

MIKO INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1247

INTERIM REPORT 2025



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CORPORATE INFORMATION

BOARD AND COMMITTEES

Executive Directors

Mr. Ding Peiji
Mr. Ding Peiyuan
Ms. Liu Min
Mr. Yu Jianjun

Independent Non-Executive Directors

Mr. Ng Shing Kin
Mr. Chen Jun
Mr. Guo Zheng

Audit Committee

Mr. Ng Shing Kin (*Chairman*)
Mr. Guo Zheng
Mr. Chen Jun

Remuneration Committee

Mr. Guo Zheng (*Chairman*)
Mr. Chen Jun
Mr. Ding Peiyuan

Nomination Committee

Mr. Chen Jun (*Chairman*)
Ms. Liu Min
Mr. Ng Shing Kin

AUTHORISED REPRESENTATIVES

Mr. Ding Peiji
Mr. Pang Wing Hong

COMPANY SECRETARY

Mr. Pang Wing Hong

REGISTERED OFFICE

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

HEADQUARTERS AND PLACE OF BUSINESS IN THE PRC

No. 168, Chong Rong Street
Economic Technology Development Zone
Quanzhou City
Fujian Province 362000
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1601, Ho King Commercial Centre
2-16 Fa Yuen Street
Mong Kok, Kowloon
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court, Camana Bay,
Grand Cayman, KY1-1100,
Cayman Islands

HONG KONG SHARE REGISTRAR

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

AUDITORS

HLB Hodgson Impey Cheng Limited

INVESTOR RELATIONS CONTACT

Tel: (86) 595 2469 7156
Fax: (86) 595 2469 7299
Email: ir@redkids.com

WEBSITE

www.redkids.com



MANAGEMENT DISCUSSION AND ANALYSIS





MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 June 2025 (“**1H 2025**”), revenue and net loss of our Group amounted to approximately RMB289.9 million and RMB4.5 million respectively, as compared to the revenue and net loss of approximately RMB103.9 million and RMB1.1 million respectively for the six months ended 30 June 2024 (“**1H 2024**”).

During the six months ended 30 June 2025, the economy of Mainland China faced a challenging period of time even the Chinese government continued to implement certain stimulated policies on domestic demand and consumption. Changes in consumption pattern, lower confidence and lower income of the consumers were observed as the consumers became more cautious in spending and the consumption of the goods especially for non-essential consumer goods. This in turns resulted in the lower and soft demand in the wholesale and retail market in Mainland China in the six months ended 30 June 2025.

In addition, the indirect wholly-owned subsidiaries of the Company have been established in support of the Group’s new line of business in the supply chain management in Mainland China. The Group already started up supply chain management business in relation to the trading of bulk commodity products in the year of 2024. During the six months ended 30 June 2025, the business environment for commodity products including industrial and chemical produces in Mainland China is influenced by a combination of domestic economic policies, industrial demand, global market trends and sustainability initiatives.

This was a challenging period of time even overall sales performance increased by 179.0% for the six months ended 30 June 2025 as compared with the same period in 2024 with the emergence of supply chain management business but the gross margin reflected a decrease in margin owing to the impact from market condition and products mix sold in the six months ended 30 June 2025.

Considering the unprecedented challenges and market uncertainty, the Group always took immediate actions to preserve cash and strengthen its liquidity including placement of shares during the period. The Group has been managing operating expenses, marketing and promotion cost and finance cost sharply in the recent years in such business environment.

The Chinese government will continuously make certain effective measures and changes to stimulate the overall economic environment that would stimulate the consumer demand and improve overall business environment in Mainland China. The outlook of the wholesale business of apparel related industry and supply chain management business in the year of 2025 is at positive view in Mainland China. The Group also expects the supply chain management business to expand the business scope to the importing and exporting of bulk commodity products including but not limited to apparel, industrial, chemical and food products in the year of 2025. In the medium to long-term, the Group remains positive about its business and believes that it will bring satisfactory and sustainable returns to the shareholders. The Group continuously remains open to the opportunities for investments of new scope of businesses other than existing segments that can have sustainable growth going forward.

FINANCIAL REVIEW

Revenue

The Group's products were principally engaged in the wholesale business of design, manufacture and sales of children's apparel and other apparel related products in Mainland China. In addition, the supply chain management business of the Group has been emerged and the business scope included but not limited to the trading of bulk commodity products in Mainland China.

The Group's revenue was affected by the challenging business environment in 1H 2025 even with the emergence of the supply chain management business. The Group's revenue recorded an increase of about 179.0%, from approximately RMB103.9 million for 1H 2024 to approximately RMB289.9 million for 1H 2025.

Wholesale business of children's apparel and other apparel related products amounted to approximately RMB50.8 million or approximately 17.5% for the Group's revenue during 1H 2025 as compared to that of approximately RMB103.9 million for 1H 2024.

Supply chain management business in trading of bulk commodity products amounted to approximately RMB239.1 million or 82.5% for the Group's revenue during 1H 2025.

Cost of Sales

The cost of sales increased by approximately RMB187.6 million or approximately 205.0%, from approximately RMB91.5 million for 1H 2024 to approximately RMB279.1 million for 1H 2025. The increase was generally in line with the changes in products and sales mix with the emergence of supply chain management business in relation to the trading of bulk commodity products during the period.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased from approximately RMB12.4 million for 1H 2024 to approximately RMB10.8 million for 1H 2025. Gross profit margin was approximately 3.7% for 1H 2025, representing a decrease of approximately 8.2 percentage points as compared to that of 11.9% for 1H 2024.

Other Revenue

Other revenue of our Group mainly included the interest income and rental income of approximately RMB0.8 million during 1H 2025 (1H 2024: RMB1.9 million).

Reversal of Allowance for Expected Credit Loss on Trade and Other Receivables, net

Reversal of allowance for expected credit loss of approximately RMB0.1 million in respect of trade and other receivables was made (1H 2024: Reversal of allowance for expected credit loss of approximately RMB0.1 million) owing to decisions made by the management of the Company taking into consideration the current credit worthiness, the past collection history, the aged status and the prevailing market conditions. We continue to conduct comprehensive review of our distributors' repayment histories, resources and financial capabilities to ensure that they are able to repay the debts within the credit period.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Expenses

Selling and distribution expenses primarily consisted of marketing rebates, salaries and benefits for sales and marketing personnel, and advertising and exhibition expenses. Selling and distribution expenses was approximately RMB8.1 million for 1H 2025, representing a decrease of approximately RMB0.5 million or about 5.9%, as compared to that of approximately RMB8.6 million for 1H 2024. The decrease in selling and distribution expenses was mainly due to decrease in the advertisement and marketing related expenses in view of current business environment in 1H 2025. As a percentage of revenue, selling and distribution expenses was 2.8% for 1H 2025 (1H 2024: 8.2%).

Administrative and Other Operating Expenses

Administrative and other operating expenses primarily consisted of design and development expenses, salaries and benefits for administrative personnel, professional expenses in relation to legal and financial advisory services and taxes and levies. Administrative and other operating expenses was approximately RMB7.7 million for 1H 2025, representing an increase of approximately RMB1.1 million or about 17.3% as compared to that of approximately RMB6.6 million for 1H 2024. As for the percentage of revenue, it decreased from 6.3% for 1H 2024 to 2.7% for 1H 2025.

Finance Costs

Finance costs comprised of interest on bank loans. Finance costs maintained at similar level of RMB0.3 million in 1H 2025 and 1H 2024.

Taxation

Income tax expense of RMB0.1 million was recorded for 1H 2025 (1H 2024: Nil). Currently, our principal subsidiaries in Mainland China are subject to an enterprise income tax rate of 25%.

Loss for the Period after Taxation

As a result of the foregoing, loss for the period after taxation approximately RMB4.5 million was recorded as compared to the loss for 1H 2024 approximately RMB1.1 million.

WORKING CAPITAL MANAGEMENT

Our Group recorded net current assets of approximately RMB125.9 million with a current ratio of 2.6 times as of 30 June 2025, compared to that of approximately RMB87.1 million and 2.2 times as of 31 December 2024. The table below sets forth the turnover days of trade receivables, inventories and trade payables at the end of the period indicated.

	Turnover days	
	As of 30 June 2025	As of 30 June 2024
Trade receivables	65	219
Inventories	20	64
Trade payables	8	26

LIQUIDITY AND CAPITAL RESOURCES

Our Group mainly relies on cash flows from operations to finance working capital requirements and capital expenditures. Our Group's cash and cash equivalents totalled approximately RMB121.7 million as of 30 June 2025 (31 December 2024: approximately RMB39.7 million). No bank borrowings of our Group was recorded as of 30 June 2025, as compared to that of approximately RMB17.0 million as of 31 December 2024. Gearing ratio was 12.8% as of 31 December 2024.

Our Group recorded a decrease in net cash generated from operating activities of approximately RMB18.5 million, from net cash generated from operating activities approximately RMB67.8 million for 1H 2024 to net cash generated from operating activities approximately RMB49.3 million for 1H 2025.

Net cash generated from investing activities of approximately RMB0.2 million was made for 1H 2025, which mainly represented the interest received. Net cash generated from financing activities was approximately RMB30.9 million for 1H 2025, as compared to net cash generated from financing activities of approximately RMB18.3 million for 1H 2024 which mainly represented the proceeds from placing of new shares and issue of shares under share option scheme.

As a result of the foregoing, there was a net increase in cash and cash equivalents of approximately RMB80.4 million for 1H 2025 (1H 2024: net increase approximately RMB86.3 million).

Notes to financial ratios:

- (1) Trade receivables turnover days equal the average of the opening and closing balances of trade receivables of the relevant period divided by revenue of the relevant period and multiplied by 182 days.
- (2) Inventory turnover days equal the average of the opening and closing balances of inventories of the relevant period divided by cost of sales of the relevant period and multiplied by 182 days.
- (3) Trade payables turnover days equal the average of the opening and closing balances of trade payables of the relevant period divided by cost of sales of the relevant period and multiplied by 182 days.
- (4) Current ratio equals current assets divided by current liabilities as of the end of the period.
- (5) Gearing ratio equals the total of bank and other borrowings divided by total equity as of the end of the period.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE AND FUND RAISING ACTIVITIES

Placing of Shares under General Mandate

On 26 May 2025 (after trading hours), the Company entered into the placing agreement with the placing agent pursuant to which the Company has conditionally agreed to place, through the placing agent on a best efforts basis, up to 31,635,200 placing shares at the placing price of HK\$1.35 per placing share to not less than six placees who are professional, institutional or other investors that are third parties independent of the Company and its connected persons. The placing shares were allotted and issued pursuant to the general mandate, which had been approved at the annual general meeting of the Company. Details of the placing of new shares were set out in the announcements of the Company dated 26 May 2025, 29 May 2025 and 13 June 2025.

The Placing Price of HK\$1.35 per Placing Share represents: (i) a discount of approximately 15.09% to the closing price of HK\$1.59 per Share as quoted on the Stock Exchange on 26 May 2025, being the date of the Placing Agreement; and (ii) a discount of approximately 14.77% to the average closing price of the Shares of approximately HK\$1.584 per Share as quoted on the Stock Exchange from 19 May 2025 to 23 May 2025, all dates inclusive, being the last five trading days immediately prior to the date of the Announcement.

Use of Proceeds from Placement of Shares

On 13 June 2025, the Company completed the placement of 31,632,000 Shares and raised net proceeds of approximately HK\$41.9 million. As of 30 June 2025, the Company has not utilised the net proceeds. The Company intends to fully utilise the net proceeds for the purpose as disclosed in the announcement of the Company dated 26 May 2025, 29 May 2025 and 13 June 2025.

The table below sets out the planned applications of the net proceeds and actual usage up to 30 June 2025.

	Planned applications (HK\$ million)	Percentage of total net proceeds	Actual usage up to 30 June 2025 (HK\$ million)
(i) Setting up a cross-border business-to-business platform in multi-language support and intelligent customs declaration system	7.0	16.7%	–
(ii) Channel development and marketing	10.0	23.9%	–
(iii) Expansion of manpower of the Group for the Group's expanded scope of business	6.0	14.3%	–
(iv) General working capital including rental payments, professional fees and other general administrative and operating expenses in respect of the Group's expanded scope of business	18.9	45.1%	–
	41.9	100.0%	–

FINANCIAL RISK MANAGEMENT

We have a treasury policy that aims to better control our treasury operations and lower borrowing cost. Our treasury policy requires our Group to maintain an adequate level of cash and cash equivalents, and sufficient available banking facilities to finance our daily operations and to address short-term funding needs. We review and evaluate our treasury policy from time to time to ensure its adequacy and effectiveness.

Except for operations of our Company and other investment holding companies outside Mainland China, our Group's businesses are principally conducted in RMB and most of the Group's monetary assets and liabilities are denominated in RMB. Accordingly, the management considers our Group's exposure to currency risk insignificant.

Our interest rate risk arises primarily from bank borrowings. As our Group's operations are mainly conducted in Mainland China and the majority of our Group's assets and liabilities, and sales and purchases are transacted in RMB, the Directors are of the view that our Group are not subject to significant foreign exchange rate risks.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Our Group had no material capital commitments and contingent liabilities as of 30 June 2025.

PLEDGE OF ASSETS

No properties and lease prepayments as at 30 June 2025 (31 December 2024: certain properties and lease prepayment with net book value of approximately RMB9.7 million) were pledged for certain bank loans.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Our Group made no other significant investments, material acquisitions or disposal for the six months ended 30 June 2025.

INVESTMENTS HELD IN FOREIGN CURRENCY AND HEDGING

For the six months ended 30 June 2025, the Group did not hold any investments denominated in foreign currencies. Furthermore, the Group's working capital or liquidity did not encounter any material difficulties or material impacts as a result of the movement in exchange rate.

EMPLOYEES AND REMUNERATION POLICIES

The emolument policy of our Group aims at attracting, retaining and motivating talented individuals. The principle is to have performance-based remuneration which reflects market standards. Remuneration package for each employee is generally determined based on his or her job nature and position with reference to market standards. Our emolument policy will be adjusted depending on a number of factors, including changes to the market practice and stages of our business development, so as to achieve our operational targets. As at 30 June 2025, we employed around 310 full-time employees. The total staff costs for 1H 2025 was approximately RMB11.7 million (1H 2024: approximately RMB11.6 million).

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. During 1H 2025, the Board comprised of four executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). During 1H 2025, the Company has complied with the CG Code, except for the deviations as explained below.

Code provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. As Mr. Ding Peiji (“**Mr. Ding**”) is both the chief executive officer and the chairman of the Board of the Company, the Company deviates from code provision A.2.1. We consider that vesting the roles of both chairman and chief executive officer in Mr. Ding has the benefit of ensuring consistent leadership within our Group and enabling more effective and efficient overall strategic planning for our Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board composition and structure and taking into account the background and experience of our Directors.

Code provision C.1.2 provides that management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer’s performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Although the management of the Company did not provide a regular monthly update to the members of the Board, the management provides information and updates to the members of the Board as and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding Directors’ securities transactions. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during 1H 2025.

UPDATE ON DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of Listing Rules, changes in information of Directors or chief executives of the Company subsequent to the date of the 2024 annual report of the Company should be disclosed.

Save as disclosed above, during the reporting period and up to the date of this interim report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE AND REVIEW OF UNAUDITED INTERIM RESULTS

The Company has an Audit Committee (the “**Audit Committee**”) which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process, internal controls and risk management. The Audit Committee, comprising of Mr. Ng Shing Kin, chairman of Audit Committee, Mr. Chen Jun and Mr. Guo Zheng, has reviewed the accounting principles and practices adopted by the Group and discussed with the management with respect to financial reporting matters, including review of the unaudited interim results of the Group for the six months ended 30 June 2025, and is of the opinion that such statements comply with the applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for 1H 2025 (1H 2024: Nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained sufficient public float of more than 25% of the Company’s issued share capital as required under the Listing Rules as of the date of this announcement.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS IN SECURITIES

As at 30 June 2025, the interests or short positions of the Directors and the chief executive in the Company’s shares (the “**Shares**”), underlying shares and debentures of the associated corporations of the Company, within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”) which had 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 taken under such provisions of the SFO) or which would be required, pursuant to section 352 of Part XV of the SFO, to be recorded in the register referred to therein or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests and short positions in the shares, underlying shares and debentures and associated corporations:

CORPORATE GOVERNANCE AND OTHER INFORMATION

Long positions in the Company

Name of Directors	Nature of interest	Capacity	Number of Shares	Approximate percentage of shareholding ⁽⁵⁾
Mr. Ding Peiji ⁽¹⁾	L ⁽³⁾	Interest in a controlled corporation	24,817,669	11.29%
		Beneficial owner	373,200	0.17%
		Beneficial owner	90,000 ⁽⁴⁾	0.04%
Mr. Ding Peiyuan ⁽²⁾	L ⁽³⁾	Interest in a controlled corporation	4,231,200	1.92%
		Beneficial owner	960,000 ⁽⁴⁾	0.44%

Notes:

- (1) Think Wise Holdings Investment Limited ("**Think Wise**") is wholly-owned and controlled by Mr. Ding Peiji. Accordingly, Mr. Ding is deemed to be interested in all the Shares in which Think Wise is interested pursuant to the SFO.
- (2) Rightful Style Limited ("**Rightful Style**") is wholly-owned and controlled by Mr. Ding Peiyuan, an executive Director. Accordingly, Mr. Ding Peiyuan is deemed to be interested in all the Shares in which Rightful Style is interested pursuant to the SFO.
- (3) The letter "L" denotes long position.
- (4) Each of Mr. Ding Peiji and Mr. Ding Peiyuan, an executive Director, has been granted an option to subscribe for 90,000 and 960,000 Shares respectively under the Share Option Scheme granted on 2 November 2018.
- (5) The calculation is based on the total number of 219,846,000 ordinary Shares of the Company in issue as at 30 June 2025, without taking into account any Shares to be issued upon exercise of the options granted under the Share Option Scheme which may be granted under the Share Option Scheme.

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executives of the Company or any of their respective associates had any interests and 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) as recorded in the register of the Company required to be kept under Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the persons or corporations who had an interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of Part XV of the SFO were as follows:

Name	Nature of interest	Capacity	Number of Shares	Approximate percentage of shareholding ⁽⁶⁾
Think Wise ⁽¹⁾	L ⁽³⁾	Beneficial owner	24,817,669	11.29%
Mr. Ding ⁽¹⁾	L ⁽³⁾	Interest in a controlled corporation	24,817,669	11.29%
		Beneficial owner	373,200	0.17%
		Beneficial owner	90,000 ⁽⁴⁾	0.04%
Rightful Style ⁽²⁾	L ⁽³⁾	Beneficial owner	4,231,200	1.92%
Mr. Ding Peiyuan ⁽²⁾	L ⁽³⁾	Interest in a controlled corporation	4,231,200	1.92%
		Beneficial owner	960,000 ⁽⁴⁾	0.44%
Goldrun Limited ⁽⁵⁾	L ⁽³⁾	Beneficial owner	20,704,000	9.42%
Chen Hsin Fu ⁽⁵⁾	L ⁽³⁾	Interest in a controlled corporation	20,704,000	9.42%

Notes:

- (1) Think Wise is wholly-owned and controlled by Mr. Ding. Accordingly, Mr. Ding is deemed to be interested in all the Shares in which Think Wise is interested pursuant to the SFO.
- (2) Rightful Style is wholly-owned and controlled by Mr. Ding Peiyuan, an executive Director. Accordingly, Mr. Ding Peiyuan is deemed to be interested in all the Shares in which Rightful Style is interested pursuant to the SFO.
- (3) The letter "L" denotes long position.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (4) Each of Mr. Ding Peiji and Mr. Ding Peiyuan, an executive Director, has been granted an option to subscribe for 90,000 and 960,000 Shares respectively under the Share Option Scheme granted on 2 November 2018.
- (5) Based on the notices of disclosures of interests of Goldrun Limited and Mr. Chen Hsin Fu each filed with the Stock Exchange dated 19 June 2023, these interests are held by Goldrun Limited, which is wholly owned by Mr. Chen Hsin Fu.
- (6) The calculation is based on the total number of 219,846,000 ordinary Shares in issue as at 30 June 2025 without taking into account of any Shares to be issued upon exercise of the options granted under the Share Option Scheme which may be granted under the Share Option Scheme.

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

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director had a material interest, subsisted at 30 June 2025 or at any time during the period.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

There had been no contract of significance between the Company or any of its subsidiaries and the controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries during the period.

EQUITY-SETTLED SHARE BASED PAYMENTS

The Company adopted a share option scheme (the **"Share Option Scheme"**) on 27 December 2013 for the purpose of providing incentives and rewards to eligible participants who contribute to the Group.

Share Option Scheme

The Company adopted the Share Option Scheme on 27 December 2013 for the purpose of rewarding certain eligible persons for their past contributions and attracting and retaining, or otherwise maintaining 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. Subject to the earlier termination of the Share Option Scheme in accordance with the rules thereof, the Share Option Scheme shall remain in force for a period of ten years commencing on the Listing Date. Therefore, the Share Option Scheme was expired in 2023. Following the expiry of the scheme on 27 December 2023, no further share option can be granted, but the provisions of the scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with the provisions of the scheme.

Eligible participants of the Scheme include any proposed, full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; any directors or proposed director (including non-executive director and independent non-executive directors) of the Company or any of its subsidiaries; any direct or indirect Shareholder of the Company or any of its subsidiaries; and any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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, i.e. 8,000,000 shares of the Company (adjusted after share consolidation in the year of 2021). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the shares in issue as at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to eligible participants specifically identified by the Board.

Notwithstanding the foregoing, the maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the shares of the Company in issue from time to time.

The maximum number of shares issuable upon the exercise of options granted under the Share Option Scheme and any other share option scheme adopted by the Group (including both exercised or outstanding options) to each grantee within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of options in excess of this 1% limit shall be subject to: (i) the issue of a circular by the Company; and (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time.

Share options granted to a Director, chief executive or substantial Shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors of the Company. In addition, where any grant of options or awards to an independent non-executive director or a substantial shareholder of the Company, or any of their respective associates, would result in the shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of options or awards must be approved by shareholders of the Company in general meeting in the manner set out in Rule 17.04(4) of the Listing Rules.

The exercise period of the share options granted is determinable by the Directors, which period may commence on the date of the offer of the share options, and ends on a date which is not later than ten years from the date of grant of the share options subject to the provisions for early termination thereof. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before 28 days after the offer date.

The exercise price of the share options is determinable by the directors, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for trade in one or more board lots of the shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer; and (iii) the nominal value of a share.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of movement in the share options as at 30 June 2025 which have been granted under the Share Option Scheme are as follows:

Name	Outstanding as at 1 January 2025	Granted during the period ended 30 June 2025	Exercised during the period ended 30 June 2025	Cancelled during the period ended 30 June 2025	Outstanding during the period ended 30 June 2025	Exercise Price	Date of grant	Exercisable period
Directors								
Mr. Ding Peiji	90,000	-	-	-	90,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Ms. Ding Lizhen (resigned on 4 August 2023)	900,000	-	(900,000)	-	-	1.07	2 November 2018	2 November 2019 – 1 November 2028
Mr. Ding Peiyuan	960,000	-	-	-	960,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Mr. Hung Cho Sing (resigned on 16 June 2023)	90,000	-	-	-	90,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Mr. Chan Wai Wong (resigned on 31 October 2022)	90,000	-	-	-	90,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Mr. Wu Shiming (resigned on 28 June 2022)	90,000	-	-	-	90,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Employees	2,580,000	-	-	-	2,580,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Others ⁽¹⁾	3,200,000	-	(800,000)	-	2,400,000	1.07	2 November 2018	2 November 2019 – 1 November 2028
Total	8,000,000	-	(1,700,000)	-	6,300,000			

Note:

(1) Comprise of customers and consultants of the Company.

As at the date of this report, no share option granted under the Share Option Scheme were lapsed during the period ended 30 June 2025.

APPRECIATION

The Board would like to express our heartfelt gratitude towards the management team and staff for their commitment and diligence, and would like to thank our shareholders and business associates for their strong support to the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EVENTS AFTER THE REPORTING PERIOD

As of the date of this report, there is no significant event after the reporting period that is required to be disclosed by the Group.

On behalf of the Board

Miko International Holdings Limited

Ding Peiji

Chairman

Hong Kong, 28 August 2025

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 (Expressed in Renminbi)

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	289,908	103,903
Cost of sales		(279,128)	(91,492)
Gross profit		10,780	12,411
Other revenue	6	786	1,896
Reversal of expected credit loss on trade and other receivables, net		88	67
Selling and distribution expenses		(8,066)	(8,571)
Administrative and other operating expenses		(7,722)	(6,583)
Loss from operations		(4,134)	(780)
Finance costs	7(a)	(273)	(274)
Loss before taxation	7	(4,407)	(1,054)
Income tax expenses	8	(115)	–
Loss for the period attributable to shareholders of the Company		(4,522)	(1,054)
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		(1,722)	(1,758)
Total comprehensive loss for the period attributable to shareholders of the Company		(6,244)	(2,812)
Loss per share (RMB cents)			
– Basic and diluted	9	(2.37)	(0.64)

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As of 30 June 2025 (Expressed in Renminbi)

	Notes	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	10	43,143	44,559
Right-of-use assets	10	2,196	2,251
		45,339	46,810
Current assets			
Inventories		16,097	17,491
Trade receivables	11	51,787	88,515
Prepayments, deposits and other receivables	12	15,611	13,587
Cash and cash equivalents		121,731	39,655
		205,226	159,248
Current liabilities			
Trade and other payables	13	79,273	55,089
Lease liabilities		103	102
Bank loans		–	17,000
		79,376	72,191
Net current assets		125,850	87,057
Total assets less current liabilities		171,189	133,867
Non-current liabilities			
Lease liabilities		36	91
Deferred tax liabilities		1,300	1,300
		1,336	1,391
Net assets		169,853	132,476
Equity			
Share capital	15(a)	18,713	15,654
Reserves		151,140	116,822
Total equity		169,853	132,476

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

Director
Ding Peiji

Director
Ding Peiyuan

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 (Expressed in Renminbi)

	Notes	Share capital RMB'000 15(a)	Share premium RMB'000 15(b)	Share-Based payment reserve RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Statutory reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2024 (Audited)		13,026	304,172	4,571	145,549	13,343	58,134	(394,959)	143,836
Changes in equity for the six months ended 30 June 2024:									
Loss for the period		-	-	-	-	-	-	(1,054)	(1,054)
Other comprehensive loss		-	-	-	-	(1,758)	-	-	(1,758)
Total comprehensive loss		-	-	-	-	(1,758)	-	(1,054)	(2,812)
Issue of placing shares, net of expenses		2,628	15,915	-	-	-	-	-	18,543
Balance at 30 June 2024 (Unaudited)		15,654	320,087	4,571	145,549	11,585	58,134	(396,013)	159,567
Balance at 1 January 2025 (Audited)		15,654	319,573	4,571	145,549	12,371	58,134	(423,376)	132,476
Changes in equity for the six months ended 30 June 2025:									
Loss for the period		-	-	-	-	-	-	(4,522)	(4,522)
Other comprehensive loss		-	-	-	-	1,722	-	-	1,722
Total comprehensive loss		-	-	-	-	1,722	-	(4,522)	(2,800)
Issue of shares under share option scheme		157	2,501	(971)	-	-	-	-	1,687
Issue of placing shares, net of expenses		2,902	35,588	-	-	-	-	-	38,490
Balance at 30 June 2025 (Unaudited)		18,713	357,662	3,600	145,549	14,093	58,134	(427,898)	169,853

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

For the six months ended 30 June 2025 (Expressed in Renminbi)

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Operating activities			
Cash generated from operations		49,422	67,806
Income tax paid		(137)	–
Net cash generated from operating activities		49,285	67,806
Investing activities			
Payment for the purchase of property, plant and equipment		(2)	(139)
Interest received	6	156	486
Net cash generated from investing activities		154	347
Financing activities			
Proceeds from bank loans		–	8,000
Repayment of bank loans		(17,000)	(8,000)
Repayment of lease liabilities		(54)	–
Proceeds from amount due to a director		8,060	–
Net proceeds from Issue of shares under share option scheme		1,687	–
Net proceeds from issue of new placing share		38,490	18,543
Interest paid		(273)	(274)
Net cash generated from financing activities		30,910	18,269
Net increase in cash and cash equivalents		80,349	86,422
Cash and cash equivalents at 1 January		39,655	39,721
Effect of foreign exchange rate changes		1,727	(1,758)
Cash and cash equivalents at 30 June		121,731	124,385

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business in Hong Kong is located at Room 1601, Ho King Commercial Centre, 2-16 Fa Yuen Street, Mong Kok, Kowloon, Hong Kong.

As at 30 June 2025, the directors of the Company consider the immediate and ultimate controlling parties to be Think Wise Holdings Investment Limited and Mr. Ding Peiji respectively.

During the period, the Company and its subsidiaries (collectively the “**Group**”) were principally engaged in the wholesale business of design, manufacture and sales of children's apparel and other apparel related products. In addition, the supply chain management business of the Group has been emerged and the type of business scope included but not limited to the trading of bulk commodity products in Mainland China. Other than this, there were no significant changes in the nature of the Group's principal activities during the period.

The unaudited condensed consolidated interim financial information is presented in Renminbi (“**RMB**”) unless otherwise stated.

These condensed consolidated interim financial statements have not been audited.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements (the “**Unaudited Interim Results**”) have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“**IASB**”). The Board approved the Unaudited Interim Results for issue on 28 August 2025.

The Unaudited Interim Results have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the adoption of new standards and amendments to existing standards as set out in note 3.

The preparation of the Unaudited Interim Results in conformity with IAS 34 requires 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 Unaudited Interim Results contain unaudited condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The unaudited 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 IFRS Accounting Standards as issued by the IASB.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The condensed consolidated interim results have not been audited by the Company's independent auditors, but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

The financial information relating to the financial year ended 31 December 2024 that is included in the Unaudited Interim Results as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2024 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 March 2025.

3. CHANGES IN ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to the IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 30 June 2025 are the same as those presented in the 2024 Annual Report.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group's condensed consolidated interim financial statements:

Amendment to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segments based on the reports that are used to make strategic decisions consistent with the way in which information is reported internally to the Group's most senior management for the purpose of resource allocation and performance assessment, the Group has presented the following two reportable segments.

The Group's operations and reportable segments are as follows:

- (i) Wholesales business – design, manufacture and sales of children's apparel and other apparel related products; and
- (ii) Supply chain management business – trading of bulk commodity products.

Segment revenue and results:

The following is an analysis of the Group's revenue and results by reportable segments.

	Wholesales business		Supply chain management business		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Reportable segment revenue						
– Revenue from external customers	50,824	103,903	239,084	–	289,908	103,903
Segment results	(4,538)	(1,313)	1,668	–	(2,870)	(1,313)
Other revenue					786	1,896
Central administration costs					(2,050)	(1,363)
Finance costs					(273)	(274)
Loss before taxation					(4,407)	(1,054)

All of the segment revenue reported above are generated from external customers. Revenue from contracts with customers are recognised at a point in time.

The accounting policies of the operating segments are the same as the Group's accounting policies to the consolidated financial statements. Segment results represent the loss recorded by each segment without allocation of other revenue, central administrative costs and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities:

	Wholesales business		Supply chain management business		Total	
	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Segment assets	133,119	150,260	64,382	51,589	197,501	201,849
					53,064	4,209
					250,565	206,058
Segment liabilities	15,410	29,879	5,848	118	21,258	29,997
Unallocated liabilities					59,454	43,585
Total liabilities					80,712	73,582

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

- all assets are allocated to reportable segments other than certain other prepayments and receivables and certain cash and cash equivalents; and
- all liabilities are allocated to reportable segments other than deferred tax liabilities and other payables.

Other segment information:

	Wholesales business		Supply chain management business		Total	
	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Capital expenditure*	2	2,246	–	–	2	2,246
Depreciation of property, plant and equipment	1,378	2,678	40	–	1,418	2,678
Amortisation of right-of-use assets	50	44	–	–	50	44
Reversal of allowance expected credit loss on trade and other receivables, net	(70)	(67)	(18)	–	(88)	(67)

* Capital expenditure consists of additions to property, plant and equipment and right-of-use assets.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information:

All the Group's revenue from external customers and majority of the Group's non-current assets are based in Mainland China.

Information about major customers:

Revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A from wholesales business	N/A*	12,719
Customer B from wholesales business	N/A*	11,980
Customer C from wholesales business	N/A*	25,246
Customer D from supply chain management business	58,972	N/A*
Customer E from supply chain management business	19,661	N/A*
Customer F from supply chain management business	31,160	N/A*

* The corresponding revenue does not contribute over 10% of the Group's revenue for the respective year

Disaggregation of revenue from contracts with customers:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Sales of children's apparel and other apparel related products	50,824	103,903
Sales of bulk commodity products	239,084	–
	289,908	103,903

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Timing of revenue recognition		
At a point in time	289,908	103,903

Transaction allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its revenue such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining obligations under the contracts as all contract works have an original expected duration of one year or less.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. SEASONALITY OF OPERATION

The Group usually sells spring and summer children apparel products in the first half of the year and sells autumn and winter children apparel products in the second half of the year. The selling price of autumn and winter children apparel products is usually higher than that of the spring and summer children apparel products. As a result, the Group typically reports lower revenues and results for the first half of the year.

6. OTHER REVENUE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest income	156	486
Rental income	580	580
Others	50	830
	786	1,896

7. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
(a) Finance costs:		
Interest on bank loans	264	274
Interest on lease liabilities	9	–
	273	274
(b) Staff costs (including directors' remuneration):		
Contributions to defined contribution retirement plans	1,885	1,489
Salaries, wages and other benefits	9,777	10,138
	11,662	11,627
(c) Other items:		
Depreciation of property, plant and equipment	1,418	2,678
Amortisation of right-of-use assets	50	44
Reversal of allowance for expected credit loss on trade receivables, net	(88)	(67)
Design and development expenses	393	528
Cost of inventories sold [#]	279,128	91,492

[#] Cost of inventories for the six months ended 30 June 2025 includes approximately RMB5,937,000 (six months ended 30 June 2024: RMB6,786,000) relating to staff costs, which amount is also included in note 6(b) above.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8. TAXATION

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax		
– PRC corporate income tax	115	–
Deferred tax		
– Origination of temporary differences	–	–
	115	–

- (i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands or BVI;
- (ii) No provision was made for Hong Kong Profits Tax as the Group did not earn any assessable profit subject to Hong Kong Profits Tax for the six months ended 30 June 2024 and 2025; and
- (iii) The applicable income tax rate for all of the Group’s subsidiaries in Mainland China is 25%.

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to shareholders of the Company of approximately RMB4,522,000 (six months ended 30 June 2024: loss of RMB1,054,000) and the weighted average of approximately 190,460,000 ordinary shares (six months ended 30 June 2024: 163,441,000 ordinary shares).

(b) Diluted loss per share

The effect of the Company’s share options was anti-dilutive for six months ended 30 June 2024 and 2025, and therefore, diluted loss per share is the same as the basic loss per share.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

- (a) During the six months ended 30 June 2025, the Group acquired items of plant and machinery with cost of RMB2,000 was acquired by the Group (six months ended 30 June 2024: RMB139,000). No impairment loss was recognised during the six months ended 30 June 2025 and 2024.
- (b) No buildings as at 30 June 2025 (31 December 2024: with net book value RMB7,466,000) were pledged as collateral for the Group's bank loans.
- (c) No right-of-use assets as at 30 June 2025 (31 December 2024: with carrying amount of RMB2,061,000) were pledged as collateral for the Group's bank loans.

11. TRADE RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables of the Group based on invoice date and net of allowance for expected credit loss, is as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Within 90 days	34,318	53,428
90-120 days	7,069	6,830
After 120 days but within 180 days	3,887	19,748
After 180 days but within 1 year	6,513	8,509
	51,787	88,515

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Other receivables	1,678	227
Deposits paid	–	34
Less: Allowance for expected credit loss	(4)	(1)
	1,674	260
Prepayment to suppliers	13,937	13,327
	15,611	13,587

13. TRADE AND OTHER PAYABLES

Set out below is an ageing analysis of the trade payables at the end of the reporting period based on relevant invoice dates:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Within 3 months	6,361	2,694

Other payables include carrying amount of an amount due to a director of approximately RMB48,948,000 (31 December 2024: RMB47,951,000), which was unsecured, non-interest bearing and repayable on demand as at 30 June 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14. BANK LOANS

As of the end of the reporting period, the bank loans of the Group were repayable within one year or on demand as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Bank loans – secured	–	17,000

Assets of the Group pledged to secure the bank loans comprise of:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Buildings (note 10(b))	–	7,466
Right-of-use assets (note 10(c))	–	2,061
	–	9,527

No bank loans as at 30 June 2025 (31 December 2024: RMB17,000,000) are secured by right-of-use assets and buildings (31 December 2024: net book value of approximately RMB2,061,000) and (31 December 2024: net book value of approximately RMB7,466,000) respectively and guaranteed by the director of the Company and an independent third party which are included in secured bank loans.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14. BANK LOANS (Continued)

The bank loans comprise of:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Fixed-rate bank loans	–	17,000

The effective interest rates per annum at the respective reporting dates, are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Fixed-rate bank loans	N/A	3.7%

At the end of the reporting period, bank loans were denominated in the following currencies:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
RMB	–	17,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15. CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

Authorised and issued share capital

	2025			2024		
	No. of share	HK\$'000	RMB'000	No. of share	HK\$'000	RMB'000
Authorised:						
At 1 January/30 June/31 December (ordinary share of HK\$0.1 each)	1,000,000,000	100,000	79,380	1,000,000,000	100,000	79,380
Issued and fully paid:						
At 1 January	186,514,000	18,652	15,654	158,176,000	15,818	13,026
Issue of shares under share option scheme	1,700,000	170	157	–	–	–
Issue of shares upon placing (note i)	31,632,000	3,163	2,902	28,338,000	2,834	2,628
At 30 June/31 December	219,846,000	21,985	18,713	186,514,000	18,652	15,654

note:

- (i) On 13 June 2025, the Company placed 31,632,000 placing shares at the placing price of HK\$1.35 per placing share. The net proceeds of approximately RMB38,490,000 after deducting the transaction costs of approximately RMB683,000, are intended to be used for further development the expanded scope of business of supply chain management business of the Group. Details of the placing of share were set out in the Company's announcements dated 26 May 2025, 29 May 2025 and 13 June 2025.

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 Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Share premium

Under the Companies Law of the Cayman Islands, the funds in the Company's share premium account are distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed. The Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(c) Dividends

No dividend was paid or proposed during the six months ended 30 June 2025 and 2024, nor has any dividend been proposed since the end of the reporting period. The rates of dividend and the number of shares ranking for dividend are not presented, as such information is not considered meaningful for the purpose of the Unaudited Interim Results.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT A VALUE OTHER THAN FAIR VALUE

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2025 and 31 December 2024.

17. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED FOR IN THE UNAUDITED INTERIM FINANCIAL REPORT

No capital commitments was contracted or provided for as at 30 June 2025 (31 December 2024: Nil).

18. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the unaudited financial statements, the Group entered into the following material related party transactions during the six months ended 30 June 2025 and 2024.

Guarantee provided by a related party

No secured bank loans as at 30 June 2025 (31 December 2024: RMB17,000,000) were guaranteed by Mr. Ding Peiji (Note 14).