	–	1,357,515
Work in progress	–	11,227,053
Finished goods	–	3,385,224
	–	15,969,792

16. CASH AND CASH EQUIVALENTS

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Deposits with banks	25,510,670	19,730,061

The Group's main operation in the PRC are conducted in RMB. RMB is not a freely convertible currency and the remittance of RMB out of the PRC is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

17. BORROWINGS

	Notes	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Bank loans			
– secured	(i)	–	7,000,000
– guaranteed	(ii)	10,000,000	19,980,000
– secured and guaranteed	(i) and (ii)	–	26,307,871
		10,000,000	53,287,871
Other borrowings			
– advances from a related party	(iii)	46,900,000	15,000,000
– borrowings from third parties		–	60,000,000
		46,900,000	75,000,000
Total borrowings		56,900,000	128,287,871

Analysis for reporting purpose as:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Non-current liabilities	–	31,307,871
Current liabilities	56,900,000	96,980,000
	56,900,000	128,287,871

- (i) As of 30 June 2025, there was no loan secured by pledge of certain property, plant and equipment of the Group (31 December 2024: RMB7,000,000).
- (ii) As of 30 June 2025, loans amounted to RMB10,000,000 (31 December 2024: RMB46,287,871) was guaranteed by a fellow subsidiary of the Group.
- (iii) As of 30 June 2025, borrowings from certain related parties amounted to RMB46,900,000 (31 December 2024: RMB15,000,000) was interest bearing range of 4.0%-4.6% per annum and repayable within 1 year (31 December 2024: 4% per annum).

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

17. BORROWINGS (Continued)

As at 30 June 2025 and 31 December 2024, the borrowings were repayable as follows:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Within one year	56,900,000	96,980,000
After 1 year but within 2 years	–	2,000,000
After 2 years but within 5 years	–	12,536,603
After 5 years	–	16,771,268
	56,900,000	128,287,871

The ranges of effective interest rates on the Group's fixed-rate borrowings are as follows:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Range of interest rates	3.2%-4.60%	0.10%-5.00%

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

18. TRADE AND OTHER LIABILITIES

	Notes	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Non-current liabilities			
Guaranteed deposits from lessees	(i)	7,097,752	3,622,000
VAT payable		304,276	91,947
		7,402,028	3,713,947
Current liabilities			
Guaranteed deposits from lessees	(i)	1,766,350	1,570,043
VAT payable and other tax payable		6,003,557	6,613,798
Accounts payable	(ii)	387,531	262,611
Trade payables	(iii)	–	911,668
Accrued staff costs		629,907	3,838,105
Accrued liabilities		310,396	1,241,603
Payables for purchase of property, plant and equipment		16,657	1,265,277
Other payables		1,332,550	2,065,691
		10,446,948	17,768,796
Total		17,848,976	21,482,743

Notes:

- (i) Guaranteed deposit from lessees for reporting purpose:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Current portion	1,766,350	1,570,043
Non-current portion	7,097,752	3,622,000
Total	8,864,102	5,192,043

- (ii) As at 30 June 2025 and 31 December 2024, the accounts payable comprise of amounts RMB387,531 and RMB262,611 respectively, to be repaid to certain equipment suppliers under the leased assets repurchase arrangements. As such, there was no relevant invoice or demand notes as the basis to the ageing analysis. Alternatively, from the perspective of credit term, all the accounts payable were payable on demand.
- (iii) As at 31 December 2024, the balance of trade payables was all derived from the operation of manufacture and sales of vinegar and other condiment products, therefore after completion of the disposal described in note 22, there is no trade payables as at 30 June 2025.

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

19. CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividend was paid, declared or proposed by the Group during the six months ended 30 June 2025 (2024: nil).

(b) Share capital

	As at 30 June 2025 (Unaudited)		As at 31 December 2024 (Audited)	
	Number of shares	RMB	Number of shares	RMB
Ordinary shares, issued and fully paid:				
At 1 January	270,000,000	2,301,857	270,000,000	2,301,857
At 30 June/31 December	270,000,000	2,301,857	270,000,000	2,301,857

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All ordinary shares rank equally with regard to the Group's residual assets.

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between a higher equity holder/shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There were no changes in the Group's approach to capital management during the six months period ended 30 June 2025.

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

For the six months ended 30 June 2025

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy:

	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
At 30 June 2025 (Unaudited)				
Financial assets at fair value through profit or loss				
– Wealth management products	–	2,304,242	–	2,304,242
	–	2,304,242	–	2,304,242
At 31 December 2024 (Audited)				
Financial assets at fair value through profit or loss				
– Wealth management products	–	3,382,858	–	3,382,858
– Listed securities	9,829,112	–	–	9,829,112
	9,829,112	3,382,858	–	13,211,970

During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(b) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of wealth management products is determined with reference to the quotation published by the issuing bank as at the end of the reporting period.

21. COMMITMENTS

At 30 June 2025, the Group has outstanding commitments, contracted but not provided for in the financial statement, in respect of assets under construction as follow:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Contracted for: Assets under construction	–	9,508,244

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

22. DISPOSAL OF SUBSIDIARIES

As described in note 5, on 27 March 2025, the Vendor and the Purchaser entered into a sale and purchase agreement of the Disposal which was completed on 13 June 2025. Upon the Completion, the Disposal Target Group ceased to be subsidiaries of the Company and the financial results of the Disposal Target Group were no longer consolidated into the financial statements of the Group.

The net assets of the Disposal Target Group disposed of at the date of Completion were as follows:

	As at date of Completion RMB (Unaudited)
Property, plant and equipment	112,074,181
Intangible assets	209,108
Deferred tax asset	1,096,119
Financial assets at fair value through profit or loss	242,670
Trade and other receivables	16,215,765
Cash and cash equivalent	771,666
Inventory	15,825,587
Bank borrowings	(105,134,511)
Trade and other liabilities	(63,241,863)
Lease liability	(36,310)
Net liabilities disposed of	(21,977,588)

Gain on disposal of subsidiaries

	Six months ended 30 June 2025 RMB (Unaudited)
Cash consideration	13,450,000
Costs on expense upon the Disposal	(473,070)
Net proceeds received from the Disposal	12,976,930
Add: Net liabilities disposed of	21,977,588
Gain on disposal of subsidiaries	34,954,518

For the six months ended 30 June 2025

22. DISPOSAL OF SUBSIDIARIES (Continued)**Net cash inflow arising from the Disposal**

	Six months ended 30 June 2025 RMB (Unaudited)
Cash consideration	13,450,000
Costs on expense upon the Disposal	(473,070)
Net proceeds received from the Disposal	12,976,930
Less: Cash and bank balances Disposed of	(771,666)
Net cash inflow arising from the Disposal	12,205,264

23. MATERIAL RELATED PARTY TRANSACTIONS**(a) Name and relationship with related parties**

Relationship	Name of the entities
One of ultimate controlling shareholders of the Group	Mr. Zhou Yongwei (周永偉先生)
A company controlled by Zhou Yongwei, Zhou Shaoxiong and Zhou Shaoming, who are blood brothers and jointly control the Septwolves Group Holding.	Septwolves Group Holding Co., Ltd.* (七匹狼控股集團股份有限公司) ("Septwolves Group Holding")
	Fujian Septwolves Group Co., Ltd.* (福建七匹狼集團有限公司) ("Fujian Septwolves Group")
	Xiamen Septwolves Asset Management Co., Ltd.* (廈門七匹狼資產管理有限公司) ("Septwolves Asset Management")
	Xiamen Huakai Fugui Property Management* (廈門花開富貴物業管理有限公司) ("Huakai Fugui Property Management")
	Xiamen Huakai Jixiang Property Management* (廈門花開吉祥物業管理有限公司) ("Huakai Jixiang Property Management")
	Sichuan Qingxiangyuan Condiments Co., Ltd.* (四川清香園調味品股份有限公司) ("Sichuan Qingxiangyuan")
	Fujian Yongchun QiaoXin Brewing Co., Ltd.* (福建永春僑新釀造有限責任公司) ("Yongchun QiaoXin")

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

23. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) Name and relationship with related parties (Continued)

Relationship	Name of the entities
	Qiaoxin Food (Xiamen) Co., Ltd.* (僑新食品(廈門)有限公司) ("Qiaoxin Xiamen")
	Henghe Property (Fujian) Co., Ltd.* (恒禾物業(福建)有限公司) ("Henghe Property")
	Lianhua (Xiamen) Aviation Food Co., Ltd.* (聯華(廈門)航空食品有限責任公司) ("Lianhua Food")
	Fujian Septwolves Group Finance Co., LTD* (福建七匹狼集團財務有限公司) ("Fujian Septwolves Group Finance")
	Fujian Septwolves Industry Co., Ltd.* (福建七匹狼實業股份有限公司) ("Fujian Septwolves Industry")
	Rich & Fortune (Hong Kong) Investment Co., Limited* (匯鑫富(香港)投資有限公司) ("Rich & Fortune (Hong Kong) Investment")
	Quanzhou Henghe Investment Development Co., Ltd.* 泉州市恒禾投資發展有限公司 ("Henghe Investment")
	Quanzhou Baiying Huishang Technology Service Co., Ltd.* 泉州百應匯尚科技服務有限公司 ("Quanzhou Baiying Huishang Technology")
	Xiamen Zhipuxing Information Service Co., Ltd.* 廈門知璞行信息服務有限公司 ("Xiamen Zhipuxing Information")

For the six months ended 30 June 2025

23. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) Name and relationship with related parties (Continued)

Relationship	Name of the entities
A company controlled by Zhou Yongwei, and Chen Xinwei	Fujian Baiying Pawn Co., Ltd.* (福建百應典當有限公司) ("Fujian Baiying Pawn")
A company controlled by Zhou Yongwei	Quanzhou Baiying Investment Holding Co., LTD* (泉州市百應投資控股有限公司) ("Quanzhou Baiying Investment Holding")
A company controlled by Chen Xinwei	Xiamen Siming Baiying Small Loan Co., LTD* (廈門思明百應小額貸款有限公司) ("Xiamen Siming Baiying Small Loan")
One of shareholders of the Group	Zijiang Capital Limited ("Zijiang Capital")
A company of which 50% interest held by Ke Jinding	Fujian Jingong Machinery Co., Ltd.* (福建晉工機械有限公司) ("Jingong Machinery")
A company controlled by Chen Chunruo, close member of the Executive Director Huang Dake	Pirates Media. Co., Ltd.* (廈門市派若文化傳播有限公司) ("Pirates Media")

* The English translation of the names of these entities is for reference only. The official names of the entities are in Chinese.

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

23. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Remuneration for key management personnel

Remuneration for key management personnel of the Group is as follows:

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited)
Key management personnel remuneration	391,871	656,470

(c) Related parties transactions

The Group entered into below transactions in the ordinary course of business under normal commercial terms and at the market rates.

	Six months ended 30 June	
	2025 RMB (Unaudited)	2024 RMB (Unaudited)
Interest expense		
– Fujian Septwolves Group	86,667	33,491
Rental and property management fee		
– Septwolves Asset Management	122,207	64,343
– Henghe Property	–	121,109
– Lianhua Food	–	95,945
– Henghe Investment	1,714	–
– Huakai Jixiang Property Management	55,209	–
Purchase of condiment products		
– Sichuan Qingxiangyuan	–	252,508
Sales commission income		
– Sichuan Qingxiangyuan	–	93,803
Payment for marketing expense		
– Pirates Media	–	1,960
Sales income		
– Sichuan Qingxiangyuan	–	28,299
– Fujian Baiying Pawn	–	276
– Fujian Septwolves Group Finance	–	7,133
– Fujian Septwolves Industry	–	94,825
– Septwolves Group Holding	–	787
– Quanzhou Baiying Investment Holding	–	1,312
– Huakai Fugui Property Management	–	3,236
– Xiamen Siming Baiying Small Loan	–	506

For the six months ended 30 June 2025

23. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(d) Balance with related parties

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Trade related		
Trade receivables		
– Sichuan Qingxiangyuan	–	58,656
– Septwolves Group Holding	–	4,292
– Qiaoxin Xiamen	142,606	–
Other receivables		
– Septwolves Asset Management	–	18,960
Prepayment for leased assets		
– Jingong Machinery	68,557	68,557
Deposit for rental and property management		
– Septwolves Asset Management	29,298	29,298
– Huakai Jixiang Property Management	9,651	9,651
– Lianhua Food	–	4,500
Accounts payable and trade payable		
– Sichuan Qingxiangyuan	–	43,984
– Septwolves Group Holding	56,288	56,288
– Lianhua Food	–	18,900
– Huakai Jixiang Property Management	62	–
– Septwolves Asset Management	125,608	–
Non-trade related		
Other receivables		
– Zijiang Capital	98,390	99,910
– Sichuan Qingxiangyuan	–	7,189
– Yongchun Qiaoxin	27,718,265	–
Borrowings		
– Quanzhou Baiying Huishang Technology	20,000,000	–
– Xiamen Zhipuxing Information	26,900,000	–
Other payables		
– Jingong Machinery	16,657	3,062
– Septwolves Group Holding	2,980	3,286
– Rich & Fortune (Hong Kong) Investment	–	55,562
Interest payable for guarantees		
– Fujian Septwolves Group	–	14,795
Payable for guarantees		
– Fujian Septwolves Group	–	58,292
Advances from a related party		
– Fujian Septwolves Group	–	15,000,000

Notes to the Unaudited Interim Financial Report

For the six months ended 30 June 2025

23. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(e) Guarantees provided by related parties

The guarantees provided by related party to the Group as the end of the period/year were as follows:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Amount of maximum credit limit Fujian Septwolves Group	30,000,000	120,000,000