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**Zhengwei Group Holdings Company Limited**  
**正味集团控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2147)**

**SECOND INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Zhengwei Group Holdings Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the twelve months ended 31 December 2024 (the “**Reporting Period**”), together with comparative figures for the corresponding period in 2023 (the “**Previous Period**”) as set out below:

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		<b>Twelve months ended</b>	
		<b>31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
Revenue	5	<b>598,057</b>	445,214
Cost of sales		<u><b>(588,610)</b></u>	<u>(297,954)</u>
Gross profit		<b>9,447</b>	147,260
Other revenue		<b>4,166</b>	6,355
Other gains and losses		<b>(6,830)</b>	(164)
Distribution and selling expenses		<b>(8,994)</b>	(32,821)
Administrative expenses		<b>(31,439)</b>	(41,027)
Finance costs	6	<u><b>(81)</b></u>	<u>(2,904)</u>
(Loss)/profit before income tax expense		<b>(33,731)</b>	76,699
Income tax expense	7	<u><b>(19,843)</b></u>	<u>(9,182)</u>
(Loss)/profit for the period		<u><b>(53,574)</b></u>	<u>67,517</u>
<b>Total comprehensive (expense)/income for the period attributable to:</b>			
Owner of the Company		<u><b>(53,574)</b></u>	<u>67,638</u>
(Loss)/earnings per share – Basic and diluted ( <i>RMB</i> )	9	<u><b>(0.06)</b></u>	<u>0.09</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment	10	89,105	107,149
Right-of-use assets		5,693	6,032
Prepayment for acquisition of land use rights	12	9,525	9,525
Goodwill		269	269
Financial asset at fair value through other comprehensive income		1,354	1,354
Deferred tax assets, net		837	797
<b>Total non-current assets</b>		106,783	125,126
<b>Current assets</b>			
Inventories		114,195	98,272
Trade receivables	11	94,805	92,300
Prepayments, deposits and other receivables	12	21,062	7,736
Right of return assets		156	156
Cash and cash equivalents		150,544	199,186
<b>Total current assets</b>		380,762	397,650
<b>Total assets</b>		487,545	522,776
<b>Current liabilities</b>			
Trade payables	13	71,127	48,360
Contract liabilities		–	9
Other payables and accruals		3,592	16,774
Borrowings	14	–	18,199
Lease liabilities		84	84
Income tax payable		1,036	2,415
<b>Total current liabilities</b>		75,839	85,841
<b>Net current assets</b>		304,923	311,809

		As at 31 December 2024	As at 31 December 2023
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
Total assets less current liabilities		<u>411,706</u>	<u>436,935</u>
NET ASSETS		<u>411,706</u>	<u>436,935</u>
Capital and reserves attributable to owners of the Company			
Share capital	15	66,944	55,580
Reserves		<u>344,762</u>	<u>381,355</u>
TOTAL EQUITY		<u>411,706</u>	<u>436,935</u>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Zhengwei Group Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 30 June 2020, as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2023.

The registered office of the Company is located at 71 Fort Street, P.O. Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands. Its principal place of business is 487 Yuhu Road, Jingji Development Area, Xiaolan, Nanchang County, Nanchang City, Jiangxi Province, the People’s Republic of China (the “**PRC**”).

The Company is an investment holding company and the Group, comprising the Company and its subsidiaries, is principally engaged in sourcing, processing and trading of dried delicacies, snacks, dried aquatic products, grains, seasonings and others in the PRC.

The ultimate controlling parties of the Group are Mr. Yang Shengyao (“**Mr. Yang**”) and Ms. Lin Qiuyun (“**Ms. Lin**”, together with Mr. Yang, the “**Controlling Shareholders**”), the spouse of Mr. Yang, who are the executive Director and the chairman of the Company and the executive Director, respectively.

## 2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

These condensed consolidated financial statements have been prepared with the same accounting policies adopted in the Group’s consolidated financial statements for the year ended 31 December 2023 (the “**2023 Annual Financial Statements**”), except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2024.

The preparation of these condensed consolidated financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods. The details are disclosed in Note 4.

These condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated. These condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group for the twelve months ended 31 December 2024. These condensed consolidated financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRS**”) and should be read in conjunction with the 2023 Annual Financial Statements.

### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis. These condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2023 Annual Financial Statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2024.

### 4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2023 Annual Financial Statements.

### 5. REVENUE

The Group is principally engaged in sourcing, processing and trading of dried delicacies, snacks, dried aquatic products, grains, seasonings and others in the PRC.

Revenue represents the net invoiced value of goods supplied and earned by the Group.

	<b>Twelve months ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Dried delicacies	<b>356,362</b>	112,060
Snacks	<b>64,284</b>	233,975
Dried aquatic products	<b>73,569</b>	72,888
Grains	<b>9,581</b>	22,955
Seasonings and others	<b>94,261</b>	3,336
	<b><u>598,057</u></b>	<b><u>445,214</u></b>
<b>Timing of revenue recognition</b>		
At a point in time	<b><u>598,057</u></b>	<b><u>445,214</u></b>

## 6. FINANCE COSTS

	Twelve months ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Interest expenses on borrowings	<u>81</u>	<u>2,902</u>

## 7. INCOME TAX EXPENSE

The amount of income tax expense in the condensed consolidated statements of profit or loss and other comprehensive income represents:

	Twelve months ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Current tax – PRC Enterprise Income Tax (the “ <b>PRC EIT</b> ”) – for the period	<u>19,883</u>	<u>9,033</u>
Deferred tax – for the period	<u>(40)</u>	<u>149</u>
Income tax expenses	<u>19,843</u>	<u>9,182</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “**BVI**”), the Company incorporated in the Cayman Islands and the Company’s subsidiary incorporated in the BVI are not subject to any income tax.

Hong Kong profits tax for the Company’s subsidiary incorporated in Hong Kong has been provided at the rate of 16.5% on the estimated assessable profits.

Pursuant to the income tax rules and regulations of the PRC, the provision for PRC EIT of the subsidiaries of the Group is calculated based on the statutory tax rate of 25%, except for the following two subsidiaries. Jiangxi Zhengwei Food Co., Limited\* (江西正味食品有限公司) and Guangchang County Zhenglian Biotechnology Co., Limited\* (廣昌縣正蓮生物科技有限公司) were approved for the High and New Technology Entities (“**HNTE**”) qualification under the PRC EIT law and its relevant regulations and are entitled to a preferential tax rate of 15%.

## 8. DIVIDENDS

No interim dividend in respect of the twelve months ended 31 December 2024 has been proposed by the Directors (twelve months ended 31 December 2023: Nil).

## 9. (LOSS)/EARNINGS PER SHARE

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

	<b>Twelve months ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
(Loss)/profit for the period attributable to owners of the Company for the purpose of computation of basic and diluted (loss)/earnings per share ( <i>RMB'000</i> )	<u><b>(53,574)</b></u>	<u>67,517</u>
Weighted average number of ordinary shares for the purpose of computation of basic and diluted (loss)/earnings per share ( <i>'000</i> )	<u><b>891,616</b></u>	<u>793,425</u>
Basic and diluted (loss)/earnings per share ( <i>RMB</i> )	<u><b>(0.06)</b></u>	<u>0.09</u>

The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the twelve months ended 31 December 2023 included the weighted average number of shares pursuant to issuance of shares of 200,000,000 shares and 600,000,000 shares assumed to be in issue throughout the twelve months ended 31 December 2023.

Diluted earnings per share amount was the same as basic earnings per share amount as there were no potential dilutive ordinary shares outstanding for the twelve months ended 31 December 2024 and 2023.



## 10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the twelve months ended 31 December 2024, additions to the Group's property, plant and equipment were approximately RMB40,000 (twelve months ended 31 December 2023: approximately RMB74,000).

## 11. TRADE RECEIVABLES

The Group's trading term with customers is mainly on credit. The credit terms are generally 30 to 90 days.

An ageing analysis based on the invoice date as of 31 December 2024 and 31 December 2023 is as follows:

	As at 31 December 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 1 month	62,604	62,392
1 to 2 months	32,201	29,908
Over 2 months	—	—
	<u>94,805</u>	<u>92,300</u>

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
<i>Note</i>		
<b>Non-current</b>		
Prepayment for acquisition of land use rights	<u>9,525</u>	<u>9,525</u>
<b>Current</b>		
Prepayments	819	451
Value added tax recoverable	243	7,061
Deposit	<u>20,000</u>	<u>224</u>
<i>(a)</i>	<u><u>30,587</u></u>	<u><u>17,261</u></u>

*Note:*

- (a) The carrying amounts of prepayments and deposits were primarily denominated in RMB and approximated their fair values due to their short maturity as at the reporting date.

## 13. TRADE PAYABLES

	As at 31 December 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Trade payables	<u><u>71,127</u></u>	<u><u>48,360</u></u>

An ageing analysis of trade payables based on the invoice dates as at the respective reporting dates is as follows:

	As at 31 December 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Within 6 months	<u>71,127</u>	<u>48,360</u>

#### 14. BORROWINGS

	As at 31 December 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
<b>Current</b>		
Bank loans – secured	<u>–</u>	<u>18,199</u>
<b>Total borrowings</b>	<u>–</u>	<u>18,199</u>

## 15. SHARE CAPITAL

	Number	Par value per share US\$	Amount US\$'000	Amount RMB'000
Ordinary shares				
<b>As at 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (unaudited)</b>	<u>8,000,000,000</u>	<u>0.01</u>	<u>80,000</u>	<u>1,272</u>
<b>1 January 2023 (audited)</b>	<u>5,263,200</u>	<u>0.01</u>	<u>53</u>	<u>372</u>
Issuance of shares for				
Capitalisation issue ( <i>Note (i)</i> )	594,736,800	0.01	5,947	41,313
Issuance of new shares upon listing ( <i>Note (ii)</i> )	<u>200,000,000</u>	<u>0.01</u>	<u>2,000</u>	<u>13,895</u>
<b>As at 31 December 2023 (audited)</b>	800,000,000	0.01	8,000	55,580
Placement of new shares ( <i>Note (iii)</i> )	<u>160,000,000</u>	<u>0.01</u>	<u>1,600</u>	<u>11,364</u>
<b>As at 31 December 2024 (unaudited)</b>	<u>960,000,000</u>	<u>–</u>	<u>9,600</u>	<u>66,944</u>

### Notes:

- (i) Pursuant to another resolutions of the shareholders passed on 16 December 2022, subject to the share premium account of the Company being credited as a result of the share offer, the directors were authorised to allot and issue a total of 594,736,800 shares credited as fully paid at par to the holders of the shares on the register of members of the Company at the close of business on 15 December 2022 in proportion to their shareholdings by way of capitalisation of the sum of HK\$5,947,368 standing to the credit of the share premium account of the Company (the “**Capitalisation Issue**”). The Capitalisation Issue is effective upon listing on 13 January 2023, pursuant to the written resolutions of the shareholders passed on 16 December 2022. The shares allotted and issued rank pari passu in all respects with the existing issued shares.
- (ii) On 13 January 2023, the Company issued 200,000,000 new shares at a price of HK\$0.68 per share, resulting in the receipt of gross proceeds of HK\$136,000,000 (equivalent to approximately RMB121,491,000) (before share issue expenses).
- (iii) On 5 June 2024, the Company issued 160,000,000 new shares by way of placement at a price of HK\$0.138 per share, resulting in the receipt of gross proceeds of approximately HK\$22,080,000 (equivalent to approximately RMB20,068,000) (before share placement expenses).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **CHANGE OF FINANCIAL YEAR END DATE**

As disclosed in the Company's announcement dated 15 November 2024, the Board resolved to change the financial year end date of the Company from 31 December to 30 June. Accordingly, the next financial year end date of the Company will be 30 June 2025 and the next audited consolidated financial statements of the Group to be published will cover the period of 18 months commencing on 1 January 2024 and ending on 30 June 2025. Please refer to the above announcement for details.

### **BUSINESS REVIEW**

The Group mainly produces, and to a lesser extent trade, dried food products and snacks in Jiangxi Province in the PRC, and to a lesser extent, Sichuan Province and Hubei Province in the PRC.

#### **Manufacturing business**

For the manufacturing business, the Group produces and sells a variety of (i) snacks (including vegetable snacks and meat snacks) such as bamboo shoots crisps and roasted duck necks; and (ii) packaged dried food products such as fungi, dried aquatic products, algae, grains and seasonings in the PRC. The Group generally (i) sources raw materials from its suppliers; (ii) processes the raw materials and package products at its own production facilities; and (iii) sells the products under the Group's own "Shengyao (聲耀)" and "Ganweifang (贛味坊)" brands to customers including retailers such as supermarkets and grocery stores, corporate customers and other individual customers in the PRC as well as e-commerce channel on Tmall.com.

#### **Trading business**

For the trading business, the Group purchases dried candied fruit, nuts and other products in bulk from suppliers and sell to retailers and corporate customers without further processing in the PRC.

#### **Sales channels and customer base**

Having over 20 years of history and experience in dried food production and the continuous commitment and effort in maintaining high quality product and emphasis on food safety, the Group has established a solid customer base, including retailers such as supermarkets and grocery stores, corporate customers and other individual customers. Some of the Group's products are sold at concessionary counters in supermarkets where the promoters will promote and interact face-to-face with end consumers to provide useful product information tailored to the interests and needs of individual consumers. During the Reporting Period, the Group's products were mainly sold and delivered to customers located in Jiangxi Province, Hubei Province, Zhejiang Province and Sichuan Province in the PRC.

## **Production facilities**

As at the date of this announcement, the Group has two production facilities in Nanchang and Guangchang, namely the Nanchang plant (the “**Nanchang Plant**”) and the Guangchang plant (the “**Guangchang Plant**”), in Jiangxi Province, the PRC. The Nanchang Plant is specialised in the processing and packaging of dried food products and the Guangchang Plant is equipped with cooking equipment which is dedicated for the production of snacks.

## **PROSPECT**

As consumers are constantly evolving with their tastes and preferences, the Group will continuously develop and introduce new snack products to keep up with consumer trends. The Group will conduct internal research on popularity of different snacks products and obtain feedback from its retailer customers on acceptance of new flavours and purchase pattern of end consumers in the market. The Group intends to introduce new vegetable snacks such as mushrooms, and new meat snacks such as boneless chicken feet, beef jerky, pork trotters, quail eggs and quail meat snacks. With the long-term and established relationship with the Group’s retailer customers, the Directors consider that the Group already has established stable sales channels to sell and market new snack products readily.

In the future, the Group will continue to enhance marketing efforts and expand sales channels to maximise the exposure of its own brands and the accessibility of products to end consumers across the PRC in order to maximise returns for shareholders. In particular, the Group intends to (i) expand sales network and concessionary counter network in supermarkets in Southwestern China, in particular, in Sichuan Province, the PRC; (ii) strengthen marketing and promotional efforts in cooperation with supermarket chain customers; and (iii) expand marketing efforts by advertising snacks products through traditional media such as television and commercial broadcasts, at high-traffic locations and social media platforms such as WeChat.

## **FINANCIAL REVIEW**

### **Revenue**

During the Reporting Period, the revenue of the Group mainly represented (i) the sales from manufacturing of snacks and dried food products; and (ii) the sales from trading of snacks and dried food products.

During the Reporting Period, the Group recorded a total revenue of approximately RMB598.1 million, representing an increase of approximately 34.3% from approximately RMB445.2 million for the Previous Period. Such increase was mainly attributable to the increase in sales of dried delicacies and seasonings and others.

## **Cost of sales**

The cost of sales of the Group mainly comprised of (i) direct materials costs; (ii) production costs; (iii) direct labour costs; and (iv) others.

For the Reporting Period, the Group's cost of sales was approximately RMB588.6 million, representing an increase of approximately 97.5% from approximately RMB298.0 million for the Previous Period. Such increase was mainly due to the increase in direct material costs.

## **Gross profit and gross profit margin**

For the Reporting Period, the Group recorded (i) a gross profit of approximately RMB9.4 million, representing a decrease of approximately 93.6% from approximately RMB147.3 million for the Previous Period; and (ii) a gross profit margin of approximately 1.6%, representing a decrease of 31.5 percentage points from approximately 33.1% for the Previous Period. The decrease in gross profit and gross profit margin was mainly due to the increase in direct material costs resulting in the increase in cost of sales outweighing the increase in revenue.

## **Other revenue**

Other revenue mainly comprised government grants, interest income from bank deposits and rental income. Government grants were one-off in nature and mainly represented grants received from the PRC local government authority as subsidies to the Group.

Other revenue of the Group decreased from approximately RMB6.4 million for the Previous Period to approximately RMB4.2 million for the Reporting Period, which was mainly attributable to the decrease in government grant.

## **Other gains and losses**

Other gains and losses of the Group amounted a loss of approximately RMB6.8 million for the Reporting Period as compared to a loss of RMB164,000 for the Previous Period. Such change was mainly due to the loss on disposal on property, plant and equipment.

## **Distribution and selling expenses**

The distribution and selling expenses of the Group decreased from approximately RMB32.8 million for the Previous Period to approximately RMB9.0 million for the Reporting Period.

## Administrative expenses

Administrative expenses mainly comprised of research and development, staff cost, legal and professional expenses, depreciation and amortization, other taxes, entertainment and transportation expenses, office expenses and others. The administrative expenses of the Group decreased from approximately RMB36.6 million for the Previous Period to approximately RMB31.4 million for the Reporting Period.

## Income tax expense

The income tax expenses of the Group increased from approximately RMB9.2 million for the Previous Period to approximately RMB19.8 million for the Reporting Period. Such increase was due to the increase in taxable income of a subsidiary of the Company.

## Net loss for the Reporting Period

The Group's net loss for the Reporting Period was approximately RMB53.6 million, as compared to a net profit of approximately RMB67.5 million in the Previous Period. The turnaround of profitability for the Reporting Period was mainly due to the significant increase in direct material costs resulting in the significant increase in cost of sales outweighing the increase in revenue.

## Net current assets

The net current assets of the Group decreased from approximately RMB311.8 million as at 31 December 2023 to approximately RMB304.9 million as at 31 December 2024.

## Liquidity and capital resources

To manage liquidity risk, the Board closely monitors the Group's liquidity position and its compliance with lending covenants in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet its liquidity requirements in the short and long term.

	<b>During the Reporting Period <i>RMB'000</i> (Unaudited)</b>	<b>During the Previous Period <i>RMB'000</i> (Audited)</b>
Net cash (used in)/generated from operating activities	<b>(59,794)</b>	36,595
Net cash generated from/(used in) investing activities	<b>1,171</b>	(79,909)
Net cash generated from financing activities	<b>9,981</b>	85,669
Net (decrease)/increase in cash and cash equivalents	<b><u>(48,642)</u></b>	<b><u>42,355</u></b>



As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately RMB150.5 million, representing a decrease of approximately 24.4% from approximately RMB199.2 million as at 31 December 2023.

### **Gearing ratio**

As at 31 December 2024, the Group had no borrowings (as at 31 December 2023: approximately RMB18,199,000). Accordingly, the gearing ratio was not applicable as at 31 December 2024 (as at 31 December 2023: approximately 4.0%).

### **Significant investment held**

As at 31 December 2024, the Group had no significant investment with the fair value accounted for more than 5% of the Group's total assets.

### **Future plans for significant investments or capital assets**

As at 31 December 2024, the Group had no future plans for significant investments or acquisitions of capital assets.

### **Material acquisitions and disposals of subsidiaries, associates and joint ventures**

The Group had no material acquisition or disposal of subsidiaries, associates and joint ventures for the Reporting Period.

### **Capital commitments and contingent liabilities**

As at 31 December 2024, the Group had no significant capital commitments or contingent liabilities.

### **Foreign exchange risks**

During the Reporting Period, the Group had not adopted any foreign currency hedging policy. However, our management will regularly monitor foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

## Placing of new shares under general mandate

On 14 May 2024, the Company entered into a placing agreement (the “**Matrix Placing Agreement**”) with Matrix Securities Limited (“**Matrix**”) pursuant to which the Company appointed Matrix as its agent to procure not less than six placees to subscribe up to 160,000,000 new shares (the “**First Batch of Placing Shares**”) at a price of HK\$0.138 per share on a best effort basis on the terms and subject to the condition of the Matrix Placing Agreement (the “**First Placing**”).

On 5 June 2024, the Company completed the First Placing to allot and issue the First Batch of Placing Shares at HK\$0.138 each in accordance with the terms and conditions of the Matrix Placing Agreement. The net proceeds from the First Placing (the “**First Placing Proceeds**”) were approximately HK\$20.8 million. As at 31 December 2024, the Company has fully utilised the First Placing Proceeds according to the use of proceeds as disclosed in the announcement of the Company dated 14 May 2024:

	<b>As at 31 December 2024 HK\$'000</b>
The First Placing Proceeds	20,800
Less: Utilised for the general working capital of the Group	<u>20,800</u>
Unutilised proceeds	<u><u>–</u></u>

There are no unutilised proceeds from the First Placing as at the date of this announcement.

Details of the First Placing were disclosed in the announcements of the Company dated 14 May 2024 and 23 May 2024.

The total issued shares of the Company as at 31 December 2024 were 960,000,000 shares.

On 18 November 2024, the Company entered into a placing agreement (the “**CNI Placing Agreement**”) with CNI Securities Group Limited (“**CNI**”) pursuant to which the Company appointed CNI as its agent to procure not less than six placees to subscribe up to 160,000,000 new shares (the “**Second Batch of Placing Shares**”) at a price of HK\$0.038 per share on a best effort basis on the terms and subject to the condition of the CNI Placing Agreement (the “**Second Placing**”).

On 6 January 2025, the Company completed the Second Placing to allot and issue the Second Batch of Placing Shares at HK\$0.038 each in accordance with the terms and conditions of the CNI Placing Agreement. The net proceeds from the Second Placing (the “**Second Placing Proceeds**”) were approximately HK\$5.76 million. As at the date of this announcement (i.e. 28 February 2025), the Company has fully utilised the Second Placing Proceeds according to the use of proceeds as disclosed in the announcement of the Company dated 18 November 2024:

	<b>As at 28 February 2025 HK\$'000</b>
The Second Placing Proceeds	5,760
Less: Utilised for the general working capital of the Group	<u>5,760</u>
Unutilised proceeds	<u><u>–</u></u>

There are no unutilised proceeds from the Second Placing as at the date of this announcement.

Details of the Second Placing were disclosed in the announcements of the Company dated 18 November 2024 and 9 December 2024.

The total issued shares of the Company as at the date of this announcement are 1,120,000,000 shares.

## **EMPLOYEES AND REMUNERATION**

As at 31 December 2024, the Group had a total of 123 employees, where there were a total of 755 employees in the Group as at 31 December 2023. The increase in the number of employees of the Group was due to the corresponding increase in sales and the need for more production staff in the Group’s factories. The Group’s remuneration policies were determined with reference to the performance, qualification and experience of individual employee, as well as the results of the Group and the market condition. The Group contributed in respect of our employees in the PRC social security funds including, pension insurance, medical insurance, unemployment insurance, occupational injury insurance, insurance for maternity leave and housing provident fund contributions as required under the PRC laws and regulations.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

### **Completion of placing under general mandate**

On 6 January 2025, the Company completed the Second Placing to allot and issue the Second Batch of Placing Shares at HK\$0.038 per share in accordance with the terms and conditions of the CNI Placing Agreement. For more details, please refer to the paragraph headed “Placing of new shares under general mandate” under the section headed “Management Discussion and Analysis” in this announcement and the announcements of the Company dated 18 November 2024 and 9 December 2024.

### **Appointment of independent non-executive Director**

Mr. Yu Chi Kit has been appointed as an independent non-executive Director with effect from 15 January 2025. Following his appointment, Mr. Yu Chi Kit has also been appointed as the chairman of the audit committee of the Board (the “**Audit Committee**”) and a member of each of the remuneration committee of the Board and the nomination committee of the Board. For more details, please refer to the announcement and the supplemental announcement of the Company dated 15 January 2025 and 16 January 2025, respectively.

Save as disclosed in this announcement, there was no other material event which could have material impact to the Group’s operating and financial performance after the Reporting Period and up to the date of this announcement.

### **Change of auditor of the Company**

CCTH CPA Limited (“**CCTH**”) resigned as the auditor of the Company with effect from 24 February 2025, as the Board could not reach a consensus with CCTH on the audit fee for carrying out the audit for the financial period ending 30 June 2025. With the recommendation from the Audit Committee, it has resolved to appoint SFAI (HK) CPA Limited as the new auditor of the Company with effect from 24 February 2025 to fill the casual vacancy following the resignation of CCTH and to hold office until the conclusion of the next AGM. For more details regarding the change of auditor of the Company, please refer to the announcement of the Company dated 24 February 2025.

## **CHARGE ON GROUP’S ASSETS**

As at 31 December 2024, there was no charge on the Group’s assets (31 December 2023: approximately RMB18.2 million).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares (as defined in the Listing Rules), if any) during the Reporting Period.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders of the Company (the “**Shareholder(s)**”) and to enhance corporate value and accountability.

The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). During the Reporting Period, save for the deviation from code provision C.2.1 of the CG Code as disclosed in the paragraph headed “Chairman and Chief Executive Officer” below, the Board considers that, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the CG Code.

### **Chairman and Chief Executive Officer**

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. Mr. Yang Shengyao (“**Mr. Yang**”) is the chairman of the Board and the chief executive officer of the Company. Considering that Mr. Yang has been operating and managing the Group since its foundation, the Board believes that it is in the best interest of the Group to have Mr. Yang taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. The Board will continue to review and consider splitting the roles of chairman and chief executive officer at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has also adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code regarding directors' securities transactions during the Reporting Period.

## **DIVIDEND**

The Board does not recommend the payment of any interim dividend for the Reporting Period (Previous Period: nil). There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

## **AUDIT COMMITTEE**

The Company established the Audit Committee with written terms of reference. The Audit Committee currently comprises three independent non-executive Directors, Mr. Yu Chi Kit, Mr. Hu Ruiwo and Mr. Ye Sangzhi. Mr. Yu Chi Kit is the chairman of the Audit Committee. The primary duties of the Audit Committee include but not limited to supervising our internal control, risk management, financial information disclosure and financial reporting matters. Their composition and written terms of reference are in line with the CG Code.

The Audit Committee has reviewed the unaudited interim results for the twelve months ended 31 December 2024 and discussed with the management of the Company and is of the view that such financial information has been prepared in compliance with the applicable accounting treatment and standards, the Listing Rules and other applicable legal requirements, and that adequate disclosure has been made with no disagreement by the Audit Committee.

## **PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement for the twelve months ended 31 December 2024 is published on the websites of HKExnews of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.zhengwei100.com](http://www.zhengwei100.com)), and the interim report for the twelve months ended 31 December 2024 containing all the information required by the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Zhengwei Group Holdings Company Limited**  
**Mr. Yang Shengyao**  
*Chairman*

Hong Kong, 28 February 2025

*As at the date of this announcement, the executive Directors are Mr. Yang Shengyao and Ms. Lin Qiuyun; and the independent non-executive Directors are Mr. Yu Chi Kit, Mr. Hu Ruiwo and Mr. Ye Sangzhi.*

\* For identification purposes only