

中寶新材集團有限公司

CHINA TREASURES NEW MATERIALS GROUP LTD.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2439



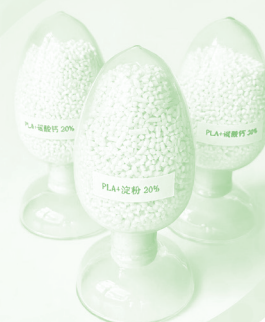
2025

INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Zhang Yuqiu (*Chair*)
Mr. Shan Yuzhu (*Chief Executive Director*)
Mr. Li Xiquan
Mr. Li Peng

Independent Non-Executive Directors

Dr. Lai King Yin
Dr. Song Xiaofeng
Mr. Leung Tsz Wing

AUDIT COMMITTEE

Mr. Leung Tsz Wing (*Chairman*)
Dr. Lai King Yin
Dr. Song Xiaofeng

REMUNERATION COMMITTEE

Dr. Song Xiaofeng (*Chairman*)
Mr. Shan Yuzhu
Dr. Lai King Yin

NOMINATION COMMITTEE

Dr. Lai King Yin (*Chairman*)
Dr. Song Xiaofeng
Ms. Zhang Yuqiu (*Appointed on 30 June 2025*)
Mr. Li Xiquan (*Ceased on 30 June 2025*)

ESG COMMITTEE

Mr. Leung Tsz Wing (*Chairman*)
Mr. Shan Yuzhu
Mr. Li Peng
Dr. Lai King Yin

AUTHORISED REPRESENTATIVES

Mr. Shan Yuzhu
Ms. Wong Po Lam, *HKICPA*

COMPANY SECRETARY

Ms. Wong Po Lam, *HKICPA*

INDEPENDENT AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
42nd Floor, Central Plaza
18 Harbour Road
Wan Chai
Hong Kong

REGISTERED OFFICE

89 Nexus Way
Camana Bay
Grand Cayman
KY1-9009
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

No. 3, Jing'Er Road
Kalun Industrial South Region
Jiutai Economics Development Zone
Changchun City
Jilin Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1910, 19/F., C C Wu Building
302-308 Hennessy Road
Wan Chai
Hong Kong

CORPORATE INFORMATION (CONTINUED)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ogier Global (Cayman) Limited
89 Nexus Way
Camana Bay
Grand Cayman
KY1-9009
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

LEGAL ADVISER

As to Cayman Islands laws:
Ogier
11th Floor
Central Tower
28 Queen's Road Central
Hong Kong

PRINCIPAL BANKS

Changchun Nanguan Huimin Village Bank Co., Ltd
Industrial Bank Co., Ltd Changchun Branch
Bank of Communications Co., Ltd Jilin Province
Branch China Everbright Bank Co., Ltd Changchun
Branch

STOCK CODE

2439

WEBSITE

www.jl-ks.cn

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group was established in March 2014 primarily engaging in the development and manufacturing of non-biodegradable automobile plastic parts. In response to the People's Republic of China (the "**PRC**") Government's environmental protection policies and regulations relating to restriction and prohibition of the use of non-biodegradable plastics and controlled plastic pollution (the "**Policies and Regulations**"), we, since 2015, had gradually diversified our business into the development and manufacturing of biodegradable plastic products while maintaining the operation for non-biodegradable automobile plastic parts which accounted for approximately 6.5% and approximately 6.7% of the Group's total revenue during the six months ended 30 June 2025 (the "**Period**") and the six months ended 30 June 2024 (the "**Preceding Period**"), respectively.

We made notable achievement in strengthening our brand equity and shareholders' base by listing (the "**Listing**") of the Company's shares (the "**Shares**") on The Main Board of the Stock Exchange of Hong Kong (the "**Stock Exchange**") on 31 March 2023 (the "**Listing Date**"). This strategic move placed us in a strong position in pursuing our mission to further expand the Group's operations in terms of productivity, innovative technologies and sustainability. We had successfully raised the net proceeds of approximately HK\$155.4 million, which were partly utilised during the Period to actualise our strategic imperatives with details as disclosed in this report.

As such, the Group is principally engaged in developing and manufacture of biodegradable plastic products in the Northeast China. Our biodegradable plastic product portfolio primarily includes (i) biodegradable produce bag rolls; (ii) biodegradable shopping bags; and (iii) biodegradable stretch wraps. During the Period, all our biodegradable products were sold to customers in the PRC, mainly in the Northeast China, which accounted for approximately 90.4% of the Group's revenue in biodegradable plastic products (*The Preceding Period: approximately 79.9%*), whilst the sales to other regions in the PRC accounted for the remaining approximately 9.6% (*The Preceding Period: approximately 20.1%*).

To strengthen the Group's production capabilities and enhance the production lines for biodegradable plastic products, the Group made the strategic decision to consolidate production by relocating all machinery and terminating leases for both Dongguan and Anji factories at the end of 2024, and to centralize operations at the Group's primary production base in Changchun, Jilin Province, the PRC.

In January 2025, the Group completed the acquisition of a land located in the Changchun Jiutai Economic Development Zone* (長春市九台經濟開發區), covering a total site area of 31,615 square meters (the "**Land**"). Subsequently, in June 2025, the Group entered into a construction contract (the "**Construction Contract**") with a contractor to undertake the development of a production base with a gross floor area of approximately 80,298 square meters on the Land (the "**Construction**"). As of the date of this report, the Construction is progressing according to schedule, with trial operations and production anticipated to commence in November 2025. Further details regarding the Construction Contract and the Construction are disclosed in the "Financial Review – Significant Investments, Material Acquisitions and Disposals" section of this report and the Company's circular dated 26 June 2025.

We believe that establishing an additional production base in Changchun will deliver multiple benefits, including (i) strategic consolidation and cost efficiency; (ii) market realignment to serve core customer base; (iii) enhance control and proven execution capability in Changchun; and (iv) resource optimization. Moving forward, Changchun will serve as the cornerstone of the Group's production strategy, ensuring scalability, cost competitiveness, and resilience in a dynamic market environment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

We had contributed the discussion and formulation of the national standard for biodegradable plastic shopping bags, namely, “GB/T 38082-2019”, which was issued by The State Administration for Market Regulation of the PRC and The Standardization Administration of the PRC in October 2019. The “GB/T 38082-2019” has remained as the sole and only national standard in the PRC for biodegradable plastic shopping bags since then.

During the Period, we continued to devote resources to further strengthen our production capacity and deepen our cooperation with major research organizations, including the research and development (“R&D”) of biodegradable plastic products through collaboration with The Changchun Institute of Applied Chemistry Chinese Academy of Science (“CIAC”), a third-party research institute, in which we owned the rights to the R&D results. This ongoing R&D has improved product performance and cost-efficiency, thereby expanding the market potential for plastic products.

The Group also joined as members of those plastic production related industry associations in the PRC, including the Degradable Plastics Committee of China Plastic Processing Industry Association and The Changchun Die & Mold Industry Association so as to embrace the changing market trends and bring new growth momentum to the Group’s business development.

Prospect

The biodegradable plastic products market in the PRC is shaped by a series of supportive Policies and Regulations. Since 2021, the PRC Government has progressively implemented these policies across various provinces. For example, shopping malls, supermarkets, pharmacies, bookstores, and other venues have been prohibited from using non-biodegradable plastics in different provinces. As the prohibition expands to additional provinces, demand for biodegradable plastic products has correspondingly increased.

The PRC Government remains firmly committed to promoting a clean and sustainable environment and continues to support industries focused on environmental protection and the development of eco-friendly products. It has been explicitly stated that the prohibition on the use of non-degradable plastic bags will be expanded to various marketplaces by the end of 2025. In recent years, the PRC Government has successively issued a series of policies to support the development of biodegradable materials, such as the “Opinions on Further Strengthening the Control of Plastic Pollution (關於進一步加強塑料污染治理的意見)” and “Catalogue of Plastic Products Prohibited or Restricted From Production, Sale and Use (Draft for comments) (禁止、限制生產、銷售和使用的塑料製品目錄(徵求意見稿))”, which clearly stipulate and promote the application of biodegradable materials.

According to the articles published by The State Administration for Market Regulation of the PRC in July 2025 (the “Articles”), more than five years after the implementation of the national standard for biodegradable plastic shopping bags, combined with the enforcement of the national “Plastic Ban* (限塑令),” the annual usage of traditional plastic bags has decreased by approximately 20 billion units. This has significantly mitigated the “white pollution” problem caused by improper disposal of conventional plastics. Additionally, consumer awareness of biodegradable bags has increased by over 50%, with a corresponding rise in willingness to pay for such products. The use of biodegradable bags has become commonplace in shopping malls, supermarkets, and wet markets.

Furthermore, according to the Articles, China’s biodegradable plastic shopping bag production capacity grew at an annual rate exceeding 20% from 2020 to 2024. In 2024, total market output reached nearly 500,000 tons, with a market value surpassing RMB10 billion. It is projected that by 2030, production capacity will reach 2 million tons, with market value exceeding RMB60 billion.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

During the Period, the Group's revenue decreased by approximately 21.8% to RMB153.9 million, compared to RMB196.9 million in the Preceding Period. This decline was primarily due to weakened domestic consumer demand, influenced by a shift in shopping habits from in-store to online purchasing. As a result, orders from existing customers, particularly supermarket chains, were reduced, notably affecting sales of biodegradable shopping bags and biodegradable produce bag rolls.

Despite these challenges, the Group remains cautiously optimistic about the long-term prospect of the biodegradable plastic products industry. The combination of supportive government policies, increasing consumer environmental awareness, and the expanding market provides a constructive backdrop for future growth. Leveraging the Group's strengths in production capabilities, technological expertise, and quality control, the Group is well positioned to adapt to evolving market dynamics and to pursue opportunities within this developing industry.

** English for identification purpose only*

FINANCIAL REVIEW

Revenue

For the Period, the Group's revenue recorded a decrease of approximately 21.8% to approximately RMB153.9 million, as compared with approximately RMB196.9 million recorded for the Preceding Period. This decline was primarily attributable to weakened domestic consumer demand during the Period, driven by a shift in shopping habits from in-store to online purchasing. Consequently, there was a reduction in orders from existing customers, particularly supermarket chains, notably affecting sales of biodegradable shopping bags and biodegradable produce bag rolls.

Cost of Sales

During the Period, the Group's cost of sales amounted to approximately RMB93.6 million, representing a decrease of approximately 21.0%, as compared with approximately RMB118.5 million for the Preceding Period. This decrease was primarily due to the decrease in production costs and raw material costs in line with the decreased revenue during the Period.

Gross Profit and Gross Profit Margin

During the Period, as a results of decrease in revenue, the Group recorded gross profit amounted to approximately RMB60.3 million, versus approximately RMB78.4 million recorded for the Preceding Period, representing a decrease of approximately 23.1%.

The gross profit margin for the Period held steady at approximately 39.2% (The Preceding Period: approximately 39.8%).

Other Income

During the Period, the Group's other income amounted to approximately RMB2.1 million, as compared with approximately RMB0.9 million recorded for the Preceding Period, representing an increase of approximately 133.3%. Such increase was mainly attributable to (i) the increase in the government grants, which amounted to approximately RMB0.9 million for the Period, as compared with approximately RMB0.4 million for the Preceding Period. The government grants included various forms of subsidy granted to the Group by the local government authorities in the PRC for compensation of expenses incurred by the Group during the Period and were made as business supports and awarded to the Group on a discretionary basis and one-off in nature; and (ii) the recognition of recovery of written-off receivables, which amounted to approximately RMB0.5 million for the Period (The Preceding Period: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Selling and Distribution Expenses

The Group's selling and distribution expenses remained relatively stable, amounting to approximately RMB2.3 million for the Period compared to RMB2.4 million for the Preceding Period.

Administrative and Other Operating Expenses

During the Period, the Group's administrative and other operating expenses decreased to approximately RMB14.4 million from approximately RMB18.7 million recorded for the Preceding Period. Such decrease of approximately 23.0% was mainly due to combination of the following factors: (i) the decrease in the R&D expenses by approximately RMB5.7 million mainly incurred for the R&D projects collaborated with CIAC due to completion of major projects in 2024; and (ii) the increase in legal and professional fees by approximately RMB1.1 million due to the professional fee incurred for the major transaction in relation the Construction Contract during the Period.

Finance Costs

During the Period, the Group's finance costs amounted to approximately RMB3.4 million, as compared with the amount of approximately RMB1.7 million for the Preceding Period, representing an increase of approximately 100.0%. Such increase was mainly due to increase in balance of interest-bearing borrowings during the Period.

Income Tax Expenses

The Group's income tax expenses decreased from approximately RMB8.3 million for the Preceding Period to approximately RMB6.6 million for the Period, representing a decrease of approximately 20.5%, which was primarily attributable to the decrease in profit before tax, reflecting the Group's business performance during the Period.

Profit for the Period

The Group recorded a profit for the Period of approximately RMB35.8 million, as compared to the profit for the Preceding Period of approximately RMB48.2 million. The decrease in profit by approximately 25.7% for the Period was mainly due to the decrease in gross profit derived from the decrease in revenue for the Period, offset by the decrease in administrative and other operating expenses during the Period.

Property, Plant and Equipment

The property, plant and equipment of the Group significantly increased to approximately RMB251.3 million as at 30 June 2025, as compared with approximately RMB121.2 million as at 31 December 2024, which was mainly due to additions on construction in progress regarding to the new production base in Changchun, Jilin Province, the PRC of approximately RMB136.7 million; partially offset by the depreciation of property, plant and equipment of approximately RMB6.7 million for the Period.

Right-of-Use Assets

The right-of-use assets of the Group significant increased to approximately RMB10.8 million as at 30 June 2025, as compared with approximately RMB1.0 million as at 31 December 2024. Such increase was due to the acquisition of the Land completed in January 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Deposits Paid for Acquisition of Property, Plant and Equipment

As at 30 June 2025, the deposits paid for acquisition of property, plant and equipment of the Group amounted to approximately RMB108.5 million (*31 December 2024: Nil*). The balance represented deposits made for the Construction Contract and for plant and machinery to be installed at the new production base in Changchun, Jilin Province, the PRC.

Inventories

As at 30 June 2025, the inventories of the Group amounted to approximately RMB25.7 million, as compared with the balance of approximately RMB22.2 million as at 31 December 2024. The increase in inventories balance of the Group was due to maintaining higher raw material levels for cost control during procurement.

Trade and Other Receivables

As at 30 June 2025, the trade and other receivables of the Group amounted to approximately RMB95.9 million, as compared with approximately RMB123.3 million recorded as at 31 December 2024. Such decrease of approximately 22.2% was primarily attributable to the combined effects of (i) decrease in balance of trade receivables by approximately RMB36.4 million, driven by declined revenue during the Period; and (ii) increase in balance of value-added tax and other tax recoverable by approximately RMB11.5 million due to the increase in input value-added tax arising from significant capital expenditure incurred during the Period.

Trade and Other Payables

As at 30 June 2025, the trade and other payables of the Group amounted to approximately RMB52.4 million, as compared with approximately RMB54.2 million as at 31 December 2024. Such decrease of approximately 3.3% was mainly due to the combined effects of (i) decrease in trade payables by approximately RMB0.7 million; (ii) decrease in salary payables by approximately RMB0.6 million; (iii) decrease in accruals and other payables by approximately RMB1.8 million; and (iv) increase in amount due to a director by approximately RMB2.6 million for operating purpose. This amount is unsecured, interest-free and repayable on demand.

Liquidity and Financial Resources and Capital Structure

The Group exercised a high level of prudence through stringent review of liquidity, risk exposure and market conditions and reacted swiftly to identify and mitigate risks.

As at 30 June 2025, the Group had maintained adequate liquidity with cash and cash equivalents in a total of approximately RMB399.0 million (including bank balances of approximately HK\$4.7 million (equivalent to approximately RMB4.3 million), being the unutilized net proceeds raised from the Listing), as compared with approximately RMB422.7 million as at 31 December 2024.

As at 30 June 2025, the Group had interest-bearing borrowings of approximately RMB238.3 million, as compared with approximately RMB72.0 million as at 31 December 2024. Details of the profile, currencies, maturity and interest rates of the borrowings are set out in note 13 to the condensed consolidated financial statements in this report.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group's gearing ratio as at 30 June 2025 was approximately 39.9%, compared to approximately 12.9% as at 31 December 2024. The gearing ratio equals to total debts divided by total equity, whereby total debts include interest-bearing borrowings and lease liabilities. The increase in the gearing ratio was mainly due to the increase in interest-bearing borrowings by approximately RMB166.3 million.

During the Period, the Group financed its operations with loan facilities provided by banks and financial institutions and internal cash flows. The Directors considered that the Group maintained adequate liquidity position for its business operations with sufficient buffer for contingencies.

Treasury Policies

The Group implemented prudent treasury policies to maintain strong flexibility and capability to fund its business operations and manage unexpected contingencies. During the Period, the management performed credit assessments and evaluation of financial status of its customers to mitigate the Group's credit risk exposure while closely monitored the Group's liquidity position to ensure availability of sufficient financial resources to meet with the Group's funding requirements and commitments.

Exchange Rate Exposure

The majority of the Group's transactions, assets and liabilities were denominated in RMB. Since the exchange rate risk was not significant, the Group did not commit to any financial instruments to hedge against its foreign exchange exposure during the Period. The Directors and senior management closely monitor the foreign exchange exposure of the Group and will consider appropriate financial derivatives as and when necessary.

Charge on Group Assets

As at 30 June 2025, the Group's interest-bearing borrowings and lease liabilities were secured by charges over the following assets of the Group:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Buildings	18,272	19,035
Construction in progress	136,734	–
Leasehold Land	10,669	768
Patents	66	73
	165,741	19,876

Contingent Liabilities

As at 30 June 2025 and 2024, the Group had no contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Commitments

As at 30 June 2025, the Group had capital commitments of approximately RMB144.1 million (*31 December 2024: approximately RMB10.0 million*), details of which are set out in note 15 to the condensed consolidated financial statements in this report.

Significant Investments, Material Acquisitions and Disposals

Construction Contract of the Group's New Production Base Located at Changchun, Jilin Province, the PRC

On 5 June 2025, Jilin Province Kaishun New Material Co., Ltd.* (**"Jilin Kaishun"**, 吉林省開順新材料有限公司), an indirect 99.01%-owned subsidiary of the Company, entered into a construction contract with Henan Naiwo Construction Engineering Co., Ltd.* (河南耐沃建設工程有限公司) (the **"Contractor"**), pursuant to which the Contractor agreed to perform the construction project of the Group's production base with gross area of approximately 80,298 sq.m. at the total consideration of approximately RMB236.7 million (the **"Consideration"**) located at Changchun Jiutai Economic Development Zone* (長春市九台經濟開發區). The Construction has commenced in June 2025.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions contemplated under the Construction Contract exceeds 25% but is less than 100%, the transactions contemplated thereunder constitutes a major transaction of the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirement under Chapter 14 of the Listing Rules. Details regarding the Construction Contract and the Construction are set out in the Company's circular dated 26 June 2025.

Save for the aforementioned, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries or associated companies or joint ventures during the Period. There was no plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.

* English for identification purpose only

Interim Dividend

The Board does not recommend the payment of an interim dividend for the Period (*The Preceding Period: Nil*).

Human Resources

As at 30 June 2025, the Group had a total of 157 employees as compared with 188 employees as at 30 June 2024, all our employees stationed in the PRC. Total staff costs including Directors' emoluments and retirement benefit costs for the Period amounted to approximately RMB5.4 million, against approximately RMB7.1 million as recorded for the Preceding Period.

During the Period, the Group remunerated its employees and Directors with reference to the duties, responsibilities, experience and competence of individual employee as well as prevailing market practices. The remuneration policy of the Group is formulated by the remuneration committee and subject to regular review annually, which also applies to Directors. In addition to salaries, discretionary bonuses and other fringe benefits, employees of the Group and all Directors (including independent non-executive Directors) may also be granted share options of the Company pursuant to the terms and conditions of the Company's share option scheme adopted on 9 March 2023 as incentives and rewards for their contribution to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

USE OF PROCEEDS

The Shares were listed on the Stock Exchange on the Listing Date, a total of 190,000,000 offer Shares were allotted and issued and the net proceeds raised therefrom amounted to approximately HK\$155.4 million (the “**Net Proceeds**”).

On 28 March 2025, the Board, having considered the reasons set out in “Reason for the Change in Use of Proceeds” under “Management Discussion and Analysis – Future Plan and Use of Proceeds” section in the 2024 annual report of the Company, resolved to change the use of unutilized net proceeds as at 31 December 2024 (the “**Unutilized Net Proceeds**”). The change in use of proceeds, the revised allocation of adjusted Net Proceeds and the amount of the Unutilized Net Proceeds, and the utilization of Net Proceeds up to 30 June 2025 are set out in the table below:

Original use of proceeds as disclosed in the Prospectus	Original allocation of adjusted Net Proceeds HK\$'000	Changed use of proceeds	Revised allocation of adjusted Net Proceeds HK\$'000	Amount of utilized Net Proceeds as at 30 June 2025 HK\$'000	Amount of unutilized Net Proceeds as at 30 June 2025 HK\$'000	Expected timeline for the utilizing unutilized Net Proceeds amount
Expand biodegradable plastic products production lines at the Changchun Production Base	51,743	same	51,743	51,743	–	Not applicable
Establish the Huizhou Production Base in the Southeast China	51,588	Establish the new production base in Changchun at the Land	51,588	51,588	–	Not applicable
Strengthen R&D capabilities and upgrade existing R&D equipment of the Group	6,682	same	6,682	6,682	–	Not applicable
Finance R&D projects of the Group	33,253	same	33,253	33,253	–	Not applicable
Strengthen IT system of the Group	4,662	same	4,662	–	4,662	Expected to be utilized by December 2025
General working capital	7,458	same	7,458	7,458	–	Not applicable
	155,386		155,386	150,724	4,662	

Save as the change from “Establish the Huizhou Production Base in Southeast China” to “Establish the new production base in Changchun at the Land”, there are no other proposed changes in the use of the Net Proceeds. The unutilized Net Proceeds as at 30 June 2025 will be applied in a manner consistent with the above planned applications and remains subject to change based on our current and future development of market conditions and actual business needs.

As at 30 June 2025, the unutilised Net Proceeds of approximately HK\$4.7 million were deposited into licensed banks in the PRC.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of Securities and Futures Ordinance of Hong Kong (the "SFO") which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or under the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Interests in the Shares

Name of Shareholder	Capacity/Nature of interest	Number of Shares held (L) ⁽¹⁾	Approximate percentage of the Company's issued share capital (%)
Ms. Zhang Yuqiu ("Ms. Zhang") ⁽²⁾⁽⁵⁾	Interests in controlled corporation	321,080,700	32.11
Mr. Shan Yuzhu ("Mr. Shan") ⁽³⁾⁽⁵⁾	Interests in controlled corporations	190,822,340	19.08
Mr. Li Xiquan ("Mr. Li") ⁽⁴⁾	Interest in a controlled corporation	11,250,090	1.13

Notes:

- (1) The Letter "L" demonstrates long position.
- (2) Ms. Zhang beneficially owns the entire issued shares of Lvsetianye Technology Holdings Limited ("Lvsetianye Technology"). Lvsetianye Technology is a company incorporated in the British Virgin Islands (the "BVI"), which in turn holds 321,080,700 Shares or approximately 32.11% of the issued share capital of the Company. Therefore, Ms. Zhang is deemed, or taken to be, interested in all the Shares held by Lvsetianye Technology for the purpose of the SFO.
- (3) Mr. Shan beneficially owns the entire issued shares of Lvsesenlin Technology Holdings Limited ("Lvsesenlin Technology"). Lvsesenlin Technology is a company incorporated in the BVI which in turn holds 91,022,880 Shares or approximately 9.10% of the issued share capital of the Company. Daziran Technology Invest Holdings Limited ("Daziran Technology") and China Plastic Environmental Protection Holdings Limited ("CPEP Holdings"), the companies incorporated in the BVI and are wholly owned by Lvsesenlin Technology, in turn holds 92,599,460 Shares or approximately 9.26% and 7,200,000 Shares or approximately 0.72% of the issued share capital of the Company, respectively. Therefore, Mr. Shan is deemed, or taken to be, interested in all the Shares held by Lvsesenlin Technology, Daziran Technology and CPEP Holdings for the purpose of the SFO.

OTHER INFORMATION (CONTINUED)

- (4) Mr. Li beneficially owns the entire issued shares of Languang Technology Invest Holdings Limited ("Languang Technology"). Languang Technology is a company incorporated in the BVI which in turn holds 11,250,090 Shares or approximately 1.13% of the issued share capital of the Company. Therefore, Mr. Li is deemed, or taken to be, interested in all the Shares held by Languang Technology for the purpose of the SFO.
- (5) Ms. Zhang and Mr. Shan are wife and husband. They are therefore deemed to be interested in the Shares that the other is interested in under the SFO.

(b) Long positions in associated corporation

Changchun Guangke Technology Co., Ltd

Name of Director	Capacity/Nature of interest	Approximate percentage of shareholding in Changchun Guangke (%)
Ms. Zhang	Beneficial owner	0.0039
Mr. Shan	Beneficial owner	0.0036
Mr. Li	Beneficial owner	0.0001

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

As at 30 June 2025, the following persons (other than Directors or the chief executive of the Company) held an interest or a short position in the Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares held (L) ⁽¹⁾	Approximate percentage of the Company's issued share capital (%)
Ms. Zhang ⁽²⁾⁽⁴⁾	Interest in a controlled corporation	321,080,700	32.11
Mr. Shan ⁽³⁾⁽⁴⁾	Interest in controlled corporations	190,822,340	19.08
Lvsetianye Technology ⁽²⁾	Beneficial owner	321,080,700	32.11
Lvsesenlin Technology ⁽³⁾	Beneficial owner	91,022,880	9.10
	Interest in controlled corporations	99,799,460	9.98
Daziran Technology ⁽³⁾	Beneficial owner	92,599,460	9.26
CPEP Holdings ⁽³⁾	Beneficial owner	7,200,000	0.72

OTHER INFORMATION (CONTINUED)

Notes:

- (1) The Letter “L” demonstrates long position.
- (2) Lvsetianye Technology held approximately 32.11% of the issued share capital of the Company. Lvsetianye Technology is wholly owned by Ms. Zhang. Ms. Zhang is therefore deemed to be interested in the Shares that Lvsetianye Technology is interested in.
- (3) Lvsesenlin Technology, Daziran Technology and CPEP Holdings held approximately 9.10%, 9.26% and 0.72% of the issued share capital of the Company, respectively. Each of Daziran Technology and CPEP Holdings is wholly owned by Lvsesenlin Technology, which is in turn wholly owned by Mr. Shan. Mr. Shan is therefore deemed to be interested in the Shares that each of Lvsesenlin Technology, Daziran Technology and CPEP Holdings is interested in.
- (4) Ms. Zhang and Mr. Shan are wife and husband. They are therefore deemed to be interested in the Shares that the other is interested in under the SFO.

Save as disclosed above, the Directors are not aware of any other person who had beneficial interests or short positions in any Shares or underlying Shares, which will be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group.

DIRECTORS’ RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Period was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate, and none of the Directors and chief executives or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the Period.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the “**Share Option Scheme**”) on 9 March 2023 (the “**Adoption Date**”) and effective upon the Listing Date for a period of 10 years and will expire on 30 March 2033. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules. The following is a summary of the principal terms of the Share Option Scheme:

(A) Purpose

The purpose of the Share Option Scheme is to give the Eligible Persons (as defined in the following paragraph) an opportunity to have a personal stake in the Company and help motivate them to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of any manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

OTHER INFORMATION (CONTINUED)

(B) Participants

In accordance with the terms of the Share Option Scheme, our Board may, at its absolute discretion, offer the grant of options ("**Options**") to subscribe for such number of Shares to:

- (a) any full-time employee of any member of the Group ("**Employee**"); and
- (b) any director of any member of the Group who does not perform an executive function (the person referred to in paragraphs (a) and (b) above are the "**Eligible Persons**").

(C) Total Number of Shares Available for Issue

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date.

At the date of this report, a total of 100,000,000 Shares, representing 10% of the issued share capital of the Company, are available for issue under the Share Option Scheme.

(D) Maximum Entitlement of Each Participant

The maximum number of Shares issued and to be issued upon exercise of the Options granted to any one Eligible Person (excluding any Options lapsed in accordance with the terms of the Share Option Scheme) in any 12-month period shall not exceed 1% of the Shares in issue from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting. The Company shall send a circular to the Shareholders disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted in the 12-month period) to such Eligible Person, the purpose of granting options to the Eligible Person and an explanation as to how the terms of the options serve such purpose, and containing the details and information required under the Listing Rules. The number and terms (including the subscription price) of the Options to be granted to such Eligible Person must be fixed before the approval of the Shareholders and the date of the meeting or resolution of the Board proposing such grant shall be taken as the offer date for the purpose of calculating the exercise price of those Options.

(E) Offer and Grant of Options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).

OTHER INFORMATION (CONTINUED)

(F) Minimum Vesting Period

All Options granted under the Share Option Scheme will be subject to a vesting period of no less than 12 months from the date of grant except for the specific circumstances set out in the Share Option Scheme.

(G) Subscription Price

The subscription price in respect of any particular Option shall be such price as our Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall not be less than whichever is the highest of:

- (a) nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business Days (as defined in the Listing Rules) immediately preceding the offer date.

(H) Amount payable for Options and offer period

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the offer date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Share Option Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.0 by way of consideration for the grant thereof is received by the Company on or before the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date no later than 28 days after the offer date (the "**Acceptance Date**"). Such remittance shall in no circumstances be refundable. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

(I) Exercise of Option

An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot for dealing in the Shares on the Stock Exchange, as the case may be, or any integral multiple thereof) within the Option period in the manner as set out in the Share Option Scheme by the grantee (or his or her legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given.

The exercise of any Option may be subject to a vesting schedule to be determined by our Board in its absolute discretion, which shall be specified in the offer letter.

OTHER INFORMATION (CONTINUED)

Subject as hereinafter provided and subject to the terms and conditions upon which the Option is granted, an Option may be exercised by the grantee at any time during the Option period, provided that, among others:

- (i) in the event that the grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement stated in the relevant terms of the Share Option Scheme exists with respect to such grantee, he or she (or his or her legal representative(s)) may exercise the Option up to the grantee's entitlement immediately prior to the death or permanently disability (to the extent not already exercised) within a period of 12 months following his or her death or permanent disability or such longer period as our Board may determine;
- (ii) in the event that the grantee ceases to be a full-time employee of any member of our Group for any reason (including his or her employing company ceasing to be a member of our Group) other than his or her death, permanent disability, retirement pursuant to such retirement scheme applicable to our Group at the relevant time or the transfer of his or her employment to a member of our Group or the termination of his or her employment with the relevant member of our Group by resignation or culpable termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless our Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as our Board may in its absolute discretion determine following the date of such cessation;
- (iii) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of our Shareholders (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by our Company;
- (iv) if a compromise or arrangement between our Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company, our Company shall give notice thereof to the grantees who have Options unexercised at the same time as it dispatches notices to all members or creditors of our Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his or her legal representatives or receiver) may until the expiry of the earlier of:
 - (1) the Option period;
 - (2) the period of two months from the date of such notice; or
 - (3) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his or her Option.

OTHER INFORMATION (CONTINUED)

- (v) in the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily windup our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees and thereupon, each grantee (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her options at any time not later than two Business Days (as defined in the Listing Rules) prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day (as defined in the Listing Rules) immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully-paid.

(J) Life of Share Option Scheme

Subject to the terms of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, being 31 March 2023, and will expire on 30 March 2033, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

For a more details, please refer to section headed “Statutory and General Information – F. Share Option Scheme” in Appendix V to the Prospectus.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the Adoption Date and up to date of this report. As at 1 January 2025 and 30 June 2025, the total number of options available for grant under the Share Option Scheme are 100,000,000 Shares and 100,000,000 Shares, respectively.

There is no service provider sublimit under the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

During the Period and up to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

COMMUNICATION WITH SHAREHOLDERS

The Company’s 2025 Annual General Meeting (the “**2025 AGM**”) was held on 27 June 2025. All resolutions at the 2025 AGM were passed by way of a poll and the poll results were posted on the websites of the Stock Exchange and the Company on the same day.

OTHER INFORMATION (CONTINUED)

USE OF PROCEEDS FROM THE LISTING

The Company was successfully listed on the Main Board of the Stock Exchange on the Listing Date with net proceeds received by the Company from the Listing in the amount of approximately HK\$155.4 million after deducting underwriting commissions and all related expenses. For details of use of proceeds from the Listing, please refer to the paragraph headed “Use of Proceeds” in this report.

CONNECTED/RELATED PARTIES TRANSACTIONS

The Company had not entered into any connected transaction during the Period, which is required to be disclosed under the Listing Rules. Save for the related party transactions as disclosed in note 14 to the unaudited condensed consolidated financial statements, there were no other related party transactions, connected transactions or continuing connected transactions of the Company as defined under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, since the Listing Date and up to the date of this report, the Company has maintained a sufficient public float of not less than 25% of the Company’s total number of issued Shares as required under the Listing Rules.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Based on specific enquiry made to the Directors, all of the Directors have confirmed that they had complied with the Model Code during the Period and up to the date of this report.

OTHER INFORMATION (CONTINUED)

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Period and up to the date of this report, there was no material breach of or non-compliance with the applicable of relevant laws and regulations by the Group.

During the Period and up to the date of this report, there was no non-compliance of Rules 3.10(1), 3.10(2) and 3.21 of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise, and independent non-executive directors representing at least one-third of the Board. In addition, the audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Period, the Company has complied with the code provisions set out in the Corporate Governance Code ("**CG Code**") contained in Appendix C1 of the Listing Rules.

To response to the amendments to the CG Code, which has been effective from 30 June 2025. Mr. Li Xiquan ("**Mr. Li**"), an executive Director, ceased to be a member of the nomination committee of the Board (the "**Nomination Committee**"), and Ms. Zhang Yuqiu, an executive Director, was appointed as a member of the Nomination Committee to replace Mr. Li, both with effect from 30 June 2025.

The Company will continue to regularly review and monitor its corporate governance practices to align with the latest corporate governance developments.

SIGNIFICANT EVENTS AFTER THE PERIOD

No significant event affecting the Group has occurred since the end of the Period and up to the date of this report.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the CG Code. As at the date of this report, the members of the Audit Committee are Mr. Leung Tsz Wing, Dr. Lai King Yin and Dr. Song Xiaofeng, all of whom are independent non-executive Directors. Mr. Leung Tsz Wing is the chairman of the Audit Committee. The Group's unaudited condensed consolidated financial statements and the interim report for the six months ended 30 June 2025 have not been audited by the external auditors but they have been reviewed by the Audit Committee. Based on this review and discussions with the management, the Audit Committee was satisfied that the Group's unaudited condensed consolidated financial statements were prepared in accordance with the applicable accounting standards.

On behalf of the Board

Zhang Yuqiu

Chair and Executive Director

Changchun, Jilin, the PRC, 29 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'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	153,886	196,868
Cost of sales		(93,552)	(118,480)
Gross profit		60,334	78,388
Other income	5	2,115	920
Selling and distribution expenses		(2,267)	(2,377)
Administrative and other operating expenses		(14,385)	(18,717)
Finance costs	6	(3,440)	(1,745)
Profit before tax	6	42,357	56,469
Income tax expenses	7	(6,599)	(8,261)
Profit for the period		35,758	48,208
Other comprehensive (loss) income:			
<i>Item that will not be reclassified to profit or loss</i>			
Translation of the Company's financial statements into presentation currency		(600)	979
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on consolidation		2,303	(1,031)
Total other comprehensive income (loss)		1,703	(52)
Total comprehensive income for the period		37,461	48,156
Profit for the period attributable to:			
Owners of the Company		35,534	47,834
Non-controlling interests		224	374
		35,758	48,208

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2025

	<i>Notes</i>	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Tota comprehensive income for the period attributable to:			
Owners of the Company		37,237	47,782
Non-controlling interests		224	374
		37,461	48,156
		RMB cents	RMB cents
Earnings per share attributable to owners of the Company:			
Basic and diluted	8	3.55	4.78

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	10	251,282	121,225
Right-of-use assets		10,803	1,028
Intangible assets		68	73
Deposits paid for acquisition of property, plant and equipment	15	108,520	–
Deferred tax assets		146	86
		370,819	122,412
Current assets			
Inventories		25,676	22,172
Trade and other receivables	11	95,875	123,314
Cash and cash equivalents		398,974	422,706
		520,525	568,192
Current liabilities			
Trade and other payables	12	52,440	54,177
Interest-bearing borrowings	13	80,964	70,724
Lease liabilities		–	30
Deferred income		489	489
Income tax payables		641	1,680
		134,534	127,100
Net current assets		385,991	441,092
Total assets less current liabilities		756,810	563,504
Non-current liabilities			
Interest-bearing borrowings	13	157,377	1,286
Deferred income		1,616	1,862
		158,993	3,148
NET ASSETS		597,817	560,356

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2025

	Notes	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Capital and reserves			
Share capital		8,800	8,800
Reserves		584,775	547,538
Equity attributable to owners of the Company		593,575	556,338
Non-controlling interests		4,242	4,018
TOTAL EQUITY		597,817	560,356

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Reserves						Total	Non-controlling interests	Total equity
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000			
At 1 January 2025 (audited)	8,800	150,405	107,710	45,438	5,874	238,111	556,338	4,018	560,356
Profit for the period	-	-	-	-	-	35,534	35,534	224	35,758
Other comprehensive (loss) income:									
<i>Item that will not be reclassified to profit or loss</i>									
Translation of the Company's financial statements into presentation currency	-	-	-	-	(600)	-	(600)	-	(600)
<i>Item that may be reclassified subsequently to profit or loss</i>									
Exchange difference on consolidation	-	-	-	-	2,303	-	2,303	-	2,303
Total other comprehensive income	-	-	-	-	1,703	-	1,703	-	1,703
Total comprehensive income for the period	-	-	-	-	1,703	35,534	37,237	224	37,461
Transaction with owners:									
<i>Contributions and distributions</i>									
Appropriation to statutory reserve	-	-	-	3,773	-	(3,773)	-	-	-
Total transaction with owners	-	-	-	3,773	-	(3,773)	-	-	-
At 30 June 2025 (unaudited)	8,800	150,405	107,710	49,211	7,577	269,872	593,575	4,242	597,817

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2025

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Reserves			Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
				Statutory reserve RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000			
At 1 January 2024 (audited)	8,800	150,405	107,710	34,464	6,019	137,924	445,322	2,802	448,124
Profit for the period	-	-	-	-	-	47,834	47,834	374	48,208
Other comprehensive income (loss):									
<i>Item that will not be reclassified to profit or loss</i>									
Translation of the Company's financial statements into presentation currency	-	-	-	-	979	-	979	-	979
<i>Item that may be reclassified subsequently to profit or loss</i>									
Exchange difference on consolidation	-	-	-	-	(1,031)	-	(1,031)	-	(1,031)
Total other comprehensive loss	-	-	-	-	(52)	-	(52)	-	(52)
Total comprehensive income for the period	-	-	-	-	(52)	47,834	47,782	374	48,156
Transactions with owners:									
<i>Contributions and distributions</i>									
Appropriation to statutory reserve	-	-	-	5,700	-	(5,700)	-	-	-
Total transactions with owners	-	-	-	5,700	-	(5,700)	-	-	-
At 30 June 2024 (unaudited)	8,800	150,405	107,710	40,164	5,967	180,058	493,104	3,176	496,280

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash from operating activities	67,992	61,216
INVESTING ACTIVITIES		
Interest received	645	525
Deposits paid for acquisition of property, plant and equipment	(108,520)	(708)
Acquisition of Right-of-use assets	(9,976)	–
Payment for purchase of property, plant and equipment	(136,734)	(2,282)
Net cash used in investing activities	(254,585)	(2,465)
FINANCING ACTIVITIES		
Inception of interest-bearing borrowings	216,698	45,000
Repayment of interest-bearing borrowings	(50,294)	(35,250)
Repayment of lease liabilities	(30)	(771)
Interest paid	(3,440)	(1,745)
Net cash from financing activities	162,934	7,234
Net (decrease) increase in cash and cash equivalents	(23,659)	65,985
Cash and cash equivalents at the beginning of the reporting period	422,706	315,696
Effect on exchange rate changes	(73)	33
Cash and cash equivalents at the end of the reporting period	398,974	381,714
Analysis of the balances of cash and cash equivalents, represented by bank balances and cash	398,974	381,714

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

China Treasures New Materials Group Ltd. (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 21 January 2022, and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 31 March 2023 (the “**Listing**”). The address of the Company’s registered office is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. The Company’s principal place of business is situated at Room 1910, 19/F., C C Wu Building, 302-308 Hennessy Road, Wan Chai, Hong Kong and the Group’s headquarter is situated at No. 3, Jing’Er Road, Kalun Industrial South Region, Jiutai Economics Development Zone, Changchun City, Jilin Province, the People’s Republic of China (the “**PRC**”).

The Company is an investment holding company and the Group is principally engaged in development and manufacture of biodegradable plastic products and non-biodegradable automobile plastic parts in the PRC.

At the date of this report, in the opinion of the directors of the Company, the ultimate controlling parties are Ms. Zhang Yuqiu and Mr. Shan Yuzhu.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements of the Group for the six months ended 30 June 2025 (the “**Interim Financial Statements**”) have been prepared in accordance with IAS 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of the Interim Financial Statements in conformity with IAS 34 requires the management to make judgements, 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.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since 31 December 2024, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the IFRS Accounting Standards which collective term includes all applicable individual IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by the IASB. They shall be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2024 (the “**2024 Financial Statements**”).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The Interim Financial Statements have been prepared on the historical costs basis and presented in Renminbi (“**RMB**”) and rounded to the nearest thousands (“**RMB’000**”), unless otherwise indicated.

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in preparing the 2024 Financial Statements except for the adoption of the new/revised IFRS Accounting Standards described below which are effective for current period.

Adoption of new/revised IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRS Accounting Standards issued by the IASB which are effective for the current period.

Amendments to IAS 21

Lack of exchangeability

The adoption of the new/revised IFRS Accounting Standards in the current period has no material impact on the Group’s financial position and performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Statements.

At the date of authorisation of the Interim Financial Statements, the Group has not early adopted the new/revised IFRS Accounting Standards that have been issued but are not yet effective. The directors of the Company do not anticipate that the adoption of the new/revised IFRS Accounting Standards in future periods will have any material impact on the Group’s consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable operating segments of the Group.

Specifically, the Group’s reportable and operating segments are as follows:

- 1) development and manufacture of biodegradable plastic products; and
- 2) development and manufacture of non-biodegradable automobile plastic parts.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

3. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

Segment revenue represents revenue derived from development and manufacture of biodegradable plastic products and non-biodegradable automobile plastic parts.

Segment results represent the gross profit reported by each segment without allocation of other income, selling and distribution expenses, administrative and other operating expenses, finance costs and income tax expenses. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

The segment information provided to the CODM of the Group for the reportable operating segments for the reporting period is as follows:

	Development and manufacture of biodegradable plastic products <i>RMB'000</i>	Development and manufacture of non- biodegradable automobile plastic parts <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2025 (Unaudited)			
Segment revenue	143,910	9,976	153,886
Segment cost of sales	(87,550)	(6,002)	(93,552)
Segment results	56,360	3,974	60,334
Other income			2,115
Selling and distribution expenses			(2,267)
Administrative and other operating expenses			(14,385)
Finance costs			(3,440)
Profit before tax			42,357
Income tax expenses			(6,599)
Profit for the period			35,758
<i>Other information</i>			
Amortisation of intangible assets	5	–	5
Depreciation (Note)			
– Property, plant and equipment	1,310	1,544	2,854
– Right-of-use assets	105	–	105
Reversal of loss allowances on trade receivables, net	(174)	(17)	(191)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

3. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (CONTINUED)

	Development and manufacture of biodegradable plastic products <i>RMB'000</i>	Development and manufacture of non- biodegradable automobile plastic parts <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2024 (Unaudited)			
Segment revenue	183,776	13,092	196,868
Segment cost of sales	(110,761)	(7,719)	(118,480)
Segment results	73,015	5,373	78,388
Other income			920
Selling and distribution expenses			(2,377)
Administrative and other operating expenses			(18,717)
Finance costs			(1,745)
Profit before tax			56,469
Income tax expenses			(8,261)
Profit for the period			48,208
<i>Other information</i>			
Amortisation of intangible assets	5	–	5
Depreciation (<i>Note</i>)			
– Property, plant and equipment	1,113	1,542	2,655
– Right-of-use assets	35	–	35
Provision for loss allowances on trade receivables, net	39	3	42

Note: Unallocated depreciation of property, plant and equipment of approximately RMB3,824,000 (*six months ended 30 June 2024: RMB2,398,000*) and right-of-use assets of approximately RMB96,000 (*six months ended 30 June 2024: RMB2,245,000*) were not included in other information for the period ended 30 June 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

3. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Development and manufacture of biodegradable plastic products <i>RMB'000</i>	Development and manufacture of non-biodegradable automobile plastic parts <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
At 30 June 2025 (Unaudited)				
Assets				
Reportable segment assets	374,316	30,282	486,746	891,344
Liabilities				
Reportable segment liabilities	40,483	342	252,702	293,527
Other information				
Capital expenditures	146,710	–	–	146,710
At 31 December 2024 (Audited)				
Assets				
Reportable segment assets	142,426	36,032	512,146	690,604
Liabilities				
Reportable segment liabilities	40,471	1,009	88,768	130,248
Other information				
Capital expenditures	3,322	62	31,251	34,635

For the purposes of monitoring segment performance and allocating resources between segments:

- segment assets include deposits for acquisition of property, plant and equipment, inventories, trade receivables, certain property, plant and equipment, right-of-use assets, intangible assets and other receivables. Other assets are not allocated to operating segments as these assets are managed on a corporate basis; and
- segment liabilities include trade payables, lease liabilities and certain other payables. Other liabilities are not allocated to operating segments as these liabilities are managed on a corporate basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

3. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Company is an investment holding company and the principal place of the Group's operation is in the PRC. All of the Group's revenue from external customers during the six months ended 30 June 2025 and 2024 was derived from the PRC and almost all of the Group's assets and liabilities are located in the PRC.

Information about major customers

Details of the customers (including entities under common control) individually accounting for 10% or more of total revenue of the Group during the reporting period are as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Development and manufacture of biodegradable plastic products		
Customer A	21,179	28,171

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

4. Revenue

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue from contracts with customers within IFRS 15		
<i>At a point in time</i>		
Development and manufacture of biodegradable plastic products	143,910	183,776
Development and manufacture of non-biodegradable automobile plastic parts	9,976	13,092
	153,886	196,868

5. Other income

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest income	645	525
Government grants (<i>Note</i>)	925	395
Recovery of written-off receivables	545	–
	2,115	920

Note: Government grants represent various forms of subsidy granted to the Group by the local government authorities in the PRC for compensation of expenses incurred by the Group. These grants are generally made for business supports and awarded to the Group on a discretionary basis. The Group received these government grants in respect of its investments in the PRC. During the six months ended 30 June 2025, there were assets related grants of approximately RMB245,000 (*six months ended 30 June 2024: RMB245,000*).

There are no unfulfilled conditions or contingencies relating to these grants.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Finance costs		
Interest on bank loans	3,440	1,492
Interest on lease liabilities	–	253
	3,440	1,745
Staff costs (including directors' emoluments)		
Salaries, discretionary bonus, allowances and other benefits in kind	4,070	5,752
Contributions to defined contribution plans	1,354	1,344
	5,424	7,096
Other items		
Cost of inventories (Note i)	92,476	117,331
Amortisation of intangible assets (charged to "administrative and other operating expenses")	5	5
Depreciation of property, plant and equipment (charged to "cost of sales", "selling and distribution expenses" and "administrative and other operating expenses", as appropriate)	6,678	5,053
Depreciation of right-of-use assets (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	201	2,280
Research and development expenses (charged to "cost of sales" and "administrative and other operating expenses", as appropriate) (Note ii)	6,354	12,107
Expenses recognised under short-term leases	862	90
(Reversal of) Provision for loss allowances on trade receivables, net	(191)	42

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

6. PROFIT BEFORE TAX (CONTINUED)

Notes:

- (i) Cost of inventories included the following items which were included in the respective amounts as disclosed above.

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Staff costs	3,279	4,585
Depreciation on:		
– Property, plant and equipment	4,323	4,246
– Right-of-use assets	–	1,121
	7,602	9,952

- (ii) Research and development expenses included the following items which were included in the respective amounts as disclosed above.

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Staff costs	549	578
Depreciation on property, plant and equipment	177	185
	726	763

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

7. TAXATION

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax		
PRC enterprise income tax ("PRC EIT")	6,658	8,241
Deferred tax		
Changes in temporary differences	(59)	20
Total income tax expenses for the period	6,599	8,261

The group entities established in the Cayman Islands and the BVI are exempted from corporate income tax therein.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong during the six months ended 30 June 2025 and 2024.

The Group's entities established in the PRC are subject to the PRC EIT at a statutory rate of 25% except for Jilin Province Kaishun New Material Co., Ltd* (吉林省開順新材料有限公司) ("Jilin Kaishun") which was recognised as High and New Technology Enterprise ("HNTe") and is entitled to a preferential tax rate of 15% during the six months ended 30 June 2025 and 2024. The entitlement of this tax benefit is subject to renewal by respective tax bureau in the PRC every three years. The latest approval for Jilin Kaishun enjoying this tax benefit was obtained in November 2024 for the three years ending 31 December 2026.

* English name for identification purpose only.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Profit:		
Profit attributable to owners of the Company used for the purpose of basic earnings per share	35,534	47,834
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,000,000,000	1,000,000,000

There were no dilutive potential ordinary shares during the six months ended 30 June 2025 and 2024, and therefore, diluted earnings per share is the same as the basic earnings per share.

9. DIVIDENDS

The directors of the Company did not recommend a payment of an interim dividend for the six months ended 30 June 2025 and 2024.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group incurred expenditures on property, plant and equipment with total cost of Nil (*six months ended 30 June 2024: RMB2,710,000*) and construction in progress with total cost of approximately RMB136,734,000 (*six months ended 30 June 2024: Nil*).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Trade receivables		
From third parties	78,386	114,981
Less: Loss allowances	(392)	(576)
	77,994	114,405
Other receivables		
Prepayments	5,076	6,440
Other deposits and receivables	940	2,073
Value-added tax and other tax recoverable	11,865	396
	17,881	8,909
	95,875	123,314

The ageing of trade receivables, net of loss allowances, based on invoice date at the end of each reporting period is as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Within 30 days	27,151	43,776
31 to 60 days	26,514	37,771
61 to 90 days	24,329	30,280
Over 90 days	–	2,578
	77,994	114,405

The Group normally grants credit terms up to 90 days from the date of issuance of invoices.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

At the end of each reporting period, the ageing analysis of the trade receivables, net of loss allowances, by due date is as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Not yet due	77,994	111,827
Within 30 days	–	1,283
31 to 60 days	–	1,295
	77,994	114,405

The Group normally grants credit terms up to 90 days from the date of issuance of invoices.

12. TRADE AND OTHER PAYABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Trade payables		
To third parties	40,825	41,480
Other payables		
Salary payables	732	1,380
Value-added tax and other tax payables	37	1,313
Amount due to a director (Note i)	4,250	1,617
Accruals and other payables (Note ii)	6,596	8,387
	11,615	12,697
	52,440	54,177

Note:

- (i) The amount due is unsecured, interest-free and repayable on demand.
- (ii) The amount at 30 June 2025 included provision for legal and professional fees of approximately RMB365,000 (31 December 2024: RMB1,574,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

12. TRADE AND OTHER PAYABLES (CONTINUED)

At the end of each reporting period, the ageing analysis of trade payables based on invoice date is as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Within 30 days	21,483	26,095
31 to 60 days	19,342	15,227
61 to 90 days	–	158
	40,825	41,480

The trade payables are unsecured, interest-free and with normal credit terms up to 60 days.

13. INTEREST-BEARING BORROWINGS

At the end of the reporting period, details of the interest-bearing borrowings of the Group are as follows:

	Notes	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Secured borrowings – Bank and other loans	(a)	213,341	57,250
Unsecured borrowings – Bank and other loans	(b)	25,000	14,760
		238,341	72,010

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

13. INTEREST-BEARING BORROWINGS (CONTINUED)

At the end of each reporting period, details of the interest-bearing borrowings of the Group are as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Current portion	80,964	70,724
Non-current portion	157,377	1,286
	238,341	72,010
Carrying amounts of the above borrowings are repayable:		
Within one year		
– Bank and other loans	80,964	70,724
More than one year, but not exceeding two years		
– Bank and other loans	157,377	1,286
	238,341	72,010
Less: amounts shown under current liabilities	(80,964)	(70,724)
Amounts shown under non-current liabilities	157,377	1,286

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

13. INTEREST-BEARING BORROWINGS (CONTINUED)

Notes:

- (a) At 30 June 2025, the secured borrowings carry weighted average effective interest rate of approximately 4.15% (31 December 2024: 4.41%) per annum.
- (b) The unsecured borrowings as at 30 June 2025 carry effective interest rate of 3.95% (31 December 2024: 10.9%) per annum.
- (c) At 30 June 2025, the secured borrowings are secured by:
 - (i) patents held by Jilin Kaishun with net carrying amount of approximately RMB66,000 (31 December 2024: RMB73,000);
 - (ii) a leasehold land of the Group with aggregate net carrying amount of approximately RMB10,669,000 (31 December 2024: RMB768,000);
 - (iii) buildings of the Group with aggregate net carrying amount of approximately RMB18,272,000 (31 December 2024: RMB19,035,000);
 - (iv) personnel guarantee provided by Mr. Shan Yuzhu, an executive director of the Company against a loan with carrying amount of approximately RMB3,000,000 (31 December 2024: RMB3,000,000);
 - (v) properties held by Mr. Shan Yuzhu against a loan with carrying amount of approximately RMB15,990,000 (31 December 2024: RMB15,990,000); and
 - (vi) construction in progress held by Jilin Kaishun with net carrying amount of approximately RMB136,734,000 (31 December 2024: Nil).

In addition, the secured borrowings at 30 June 2025 and 31 December 2024 are guaranteed by a non-wholly owned subsidiary, 儀徵市聚鑫源生物科技有限公司 Yizheng City Juxinyuan Biotechnology Co., Ltd.* (“Yizheng Juxinyuan”), and the Company.

- (d) All facilities obtained from banks and other financial institutions are subject to the fulfilment of covenants, as is commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the drawn down facilities would become repayable on demand. At 30 June 2025 and 31 December 2024, none of the covenants relating to drawn down facilities had been breached.

* The English names of these entities represent the best effort made by the directors of the Company to translate the Chinese names as their names have not been registered officially in English.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

14. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Interim Financial Statements, during the six months ended 30 June 2025 and 2024, further information of the related party transaction is set out below.

Remuneration for key management personnel (including directors of the Company) of the Group:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances, discretionary bonus, and other benefits in kind	519	770
Contributions to defined contribution plans	122	119
	641	889

15. COMMITMENTS

(a) Capital expenditure commitments

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Contracted but not provided net of deposits paid for acquisition of property, plant and equipment	144,138	–
Leased land	–	9,976
	144,138	9,976

(b) Commitments under leases

The Group as lessee

At 30 June 2025, the Group was committed to approximately RMB1,293,000 (31 December 2024: RMB962,000) for short-term leases.