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JiaChen Holding Group Limited

佳辰控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1937)

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

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of JiaChen Holding Group Limited (the “**Company**”) presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with comparative figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	81,368	108,715
Cost of sales		<u>(61,889)</u>	<u>(79,168)</u>
Gross profit		19,479	29,547
Other revenue and other net income	5	2,207	1,177
Selling expenses		(5,922)	(4,664)
Impairment of contract assets and trade and bills receivables, net		(3,610)	(789)
Administrative expenses		<u>(11,343)</u>	<u>(11,582)</u>
Profit from operations		811	13,689
Finance costs	6	<u>(1,322)</u>	<u>(1,630)</u>
(Loss)/profit before taxation	7	(511)	12,059
Income tax	8	<u>(567)</u>	<u>(3,054)</u>
(Loss)/profit and total comprehensive (expense)/income for the period		<u><u>(1,078)</u></u>	<u><u>9,005</u></u>
Attributable to:			
Owners of the Company		(1,080)	8,958
Non-controlling interests		<u>2</u>	<u>47</u>
(Loss)/profit and total comprehensive (expense)/income for the period		<u><u>(1,078)</u></u>	<u><u>9,005</u></u>
		RMB cent	RMB cent
(Loss)/Earnings per share			
Basic and diluted	10	<u><u>(0.11)</u></u>	<u><u>0.90</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		79,241	75,261
Land use rights		45,707	46,190
Long-term deposits and prepayments		3,624	3,624
Deferred tax assets		8,382	8,382
		<u>136,954</u>	<u>133,457</u>
Current assets			
Inventories		51,421	43,446
Contract assets	11	61,779	51,221
Trade and bills receivables	12	122,919	201,900
Deposits, prepayments and other receivables		13,291	9,491
Restricted bank deposits		5,583	5,989
Cash and cash equivalents		67,283	46,824
		<u>322,276</u>	<u>358,871</u>
Total assets		<u><u>459,230</u></u>	<u><u>492,328</u></u>
Current liabilities			
Trade payables	13	34,306	38,554
Contract liabilities	14	5,116	2,532
Accruals and other payables		15,670	31,258
Amounts due to directors		734	734
Bank borrowings		78,990	90,990
Tax payable		499	3,267
		<u>135,315</u>	<u>167,335</u>
Net current assets		<u>186,961</u>	<u>191,536</u>
Total assets less current liabilities		<u>323,915</u>	<u>324,993</u>

		At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
Equity			
Share capital	15	8,856	8,856
Reserves		<u>313,574</u>	<u>314,654</u>
Equity attributable to owners of the Company		322,430	323,510
Non-controlling interests		<u>1,485</u>	<u>1,483</u>
Total equity		<u>323,915</u>	<u>324,993</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated on 7 July 2017 and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands. The address of the Company's registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and its principal place of business is No. 18 Changhong East Road, Henglin Town, Wujin District, Changzhou, Jiangsu, The People's Republic of China (the "**PRC**").

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of access flooring products and the provision of related installation services in the PRC. During the Period, the principal business was carried out through JiaChen Floor Changzhou Co., Ltd. ("**JiaChen Floor**"), which is an indirect non wholly-owned subsidiary of the Company incorporated in the PRC.

The Company's shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Group's condensed consolidated interim financial information for the Period (the "**Interim Financial Information**") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") including compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards which are effective for the current accounting period of the Group. None of those developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The accounting policies adopted in preparing the Interim Financial Information are consistent with those adopted in the annual announcement of the Group for the year ended 31 December 2024.

The Interim Financial Information is unaudited but has been reviewed by the audit committee of the Company.

3. OPERATING SEGMENT INFORMATION

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has two reportable operating segments which are the manufacturing and sales of the following two product lines:

- Steel access flooring plates;
- Calcium-sulfate access flooring plates; and

(a) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management, who are also the executive directors of the Company, monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

- Segment assets include all tangible and intangible assets and other current and non-current assets with exception of unallocated corporate assets. Segment liabilities include trade and bills payables, contract liabilities, accruals and other payables, lease liabilities and bank borrowings attributable to each reporting segment, with the exception of unallocated corporate liabilities.
- Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segments results represent profit or loss attributable to the reportable segments without allocation of certain administrative costs and directors' remuneration. Taxation and finance costs are not allocated to reportable segments. This is the measure reported to the Group's most senior executive management, who are also the executive directors of the Company, for the purpose of resources allocation and performance assessment.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management, who are also the executive directors of the Company, for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2025 and 2024 is set out below:

(i) *Analysis of the Group's revenue and results by segment:*

	Steel access flooring plates		Calcium-sulfate access flooring plates		Total	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Reportable segment revenue from external customers	51,998	87,288	29,370	21,427	81,368	108,715
Reportable segment gross profit	12,935	24,077	6,544	5,470	19,479	29,547
Reportable segment results	1,360	11,336	(76)	2,393	1,284	13,729

(ii) *Analysis of the Group's assets and liabilities by segment:*

	Steel access flooring plates		Calcium-sulfate access flooring plates		Total	
	As at 30 June	As at 31 December	As at 30 June	As at 31 December	As at 30 June	As at 31 December
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Reportable segment assets	206,460	253,546	178,016	184,157	384,476	437,703
Reportable segment liabilities	105,469	127,637	27,530	34,394	132,999	162,031

(b) **Reconciliations of reportable segment revenue and profit or loss**

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment total revenue and consolidated revenue	81,368	108,715
Profit or loss		
Reportable segment results	1,284	13,729
Unallocated other revenue	27	209
Unallocated head office and corporate expenses	(500)	(249)
Unallocated finance costs	(1,322)	(1,630)
Consolidated (loss)/profit before taxation	(511)	12,059

(c) **Reconciliations of reportable assets and liabilities**

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Assets		
Reportable segment assets	384,476	437,703
Unallocated head office and corporate assets	74,754	54,625
	<hr/>	<hr/>
Consolidated total assets	459,230	492,328
	<hr/>	<hr/>
Liabilities		
Reportable segment liabilities	132,999	162,031
Unallocated head office and corporate liabilities	2,316	5,304
	<hr/>	<hr/>
Consolidated total liabilities	135,315	167,335
	<hr/>	<hr/>

(d) **Geographical information**

The Group's operations are primarily located in the PRC. The non-current assets of the Group are primarily located in the PRC. Accordingly, no analysis by geographical basis is presented.

The following table sets out information about the geographical analysis of the Group's revenue based on the location of the Group's external customers:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)		2024 RMB'000 (Unaudited)
PRC	70,212		89,927
Other countries (<i>Note</i>)	11,156		18,788
	<hr/>		<hr/>
	81,368		108,715
	<hr/>		<hr/>

Note: Other countries mainly include Singapore, The United Arab Emirates, Taiwan and Thailand.

4. REVENUE

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers by types of performance:		
– Sales of access flooring plates	73,930	98,451
– Provision of installation services	7,438	10,264
	<u>81,368</u>	<u>108,715</u>
Analysis of revenue by types of contracts:		
– Sales of access flooring plates and provision of installation services	57,790	78,810
– Sales of access flooring plates	23,578	29,754
– Provision of installation services	–	151
	<u>81,368</u>	<u>108,715</u>
Set out below is an analysis of revenue recognised over time and at a point in time:		
	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue recognised over time:		
– Sales of access flooring plates	50,351	68,697
– Provision of installation services	7,439	10,264
	<u>57,790</u>	<u>78,961</u>
Revenue recognised at a point in time		
– Sales of access flooring plates	23,578	29,754
	<u>81,368</u>	<u>108,715</u>

5. OTHER REVENUE AND OTHER NET INCOME

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Other revenue		
Bank interest income	21	196
Other interest income	544	–
	<u>565</u>	<u>196</u>
Other net income		
Government subsidies	1,201	66
Scrap sales	399	529
Exchange gain, net	36	373
Sundry income	6	13
	<u>1,642</u>	<u>981</u>
	<u><u>2,207</u></u>	<u><u>1,177</u></u>

6. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank borrowings	1,322	1,628
Unwinding of finance costs on lease liabilities	–	2
	<u>1,322</u>	<u>1,630</u>
	<u><u>1,322</u></u>	<u><u>1,630</u></u>

7. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging the following items:

	For the six months ended	
	30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Contract costs of goods sold and services rendered (<i>Note (a)</i>)	61,889	79,168
Depreciation of property, plant and equipment	2,779	2,483
Amortisation of right-of-use assets	–	55
Amortisation of land use rights	495	496
Operating lease charges in respect of properties and land use rights	260	236
Staff costs, including directors' remuneration:		
– Salaries, wages and other benefits	8,797	7,952
– Contributions to defined contribution retirement plans	1,665	1,458
	10,462	9,410
Research and development costs (<i>Note (b)</i>)	4,279	4,287

Notes:

(a) Contract costs of goods sold and services rendered

Included in the contract costs of goods sold and services rendered were the raw materials consumed of approximately RMB41,344,000 (six months ended 30 June 2024: RMB53,006,000), staff costs of approximately RMB3,243,000 (six months ended 30 June 2024: RMB3,272,000), installation costs of approximately RMB4,794,000 (six months ended 30 June 2024: RMB6,567,000), transportation costs of approximately RMB4,415,000 (six months ended 30 June 2024: RMB6,010,000), and depreciation of property, plant and equipment of approximately RMB2,376,000 (six months ended 30 June 2024: RMB2,315,000), which were included in the respective total amounts disclosed above for each type of these expenses.

(b) Research and development costs

Included in the research and development costs were raw materials consumed of approximately RMB1,714,000 (six months ended 30 June 2024: RMB2,642,000), staff cost of approximately RMB1,780,000 (six months ended 30 June 2024: RMB RMB1,352,000) and depreciation of property, plant and equipment of approximately RMB244,000 (six months ended 30 June 2024: RMB142,000), of which, their respective total amounts were disclosed above for each type of these expenses.

8. INCOME TAX IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended	
	30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
PRC Corporation Income Tax	567	3,054

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 operated.

No provision for the Hong Kong Profits Tax has been made as the Group had no taxable income derived in Hong Kong during the six months ended 30 June 2025 and 2024.

The Group's subsidiaries incorporated in the British Virgin Islands had no assessable profits derived in Hong Kong during the six months ended 30 June 2025 and 2024.

Pursuant to the PRC Income Tax Law and the respective regulations, all the subsidiaries of the Group operating in Mainland China are subject to Corporate Income Tax ("CIT") at a rate of 25% on the taxable income. On 7 November 2019, JiaChen Floor was recognised by the relevant authorities as "High Technology Enterprise". Accordingly, JiaChen Floor was entitled to a preferential CIT rate of 15% on its taxable profit. The other subsidiaries of the Group established in the PRC are subject to PRC CIT at the applicable standard rate of 25% on their taxable profits. However, none of these other subsidiaries had taxable profits since their respective dates of establishment.

According to applicable regulations prevailing in the PRC, dividends distributed by a company established in the PRC to foreign investors with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding tax. Under the double taxation arrangement between the PRC and Hong Kong, the relevant withholding tax rate applicable to the Group is reduced from 10% to 5% subject to the fulfilment of certain conditions. However, no provision for deferred tax is recognised with respect to the withholding tax on undistributed profits of JiaChen Floor as the Group can control the dividend policy of JiaChen Floor which has no plan to make dividend distribution in the foreseeable future.

9. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share for each of the six months ended 30 June 2025 and 2024 is based on the following data:

	For the six months ended	
	30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/earnings for the purpose of basic (loss)/earnings per share		
(Loss)/profit for the period attributable to owners of the Company	(1,080)	8,958
	'000	'000
Number of ordinary shares		
Number of ordinary shares at the beginning and the end of the reporting period and the weighted average number of shares	1,000,000	1,000,000

Basic (loss)/earnings per share for the Period amounted to RMB(0.11) cent (six months ended 30 June 2024: RMB0.90 cent) per share.

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there was no dilutive potential ordinary share of the Company outstanding during both periods.

11. CONTRACT ASSETS

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Rights to consideration for obligations performed on contracts in progress	55,347	44,488
Retention monies receivable on completed contracts	<u>10,487</u>	<u>10,094</u>
	65,834	54,582
Less: Allowance for lifetime expected credit losses ("ECLs")	<u>(4,055)</u>	<u>(3,361)</u>
	<u>61,779</u>	<u>51,221</u>

The contract assets represent the Group's rights to consideration for access flooring plates and/or installation services transferred to the customers but the rights to payments are still conditional upon the quality and quantity checks by the customers on the installed access flooring plates transferred by the Group, other than on passage of time. The contract assets are transferred to trade receivables when the rights to receipt of the consideration for performed obligations become unconditional and transfers out of contract assets to trade receivables were made.

12. TRADE AND BILLS RECEIVABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables	167,688	246,878
Bills receivables	<u>8,745</u>	<u>5,621</u>
	176,433	252,499
Less: Allowance for lifetime ECLs	<u>(53,514)</u>	<u>(50,599)</u>
	<u>122,919</u>	<u>201,900</u>

An ageing analysis of trade and bills receivables (net of allowance for lifetime ECLs), based on the invoice date, is as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 1 month	17,453	52,430
1 to 3 months	15,432	55,843
3 to 6 months	14,073	15,568
6 to 9 months	30,802	3,737
9 to 12 months	6,238	20,441
1–2 years	26,196	42,301
Over 2 years	12,725	11,580
	<u>122,919</u>	<u>201,900</u>
	122,919	201,900

The Group grants a credit period ranging from 60 to 365 days to its customers.

13. TRADE PAYABLES

The following is an analysis of trade payables by age based on the invoice date:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 1 months	27,601	29,492
1 to 3 months	4,074	4,486
3 to 6 months	1,296	3,434
Over 6 months	1,335	1,142
	<u>34,306</u>	<u>38,554</u>
	34,306	38,554

Trade payables are non-interest bearing and have a credit term ranging from one to two months after invoice date.

14. CONTRACT LIABILITIES

The contract liabilities primarily relate to the advance considerations received from contract customers for the goods or services to be transferred by the Group.

The movements in contract liabilities are set out below:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
At the beginning of the reporting period	2,532	3,468
Advance considerations received from customers	4,103	1,863
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	(1,519)	(2,799)
At the end of the reporting period	<u>5,116</u>	<u>2,532</u>

15. SHARE CAPITAL

	Number of shares		Nominal value	
	As at 30 June 2025 '000 (Unaudited)	As at 31 December 2024 '000 (Audited)	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Authorised:				
Ordinary shares of HK\$0.01 each	<u>50,000</u>	<u>50,000</u>	<u>44,280</u>	<u>44,280</u>
Issued and fully paid:				
Ordinary shares of HK\$0.01 each	<u>10,000</u>	<u>10,000</u>	<u>8,856</u>	<u>8,856</u>

16. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors and certain highest paid employees is as follows:

	For the six months ended	
	30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and other emoluments	540	486
Post-employment benefits	63	53
	603	539

(b) Amounts due to directors

	As at	As at
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Ms. Liu Hui	455	455
Mr. Shen Minghui	279	279
	734	734

The amounts are unsecured, interest free and have no fixed repayment terms.

MANAGEMENT DISCUSSION AND ANALYSIS

Review and Prospect

JiaChen Holding Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the manufacturing and sales of access flooring plates and the provision of related installation services with the headquarters based in Changzhou City, Jiangsu Province, The People’s Republic of China (the “**PRC**”). The Group’s products mainly consist of: (i) steel access flooring plates; and (ii) calcium-sulfate access flooring plates. The access flooring products of the Group have been generally applied in office buildings in the PRC with the characteristics of: (i) cable management (wires and cables are managed and organised underfloor with flexibility to accommodate any electronic devices); (ii) short installation time; (iii) high compressive strength and fire-resistance characteristic; and (iv) high bearing capacity.

Access flooring plates have been widely applied for use in office buildings, industrial office buildings, data centres, classrooms, libraries, etc. The usage of raised access flooring products, in longer term, is expected to increase at a steady rate in the PRC due to the growth in the continuous investments in new office buildings and growing construction area of industrial land. This steady growth trend is mainly attributed to the following primary factors: (i) a rising demand from construction of industrial office buildings in second-tier and above cities in China; (ii) an increase in the number of aging office buildings in China with the retirement of more and more obsolete access flooring plates; (iii) more stringent policies adopted by the PRC Government, stimulating an expected increase in the demand for access flooring plates; and (iv) increasing penetration rate of calcium-sulfate access flooring plates due to its high performance.

In response to the growing demand in the high-tech industries in the PRC, the Group introduced aluminum alloy flooring plates, designed for controlled environments like telecommunications facilities and clean rooms in the first half of 2024. This flooring product offers superior benefits including corrosion resistance, excellent anti-static properties, fire resistance, and dimensional stability when exposed to moisture. Manufactured through precise casting and mechanical processing, it ensures high dimensional accuracy and exceptional load-bearing capacity, surpassing traditional steel or calcium sulfate options. While the initial cost is higher due to premium materials, the long-term value is significant, with high recyclability and refurbishment potential. This flooring product is particularly suited for clean rooms with heavy machinery in advanced industries.

Amid persistent challenges in the PRC real estate sector, the Group's revenue for the six months ended 30 June 2025 (the **"Period"**) declined by 25.2% to RMB81.4 million, compared with that of RMB108.7 million for the six months ended 30 June 2024. The reduction in revenue was primarily driven by weakened demand and intensified competition in the commercial building construction industry during the first half of 2025. During the Period, the Group strengthened its risk management protocols and adopted more selective project engagement criteria, focusing on higher-margin opportunities and creditworthy customers. While these measures contributed to the near-term revenue decline, they are considered to position the Group for more sustainable growth as market conditions stabilize.

As a result of the challenging environment, gross profit decreased from RMB29.5 million for the six months ended 30 June 2024 to RMB19.5 million for the Period and the Group recorded a net loss of RMB1.1 million for the Period as compared to a net profit of RMB9.0 million for the six months ended 30 June 2024.

In the first half of 2025, China's economy demonstrated resilience with a 5.3 percent year-on-year GDP growth, aligning with its annual target. The national economy, supported by targeted stimulus measures and rebounding external demand, showed broad-based improvement. However, the real estate sector continued to struggle with sales of newly-built commercial buildings, declining by 3.5 percent year-on-year. Despite these headwinds, China's export performance grew by 7.2 percent, underscoring the country's ability to leverage diversified markets and front-load shipments ahead of potential trade disruptions. Notably, investment in high-tech industries surged; investment in information services jumped 37.4 percent; and high-tech manufacturing and services expanded by 9.5 percent and 5.5 percent respectively. This robust growth correlates with rising demand for cutting-edge facilities, such as data centres, where our access flooring plates renowned for superior cable management, rapid installation, high compressive strength, fire resistance, and load-bearing capacity are ideally positioned to meet the sector's exacting standards and capture the expanding market opportunity.

Despite the recent economic challenges, the Board maintains an optimistic outlook on the long-term prospect of the access flooring industry and the Group's operations. Recognizing the growth potential in the data center service market and the enhancement of the quality and demand for our products, we remain confident. The Group will continue to prioritize resources to enhance product recognition, improve product technology, and upgrade production lines. This approach aims to maintain effective cost and liquidity control, bolstering our competitiveness in the market. Our resolve to navigate the temporary economic downturn remains steadfast, reinforcing our positive long term perspective.

Sales Analysis

The Group posted a consolidated revenue of approximately RMB81.4 million for the Period, representing a decrease of approximately RMB27.3 million or 25.2% as compared to that of the six months ended 30 June 2024. The decrease in sales revenue for steel access flooring products mainly contributed to the reduction in the consolidated revenue of the Group.

Details of the Group's revenue by product are as follows:

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Steel access flooring plates	51,998	63.9	87,288	80.3
Calcium-sulfate access flooring plates	29,370	36.1	21,427	19.7
Total	81,368	100.0	108,715	100.0

Sales of steel access flooring plates was the largest contributor to the Group's revenue and it accounted for approximately 63.9% of the total revenue for the Period. Revenue derived from sales of steel access flooring plates decreased substantially by 40.4% from approximately RMB87.3 million for the six months ended 30 June 2024 to approximately RMB52.0 million for the Period. This was mainly attributable to the slowdown of the economic activities in the commercial building construction industry in the PRC and the reduction of selling prices so as to maintain the competitiveness of steel access flooring plates.

On the other hand, revenue derived from sales of calcium-sulfate access flooring plates increased substantially by 37.1% from approximately RMB21.4 million for the six months ended 30 June 2024 to approximately RMB29.4 million for the Period. This was mainly attributable to the stronger demand for calcium-sulfate access flooring products from certain high-end customers, in particular constructors of data centres.

Details of the sales volume and average unit selling price by product are as follows:

	For the six months ended 30 June			
	2025		2024	
	Sales volume <i>m² '000</i>	Average unit selling price <i>RMB/m²</i>	Sales volume <i>m² '000</i>	Average unit selling price <i>RMB/m²</i>
Steel access flooring plates	393.0	132.3	630.2	138.5
Calcium-sulfate access flooring plates	186.0	157.9	131.1	163.4
Total	579.0		761.3	

Fluctuations in the sales volume of the Group's access flooring plates were mainly due to different product mix in demand by the customers, which is mainly subject to the market demand and the needs of the relevant customers.

Generally, it is considered that both product specifications and technical requirements are the major factors affecting the product price. Based on the market needs, the Group usually adopts a cost-plus pricing policy that takes various factors into consideration, such as the production cost, price of raw materials, suppliers of installation services, purchase volume of the customers, background of the customers and competition.

Details of the Group's sale revenue by geographical location are as follows:

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
PRC	70,212	86.3	89,927	82.7
Other countries	11,156	13.7	18,788	17.3
Total	81,368	100.0	108,715	100.0

For both of the six months ended 30 June 2025 and 2024, the Group's products were mainly sold in the PRC and to a lesser extent exported to overseas markets such as Singapore, The United Arab Emirates, Taiwan and Thailand.

Details of the gross profit and gross profit margin by product are as follows:

	For the six months ended 30 June			
	2025		2024	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
Steel access flooring plates	12,935	24.9	24,077	27.6
Calcium-sulfate access flooring plates	6,544	22.3	5,470	25.8
Total	19,479	23.9	29,547	27.2

The gross profit from steel access flooring plates accounted for the majority of the gross profit of the Group for both of the six months ended 30 June 2025 and 2024. The gross profit margin of the access flooring plates was a combined result of gross profit margin of individual contracts undertaken by the Group, which was in turn affected by various factors, including but not limited to the tender or quotation price, scale, project specifications and other estimated costs, which vary from project to project. The gross profit margin of both steel access flooring plates and calcium-sulfate access flooring plates has decreased by 2.7 and 3.5 percentage points respectively. The reduction in the gross profit margin of both steel access flooring products and calcium-sulfate access flooring products was mainly due to the reduction of product selling prices in order to maintain product competitiveness.

Operating Costs and Expenses

Selling expenses increased by approximately RMB1.2 million, representing a 27.0% increase to approximately RMB5.9 million for the Period from approximately RMB4.7 million for the six months ended 30 June 2024. The increase was mainly attributable to the increase in staff costs and promotion expenses.

Administrative expenses decreased by approximately RMB0.2 million, representing a 2.1% decrease to approximately RMB11.4 million for the Period from approximately RMB11.6 million for the six months ended 30 June 2024. The reduction was mainly attributable to the conscientious effort taken by the management to control the administrative expenses during the Period.

Finance costs decreased by approximately RMB0.3 million, representing a 18.9% decrease to approximately RMB1.3 million for the Period from approximately RMB1.6 million for the six months ended 30 June 2024. The reduction was mainly attributable to the reduction in the amount of bank borrowings during the Period.

Operating Results

The Group recorded a swing from a profit of approximately RMB9.0 million for the six months ended 30 June 2024 to a loss of approximately RMB1.1 million for the Period. The adverse change in operating results was mainly attributable to: (i) decrease in total revenue by approximately 25.2% from approximately RMB108.7 million for the six months ended 30 June 2024 to approximately RMB81.4 million for the Period; (ii) decrease in gross profit margin from 27.2% for the corresponding period in 2024 to 23.9% for the Period; and (iii) increase in the amount of impairment of contract assets and trade and bills receivables by approximately RMB2.8 million.

Capital Structure, Liquidity and Financial Resources

The Group funds its business and working capital requirements by using a balanced mix of internal resources and bank borrowings. The funding mix will be adjusted depending on the costs of funding and the actual needs of the Group.

As at 30 June 2025, the Group held total assets of approximately RMB459.2 million (31 December 2024: approximately RMB492.3 million), including contract assets of approximately RMB61.8 million (31 December 2024: approximately RMB51.2 million), trade and bills receivables of approximately RMB122.9 million (31 December 2024: approximately RMB RMB201.9 million) and cash and cash equivalents of approximately RMB67.3 million (31 December 2024: approximately RMB46.8 million). The Group's cash and cash equivalents were mainly denominated in RMB (31 December 2024: RMB).

As at 30 June 2025, the Group had total liabilities of approximately RMB135.3 million (31 December 2024: RMB167.3 million) which mainly comprise of bank borrowings amounting to approximately RMB79.0 million (31 December 2024: RMB91.0 million). The Group's bank borrowings were denominated in RMB and bearing interest at the rates ranging from 2.75% to 3.45% (31 December 2024: 2.80% to 3.45%).

As at 30 June 2025, the gearing ratio, expressed as a percentage of total borrowings and lease liabilities over total equity, was approximately 24.4% (31 December 2024: 28.0%).

Contingent Liabilities

As at 30 June 2025, the Group had no contingent liabilities (31 December 2024: Nil).

Exposure to Fluctuations in Exchange Rate

The majority of the Group's business and all bank borrowings are denominated and accounted for in RMB. The Group, therefore, does not have significant exposure to foreign exchange fluctuation.

The Board does not expect the fluctuation of RMB exchange rate and other foreign exchange fluctuation will have material impact on the business operations or financial results of the Group. The Group does not have a hedging policy and it did not commit to any financial instruments to hedge its exposure to foreign currency risk during the Period. However, the Group will closely monitor the foreign exchange market and take appropriate and effective measures from time to time to reduce any negative impact from exchange-rate risk to the full extent including establishment of a hedging policy.

Charge on Group Assets

As at 30 June 2025, the Group had the following charges on its assets:

- (a) Bank borrowings totaling approximately RMB35.0 million (31 December 2024: approximately RMB42.0 million) were secured by the following assets:
 - (i) land use rights with a carrying value of approximately RMB7.2 million as at 30 June 2025 (31 December 2024: approximately RMB7.3 million);
 - (ii) leasehold buildings with a carrying value of approximately RMB5.1 million as at 30 June 2025 (31 December 2024: approximately RMB5.4 million); and
- (b) Restricted bank deposits of approximately RMB5.6 million (31 December 2024: approximately RMB6.0 million) were pledged as security for issuing commercial bills to suppliers.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

There was no material acquisition and disposal of subsidiaries, associates and joint ventures by the Group during the Period.

Significant Investments Held

During the Period, the Group did not hold any significant investments.

Employees and Remuneration Policies

As at 30 June 2025, the Group had 208 employees (31 December 2024: 212). The total staff costs including directors' remuneration for the six months ended 30 June 2025 were approximately RMB10.5 million (six months ended 30 June 2024: approximately RMB9.4 million). Remuneration is determined based on each employee's qualifications, position and seniority. In addition to a basic salary, year-end discretionary bonuses are offered with reference to our Group's performance as well as individual's performance to attract and retain appropriate and suitable personnel to serve the Group. Furthermore, the Group offers other staff benefits like provision of retirement benefits, various types of trainings and sponsorship of training courses. The Group also adopts an annual review system to assess the performance of staff, which forms the basis of decision with respect to salary increment and promotions.

Dividend

The Directors do not recommend the payment of any interim dividend for the Period (six months ended 30 June 2024: Nil).

Business Objectives and Implementation Plan

An analysis comparing the business objectives set out in the prospectus of the Company dated 31 December 2019 with the Group's actual implementation progress up to 30 June 2025 is set out as follows:

Business Strategies	Planned use of proceeds		Actual use of proceeds up to 31 December 2024	Amount utilised during the Period	Unutilised amount as at 30 June 2025	Expected timeframe for the utilisation of the remaining balance
	HK\$'M	%	HK\$'M	HK\$'M	HK\$'M	
1. Enhancement of the production capacity and efficiency						
– Acquisition of a parcel of land in Changzhou City	20.9	24.4	20.9	–	–	N/A
– Construction of infrastructure including two new factory buildings for production and storage	21.9	25.5	21.9	–	–	N/A
– Installation of five additional production lines	26.9	31.4	26.9	–	–	N/A
– Installation of environmental-friendly and energy-saving facilities and equipment	2.2	2.6	2.2	–	–	N/A
2. Acquisition of automated machinery and equipment for upgrading the existing production lines	5.1	5.9	5.1	–	–	N/A
3. Repayment of outstanding indebtedness of the Group	5.0	5.8	5.0	–	–	N/A

Business Strategies		Planned use of proceeds		Actual use of proceeds up to 31 December 2024	Amount utilised during the Period	Unutilised amount as at 30 June 2025	Expected timeframe for the utilisation of the remaining balance
		HK\$'M	%	HK\$'M	HK\$'M	HK\$'M	
4.	Enhancement and optimization of the information technology system	2.3	2.7	–	–	2.3	Enhancement and optimization of the information technology system aims at satisfying the requirements under the expansion of production capacity resulting from the utilization of the factory buildings. The unutilised amount as at 30 June 2025 is anticipated to be utilised by the end of December 2025
5.	Working capital and general corporate purposes	1.5	1.7	1.5	–	–	N/A
Total		<u>85.8</u>	<u>100.0</u>	<u>83.5</u>	<u>–</u>	<u>2.3</u>	

CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

During the Period, the Group did not enter into any transactions which need to be disclosed as connected transactions or continuing connected transactions pursuant to Chapter 14A of the Listing Rules.

Details of the material related party transactions are set out in note 16 to the condensed consolidated interim financial statements of this announcement. These related party transactions did not constitute connected transactions or continuing connected transactions pursuant to Chapter 14A of the Listing Rules.

COMPETING INTERESTS

The Directors confirm that none of the Directors or any of their respective close associates, has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group, nor has any other conflict of interest with the Group during the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities. As at 30 June 2025, no treasury shares (as defined under the Listing Rules) were held by the Company.

DIRECTORS' SECURITIES TRANSACTIONS

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 Company's code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the code of conduct regarding the dealings in securities during the Period. Moreover, the Company was not aware of any non-compliance with the relevant provisions of the Model Code throughout the Period.

CORPORATE GOVERNANCE CODE

The Directors consider that the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the Period.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or the Group after 30 June 2025 and up to the date of this announcement.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 19 December 2019 with written terms of reference by reference to the code provisions of the Corporate Governance Code. The Audit Committee currently comprises all three independent non-executive Directors, namely Mr. Xie Xing, as the chairman, Mr. Wang Li and Ms. Long Mei as the members.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems, nominate and monitor external auditor and to provide advice and comments to the Board on matters related to corporate governance. The Group’s unaudited condensed consolidated interim results for the Period have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement will be published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (<http://www.jiachencn.com.cn>). The interim announcement of the Company for the Period will be despatched to the shareholders of the Company and published on the aforementioned websites in due course.

By Order of the Board
JiaChen Holding Group Limited
SHEN Min
Executive Director and Chairman

Changzhou, People’s Republic of China, 27 August 2025

As at the date of this announcement, the executive Directors are Mr. SHEN Min (Chairman), Mr. SHEN Minghui and Ms. LIU Hui (Chief Executive Officer); and the independent non-executive Directors are Mr. XIE Xing, Mr. WANG Li and Ms. LONG Mei.

This announcement is available for viewing on the Company’s website at www.jiachencn.com.cn and the website of the Stock Exchange at www.hkexnews.hk.