



Ziyuanyuan Holdings Group Limited

紫元元控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8223)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG
LIMITED (THE “STOCK EXCHANGE”)**

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

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

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

*This announcement, for which the directors (the “**Directors**”) of Ziyuanyuan Holdings Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)

The Directors of the Company are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with the unaudited comparative figures for the corresponding periods in 2024 (the “**Prior Period**”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3		
Income from trading of medical equipments and consumables		195,437	160,410
Finance leasing income		3,813	6,983
Income from postpartum care services		4,110	11,924
Income from IT services		249	8,009
Total revenue		203,609	187,326
Cost of sales		(177,031)	(140,752)
Bank interest income		302	51
Other gains and losses, net	4	1,732	382
Staff costs	8	(7,263)	(13,705)
Reversal of impairment losses/(impairment losses) under expected credit loss (“ECL”) model, net	5	8,928	(1,854)
Other operating expenses		(13,685)	(17,807)
Finance costs	6	(7,868)	(5,217)
Profit before income tax		8,724	8,424
Income tax expenses	7	(2,049)	(2,241)
Profit and total comprehensive income for the period	8	6,675	6,183
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		6,755	6,042
Non-controlling interests		(80)	141
		6,675	6,183
Earnings per share for profit attributable to owners of the Company during the period			
– Basic and diluted (<i>RMB cents</i>)	10	1.57	1.41

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		14,621	17,486
Investment properties		24,400	25,200
Right-of-use assets		20,247	26,293
Intangible assets		9,294	10,741
Finance lease receivables	11	54,486	67,381
Refundable deposit		2,000	2,000
Deferred tax assets		10,965	11,090
Deposits	13	2,789	2,648
		<u>138,802</u>	<u>162,839</u>
CURRENT ASSETS			
Inventories		57,120	1,533
Finance lease receivables	11	20,926	22,260
Trade receivables	12	258,926	297,077
Prepayments, deposits and other receivables	13	132,533	93,960
Financial assets at fair value through profit or loss (“FVTPL”)		9,983	–
Restricted bank deposits		9,000	12,882
Bank balances and cash		21,407	12,958
		<u>509,895</u>	<u>440,670</u>
Current liabilities			
Trade payables	14	22,245	22,409
Other payables and accrued charges		36,174	46,493
Provision for taxation		20,506	18,274
Lease liabilities		3,036	5,735
Financial guarantee		1,767	2,402
Bank and other borrowings	15	132,641	108,287
Convertible bonds	16	5,318	–
		<u>221,687</u>	<u>203,600</u>
NET CURRENT ASSETS		<u>288,208</u>	<u>237,070</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>427,010</u>	<u>399,909</u>

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
Non-current liabilities			
Deferred tax liabilities		1,487	1,365
Lease liabilities		18,713	21,951
Bank and other borrowings	<i>15</i>	44,910	74,506
Convertible bonds	<i>16</i>	46,940	–
		112,050	97,822
NET ASSETS		314,960	302,087
EQUITY			
Share capital		36,559	36,559
Reserves		275,871	262,918
Equity attributable to owners of the Company		312,430	299,477
Non-controlling interests		2,530	2,610
TOTAL EQUITY		314,960	302,087

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), and application of certain accounting policies which became relevant to the Group, the accounting policies and method of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the new and amendments to HKFRSs issued by the HKICPA which are effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements.

The application of the amendments to HKFRSs 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 these condensed consolidated financial statements.

3. REVENUE

Revenue for the period represents finance leasing income, income from postpartum care services, income from trading of medical equipments and consumables and income from IT services in the PRC. The amounts of each significant category of revenue recognised in revenue during the period are as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Income from trading of medical equipments and consumables	195,437	160,410
Income from postpartum care services	4,110	11,924
Income from IT services	249	8,009
	<u>199,796</u>	<u>180,343</u>
Revenue from other sources		
Finance leasing income	3,813	6,983
	<u>203,609</u>	<u>187,326</u>

4. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Fair value gain on financial assets at FVTPL	3	3
Change in fair value of investment properties	(800)	(500)
Government subsidies	–	555
Exchange (loss)/gain, net	(32)	245
Rental income	2,131	202
Others	430	(123)
	<u>1,732</u>	<u>382</u>

5. (REVERSAL OF IMPAIRMENT LOSSES)/IMPAIRMENT LOSSES UNDER ECL MODEL, NET

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Impairment losses (reversed)/recognised on:		
– finance lease receivables	(8,424)	2,860
– trade receivables	131	(1,011)
– financial guarantee	(635)	5
	<u>(8,928)</u>	<u>1,854</u>
	<u>(8,928)</u>	<u>1,854</u>

6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interests on bank and other borrowings	4,628	4,563
Interests on lease liabilities	1,297	654
Interests on convertible bonds	1,943	–
	<u>7,868</u>	<u>5,217</u>
	<u>7,868</u>	<u>5,217</u>

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
The charge comprises:		
Current tax		
– PRC Enterprise Income Tax	1,801	1,709
Deferred tax	248	532
	<u>2,049</u>	<u>2,241</u>
	<u>2,049</u>	<u>2,241</u>

8. PROFIT FOR THE PERIOD

Profit for the period is arrived at after charging (crediting):

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Directors' emoluments	848	1,423
Other staff costs		
– Salaries, allowances and other staff benefits	5,932	11,758
– Staffs' retirement benefit scheme contributions	617	1,833
	<hr/>	<hr/>
Total staff costs	7,397	15,014
Less: staff costs recognised as research and development costs	(134)	(1,309)
	<hr/>	<hr/>
Staff costs recognised in profit or loss	7,263	13,705
	<hr/>	<hr/>
Amortisation of intangible assets	1,447	1,456
Cost of inventories sold	177,031	140,752
Depreciation of property, plant and equipment	2,799	2,294
Depreciation of right-of-use assets	2,754	3,603
Research and development costs recognised as an expense (included in other operating expenses)	259	1,480
Short-term leases payments	490	521
	<hr/> <hr/>	<hr/> <hr/>

9. DIVIDENDS

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

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purpose of basic earnings per share		
Profit for the period attributable to owners of the Company		
for the purpose of basic earnings per share	<u>6,755</u>	<u>6,042</u>
	Six months ended 30 June	
	2025	2024
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of		
basic earnings per share	<u>430,000</u>	<u>428,187</u>

For the six months ended 30 June 2025, the convertible bonds were not included in the calculation of diluted earnings per share as their assumed conversion would have been anti-dilutive. Accordingly, the diluted earnings per share were the same as the basic earnings per share for the period.

11. FINANCE LEASE RECEIVABLES

	Minimum lease payments		Present value of minimum lease payments	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Finance lease receivables comprises:				
Within one year	68,623	72,758	66,527	71,747
In the second year	34,881	37,056	33,337	35,296
Over two years	29,960	46,853	27,186	42,660
	133,464	156,667	127,050	149,703
Less: Unearned finance income	(6,414)	(6,964)	–	–
Present value of minimum lease payments	127,050	149,703	127,050	149,703
Less: Lifetime ECL allowance			(51,638)	(60,062)
			75,412	89,641
Represented by:				
Current assets			20,926	22,260
Non-current assets			54,486	67,381
			75,412	89,641
			30 June	31 December
			2025	2024
			RMB'000	RMB'000
			(Unaudited)	(Audited)
Past due by:				
1 – 30 days			1,395	840
31 – 90 days			935	1,603
More than 90 days			2,795	8,253
			5,125	10,696

12. TRADE RECEIVABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables	276,678	314,698
Less: Provision for impairment loss	(17,752)	(17,621)
	<u>258,926</u>	<u>297,077</u>

The Group allows a credit period of 0-365 days to its customers for its trade receivables.

The following is an ageing analysis of trade receivables presented based on invoice dates at the end of each reporting period:

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
1-30 days	210,491	250,481
31-60 days	32	282
61-90 days	6,812	25
91-180 days	42	10,300
181-365 days	9,227	19,666
Over 365 days	32,322	16,323
	<u>258,926</u>	<u>297,077</u>

The ageing analysis of trade receivables as at the end of the reporting period, based on due date and net of allowances, is as follows:

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Current (not past due):	210,410	250,381
1 – 30 days past due	–	–
31 – 90 days past due	6,798	233
91 – 365 days past due	9,365	30,140
Over 365 days past due	32,353	16,323
	<u>258,926</u>	<u>297,077</u>

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		30 June	31 December
		2025	2024
		RMB'000	RMB'000
	<i>Note</i>	(Unaudited)	(Audited)
Prepayments to suppliers		126,605	89,597
Security deposits		–	20
Refundable rental deposits	(i)	3,905	2,701
Refundable deposits		–	1,000
Other receivables		4,812	3,290
		135,322	96,608

Note:

		30 June	31 December
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Audited)
(i) Represented by:			
– Current portion		1,116	1,053
– Non-current portion		2,789	1,648

14. TRADE PAYABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Trade payables	<u>22,245</u>	<u>22,409</u>

The trade payables are normally repayable within one year.

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

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Up to 3 months	21,482	21,496
3 to 6 months	–	314
6 to 12 months	434	399
Over 12 months	<u>329</u>	<u>200</u>
	<u>22,245</u>	<u>22,409</u>

The credit period granted by the Group's suppliers ranges from 0 to 120 days.

15. BANK AND OTHER BORROWINGS

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Bank borrowings due for repayment within one year		
– Unsecured and guaranteed	17,300	40,200
– Secured and guaranteed	111,700	59,400
	<u>129,000</u>	<u>99,600</u>
Bank borrowings due for repayment more than one year		
– Secured and guaranteed	44,910	74,506
	<u>44,910</u>	<u>74,506</u>
Total bank borrowings	<u>173,910</u>	<u>174,106</u>
Other borrowings due for repayment within one year		
– Unsecured and guaranteed	3,641	4,561
	<u>3,641</u>	<u>4,561</u>
Other borrowings from a finance lease company		
– Due for repayment within one year	–	4,126
	<u>–</u>	<u>4,126</u>
Total other borrowings	<u>3,641</u>	<u>8,687</u>
Total borrowings	<u>177,551</u>	<u>182,793</u>

16. CONVERTIBLE BONDS

Convertible Bonds I

On 14 February 2025, the Company entered into a placing agreement in respect of the placing of convertible bonds in the aggregate principal amount of up to HK\$100,000,000 (the “**Convertible Bonds I**”) under the general mandate.

The Convertible Bonds I bear interest at 6% per annum, payable quarterly in arrears, and will mature 18 months from the date of issue. The initial conversion price is HK\$1.51 per share (subject to adjustment).

During the Period, the Company issued the Convertible Bonds I with an aggregate principal amount of HK\$52,000,000. Based on the initial conversion price, a maximum of 34,437,085 ordinary shares may be issued upon full conversion of the Convertible Bonds I.

Convertible Bonds II

On 1 April 2025, the Company entered into a subscription agreement in respect of the issue of convertible bonds in the principal amount of HK\$10,000,000 (the “**Convertible Bonds II**”) under the general mandate.

The Convertible Bonds II bear interest at 6% per annum, payable quarterly in arrears, and mature 18 months from the date of issue. The initial conversion price is HK\$1.51 per share (subject to adjustment). Based on the initial conversion price, a maximum of 6,622,516 ordinary shares may be issued upon full conversion.

The fair value of the debt component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders’ equity.

The convertible bonds have been split into the debt and equity components as follows:

	<i>RMB’000</i>	
Issue of convertible bonds	57,065	
Equity component	(6,198)	
Direct transaction costs attributable to the debt component	<u>(552)</u>	
Debt component at the issuance date	50,315	
Interest expense	<u>1,943</u>	
Debt component at 30 June 2025	<u><u>52,258</u></u>	
	30 June	31 December
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
	(Unaudited)	(Audited)
Represented by:		
Current liabilities	5,318	–
Non-current liabilities	<u>46,940</u>	–
	<u><u>52,258</u></u>	<u><u>–</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in provision of medical equipment finance leasing services, maternal and child postpartum care industry services and trading of medical equipments and consumables business in the PRC during the Period.

Finance leasing services

During the Period, the Group has been focusing on provision of finance leasing services to SMEs customers in the medical equipment industry in various provinces, municipalities, and autonomous regions in the PRC, where the Group has established connections with industry players and gained operational expertise. The finance lease offered by the Group comprises direct finance leasing and sale-leaseback. The Group provided services to approximately 5,030 SMEs customers across 30 provinces, municipalities and autonomous regions in the PRC as at 30 June 2025. The Group recorded a revenue of RMB3.8 million from the finance leasing services during the Period. In order to cope with the adverse macroeconomic environment and control credit risks, the Group reduced its investment in financial leasing services, resulting in a decrease in revenue for the Period.

Maternal and child postpartum care industry services

Postpartum confinement (坐月) is a traditional Chinese custom, which allows women to rest fully after giving birth, and to recover through diet. It is said that it is the best time for women to improve their physical well-being. Hence, centres for the provision of postpartum care services (月子中心) had emerged. The Group provided postpartum care services, consisting of four major areas of (i) health care for postpartum mothers and newborn babies; (ii) dietary and nutrition for postpartum mothers; (iii) recovery and beauty for postpartum mothers; and (iv) intellectual development for newborn babies.

The Group recorded a revenue of RMB4.1 million from the maternal and child postpartum care industry services during the Period. The decline in revenue was primarily attributed to several factors, including: (i) the adverse macroeconomic environment, which led to more cautious consumer spending and a subsequent decrease in the revenue for the Period; (ii) intense price competition among postpartum care centers, resulting in customer attrition; and (iii) the closure of certain postpartum care centers of the Group during the Period.

Trading of medical equipments and consumables business

The Group expects that after the epidemic, the healthcare industry will become a new economic breakthrough with great potential for value addition. Benefiting from the PRC government's policy of encouraging innovation in medical equipment and promoting high quality development of the medical equipment industry, the Group has been able to leverage on its experience in the medical equipment industry from its previous finance leasing business, its cooperation with medical equipment suppliers and its practical understanding of the characteristics and needs of its customers to commence its medical equipment and consumables trading business in the PRC, mainly focusing on aesthetic medicine, dental, maternal and child and large hospital medical equipment. During the Period, the Group recorded a revenue of RMB195.4 million from the trading of medical equipment and consumables business.

OUTLOOK

The Group is still reasonably optimistic to sustain the core business given all the economic uncertainties. The Group will continue to seek for the best possible opportunities to grow the Group's business by leveraging current client base. After the pandemic, the healthcare industry will be a new economic breakthrough with significant value-added potentials. The Group has preemptively set up the finance leasing service to focus on the field of medical equipment and to develop the trading of medical equipment and consumables business, which cooperates with the maternal and child postpartum care industry, to help upgrade the healthcare industry, but also to diversify the Group's income point.

In 2025, the global economic situation remains grim. We will continue to increase investment in various businesses and continue to strive to find opportunities in the face of challenges, so as to return shareholders and the public, and realize corporate value as well as social value.

FINANCIAL REVIEW

Revenue

Revenue consists of (i) finance leasing income; (ii) postpartum care services income; (iii) income from trading of medical equipment and consumables; and (iv) Income from IT services. The Group's revenue increased by approximately RMB16.3 million or approximately 8.7%, from approximately RMB187.3 million for the six months ended 30 June 2024 (the **"Prior Period"**) to approximately RMB203.6 million for the Period. The increase in revenue for the Period was mainly attributable to income from trading of medical equipment and consumables increased from approximately RMB160.4 million for the Prior Period to approximately RMB195.4 million for the Period, which offsetting (i) the finance leasing income decreased from approximately RMB7.0 million for the Prior Period to approximately RMB3.8 million for the Period; (ii) postpartum care services income decreased from approximately RMB11.9 million for the Prior Period to approximately RMB4.1 million for the Period; and (iii) income from IT services decreased from approximately RMB8.0 million for the Prior Period to approximately RMB0.2 million for the Period.

Cost of sales

For the Period, the cost of medical equipment and consumables sold increased to approximately RMB177.0 million (Prior Period: approximately RMB140.8 million).

Staff cost

Staff costs include primarily Directors' remuneration, employee salaries, allowances and other staff benefits as well as employee retirement benefits scheme contributions. Staff costs decreased from RMB13.7 million for the Prior Period to approximately RMB7.3 million for the Period.

Reversal of impairment losses/(impairment losses) under expected credit loss ("ECL") model, net

The Group is not required to provide general provisions as commercial banks and other financial institutions which the China Banking Regulatory Commission regulates. The provisioning policies are based on the applicable accounting standards. The management assesses the measurement of ECL in relation to trade receivables, finance lease receivables, loan receivables and financial guarantee. In determining the impairment of trade receivables, finance lease receivables, loan receivables and financial guarantee, the management considers shared credit risk characteristics including industry types, historical past due information and lessees' creditworthiness for grouping, and assesses credit losses based on internal credit rating and on a forward looking basis with the use of appropriate models and assumptions relate to the economic inputs and the future macroeconomic conditions.

For the Period, reversal of impairment loss of approximately RMB8.9 million (Prior Period: impairment loss of RMB1.9 million) was recognised. The reversal of impairment losses recognised in the Period was mainly due to (i) the decrease in total finance lease receivables and trade receivables; and (ii) certain overdue receivables have been recovered.

Other operating expenses

Other operating expenses include primarily audit fees, legal and professional fees, travel and transportation expenses, promotion expenses, depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible asset, short-term leases payments, research and development costs and the miscellaneous expenses of postpartum care businesses. Other operating expenses decreased from approximately RMB17.8 million for the Prior Period to approximately RMB13.7 million for the Period. The decrease was mainly attributable to (i) research and development costs decreased from RMB1.5 million for the Prior Period to RMB0.3 million for the Period; and (ii) the miscellaneous expenses of postpartum care businesses from RMB3.5 million for the Prior Period to RMB1.4 million for the Period.

Finance costs

Finance costs consist of (i) interest on bank and other borrowings; (ii) interests on lease liabilities; and (iii) interests on convertible bonds. Finance costs increased from approximately RMB5.2 million for the Prior Period to approximately RMB7.9 million for the Period. The increase was mainly due to the interests on convertible bonds increased approximately RMB1.9 million for the Period (Prior Period: nil).

Income tax expenses

Certain PRC subsidiaries of the Group qualified as small low-profit enterprises with annual taxable income not more than RMB1.0 million, and the portion that exceeds RMB1.0 million but does not exceed RMB3.0 million (inclusive) are entitled to enterprise income tax calculated at 25% of its taxable income at a tax rate of 20%. A PRC subsidiary of the Group recognised as high technology enterprise is entitled to a preferential enterprise income tax rate of 15%. The enterprise income tax rate applicable to the other PRC subsidiaries of the Group is 25%.

Profit and total comprehensive income attributable to owners of the Company

During the Period and Prior Period, the Group's profit and total comprehensive income attributable to owners of the Company were approximately RMB6.8 million and RMB6.1 million respectively.

Dividend

The Board of Directors of the Company does not recommend the payment of an interim dividend in respect of the Period (Prior Period: nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, bank balances and cash were approximately RMB21.4 million (31 December 2024: RMB13.0 million). The working capital (current assets less current liabilities) and total equity of the Group were approximately RMB288.2 million (31 December 2024: RMB237.1 million) and approximately RMB315.0 million (31 December 2024: RMB302.1 million) respectively.

As at 30 June 2025, the Group's bank and other borrowings and convertible bonds due within one year were approximately RMB138.0 million (31 December 2024: RMB108.3 million) and the Group's bank and other borrowings and convertible bonds due after one year were amounted to approximately RMB91.9 (31 December 2024: RMB74.5 million).

As at 30 June 2025, the gearing ratio was approximately 42.2% (31 December 2024: 37.7%), which is calculated as bank and other borrowings and convertible bonds divided by the sum of total equity, bank and other borrowings and convertible bonds. Such increase was mainly due to an increase in convertible bonds for business expansion.

FUNDRAISINGS THROUGH ISSUANCE OF CONVERTIBLE BONDS

On 14 February 2025, the Company entered into a placing agreement in respect of the placing of convertible bonds in the aggregate principal amount of up to HK\$100,000,000 (the “**Convertible Bonds I**”) under the general mandate. The Convertible Bonds I bear interest at 6% per annum, payable quarterly in arrears, and will mature 18 months from the date of issue. The initial conversion price is HK\$1.51 per share (subject to adjustment). During the Period, the Company issued the Convertible Bonds I with an aggregate principal amount of HK\$52,000,000. Based on the initial conversion price, a maximum of 34,437,085 ordinary shares may be issued upon full conversion of the Convertible Bonds I.

On 1 April 2025, the Company entered into a subscription agreement in respect of the issue of convertible bonds in the principal amount of HK\$10,000,000 (the “**Convertible Bonds II**”) under the general mandate. The Convertible Bonds II bear interest at 6% per annum, payable quarterly in arrears, and mature 18 months from the date of issue. The initial conversion price is HK\$1.51 per share (subject to adjustment). Based on the initial conversion price, a maximum of 6,622,516 ordinary shares may be issued upon full conversion.

For details of the Convertible Bonds I and the Convertible Bonds II (collective as “**Convertible Bonds**”), please refer to the announcements of the Company dated 14 February 2025, 7 March 2025, 26 March 2025, 1 April 2025, 2 April 2025 and 10 April 2025.

The intended and actual use of proceeds from the issuance of Convertible Bonds up to 30 June 2025 are set out as follows:

	Planned use of actual net proceeds HK\$'000	Utilized net proceeds up to 30 June 2025 HK\$'000	Proceeds unused HK\$'000
Supporting the Group's existing businesses	40,000	40,000	—
Repayment of short-term loans	12,000	12,000	—
General working capital	8,000	8,000	—
	<u>60,000</u>	<u>60,000</u>	<u>—</u>

CAPITAL STRUCTURE

As at 30 June 2025, the Company's issued share capital was HK\$43,000,000 and the number of its issued ordinary Shares was 430,000,000.

FOREIGN EXCHANGE EXPOSURE

The Group's income and expenditure during the Period were principally denominated in RMB, and most of the assets and liabilities as at 30 June 2025 were denominated in RMB. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the Period.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had capital commitments of RMB2.0 million in respect of the acquisition of an associate (31 December 2024: RMB2.0 million).

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2025, certain finance lease receivables and trade receivables with an aggregate carrying value of approximately RMB89.1 million (31 December 2024: RMB112.2 million) were pledged to certain banks and a finance lease company in the PRC to secure bank and other borrowings of the Group.

As at 30 June 2025 and 31 December 2024, the entire equity interests of a subsidiary of the Group were pledged to a bank in the PRC to secure a bank borrowing of the Group.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group did not have other significant investment, material acquisition nor disposal of subsidiaries and affiliated companies during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other future plans for material investments or capital assets as at 30 June 2025.

CONTINGENT LIABILITIES

Save as disclosed in this announcement, the Group did not have other significant contingent liabilities as at 30 June 2025.

HUMAN RESOURCES

As at 30 June 2025, the Group had 44 employees (Prior Period: 161 employees) with total staff cost of approximately RMB7.3 million incurred for the Period (Prior Period: RMB13.7 million). The employees retirement benefit expense incurred during the Period was approximately RMB0.6 million (Prior Period: RMB1.8 million). As required by the applicable laws and regulations, the Group participates in various employee social security plans for our employees that are administered by local government. The Group's remuneration policy rewards employees and Directors based on individual performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. We did not experience any material labour disputes during the Period.

COMPETING INTEREST

During the period, none of the Directors or the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) is interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group or has any conflicts of interest with the Group.

DEED OF NON-COMPETITION

The controlling shareholders of the Company, namely Mr. Zhang Junshen (through Hero Global Limited), Mr. Zhang Junwei (through Icon Global Holding Limited), (the “**Controlling Shareholders**”) entered into a deed of non-competition dated 12 June 2018 (“**Deed of Non-competition**”) in favour of the Company (for itself and as trustee for each of its subsidiaries). For details of the Deed of Non-competition, please refer to the section headed “Relationship with Controlling Shareholders – Non-competition Undertaking” in the Prospectus. Each of the Controlling Shareholders has confirmed that none of them is engaged in, or interested in any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group.

The independent non-executive Directors have also reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-competition have been complied with by each of the Controlling Shareholders during the period and up to the date of this announcement.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the period and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company considers the maintenance of a high standard of corporate governance important to the continuous growth of the Group. The Company’s corporate governance practices are based on code provisions as set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix 15 of the GEM Listing Rules. Other than the deviation from code provision C.2.1, the Company has adopted and complied with, where applicable, the CG Code to ensure that the Group’s business activities and decision-making processes are regulated in a proper and prudent manner.

Up to the date of this announcement, other than the deviation from code provision C.2.1, the Company complied with the provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules.

CODE PROVISION C.2.1

In accordance with the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board is of the view that although Mr. Zhang Junshen is the chairman and the chief executive officer of the Company, this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Zhang Junshen and believes that his appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Company.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in the condensed consolidated financial statements, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2025 and up to the date of this announcement.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct (“**Code of Conduct**”) regarding securities transactions by the Directors. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the Code of Conduct for the Period and up to date of this announcement.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Group has established an audit committee (the “**Audit Committee**”) pursuant to a resolution of the Directors passed on 12 June 2018 in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code.

The Audit Committee currently consists of our non-executive Director, namely Mr. Lyu Di and two of our independent non-executive Directors, namely Mr. Chan Chi Fung Leo and Dr. Deng Bin and the chairman is Mr. Chan Chi Fung Leo, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Ziyuanyuan Holdings Group Limited
Zhang Junshen
Chairman and Chief Executive Officer

Hong Kong, 29 August 2025

As at the date of this announcement, the executive Directors are Mr. Zhang Junshen (Chairman and Chief Executive Officer) and Mr. Tian Zhiwei, the non-executive Directors are Mr. Lyu Di and Ms. Li Xinpei, and the independent non-executive Directors are Mr. Chan Chi Fung Leo, Mr. Chow Siu Hang and Dr. Deng Bin.

This announcement will remain on the “Latest Listed Company Information” page on the HKEXnews website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.ziyygroup.com.