卫龙美味全球控股有限公司

WEILONG Delicious Global Holdings Ltd

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9985)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

2025 Interim Results Highlights

- Total revenue was RMB3,482.9 million, representing a year-on-year increase of 18.5%;
- Gross profit was RMB1,642.4 million, representing a year-on-year increase of 12.3%;
- Gross profit margin was 47.2%, representing a year-on-year decrease of 2.6 percentage points;
- Profit for the period was RMB736.2 million, representing a year-on-year increase of 18.5%;
- Basic earnings per share were RMB0.31, representing a year-on-year increase of 14.8%;
- Interim Dividend per ordinary share resolved to be distributed was RMB0.18.

The board (the "**Board**") of directors of WEILONG Delicious Global Holdings Ltd (the "**Company**" or "**WL Delicious**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2025 (the "**Reporting Period**") prepared in accordance with the IFRS Accounting Standards, together with the comparative figures for the corresponding period ended June 30, 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended June 30, 2025

	Notes	**2025** *RMB'000* **(Unaudited)**	2024 *RMB'000* (Unaudited)
Revenue from contracts with customers	*3*	**3,482,935**	2,938,649
Cost of sales of goods	*3, 4*	**(1,840,519)**	(1,476,364)
Gross profit		**1,642,416**	1,462,285
Distribution and selling expenses	*4*	**(527,246)**	(475,452)
Administrative expenses	*4*	**(201,125)**	(242,306)
Net impairment gains on financial assets		**–**	36
Other income, net		**34,698**	44,391
Other losses, net		**(225)**	(4,074)
Operating profit		**948,518**	784,880
Finance income		**93,664**	96,179
Finance costs		**(13,701)**	(8,501)
Finance income, net		**79,963**	87,678
Profit before income tax		**1,028,481**	872,558
Income tax expense	*5*	**(292,277)**	(251,358)
Profit for the period		**736,204**	621,200
Profit is attributable to:			
– Owners of the Company		**733,019**	621,200
– Non-controlling interests		**3,185**	–
Earnings per share for profit attributable to owners of the Company (RMB)			
Basic earnings per share	*6*	**0.31**	0.27
Diluted earnings per share	*6*	**0.31**	0.27

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended June 30, 2025

	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**736,204**	621,200
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**13,747**	(2,485)
Items that may not be reclassified to profit or loss:		
Exchange differences on translation of the Company	**(59,721)**	11,171
Other comprehensive income/(loss) for the period, net of tax	**(45,974)**	8,686
Total comprehensive income for the period	**690,230**	629,886
Total comprehensive income for the period attributable to:		
– Owners of the Company	**687,015**	629,886
– Non-controlling interests	**3,215**	–

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2025

	Note	**June 30, 2025** *RMB'000* **(Unaudited)**	December 31, 2024 *RMB'000* (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**1,353,399**	1,205,219
Right-of-use assets		**464,343**	474,100
Goodwill		**4,269**	4,269
Other intangible assets		**16,527**	17,219
Term deposits with initial term over three months		**2,328,868**	2,879,414
Deferred income tax assets		**33,317**	22,224
Other non-current assets		**47,997**	60,270
Total non-current assets		**4,248,720**	4,662,715
Current assets			
Trade, other receivables and prepayments	*8*	**255,534**	253,353
Inventories		**851,215**	878,262
Term deposits with initial term over three months		**2,786,935**	1,546,366
Cash and cash equivalents		**1,414,136**	841,717
Total current assets		**5,307,820**	3,519,698
Total assets		**9,556,540**	8,182,413

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
June 30, 2025

	Note	**June 30, 2025** **RMB'000** **(Unaudited)**	December 31, 2024 *RMB'000* (Audited)
Liabilities			
Non-current liabilities			
Borrowings		**–**	176,015
Lease liabilities		**18,468**	19,826
Deferred income		**155,097**	154,324
Deferred income tax liabilities		**95,993**	125,807
Total non-current liabilities		**269,558**	475,972
Current liabilities			
Trade and other payables	*9*	**753,231**	826,627
Contract liabilities and refund liabilities		**244,326**	597,310
Current income tax liabilities		**41,858**	53,510
Borrowings		**1,176,170**	212,945
Lease liabilities		**6,798**	9,619
Total current liabilities		**2,222,383**	1,700,011
Total liabilities		**2,491,941**	2,175,983
Net assets		**7,064,599**	6,006,430
Equity			
Share capital		**161**	155
Other reserves		**3,036,448**	2,009,487
Retained earnings		**4,015,696**	3,987,709
Equity attributable to owners of the Company		**7,052,305**	5,997,351
Non-controlling interests		**12,294**	9,079
Total equity		**7,064,599**	6,006,430
Total equity and liabilities		**9,556,540**	8,182,413

NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS

June 30, 2025

1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. These interim condensed consolidated financial information are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2024.

2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard that are applicable to the Group are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. SEGMENT INFORMATION

The Group is principally engaged in the production and sale of spicy snack food. Majority of the Group's revenue and business activities are conducted in the PRC.

For management purposes, the Group is organized into business units based on their products and has three reportable operating segments as follows:

By product type:

- Seasoned flour products, primarily comprising Big Latiao, Mini Latiao, Spicy Hot Stick, Mini Hot Stick, Kiss Burn, and Mala Mala
- Vegetable products, primarily comprising Konjac Shuang, Fengchi Kelp and XIAO MO NV
- Bean-based and other products, primarily comprising Spicy Tofu Skin and others

The chief operating decision-maker ("**CODM**") monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on gross profit. No analysis of segment operating profit is presented as CODM does not regularly review such information for the purposes of resource allocation and performance assessment. Segment assets and liabilities are not presented as CODM reviews the assets and liabilities on a central basis. Therefore, only segment revenue and segment gross profit are presented.

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

Six months ended June 30, 2025

	Seasoned flour products	**Vegetable products**	**Bean-based and other products**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Revenue	**1,309,964**	**2,108,786**	**64,185**	**3,482,935**
Cost of sales	**(676,515)**	**(1,127,006)**	**(36,998)**	**(1,840,519)**
Gross profit	**633,449**	**981,780**	**27,187**	**1,642,416**

Six months ended June 30, 2024

	Seasoned flour products	Vegetable products	Bean-based and other products	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	1,353,826	1,461,256	123,567	2,938,649
Cost of sales	(706,022)	(692,913)	(77,429)	(1,476,364)
Gross profit	647,804	768,343	46,138	1,462,285

(a) Geographical information

Revenue from external customers by location of the customers is shown in the table below:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC	**3,429,466**	2,904,025
Overseas	**53,469**	34,624
	3,482,935	2,938,649

Majority of the Group's identifiable assets and liabilities were located in the PRC.

(b) Information about major customers

During the six months ended June 30, 2025, revenue from the Group's sales to a major third-party customer was RMB389.6 million, amounted to approximately 11% of the Group's total revenue for the six months ended June 30, 2025 (six months ended June 30, 2024: no revenue from the Group's sales to a single customer amounted to 10% or more of the Group's total revenue).

(c) An analysis of revenue is as follows:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of goods	**3,482,935**	2,938,649

The timing of the above revenue recognition is when the performance obligations of sales and delivery of goods are satisfied at a point in time.

The performance obligation is satisfied upon delivery of goods and payment in advance is normally required, except for customers with credit terms up to 90 days. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration.

The Group has no revenue contract that has an original expected duration of more than one year, thus management has applied the practical expedient under IFRS 15 and is not required to disclose the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied as of the end of the reporting period.

4. EXPENSE BY NATURE

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Consumption of raw materials	**1,372,274**	1,147,250
Changes in inventories of finished goods, semi-finished goods, and goods in transit	**81,100**	(364)
Employee benefit expenses	**532,388**	540,127
Transportation expenses	**109,334**	92,966
Utilities	**80,400**	61,357
Promotion and advertising expenses	**161,255**	120,263
Other tax expenses	**32,702**	32,038
Depreciation and amortization	**86,164**	82,560
Travelling expenses	**22,299**	23,908
Repairs and maintenance	**21,564**	18,002
Office expenses	**21,597**	18,864
Auditor's remuneration		
– Audit services	**1,300**	1,200
– Non-audit services	**299**	889
Expense relating to short-term leases	**6,259**	5,404
Professional fees	**13,055**	27,187
Others	**26,900**	22,471
Total cost of sales of goods, distribution and selling expenses and administrative expenses	**2,568,890**	2,194,122

5. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
Current tax on profits for the period	**277,576**	212,673
Deferred income tax		
Decrease/(increase) in deferred income tax assets	**(7,636)**	2,128
Increase in deferred income tax liabilities	**22,337**	36,557
Total deferred tax expense	**14,701**	38,685
Income tax expense	**292,277**	251,358

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

6. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the period.

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(RMB'000)*	**733,019**	621,200
Weighted average number of outstanding ordinary shares *(thousands)*	**2,338,730**	2,312,489
Basic earnings per share *(RMB)*	**0.31**	0.27

Outstanding ordinary shares that are contingently returnable (i.e. subject to recall) are not treated as outstanding and are excluded from the calculation of basic earnings per share until the date the shares are no longer subject to recall.

During the six months ended June 30, 2025, an aggregate of 10,805,243 RSUs (June 30, 2024: 3,092,870) become vested under the terms and conditions of the RSU Scheme, so the effect of these shares has been taken into account in the calculation of basic earnings per share since the vesting date.

(b) Diluted

Diluted earnings per share is calculated based on the profit attributable to owners of the Company after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares during the period.

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(RMB'000)*	**733,019**	621,200
Weighted average number of outstanding ordinary shares *(thousands)*	**2,338,730**	2,312,489
Adjustments for:		
– RSUs *(thousands)*	**4,536**	2,724
Adjusted weighted average number of outstanding ordinary shares for diluted earnings per share *(thousands)*	**2,343,266**	2,315,213
Diluted earnings per share *(RMB)*	**0.31**	0.27

7. DIVIDENDS

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Final and special dividends declared	**705,032**	493,741

On June 12, 2025, the Company's shareholders approved a profit distribution plan at an annual general meeting, pursuant to which a final dividend in respect of the year ended December 31, 2024 of RMB0.11 per share, amounting to a total final dividend of RMB267,426,000, and a special dividend in respect of the year ended December 31, 2024 of RMB0.18 per share, amounting to a total special dividend of RMB437,606,000, were declared to all shareholders. The dividends were paid in June 2025.

An interim dividend in respect of the six months ended June 30, 2025 of RMB0.18 per share, amounting to a total interim dividend of approximately RMB437,606,000, representing approximately 60% of the net profit of the Group for the six months ended June 30, 2025, was declared by the Company's board of directors at the board meeting held on August 14, 2025. The interim condensed consolidated financial information does not reflect these dividend payables.

8. TRADE, OTHER RECEIVABLES AND PREPAYMENTS

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables:		
Receivables from third parties	**73,395**	52,843
Loss allowance	**(5)**	(5)
	73,390	52,838
Other receivables:		
Deposits	**5,689**	5,258
Loans to third parties	**200**	200
Others	**1,512**	3,437
Loss allowance	**(200)**	(200)
	7,201	8,695
Prepayments:		
Prepayments for raw materials	**72,959**	64,869
Prepayments for services	**29,854**	17,287
Input VAT recoverable	**28,876**	67,480
Prepayment for income tax	**43,254**	42,184
	174,943	191,820
	255,534	253,353

Trade receivables primarily arise from credit sales of products. The Group usually deliver products to distributors after they have made the payment, while for direct sale customers, credit period is granted. The credit terms are generally up to 90 days.

As at June 30, 2025 and December 31, 2024, the aging analysis of the trade receivables based on invoice date is as follows:

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables:		
Within 90 days	**69,808**	47,392
91-180 days	**3,587**	5,451
	73,395	52,843

9. TRADE AND OTHER PAYABLES

	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables:		
– Third parties	**197,802**	204,020
– Related parties	**7,441**	8,594
	205,243	212,614
Other payables:		
Salary and welfare payables	**224,116**	282,361
Amounts due to a related party	**260**	260
Deposits payables	**93,489**	80,791
Freight charges payables	**25,348**	24,371
Payables for purchase of property, plant and equipment	**45,595**	22,848
Tax payable	**43,120**	30,467
VAT payable related to contract liabilities	**8,745**	50,020
Utilities payables	**15,806**	15,673
Consideration payable for acquisition of a subsidiary	**4,000**	4,000
Others	**87,509**	103,222
	547,988	614,013
	753,231	826,627

The aging analysis of the trade payables based on invoice date is as follows:

	June 30, 2025 *RMB'000* **(Unaudited)**	December 31, 2024 *RMB'000* (Audited)
Trade payables:		
Within 90 days	**205,243**	212,614

10. EVENTS AFTER THE REPORTING PERIODS

An interim dividend of RMB0.18 per share for the six months ended June 30, 2025, equivalent to an aggregate of approximately RMB437,606,000, representing approximately 60% of the net profit of the Group for the six months ended June 30, 2025, was declared by the Company's board of directors at the board meeting held on August 14, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Macro and Industry Environment

Looking back at the first half of 2025, China's economy operated generally stably with a positive momentum. According to data from the National Bureau of Statistics of China, the GDP in the first half of 2025 increased by 5.3% year-on-year. The real economy has demonstrated strong resilience and profound potential, laying a solid foundation for the development of the industry and enabling the continuous release of the recovery momentum in the consumer market.

In the first half of 2025, China's consumer market exhibited new normal characteristics. According to McKinsey's report *China Consumption in the New Normal*[1], although the growth rate has decelerated, China remains one of the world's largest consumer markets. When global consumption growth is generally under pressure, the Chinese market is still a leader in new global consumption models, and structural opportunities in specific market segments still exist. Chinese consumer confidence tends to be stable, but there is obvious group differentiation. Consumption as a whole presents a more diversified and rational structure. Consumers are turning to pursue personal value and quality of life, and pursue high-quality products and experiences that can bring a sense of satisfaction. Young people, especially Generation Z, are relatively more optimistic under such a consumption background. For consumer brands, high-quality products not only mean good quality and price, but also need to consider how to establish a close connection with consumers' quality of life and experience, understand the changes in consumers' needs, so as to better seize the future growth potential.

In the first half of 2025, according to the *2025 China Snack Food Industry Market Competition Pattern Analysis and Development Trend Forecast* released by ChinaIRN com[2], the snack food market has demonstrated steady growth in recent years. The sustained growth of per capita disposable income, coupled with the increasingly plentiful consumption scenes and the continuous launch of innovative products, has collectively driven the snack food market's continuous expansion. At the same time, from the perspective of category structure, China's snack food market presents a coexistence of "Western-style" and "Chinese-style" products. Chinese-style categories occupy an important position in the Chinese snack industry due to their unique flavors and cultural background. These categories not only meet the diverse needs of consumers but also promote the segmentation and diversified development of the market. From the perspective of taste preferences, the market size of spicy snack food is increasing year by year. This change also reflects the current trend of diversified and personalized taste

1 China Consumer In The New Normal-McKinsey Greater China

2 2025 China Snack Food Industry Market Competition Pattern Analysis and Development Trend Forecast_ ZERO POWER INTELLIGENCE_ChinaIRN.com

needs of consumers. In addition to the traditional taste and flavor, consumers' demand for snack food now also considers nutrition and convenience as important factors when choosing snack food. At the same time, consumers' requirements for the packaging and branding of snack food are also increasing continuously.

Meanwhile, we have observed that domestic distribution channels are currently undergoing multiple changes. Snack specialty retailers continue to expand, and the market scale of warehouse membership clubs keeps growing. Coupled with the rising of emerging channels such as O2O, community group buying and instant retail, these developments have driven the industry into a cycle of omni-channel integration and restructuring. Faced with this pattern, snack food brands need to accelerate the transformation of channel structure, promote full integration of online and offline channels, actively embrace new business formats, and expand into overseas markets.

Moreover, continued supply-chain optimisation and technological innovation also help companies improve operational efficiency, enabling them to better respond to changes in the external environment and drive steady business progress.

Business Review

During the Reporting Period, the Group continued to specialize in turning authentic Chinese gourmet into casual snack food that consumers can enjoy anywhere and anytime. We adhered to the mission of "letting the world fall in love with Chinese flavours", the great vision of "making authentic Chinese gourmet more entertaining, casual, convenient, affordable, data-enabled and automated, and ultimately building a great business that brings joy and happiness to people for 123 years", and the core values of "integrity, innovation, customer first, and employee oriented." This is aimed at fostering a highly efficient, pragmatic, open and innovative work environment that focuses on the quality of customer service and prioritizes employee experience and growth, thereby continuously driving the sustainable and healthy development of the enterprise and, in turn, providing better services and experiences for our clients and consumers.

During the Reporting Period, the Group adheres to our product R&D philosophy of "maximizing the intrinsic value of nature with an industrialized approach", focused on innovation, conducted in-depth consumer insights, accurately captured market demands, and continuously strengthened our R&D capabilities. We firmly believe that product competitiveness is the foundation for development and the core to connect with consumers, gain their trust, and maintain long-term loyalty. We adhere to a strategy of multiple categories, making efforts in terms of new products, new flavors, new craftsmanship, and new packaging. We expand and enrich our product portfolio, improve product quality, meet the diverse and personalized consumption needs of the market, and drive the matching of product strength with market demand.

During the Reporting Period, our group continued to deepen brand penetration in ways that appeal to young people, building a multi-dimensional consumer scenario connections through a variety of online and offline brand activities: We jointly launched the campaign of "New Partners for Crazy Thursday" with KFC, introducing a limited-edition "Latiao-flavored big chicken strip." We partnered with LINLEE to initiate the "Spicy Challenge," leveraging the best-selling products and buzz to reach more consumers. We also collaborated with the domestic trend brand Crying Center to launch the "Big Kids Exclusive" series, using holiday marketing to evoke youthful taste memories. In addition, we officially announced Mr. WANG Anyu as the spokesperson for our konjac products, leveraging the influence of celebrities to broaden the channels of communication. This series of measures effectively reached the young customer base and solidified the foundation for the brand's youthful and fun-oriented development.

During the Reporting Period, the diversified development of China's retail channels is accelerating. Snack specialty retailers, warehouse membership clubs, and other channels continued to expand while emerging channels and small-format businesses maintained growth, with e-commerce channels also developed in a diversified manner. We have closely followed the trends and changes in channel development, and continuously enhanced our omni-channel coverage capabilities and sales network, thereby reaching more consumers.

During the Reporting Period, the Group recorded a total revenue of RMB3,482.9 million, representing an increase of 18.5% as compared with RMB2,938.6 million in the corresponding period of the year ended December 31, 2024 (the "**Previous Year**"), primarily due to the Group's continuous efforts in strengthening omni-channel development and brand building, as well as optimizing the channel structure during the reporting period. Gross profit of the Group in the Reporting Period increased by 12.3% from RMB1,462.3 million in the corresponding period of the Previous Year to RMB1,642.4 million, primarily due to the increase of the Group's revenue in the reporting period, and the Group's gross profit margin declined by 2.6 percentage points from 49.8% in the corresponding period of the Previous Year to 47.2% in the Reporting Period, reflecting the impact of the increase in certain raw material costs. However, the Group actively improved the efficiency of its supply chain during the Reporting Period, thereby partially offsetting the above-mentioned impact. The Group's net profit increased by 18.5% from RMB621.2 million in the corresponding period of Previous Year to RMB736.2 million during the Reporting Period, mainly reflecting the increase of the Group's operating profit in the Reporting Period. The net profit margin of the Group during the reporting period was 21.1%, which remained consistent with the corresponding period of the Previous Year.

Our Products

The Group is a leader and pioneer in the spicy snack food industry in China. The Group adheres to the strategy of multiple categories with its products covering seasoned flour products, vegetable products, and bean-based and other product categories. Seasoned flour products, also commonly known as Latiao (辣條), primarily comprise Big Latiao (大麵筋), Mini Latiao (小麵筋), Kiss Burn (親嘴燒), Mala Mala (麻辣麻辣) and others. Vegetable products primarily comprise Konjac Shuang (魔芋爽), Fengchi Kelp (風吃海帶) and XIAO MO NV (小魔女). Bean-based and other products primarily comprise Spicy Tofu Skin (香辣豆皮) and others.

Within the "Konjac Shuang" series of Vegetable products, the Group launched sesame paste-flavored Konjac Shuang during the reporting period. This product retains the original chewy and smooth texture of Konjac Shuang while skillfully incorporating a rich sesame paste flavor. It selects high-quality sesame seeds, which are grounded into a mellow sesame paste base, creating a unique taste with an interweaving of saltiness and aroma and rich layers. At the same time, the spiciness has been carefully adjusted, adding a brand-new taste experience for consumers on the basis of the traditional classic-flavored Konjac Shuang.

Within the "Kiss Burn" series of Seasoned flour products, the Group launched the spicy beef-flavored Kiss Burn during the reporting period. Drawing on the R&D concept of five-spice braising ingredients, it brings together four regional aromatic materials: Jinyang green Sichuan peppercorns, Wudu Sichuan peppercorns, Henan chili peppers, and Indian ghost peppers. Through precise blending and craftsmanship refinement, the spicy, numbing, fresh and fragrant notes along with the rich beef flavor are locked into the layered noodle sheet structure. The product has a rich, numbing taste and is full of juiciness, which not only endows the classic Kiss Burn with a brand-new taste vitality, but also expands the boundaries of flavor innovation, deeply responding to consumers' demand for innovative flavors.

During the Reporting Period, our revenue was primarily derived from the sales of seasoned flour products and vegetable products. The following table sets forth a breakdown of our revenue by product categories for the periods indicated:

	For the six months ended June 30,			
Product category	**2025**		2024	
	RMB'000	***% of total revenue***	*RMB'000*	*% of total revenue*
Seasoned flour products	**1,309,964**	**37.6%**	1,353,826	46.1%
Vegetable products	**2,108,786**	**60.5%**	1,461,256	49.7%
Bean-based and other products	**64,185**	**1.9%**	123,567	4.2%
Total	**3,482,935**	**100.0%**	2,938,649	100.0%

Revenue generated from our seasoned flour products declined by 3.2% from RMB1,353.8 million in the corresponding period of Previous Year to RMB1,310.0 million in the Reporting Period, primarily due to the Group's active adjustment of resource allocation and optimization of product matrix. Revenue from our seasoned flour products as a percentage of total revenue decreased from 46.1% in the corresponding period of Previous Year to 37.6% in the Reporting Period, reflecting that the Group has made strategic investments in categories with greater market potential in response to market changes and consumer demands.

Revenue from our vegetable products increased by 44.3% from RMB1,461.3 million in the corresponding period of Previous Year to RMB2,108.8 million in the Reporting Period and its percentage to our total revenue increased from 49.7% in the corresponding period of Previous Year to 60.5% in the Reporting Period, mainly due to (i) the Group actively explored consumer needs, continuously innovated, and constantly enriched the product matrix of this category; (ii) the Group continued to expand the production capacity of such products during the Reporting Period; and (iii) the Group continued to strengthen omni-channel development and brand building.

Revenue from our bean-based and other products decreased by 48.1% from RMB123.6 million in the corresponding period of Previous Year to RMB64.2 million in the Reporting Period and its percentage to our total revenue decreased from 4.2% in the corresponding period of Previous Year to 1.9% in the Reporting Period.

Our Customers and Sales Channels

Customers of the Group are primarily offline and online distributors, and to a lesser extent, direct sales customers and individual consumers who purchase from our self-operated online stores. Through in-depth channel building over years, we have a nationwide distribution network that deeply penetrates the Chinese market. As of June 30, 2025, we cooperated with 1,777 offline distributors and served for the key main national or regional supermarkets, snack specialty retailers, chained convenience stores and other points of sale (the "**POS**").

In the first half of 2025, the traffic in retail channels accelerated its differentiation. Emerging channels continued to expand, instant retail formats emerged, and traditional channels have also adjusted and adapted in response to market changes. We have been keeping pace with channel changes, continuously expanding our sales POS, strengthening the POS execution capabilities of our sales team, collaborating with distributors to upgrade POS services, so as to improve the efficiency of each POS by optimizing operations, customized differentiated products and displays for different channels, thus driving steady growth in offline POS performance.

We have actively been engaged in an online omni-platform sales ecosystem. On traditional e-commerce platforms such as Tmall, JD.com and Pinduoduo, we rely on professional teams to engage in in-depth and refined operations, ensuring that products accurately reach target consumers and improving consumer shopping satisfaction. At the same time, we have been seizing the opportunities in content and social e-commerce, and expanded our presence on platforms like Douyin, Kuaishou and Xiaohongshu. Using short videos and live streaming as the carriers, we have been expanding our influence through creative content, influencer recommendations, and product promotions, reaching a broad young consumers. Our online direct sales and distribution channels worked in tandem with offline channels to jointly promote the development of an omni-channel ecosystem.

The table below sets out a breakdown of our revenue by sales channels for the years indicated:

	For the six months ended June 30,			
	2025		2024	
	RMB'000	***% of total revenue***	*RMB'000*	*% of total revenue*
Offline channels[3]	**3,147,223**	**90.4%**	2,589,623	88.1%
Online channels	**335,712**	**9.6%**	349,026	11.9%
– Online distribution[4]	**107,762**	**3.1%**	136,589	4.7%
– Online direct sales[5]	**227,950**	**6.5%**	212,437	7.2%
Total	**3,482,935**	**100.0%**	2,938,649	100.0%

Our revenue from offline channels increased by 21.5% from RMB2,589.6 million in the corresponding period of Previous Year to RMB3,147.2 million during the Reporting Period, reflecting our achievements in our offline omni-channel construction and brand building during the Reporting Period. Our revenue from offline channels as a percentage of our total revenue increased from 88.1% in the corresponding period of Previous Year to 90.4% in the Reporting Period, remaining stable.

Revenue from online channels decreased by 3.8% from RMB349.0 million in the corresponding period of Previous Year to RMB335.7 million in the Reporting Period, of which our revenue from online distribution decreased by 21.1% from RMB136.6 million in the corresponding period of Previous Year to RMB107.8 million in the Reporting Period and our revenue from online direct sales increased by 7.3% from RMB212.4 million in the corresponding period of Previous Year to RMB228.0 million in the Reporting Period, primarily due to the traffic diverging among various online channels, the Group has been actively adjusting its operating strategies in terms of the development of online channels during the Reporting Period.

3 Offline channels mainly include distribution through our offline distributors and direct sales through some emerging channels.

4 Online distribution refers to the sales model under which we distribute goods to online retailers such as Tmall Supermarket and JD Supermarket, or other online distributors, who then sell our products to consumers.

5 Online direct sales refer to the sales model under which we sell products directly to consumers through our self-operated online stores on multiple third-party online platforms, such as Tmall, JD.com, Pinduoduo, Douyin and Kuaishou.

The table below sets forth a breakdown of revenue contribution by geographic locations of the registered offices of offline distributors and some direct sales channels during the periods indicated, presented as a percentage of our total offline revenue:

	For the six months ended June 30,			
	2025		2024	
	RMB'000	***% of total revenue***	*RMB'000*	*% of total revenue*
Eastern China	**746,130**	**23.7%**	607,284	23.5%
Central China	**481,596**	**15.3%**	419,790	16.2%
Northern China	**420,960**	**13.4%**	370,777	14.3%
Southern China	**637,576**	**20.3%**	473,598	18.3%
Southwestern China	**406,419**	**12.9%**	346,359	13.4%
Northwestern China	**401,073**	**12.7%**	337,191	13.0%
Overseas[6]	**53,469**	**1.7%**	34,624	1.3%
Total	**3,147,223**	**100.0%**	2,589,623	100.0%

We generated relatively balanced revenue from offline distributors in different geographic areas in China. The geographic distribution of our domestic revenue is generally in line with the economic development and population of different regions in China. During the Reporting Period, revenue generated overseas was immaterial.

Our Production Facilities and Capacities

In the first half of 2025, the Group has continuously been promoting the automation, streamlining and digitalization of production facilities, so as to continuously improve the production efficiency, and ensure the stability of product quality.

As of June 30, 2025, the Group operates five plants in Henan Province, namely Luohe Pingping Plant, Luohe Weilai Plant, Zhumadian Weilai Plant, Luohe Weidao Plant and Luohe Xinglin Plant.

Meanwhile, on 22 April 2025, the Group formally signed an investment agreement with the Management Committee of Nanning High-Tech Industrial Development Zone in Guangxi, planning to establish a new production facility in Nanning, Guangxi, to provide ongoing support for business growth and expansion.

6 Revenue contributed overseas is from offline distributors registered overseas.

The tables below set out the details of our designed production capacity, actual production, and utilization rates for the periods indicated, by product types and by plants:

Type of Products	For the six months ended June 30, 2025 Designed Production Capacity *(ton)*	Actual Production *(ton)*	Utilization Rate	2024 Designed Production Capacity *(ton)*	Actual Production *(ton)*	Utilization Rate
Seasoned flour products	**81,317.1**	**65,711.7**	**80.8%**	117,106.9	66,112.3	56.5%
Vegetable products	**94,734.0**	**73,433.1**	**77.5%**	59,406.0	50,445.0	84.9%
Bean-based and other products	**2,619.1**	**1,982.9**	**75.7%**	2,777.6	2,639.3	95.0%
Total	**178,670.2**	**141,127.7**	**79.0%**	179,290.5	119,196.6	66.5%

During the Reporting Period, our designed production capacity for seasoned flour products decreased compared with the corresponding period of Previous Year, primarily due to the adjustment of some production lines. Our designed production capacity for vegetable products increased compared with the corresponding period of Previous Year, primarily due to the addition of new production lines for vegetable products. Our designed production capacity for bean-based and other products was basically the same as that in the corresponding period of Previous Year. Our overall utilization rate increased compared with the corresponding period of Previous Year, primarily attributable to the increase in sales volume of the Group during the Reporting Period.

Production Plants	For the six months ended June 30, 2025 Designed Production Capacity *(ton)*	Actual Production *(ton)*	Utilization Rate	2024 Designed Production Capacity *(ton)*	Actual Production *(ton)*	Utilization Rate
Luohe Pingping Plant	**21,409.1**	**18,044.5**	**84.3%**	42,325.7	27,986.4	66.1%
Luohe Weilai Plant	**30,728.5**	**24,270.6**	**79.0%**	31,217.9	20,389.5	65.3%
Zhumadian Weilai Plant	**19,599.1**	**16,297.0**	**83.2%**	32,169.9	15,447.4	48.0%
Luohe Weidao Plant	**47,923.5**	**36,844.8**	**76.9%**	51,853.2	36,323.3	70.1%
Luohe Xinglin Plant	**59,010.0**	**45,670.8**	**77.4%**	21,723.8	19,050.0	87.7%
Total	**178,670.2**	**141,127.7**	**79.0%**	179,290.5	119,196.6	66.5%

During the Reporting Period, the changes for the annualized designed production capacity among our plants were mainly attributable to adjustments in some products and specifications. Overall utilization rate increased compared with the corresponding period of Previous Year, primarily attributable to the increase in sales volume of the Group during the Reporting Period.

Our Food Safety and Quality Control

As one of China's leading snack food enterprises, we always take quality as our core and regard food safety as the "lifeline" of our enterprise. We continuously improve and upgrade our food safety management system. We adhere to product quality and strictly control every aspect from raw material selection to the entire production process to ensure that we provide consumers with safe and reliable products. At the same time, we actively promote innovation and research and development, and aim to meet consumers' increasingly diverse needs with healthier and more delicious snack foods. We are committed to winning the trust and support of the market with high-quality products.

Our R&D Capabilities

The Group always adheres to our product R&D philosophy of "maximizing the intrinsic value of nature with an industrialized approach". With the modular R&D model as the core, the Group focuses on the upgrading and iteration of existing products and the development of new products. We continues to increase investment in critical areas such as food texture, flavour science, sterilisation and freshness-preservation technologies, while actively advancing next-generation product pipelines. In addition, the Group has effectively optimized the R&D project process mechanism and product development process.

The Group has established long-term and stable cooperative relationships with top domestic universities in the field of food science, jointly building an industrialization demonstration base for food engineering technology research centers. Both parties conduct in-depth joint research on forward-looking and critical technologies in the industry to achieve resource sharing and complementary advantages, and simultaneously promote the reserve talent training plan, further consolidating the Group's advantageous position in the field of product and technology research and development. At present, the Group has established a professional research team covering multiple fields such as food engineering, food safety and nutrition, polymer chemistry, biology, inspection and testing. The Group will continue to upgrade and innovate its technology and conduct research and development on emerging technologies, seize changes in consumer demand, and inject strong momentum into the Group's sustainable growth.

Our Information Technology

During the Reporting Period, the Group continued to implement its digital transformation strategy. With the aim of improving the quality and efficiency of business departments, the Group continuously strengthened the construction of digital infrastructure. Leveraging its solid foundation in information technology, the Group effectively monitored and optimized its management system as well as procurement, sales, production processes and others.

Looking back at this Reporting Period, in terms of the sales module, the Group has continuously strengthened the construction of the sales management system, thereby rapidly enabling business expansion in the market, increasing store coverage and operational efficiency. At the same time, in order to continuously improve the service quality and efficiency of the transportation system, the Group has continuously optimized the AGV automatic transportation process, thereby enhancing the efficiency of shipping and fulfillment. Through a series of digital tools and methods, the Group drives the operation of the business, thereby fully empowering and enhancing the efficiency of our business.

FINANCIAL REVIEW

Revenue and Gross Profit

During the Reporting Period, the Group recorded a revenue of RMB3,482.9 million, representing an increase of 18.5% as compared with RMB2,938.6 million in the first half of Previous Year, primarily due to the Group's continuous efforts in strengthening omni-channel development and brand building, as well as optimizing the channel structure during the reporting period.

During the Reporting Period, gross profit of the Group increased by 12.3% from RMB1,462.3 million in the first half of Previous Year to RMB1,642.4 million in the Reporting Period. During the Reporting Period, gross profit margin of the Group decreased from 49.8% in the corresponding period of Previous Year by 2.6 percentage points to 47.2%, reflecting the impact of the increase in certain raw material costs. However, the Group actively improved the efficiency of its supply chain during the reporting period, thereby partially offsetting the above-mentioned impact.

Distribution and Selling Expenses

During the Reporting Period, distribution and selling expenses of the Group amounted to RMB527.2 million, representing an increase of 10.9% as compared with RMB475.5 million in the first half of Previous Year. During the Reporting Period, distribution and selling expenses of the Group accounted for 15.1% of the total revenue, representing a decrease of 1.1 percentage points as compared with 16.2% in the first half of Previous Year. The increase in the Group's distribution and selling expenses was mainly due to an increase in promotion and advertising expenses as well as transportation expenses during the Reporting Period.

Administrative Expenses

Administrative expenses of the Group decreased by 17.0% from RMB242.3 million in the corresponding period of Previous Year to RMB201.1 million during the Reporting Period. During the Reporting Period, administrative expenses of the Group accounted for 5.8% of the total revenue, representing a decrease of 2.4 percentage points as compared with 8.2% in the first half of Previous Year.

Other Income, Net

During the Reporting Period, other net income of the Group amounted to RMB34.7 million, representing a decrease of 21.8% as compared with RMB44.4 million in the first half of Previous Year.

Finance Income, Net

Net finance income of the Group decreased by 8.8% from RMB87.7 million in the corresponding period of Previous Year to RMB80.0 million during the Reporting Period, primarily due to a decrease in interests from banks.

Income Tax Expense

During the Reporting Period, income tax expenses of the Group amounted to RMB292.3 million, representing an increase of 16.3% as compared with RMB251.4 million in the first half of Previous Year, which was in line with an increase of the taxable income of the Group during the Reporting Period.

Profit for the Period

As a result of the foregoing, profit for the period of the Group increased by 18.5% from RMB621.2 million in the first half of Previous Year to RMB736.2 million during the Reporting Period, mainly reflecting the increase of the Group's operating profit. Group's net profit margin remained relatively stable at 21.1% during the Reporting Period and the corresponding period of Previous Year.

Dividends

Based on the Group's overall performance, having accounted for, including but not limited to, surplus, overall financial conditions and capital expenditures of the Group during the Reporting Period, the Board has decided to declare an interim dividend (the "**Interim Dividend**") of RMB0.18 per share as of June 30, 2025 (inclusive of tax, amounting to a total Interim Dividend of approximately RMB437.6 million), representing approximately 60% of the net profit of the Group for the six months ended June 30, 2025. The dividend is expected to be paid on or about October 20, 2025.

Term Deposits with Initial Term over Three Months, Cash and Cash Equivalents and Borrowings

As of June 30, 2025, the sum of term deposits with initial term over three months and cash and cash equivalents of the Group amounted to RMB6,529.9 million, representing an increase of 24.0% as compared with RMB5,267.5 million as of the end of Previous Year, mainly attributable to proceeds from the Placing and Subscription and the cash generated from operating activities partially offset by the cash used in in the acquisition of property, plant and equipment and dividend payment during the Reporting Period. Borrowings of the Group were RMB1,176.2 million and RMB389.0 million as of June 30, 2025 and December 31, 2024, respectively. As of June 30, 2025, among the Group's total borrowings, RMB176.2 million were secured bank loans which the Group obtained for the construction of plants and purchase of machinery and equipment, while the remaining borrowings were used to meet the Group's working capital requirements.

Inventories

Inventories of the Group decreased by 3.1% from RMB878.3 million as of the end of Previous Year to RMB851.2 million as of June 30, 2025. Due to the increased reserve of certain raw materials, inventory turnover days of the Group increased from 73 days in the Previous Year to 85 days in the Reporting Period.

Trade, Other Receivables and Prepayments

Trade receivables of the Group increased by 39.0% from RMB52.8 million as of the end of Previous Year to RMB73.4 million as of June 30, 2025. The turnover days of trade receivables increased from 3.0 days in the Previous Year to 3.3 days in the Reporting Period.

Other receivables of the Group decreased by 17.2% from RMB8.7 million as of the end of Previous Year to RMB7.2 million as of June 30, 2025.

Prepayments of the Group decreased by 8.8% from RMB191.8 million as of the end of Previous Year to RMB174.9 million as of June 30, 2025, primarily due to a decrease in input VAT recoverable.

Trade and Other Payables

Trade payables of the Group decreased by 3.5% from RMB212.6 million as of the end of Previous Year to RMB205.2 million as of June 30, 2025. The turnover days of trade payables decreased from 21.2 days in the Previous Year to 20.5 days in the Reporting Period.

Other payables of the Group decreased by 10.7% from RMB614.0 million as of the end of Previous Year to RMB548.0 million as of June 30, 2025.

Contract Liabilities and Refund Liabilities

Contract liabilities and refund liabilities of the Group decreased by 59.1% from RMB597.3 million as of the end of Previous Year to RMB244.3 million as of June 30, 2025, primarily due to increased orders for the upcoming Chinese New Year at the end of Previous Year.

Gearing Ratio

As of June 30, 2025, the gearing ratio of the Group, which is calculated as total interest-bearing borrowings divided by total equity, was 16.6%, as compared with 6.5% as of the end of Previous Year.

Treasury Policy

The Group adopts a conservative financial management approach for its treasury policy to ensure a sustainable working capital management that the Group's liquidity structure comprising assets, liabilities and other commitments that fulfilling the Group operations requirements and its capital commitments. In addition, the Group reviews the treasury management policies on a regular basis so as to strengthen its investment portfolio strategy, particularly in relation with the fund management products to minimize the investment risk and protect the interests of the Group.

FOREIGN EXCHANGE RISK

The Group mainly operates in China with most of the transactions settled in RMB. The functional currency of the subsidiaries in mainland is RMB, while the functional currency of the Company and subsidiaries outside mainland of China is HKD, USD or IDR. Both the entities in and outside mainland of China have assets and liabilities, like cash at bank and other major licensed payment institutions, term deposits with initial term over three months which are denominated in USD, HKD and IDR. Foreign exchange risk arises from the fluctuations in exchange rates. The Group has continued to closely track and manage its exposure to fluctuation in foreign exchange rates confronted by the majority of the Group's deposits denominated in foreign currencies.

CONTINGENT LIABILITIES

As of June 30, 2025, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENTS

As of June 30, 2025, the Group had capital commitments for the construction of property, plant and equipment of approximately RMB183.0 million (December 31, 2024: RMB169.4 million).

PLEDGE OF ASSETS

As of June 30, 2025, the Group has pledged certain land use rights amounting to RMB88.9 million (December 31, 2024: RMB89.8 million).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any significant investments held, or any material acquisition or disposal of any relevant subsidiaries, associates and joint ventures during the Reporting Period.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of the date of this announcement, except for the "Future Plans and Use of Proceeds" disclosed in the prospectus, and the investment in the construction of a snack food production base in Nanning, Guangxi Zhuang Autonomous Region (the Company expects to raise the required funds either through its own capital or various financing methods) disclosed in the Group's announcement dated April 22, 2025, the Group did not have any existing plans for acquiring other material investments or capital assets.

OUTLOOK

In line with the mission of "letting the world fall in love with Chinese flavors", the vision of "making authentic Chinese gourmet more entertaining, casual, convenient, affordable, data-enabled, automated and ultimately building a great business that brings joy and happiness to people for 123 years", and the value of "Integrity, Innovation, Customer First, Employee Oriented", the Group continues to build a leading company in the spicy snack food industry, thus providing more value to its customers, employees, and consumers.

Looking ahead, in terms of products, the Group will continue to deepen a strategy of multiple categories. It will promptly grasp market trends, fully leverage its own R&D advantages, continuously expand its product matrix, and keep launching innovative products that closely meet consumer needs, thereby satisfying consumers' increasingly diversified taste demands. Meanwhile, the Group will strengthen category synergy, creating more consumption scenarios through the category synergy effect to provide consumers with a richer array of choices.

In terms of branding, the Group will continue to build a youthful, fun and creative brand image. By connecting and engaging with young consumers through marketing methods they love, we will carry out more cross-border collaborations, and host various online and offline themed activities and marketing events. By doing so, it will continuously strengthen the emotional connection between the brand and consumers, keep the brand vibrant at all times, and further enhance the Group's brand presence in the minds of young consumers.

Meanwhile, the Group will continue to advance the development of an omni-channel strategy, strengthen the synergy between online and offline channels, optimize the consumer scenario experience, and enhance consumer reach and penetration. In terms of offline channels, the Group will continue to strengthen the execution of POS, improve the distribution and marketing promotion of key POS, accelerate the expansion of emerging channels, and enhance the operational capabilities and distribution efficiency of the entire omni-channel network. In terms of online channels, we will keep strengthening the operational strategies and capabilities of traditional e-commerce, content e-commerce, social e-commerce and other channels, continuously improve the consumer experience, and drive steady business growth.

Furthermore, the Group will continue to enhance supply chain efficiency. In response to the rising emerging channels and diverse consumer demands, it will deepen the automation and digital upgrading of key nodes such as procurement, production and logistics, improve product quality, and comprehensively boost operational efficiency. Meanwhile, the Group will comprehensively advance its digital construction to continuously enhance the efficiency of various business segments. In addition, talent is the foundation of organizational development. The Group will continue to strengthen talent selection and cultivation mechanisms to provide solid support for the long-term development of its business.

Finally, the Group will continue to stay true to our original aspiration and keep our mission in mind, focusing on the creation of long-term corporate value, actively practicing social responsibility, and promoting the long-term sustainable development of the enterprise. We are committed to creating more value for consumers, customers, shareholders, investors, employees, and society as a whole.

USE OF PROCEEDS FROM THE LISTING

The shares of the Company were listed on the Stock Exchange on December 15, 2022. From the Listing Date to June 30, 2025, the Group progressively utilized the proceeds from the initial public offering according to the intended use set out in the prospectus.

The net proceeds from the initial public offering of the shares of the Company on the main board of the Stock Exchange (after deducting underwriting fees and other related expenses) were approximately HKD903.3 million. As of June 30, 2025, the net proceeds from the Group's initial public offering have been fully utilized.

Intended purpose of net proceeds	Net proceeds from the Listing available *(HKD million)*	Unutilized net amount as of January 1, 2025 *(HKD million)*	Actual net amount utilized during the Reporting Period *(HKD million)*	Actual net amount utilized as of June 30, 2025 *(HKD million)*	Unutilized net amount as of June 30, 2025 *(HKD million)*	Expected timeline for fully utilizing unutilized net amount	Expected timeline as disclosed in the prospectus
Production facilities and supply chain system	514.9	217.6	217.6	514.9	–	–	3-5 years
Expanding the sales and distribution network	135.5	–	–	135.5	–	–	3-5 years
Brand building	90.3	–	–	90.3	–	–	3-5 years
Product R&D activities and enhancement of R&D capabilities	90.3	22.8	22.8	90.3	–	–	3-5 years
Advancing the construction of digitization and intelligence	72.3	6.6	6.6	72.3	–	–	3-5 years
Total	**903.3**	**247.0**	**247.0**	**903.3**	**-**	**-**	**-**

Note: Due to rounding, there may be a difference between the sum of the individual sub-values and the total amount.

The balance of the proceeds from the initial public offering has been utilized according to the purposes and proportions disclosed in the prospectus. The expected time for the full use of the proceeds was earlier than disclosed in the prospectus, which was mainly due to the Group's reassessment of the business execution plan. In addition, taking into account of the Company's long-term development and changes in the supply of raw materials, the Board decided to cancel the plan for construction of a new plant in Qujing, Yunnan Province as disclosed in the prospectus.

PROCEEDS FROM THE PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

On May 8, 2025 (before trading hours), the Company, the Vendor and the Placing Agent entered into the Placing Agreement, pursuant to which, the Vendor agrees to sell, or procure the Sale of, the Placing Shares and the Placing Agent agrees as agent of the Vendor, to procure on a best efforts basis (either itself or through its associates) Placees to purchase 80,000,000 ordinary shares of the Company ("**Share(s)**") with a par value of US$0.00001 each in the share capital of the Company held by the Vendor at a price of HK$14.72 per Share on the terms and subject to the conditions set out in Placing Agreement (the "**Placing**"). And, on May 8, 2025 (before trading hours), the Company and the Vendor entered into the Subscription Agreement, pursuant to which, the Company conditionally agrees to issue to the Vendor, and the Vendor conditionally agrees to subscribe as principal for, new Shares at the Placing Price, in the same amount as the total number of Placing Shares actually sold by the Vendor (the "**Subscription**"). On May 8, 2025 (being the date of the Placing Agreement and the Subscription Agreement), the closing price of the Company's Shares as quoted on the Stock Exchange was HK$15.14 per share. For details, please refer to the announcements of the Company dated May 8, 2025 and May 15, 2025, respectively.

A total of 80,000,000 Shares with a par value of US$0.00001 each held by the Vendor have been successfully placed on May 12, 2025 at the Placing Price of HK$14.72 per Share to not less than six professional, institutional, or other investors who (to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries), together with their respective ultimate beneficial owners, are third parties independent of and not connected with the Company or its connected persons. On May 15, 2025, a total of 80,000,000 Subscription Shares with a par value of US$0.00001 each have been issued to the Vendor at the Subscription Price of HK$14.72 per Share, and have been approved for listing and trading by the Listing Committee of the Stock Exchange. The net price for the Subscription (after deducting the commissions and estimated expenses) is estimated to be approximately HK$14.59 per Subscription Share. The proceeds raised will enhance the Group's financial strength, market competitiveness and comprehensive strength, and promote the long-term healthy and sustainable development of the Group. The Placing and Subscription will also further diversify the Company's Shareholder base by attracting a number of high-quality institutional investors, and to further enhance the liquidity in the Shares. Based on the current market conditions, the Directors consider that the terms of the Placing Agreement and the Subscription Agreement (including but not limited to the Placing Price and the Subscription Price) are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

The gross proceeds from the Placing and Subscription are approximately HK$1,177.60 million, and the net proceeds (after deducting the commissions and estimated expenses) from the Placing and Subscription are expected to be approximately HK$1,167.04 million in aggregate. All the net proceeds from the Placing and Subscription will be used for the following purposes: (a) approximately 50% for expanding and upgrading the Company's production facilities and supply chain system to improve its production capacity; (b) approximately 20% for further expanding the Company's sales and distribution network; (c) approximately 20% for enhancing brand building to improve the Company's brand influence and consumer awareness; (d) approximately 10% for other general corporate purpose.

During the Reporting Period and up to the Latest Practicable Date, there is no change to the intended use of the net proceeds from the Vendor Placing and the Subscription disclosed above, and the Company plans to gradually utilize the net proceeds in accordance with such intended use within the next two years based on its actual business situations. Such expected timetable is based on the Company's best estimation of market conditions and business operation in the future, and is subject to change depending on the development of current and future market conditions as well as actual business needs.

As of June 30, 2025, the use of net proceeds from the Subscription by the Group is set out below:

Intended purposes of net proceeds	**% of use of proceeds raised**	**Net proceeds from the Placing available** *(HKD million)*	**Actual net amount utilized during the Reporting Period** *(HKD million)*	**Actual net amount utilized as of June 30, 2025** *(HKD million)*	**Unutilized net amount as of June 30, 2025** *(HKD million)*	**Expected timeline for fully utilizing unutilized net amount**
Expanding and upgrading the Company's production facilities and supply chain system to improve its production capacity	50%	583.5	113.4	113.4	470.1	1-2 years
Expanding the Company's sales and distribution network	20%	233.4	56.2	56.2	177.2	1-2 years
Brand building	20%	233.4	95.7	95.7	137.7	1-2 years
Other general corporate purpose	10%	116.7	33.8	33.8	82.9	1-2 years
Total	**100%**	**1,167.0**	**299.1**	**299.1**	**867.9**	**1-2 years**

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Save for other disclosures in this announcement, there have been no significant events of the Group from June 30, 2025 until the date of this announcement.

HUMAN RESOURCES AND REMUNERATION POLICY

As at June 30, 2025, the total number of employees of the Group was 6,720, and during the Reporting Period, the total employee benefits (including Directors' remuneration) amounted to approximately RMB532.4 million. We always believe that the Group's long-term growth depends on the expertise and capability of our employees. We proactively optimize the talent selection and cultivation mechanism in order to improve the overall competitiveness of our employees and their sense of belongings to the Group.

The human resources are one of the Group's most important assets and the key to the continuous growth of the Group's business. The Group's remuneration policy is determined by the salary levels in different regions, employee rank and performance and the market conditions. Apart from basic remuneration, for all employees in Mainland China, the Group makes contributions towards employee mandatory social security schemes including pensions, unemployment compensation, work-related injury insurance, maternity insurance and medical insurance in accordance with the applicable laws and regulations of Mainland China. The Group also makes contributions towards housing provident fund schemes for employees in Mainland China as required by applicable local laws and regulations in Mainland China. For employees in Hong Kong and other countries, the Group also makes contributions towards relevant insurance schemes, pension schemes and provident fund as required by applicable local laws and regulations. The pensions and unemployment insurance belong to defined contributions schemes. The Group does not have the right to confiscate the contributions, and therefore has no use of the contributions for the six months ended June 30, 2025. Meanwhile, we also provide annual health examinations, holiday benefits, etc., so as to fully protect our employees through a variety of benefit measures. Besides, performance bonus and other incentive systems are established to recognize and encourage organizations and employees which have made outstanding contributions to the Group's business. Generally, a salary review is conducted annually to make sure that the overall remuneration policy is competitive.

The Group has introduced human resource management system, which facilitates the decision makers and management team to comprehensively and timely understand the Company's employee structure and the growth status of its employees, and helps human resource department to continuously improve the organizational structure according to business development, thus greatly improving the business collaborative efficiency of the Group.

Meanwhile, the Group has systematically planned the talent selection and assessment processes across all departments, with a focus on cultivating internal talent. In terms of talent selection, the Group has appointed outstanding employees and provided various opportunities for concurrent roles or job rotations to enhance their comprehensive capabilities and overall perspective. In terms of employee assessment, the Group has not only emphasized the comprehensive performance of individuals and teams but also incorporated non-performance indicators such as corporate values, thereby continuously strengthening the cohesion and synergy of the entire organization and its teams. Building on the cultivation of internal talent, the Group has also simultaneously recruited outstanding external talent to improve the development of its talent echelon.

The Group emphasizes on employee training and development, and has established a systematic talent training system for providing employee development resources and platforms. Based on the Group's strategic development needs, our training system is developed from three aspects, namely basic general training, business professional training and competency improvement training, with the aim of helping talents improve their ability to achieve both organizational mission and personal mission. At the same time, the Group has established an online unified knowledge and information sharing platform named "Sharing Hall", through which the knowledge and information are disseminated so as to add value among employees.

In strict compliance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and Laws applicable to the employment location of employees, the Group pays labor remuneration and makes contributions to social insurance and housing provident funds for its employees. Meanwhile, we also provide annual check-ups, holiday benefits, etc., so as to fully protect our employees through a variety of benefit measures.

In order to motivate and reward the directors, senior management members and other employees who contributed to the development of the Group, the restricted share unit schemes (the "**RSU Schemes**") were approved and adopted by the Board on January 1, 2021 and March 21, 2024 (the "**Dates of Adoption**") respectively. The RSU Schemes shall be valid and effective for the period of ten (10) years commencing on the Dates of Adoption.

For details of the RSU Schemes, please refer to the prospectus of the Company published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.weilongshipin.com) and the 2025 interim report of the Company which is expected to be published by the end of September 2025.

The details of the incentive shares granted to the employees under the grant proposal of the RSU Schemes will be published in the 2025 interim report of the Company, which is expected to be published by the end of September 2025.

INTERIM DIVIDEND

Relevant resolution has been passed at a meeting of the Board held on August 14, 2025, and the Board has resolved to the distribution of the Interim Dividend of RMB 0.18 (tax inclusive) per share, with a total amount of approximately RMB437.6 million. The dividend is expected to be paid on or about October 20, 2025. The dividends will be paid in HK$, the exchange rate for the dividend calculation in HK$ is based on the middle rate of RMB against HK$ as published by the People's Bank of China on the date of this announcement. Accordingly, the amount of the Interim Dividend payable in HK$ is HK$0.1980 per share (tax inclusive).

The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or dispute over the withholding mechanism. The Board is not aware of any shareholders who have waived or agreed to waive any dividend.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, September 24, 2025 to Friday, September 26, 2025, both days inclusive, during which period no transfer of shares will be registered. The record date to determine the entitlement of the shareholders to receive the interim dividend will be Friday, September 26, 2025. In order to be eligible to receive the Interim Dividend, all share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by 4:30 p.m. on Tuesday, September 23, 2025.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group consistently emphasizes the importance of sustainable development and corporate social responsibility, and is committed to integrating sustainable development concepts into daily operations and strategy formulation, and follows ESG development trend and regulatory changes, to continuously improve our corporate governance structure and ESG management system. With the mission of "Letting the world fall in love with Chinese flavors", we will work with our partners, encourage stakeholders to join our ESG collaboration and use sustainable business practices to create an enterprise that adds more value to the world. An ESG report for the year 2024 has been prepared with reference to Appendix C2 of the Listing Rules (Environmental, Social and Governance Reporting Guide) and published on the Company's and the Stock Exchange's websites on April 24, 2025.

In terms of the environment, the Group strives to reasonably reduce the impact of its operations and production on the natural environment. Guided by long-term environmental management goals covering carbon emission reduction, waste reduction, improvement of energy use efficiency, improvement of water resource use efficiency, and environmental management certification, the Group actively implements environmental protection measures and responds to climate change risks and opportunities.

In terms of employees, the Group adheres to compliant employment and creates a diverse and inclusive workplace. The Group cares about employee well-being, ensures occupational health and safety, builds a talent development system, and encourages employees to grow together with the enterprise. In terms of the community, the Group also actively participates in charitable and public welfare undertakings and actively gives back to society as a corporate citizen in the community.

In terms of corporate governance, the Group continues to improve the governance structure, strengthen the risk prevention and control system, and enhance the Group's governance level. The Group adheres to business ethics standards, vigorously strengthens integrity training, and makes unremitting efforts to create a clean and healthy corporate environment. In terms of products and services, the Group upholds the quality-oriented principle, regards food safety and implemented a fulllink quality management mechanism. With strict supervision means and a comprehensive safety culture, the Group ensures the quality and safety of products. We practice the concept of "serving customers with heart", provide customers with high-quality products and excellent services, and fully protect and defend customer experience and rights. In addition, we are committed to developing a sustainable supply chain by incorporating ESG indicators such as environmental protection and business ethics into the supply chain risk management and control system, and working with suppliers to take the road to sustainable development.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, save as disclosed in the sections headed "PROCEEDS FROM THE PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE" in this announcement, none of the Company or its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company. As of June 30, 2025, the Company did not hold any of treasury shares.

AUDIT COMMITTEE

The Company established the Audit Committee with a set of written terms of reference made in compliance with the CG Code. As at the date of this announcement, the Audit Committee of the Company comprises three independent non-executive Directors, namely Mr. ZHANG Bihong, Ms. XU Lili and Ms. XING Dongmei. Mr. ZHANG Bihong currently serves as the chairman of the Audit Committee. The Audit Committee has reviewed the Company's unaudited condensed consolidated interim results for the six months ended June 30, 2025, and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

The interim results for the six months ended June 30, 2025 are unaudited, but have been reviewed by Ernst & Young, the independent auditors of the Company, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE SET OUT IN APPENDIX C1 TO THE LISTING RULES

The Company is committed to the best practices on corporate governance. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "**CG Code**") under Appendix C1 to the Listing Rules, and had complied with all applicable code provisions as set out in the CG Code since the January 1, 2025 and up to the date of this announcement.

COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX C3 TO THE LISTING RULES

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 the Directors' dealings in the securities of the Company.

After making specific enquiries with all Directors, all of them confirmed that they had complied with the provisions set out in the Model Code during the Reporting Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the website of the Company (https://www.weilongshipin.com), and the interim report for the six months ended June 30, 2025 of the Company will be published on the aforementioned websites.

By order of the Board
WEILONG Delicious Global Holdings Ltd
LIU Weiping
Chairman

Hong Kong, August 14, 2025

As of the date of this announcement, the executive Directors are Mr. LIU Weiping, Mr. LIU Fuping, Mr. PENG Hongzhi, Mr. LIU Zhongsi and Mr. YU Feng, and the independent non-executive Directors are Ms. XU Lili, Mr. ZHANG Bihong and Ms. XING Dongmei.