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找钢 产业互联集团

**ZG Group**  
**找钢产业互联集团**

*(A company controlled through weighted voting rights,  
incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as ZGW)*

**(Stock Code: 6676)**  
**(Warrant Code: 2572)**

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

The board (the “**Board**”) of directors (the “**Directors**”) of ZG Group (a company controlled through weighted voting rights, incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as ZGW) (the “**Company**”) is pleased to announce the unaudited interim consolidated results of the Company, its subsidiaries and consolidated affiliated entities (the “**Group**”) for the six months ended June 30, 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024. These interim results have been prepared under International Financial Reporting Standards (“**IFRS**”) and reviewed by the audit committee (the “**Audit Committee**”) of the Board. The independent auditor of the Company, Deloitte Touche Tohmatsu, has reviewed our interim financial information for the six months ended June 30, 2025 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

In this announcement, “we,” “us,” and “our” refer to the Company and where the context otherwise requires, the Group.

**FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE SIX MONTHS ENDED JUNE 30, 2025**

- Total revenue was RMB797.4 million for the six months ended June 30, 2025, representing an increase of 12.2% from RMB710.9 million for the six months ended June 30, 2024.
- Overseas transaction business revenue was RMB338.5 million for the six months ended June 30, 2025, representing an increase of 38.9% from RMB243.7 million for the six months ended June 30, 2024.
- Transaction support services revenue was RMB201.6 million for the six months ended June 30, 2025, representing a decrease of 7.4% from RMB217.6 million for the six months ended June 30, 2024.

- Gross profit was RMB181.5 million for the six months ended June 30, 2025, representing a decrease of 10.6% from RMB203.1 million for the six months ended June 30, 2024. Gross profit margin was 22.8% for the six months ended June 30, 2025, compared with 28.6% in the same period last year.
- Loss for the period was RMB498.8 million for the six months ended June 30, 2025, compared with net loss of RMB75.8 million for the six months ended June 30, 2024.
- Adjusted net loss (non-IFRS measure) was RMB106.9 million for the six months ended June 30, 2025, compared with RMB63.8 million for the six months ended June 30, 2024.
- Net cash used in operating activities was RMB134.2 million for the six months ended June 30, 2025, compared with net cash generated from operating activities of RMB339.2 million for the six months ended June 30, 2024.
- Registered buyers on the steel transaction platform were more than 189,000 as of June 30, 2025, representing an increase of approximately 3.3% from more than 183,000 as of December 31, 2024.

## FINANCIAL HIGHLIGHTS

### Condensed Consolidated Statement of Profit or Loss

	For the Six Months Ended June 30,		
	2025	2024	Change
	RMB	RMB	%
	(Unaudited)	(Unaudited)	
	<i>(in thousands, except percentages)</i>		
Revenue	<b>797,395</b>	710,892	12.2
Gross Profit	<b>181,532</b>	203,112	-10.6
Loss before tax	<b>(498,534)</b>	(75,730)	-558.3
Loss for the period	<b>(498,807)</b>	(75,772)	-558.3

## Condensed Consolidated Statement of Financial Position

	As of June 30, 2025 (Unaudited)	As of December 31, 2024 (Audited)	Change (%)
	<i>(RMB in thousands, except percentages)</i>		
Total current assets	10,380,113	9,577,651	8.4
Total non-current assets	469,419	470,901	-0.3
Total assets	10,849,532	10,048,552	8.0
Total liabilities	10,140,869	16,554,957	-38.7
Total shareholders' equity	708,663	(6,506,405)	110.9
Total liabilities and shareholders' equity	10,849,532	10,048,552	8.0

## Non-IFRS Financial Measures

To supplement our condensed consolidated financial statements which are presented in accordance with IFRS, we also use non-IFRS measures, namely adjusted net loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by or presented in accordance with IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items, and provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (non-IFRS measure) as profit/(loss) for the period adjusted by adding back fair value change of convertible preferred shares, warrants and earn-out rights, share-based payment expenses, professional fees and expenses related to De-SPAC Transaction and De-SPAC Transaction expenses arising from capital reorganisation. The convertible preferred shares automatically convert into ordinary shares upon the completion of the De-SPAC Transaction, and no further loss or gain on fair value changes is expected to be recognized afterwards. In addition, share-based payment expenses are non-cash in nature and do not result in cash outflow, and the adjustments have been consistently made during the Reporting Period. We also exclude professional fees and expenses related to De-SPAC Transaction and De-SPAC Transaction expenses arising from capital reorganisation. We define adjusted EBITDA (non-IFRS measure) as adjusted net loss (non-IFRS measure) for the period adjusted by adding back income tax expense, finance costs, interest on bank deposit related to borrowings and depreciation and amortization.

	For the Six Months Ended June 30,	
	2025	2024
	RMB	RMB
	<i>(in thousands)</i>	
<b>Loss for the period</b>	<b>(498,807)</b>	<b>(75,772)</b>
Add: Fair value change of convertible preferred shares, warrants and earn-out rights	<b>(109,989)</b>	4,472
Share-based payments	<b>83,670</b>	—
De-SPAC Transaction expenses arising from capital reorganisation	<b>373,590</b>	—
Professional fees and expenses related to De-SPAC Transaction	<b>44,671</b>	7,518
<b>Adjusted net loss (non-IFRS measure)</b>	<b>(106,865)</b>	<b>(63,782)</b>
Add: Income tax expense	<b>273</b>	42
Finance costs	<b>10,357</b>	26,457
Interest on bank deposit related to borrowings	<b>(432)</b>	(485)
Depreciation and amortization	<b>9,312</b>	10,459
<b>Adjusted EBITDA (non-IFRS measure)</b>	<b>(87,355)</b>	<b>(27,309)</b>

Included in the adjusted net loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) of RMB106.9 million and RMB87.4 million loss for the six months ended June 30, 2025 (six months ended June 30, 2024: RMB63.8 million and RMB27.3 million loss), respectively, an amount of RMB57.1 million represents the expected credit loss (“ECL”) recognized during the period in relation to other receivables (six months ended June 30, 2024: ECL of RMB24.6 million), which is not representative of the Group’s normal core business activities, and a gain of RMB1.8 million (six months ended June 30, 2024: gain of RMB3.3 million) from fair value changes of financial assets measured at fair value through profit or loss (“FVTPL”), which are not directly related to the Group’s daily operation.

Management believes that excluding these items, which are not incurred during the Group’s normal core business activities, provides a clearer reflection of the Group’s underlying operating performance and better illustrates the results of its normal core business operations.

For illustrative purposes only, after excluding these amounts, the adjusted net loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) would have been RMB51.6 million and RMB32.1 million loss for the six months ended June 30, 2025, respectively, compared to adjusted net loss (non-IFRS measure) of RMB42.5 million, and adjusted EBITDA (non-IFRS measure) of RMB6.0 million loss for the six months ended June 30, 2024, respectively. For the six months ended June 30, 2025, the change in adjusted EBITDA was larger than adjusted net loss, primarily due to lower finance costs.

## BUSINESS REVIEW AND OUTLOOK

### OVERVIEW

Aquila Acquisition Corporation (“**Aquila**”), a special purpose acquisition company focused on technology-enabled businesses in Asia, completed a transformative De-SPAC Transaction with ZG Group (formerly Zhaogang.com Inc.), upon completion of the De-SPAC Transaction on March 10, 2025, now known as the Company. This business combination was effected through a series of agreements, including the Business Combination Agreement, under which Aquila merged with a wholly-owned subsidiary of ZG Group, resulting in Aquila becoming a wholly-owned subsidiary of the Company. The transaction also included PIPE Investments totalling a final amount of HK\$532.6 million from eight investors, a bonus share issue to incentivize Aquila shareholders, and a promoter earn-out right granting additional shares to Aquila’s promoters upon meeting certain conditions. Valued at HK\$10.0 billion, the De-SPAC Transaction enabled the Company’s listing on the Stock Exchange, marking the culmination of Aquila’s mission to partner with a leading player in the new economy sector – ZG Group, China’s largest digital platform for third-party steel transactions by volume in 2023.

Upon completion of the De-SPAC Transaction, Aquila shareholders and PIPE Investors became shareholders of the Company, which now operates as a listed entity on the Stock Exchange, advancing its mission to revolutionize the steel transaction industry through technology and innovation. This interim results announcement covers the Company’s performance for the six months ended June 30, 2025, reflecting the continued momentum following the De-SPAC Transaction and ongoing strategic initiatives in its growth journey. The first half of 2025 was a period of sustained progress and operational enhancement.

### REVIEW AND OUTLOOK

Since its listing on the Main Board of the Hong Kong Stock Exchange on March 10, 2025, our Group has been committed to evolving from a single-category digital platform for steel in China to an AI industrial internet platform characterized by stable domestic growth, globalization, and diversification, and has made breakthrough progress during the Reporting Period.

The Group has consistently consolidated its foundation in domestic steel transactions. Following its listing, the Group’s brand influence has significantly increased, with steady enhancement in its per-ton commission fee collection capability. In globalization, building on its presence in the Middle East, the international business has achieved rapid growth in Southeast Asia, with transaction volumes reaching new highs and per-ton fees continuing to rise. In diversification, the Group has achieved sustained growth in GMV for electrical and electric products through its AI transaction assistant. Furthermore, the Group has formed a joint venture with Trafigura Group, a leading global commodity trader, to establish the LYKOS non-ferrous metals e-commerce platform, creating an AI industrial internet matrix spanning ferrous metals, non-ferrous metals, and electrical and electric products.

As of June 30, 2025, our steel transaction platform boasted over 16,000 registered suppliers and more than 189,000 registered buyers, covering over 650,000 SKUs. Our non-steel transaction platform collaborated with 576 suppliers and 2,128 buyers, spanning more than 3,935 SKUs. In the first half of 2025, the steel transaction business recorded a GMV of RMB63.8 billion, with a total transaction volume of over 19.1 million tons, while the non-steel transaction business achieved a GMV of RMB211.3 million.

In the first half of 2025, our Group's operating revenue reached RMB797.4 million, reflecting a year-on-year increase of 12.2%. Gross profit stood at RMB181.5 million, down 10.6%, which was mainly attributable to the termination of FatCat Bai Tiao and FatCat Easy Procurement services. Following the listing, the Group has gradually resumed its fintech solution through equity participation, and transaction volume and profitability have continuously recovered through enhanced brand influence.

## **1. Transaction Platform: Consolidating Domestic Steel Foundation and Resuming Fintech Solution via Equity Participation**

In August 2024, the Group proactively terminated its FatCat Bai Tiao and FatCat Easy Procurement services which had a significant impact on transaction volume in the first half of 2025. During the Reporting Period, the platform transaction volume was 19.0 million tons, a year-on-year decrease of 25.2%. As the Group's listed brand influence increased, transaction volume in the second quarter continued to recover, exceeding 11.5 million tons – a 15.2% increase compared to the fourth quarter of 2024 and a 54.8% quarter-on-quarter increase compared to the first quarter. The Group's profitability continued to strengthen, with the average commission fee charged on a per ton basis for SME sellers rising from RMB5.0 in the first half of 2024 to RMB6.3, a year-on-year increase of 27.5%.

Concurrently, the Group has readjusted its fintech solution. Under the new model, the Group conducts business through equity participation, primarily providing data support and scenario support. In July 2025, the Group jointly created the “Daolerong” (到樂融) product with Chongqing Fumin Bank. The product provides data authenticity services based on the terminal delivery scenario. Focusing on core state-owned enterprises and under the premise of the bank's independent risk review, the bank can provide large-scale financing to high-quality customers. After obtaining bank credit, customers must use one or more services from the Group's transaction, logistics, or FatCat Cloud offerings. Under this model, the Group can not only assist more high-quality platform customers in obtaining financial support but will also effectively drive synergies across the Group's transaction, logistics, and FatCat Cloud businesses. To date, the platform has hundreds of high-quality customers meeting cooperation standards, of which 23 have been served, with a total approved credit around RMB4 billion and an actual loan balance of exceeding RMB200 million. This progress has verified the model's feasibility and paved the way for subsequent large-scale replication.

In August 2025, the Group invested in and established a supply chain company in collaboration with a state-owned enterprise. This will fully utilize the resource and risk control advantages of state-owned enterprises to provide high-quality supply chain services focused on state-owned enterprise users and upstream steel mill partners, further optimizing users' purchasing experience.



In addition to existing steel product transactions, the Group will launch a shaped steel and pipes market place at the end of August, focusing on small-variety transaction services such as shaped steel and pipes. These products have higher profit margins, but the sales sector faces challenges such as numerous product specifications, complex quotations, and difficulty in customer matching. The market place will integrate resources from over 400 leading steel mills and traders. Downstream customers highly overlap with the Group's existing general steel transaction buyers, enabling replication of the integrated service system from transactions to logistics and warehousing, powered by the AI intelligent quotation system across the entire transaction process. In the early stage, the project will prioritize rapid development, building an industry transaction portal to aggregate traffic. In the future, the Group will further optimize its business model, enhance service capabilities, and create a leading domestic channel for shaped steel and pipes.

## **2. International Business: Exponential Growth Driven by Digital Transactions and Digital Manufacturing**

Fueled by strong infrastructure demand in the Middle East and Southeast Asian countries, as well as the increasing presence of Chinese firms in Belt and Road countries, our Group comprehensively deepened its international business layout in 2024 and plans to become the largest AI industrial internet platform in the Belt and Road region. In countries and regions such as the UAE, Saudi Arabia, Thailand, Malaysia, and Indonesia, through cooperation with overseas subsidiaries of domestic state-owned enterprises, the Group sells steel and MRO products while actively advancing localization. In the first half of 2025, the Group's international business transaction volume surpassed 70,000 tons, a year-on-year increase of 58.0%, with operating revenue of RMB338.5 million, up 38.9%. Gross profit was RMB29.6 million, up 90.5%, while per-ton gross profit continued to grow, achieving a year-on-year increase of 20.6%.

Notably, the Group's Southeast Asia business developed rapidly, with the international business team actively participating in key Belt and Road projects, including transportation hubs such as the China-Thailand High-Speed Railway and Thailand's Laem Chabang Port, as well as digital infrastructure projects like the Malaysia Logistics Center, Wanguo Data Center, Qinhuai Data Center, and Zhonglian Data Center. The Group effectively addressed material supply challenges for Chinese general contractors, significantly improving engineering efficiency. While ensuring high-quality project delivery, the Group has shaped an excellent brand image for Chinese construction in these countries, contributing to local infrastructure upgrades. During the Reporting Period, transaction volume for Southeast Asian companies (including Thailand, Malaysia, and Indonesia) reached approximately 45,000 tons, an increase of 441% compared to the second half of 2024.

In the UAE, the Group will form a "digital transactions + digital manufacturing" dual-driven layout. To provide one-stop services, enhance customer stickiness, and address local processing capacity shortages, the Group's first processing plant will commence operations in Dubai Industrial City by year-end. Adopted via equipment purchase and land lease, the plant covers over 35,000 square meters. At full capacity, output will reach 400,000 tons, effectively supporting steel demand for Chinese state-owned enterprise projects. The processing segment itself offers substantial profit margins, directly boosting the Group's overseas transaction business profitability. As the project lands, this layout will rapidly fill regional capacity gaps and lay a solid foundation for long-term international growth.

### **3. Non-Steel Segment: Rapid Growth with Expansion into Non-Ferrous Metals via Trafigura Partnership**

In 2025, the Group's "FatCat Industrial" division was upgraded to the "Zhaogang Industrial" division, leveraging the steel-honed infrastructure and enabling automated inquiry-and-quotation matching through AI large language models. Non-steel business thus expanded from SaaS services to transaction services.

As of June 30, 2025, the non-steel transaction business collaborated with 576 suppliers and 2,128 buyers, covering over 3,935 SKUs and fulfilling 31,498 orders. This generated a GMV of RMB211.3 million, a year-on-year increase of 23.0%. Among these, electrical and electric products transactions achieved a GMV of RMB186.0 million, up 108.9%. Currently focused on Siemens electrical and electric products sales, the Group's non-steel e-commerce operations obtained distribution agency licenses for Schneider low-voltage power distribution and industrial control components, as well as the ABB China Motion Control Distributor Certificate, in the first half of the year. In the future, the Group will explore expansion into additional electrical and electric categories.

In July 2025, the Group reached an in-depth strategic cooperation with Trafigura Group, a leading global commodity trader. The parties will jointly build the LYKOS non-ferrous metals e-commerce platform as Trafigura's exclusive non-ferrous metals e-commerce platform in China, providing full-chain support including intelligent commodity pricing, platform transaction matching, B2B payment solutions, warehousing, logistics, and big data to enhance enterprise operational efficiency. In this cooperation, the Group has made equity investments and will fully participate in operations, offering customized value-added services and technical development support. As of June 30, 2025, the LYKOS platform focused on sales of Trafigura's self-operated resources, with trial operation GMV exceeding RMB25 million. Going forward, the platform will introduce more high-quality suppliers, extend downstream customers to terminals, and provide comprehensive services such as warehousing, logistics, and supply chain to form a complete industrial chain closed loop. Leveraging both parties' resource synergies and model innovation, the LYKOS platform is expected to become a comprehensive third-party non-ferrous metals transaction platform, scaling toward hundreds of billions in GMV.

### **4. AI: Achieving Commercialization, Registration, and Data Asset Recognition**

Leveraging over a decade of industry experience – including millions of conversation samples and structured transaction data on commodities, quotes, logistics, payments, inventory, and customers – our Group has built an AI large language model tailored to the industrial internet. Based on this model, the Group developed 12 AI Agents, fully integrated with DeepSeek, ultimately launching four flagship AI products: AI transaction assistant, AI procurement assistant, FatCat Cloud AI manager, and FatCat Assistant. These products span pre-sales, in-sales, after-sales, and internal operations, significantly enhancing upstream-downstream collaboration and employee efficiency.



In procurement, the Group has applied large language models to sourcing, intelligent price comparison, and compliance management. As of June 30, 2025, the self-developed SaleMatch transaction engine processed over 14 million daily messages via AI large language models with over 95% accuracy, completing billions in intelligent transaction matches. The AI procurement assistant automatically organizes market dynamics, monitors inventory price changes, tracks trends, and aids intelligent pricing; it has connected nearly 14,000 supplier staffs and updated over 33 million product entries. In in-sales and after-sales, FatCat Cloud's AI manager acts as an intelligent overseer, with AI business assistants automatically generating, printing, and sending over 500,000 business documents for efficiency gains. AI financial specialists automate collections and payments, processing nearly 5 million transactions to accelerate fund flows. AI risk control specialists review vehicle qualifications and monitor logistics for transaction security, having assessed over 100,000 vehicles and tracked more than 490,000 routes. AI warehouse specialists provide 7\*24 cargo ownership confirmation and instruction dispatch, operating in 191 warehouses and handling over 27,000 receipt confirmations. Internally, FatCat Assistant draws on the enterprise knowledge base to support employee growth, enabling novices to reach 3-5 years of industry expertise.

In May 2025, the Group's industrial AI large language model was registered with the Cyberspace Administration of China, allowing external sales of AI products and boosting technology subscription service profit margins. During the Reporting Period, the Group achieved AI commercialization, signing new AI product sales contracts totaling RMB322,800.

During the Reporting Period, the Group engaged a third-party intermediary to conduct digital asset accounting for core assets, including the self-developed AI transaction assistant, logistics intelligent tracking APP, and automated transaction data analysis system. The Group recognized digital assets of RMB2.3 million, including RMB1.2 million from the AI transaction assistant. This initiative helps investors fully understand the value of the Group's AI data assets.

AI has significantly enhanced the Group's operational efficiency. During the Reporting Period, management expenses, sales expenses and R&D expenses, excluding share-based payments and listing expenses, totaled RMB223.3 million, with an operating expense ratio of 28.0%, down 0.3% compared to 28.3% of the first half of 2024.

### **Recent Developments after the Reporting Period**

Save as disclosed in this interim results announcement, there were no other significant events that might affect us since the end of the Reporting Period and up to the date of this interim results announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the key operating data of the Group for the periods indicated.

	For the Six Months Ended June 30,	
	2025	2024
<b>Total GMV (RMB in millions)</b>	<b>63,989.6</b>	101,089.3
GMV for steel products (RMB in millions) <sup>(1)</sup>	<b>63,778.3</b>	100,917.5
GMV for non-steel products (RMB in millions)	<b>211.3</b>	171.8
<b>Total Transaction Volume (million tons)</b>	<b>19.1</b>	26.5
<b>Transaction Services</b>		
Online third-party transaction volume (million tons)	<b>19.0</b>	25.5
GMV for online third-party transaction (RMB in millions)	<b>63,629.1</b>	97,157.0
Average commission fee per ton charged on sellers (RMB)	<b>6.3</b>	5.0
Average commission fee per ton charged on key accounts (RMB)	<b>40.3</b>	170.7
<b>Transaction Support Services</b>		
Transaction volume supported by logistics services (million tons)	<b>3.3</b>	3.4
<b>Overseas Transaction Business</b>		
Transaction volume (in tons)	<b>71,344.9</b>	45,165.4

Note:

(1) The change in GMV for steel products is directly related to fluctuations in steel prices.

The following table sets forth the key financial data of the Group for the periods indicated.

	For the Six Months Ended June 30,	
	2025	2024
Gross profit margin <sup>(1)</sup>	<b>22.8%</b>	28.6%
Operating expense ratio <sup>(2)</sup>	<b>28.0%</b>	28.3%
Net profit margin <sup>(3)</sup>	<b>-62.6%</b>	-10.7%
	<b>As of June 30, 2025</b>	<b>As of December 31, 2024</b>
Interest-bearing debt ratio <sup>(4)</sup>	<b>35.0%</b>	24.7%

Notes:

- (1) *Gross profit margin equals gross profit for the period divided by revenue for the specified period, multiplied by 100%.*
- (2) *Operating expense ratio equals operating expenses (excluding share-based payment expenses and listing expenses) divided by revenue for the specified period, multiplied by 100%.*
- (3) *Net profit margin equals net profit for the period divided by revenue for the specified period, multiplied by 100%.*
- (4) *Interest-bearing debt ratio equals interest-bearing debt (excluding bank bills not derecognized) divided by total liabilities (excluding bank bills not derecognized, preferred shares, and advances received from buyers related to transaction services and transaction support services), multiplied by 100%.*

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

The following table sets forth selected items from the condensed consolidated statement of profit or loss of the Group for the periods indicated.

	For the Six Months Ended June 30,		
	2025	2024	Change
	RMB'000	RMB'000	%
	(Unaudited)	(Unaudited)	
	<i>(in thousands, except percentages)</i>		
<b>Revenue</b>	<b>797,395</b>	710,892	12.2
Cost of revenue	(615,863)	(507,780)	-21.3
Gross profit	<b>181,532</b>	203,112	-10.6
Other income	<b>14,474</b>	8,817	64.2
Other gains and losses	<b>5,920</b>	(3,703)	259.9
Selling and distribution expenses	(167,470)	(138,244)	-21.1
Administrative expenses	(117,443)	(37,423)	-213.8
Research and development expenses	(22,091)	(25,176)	12.3
Professional fees and expenses related to De-SPAC Transaction	(44,671)	(7,518)	-494.2
De-SPAC Transaction expenses arising from capital reorganisation	(373,590)	—	N/A
Finance costs	(10,357)	(26,457)	60.9
Impairment losses under expected credit loss (“ECL”) model, net of reversal	(75,595)	(44,542)	-69.7
Fair value changes of financial assets at fair value through profit or loss (“FVTPL”)	<b>1,762</b>	3,315	-46.8
Fair value changes of financial liabilities at FVTPL	<b>109,860</b>	(6,824)	1,709.9
Share of results of associates and joint venture	(865)	(1,087)	20.4
Loss before tax	(498,534)	(75,730)	-558.3
Income tax expense	(273)	(42)	-550.0
<b>Loss for the period</b>	<b>(498,807)</b>	(75,772)	-558.3

<b>For the Six Months Ended June 30,</b>		
<b>2025</b>	<b>2024</b>	<b>Change</b>
<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
<b>(Unaudited)</b>	<b>(Unaudited)</b>	
<i>(in thousands, except percentages)</i>		

**Other comprehensive (expense) income**

*Item that may be reclassified subsequently to profit or loss:*

Exchange differences arising on translation of foreign operations

<u>(2,096)</u>	<u>547</u>	<u>-483.2</u>
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**Other comprehensive (expense) income for the period, net of income tax**

<u>(2,096)</u>	<u>547</u>	<u>-483.2</u>
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**Total comprehensive expense for the period**

<u><u>(500,903)</u></u>	<u><u>(75,225)</u></u>	<u><u>-565.9</u></u>
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Loss for the period attributable to:

Owners of the Company

<u>(498,831)</u>	<u>(74,110)</u>	<u>-573.1</u>
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Non-controlling interests

<u>24</u>	<u>(1,662)</u>	<u>101.4</u>
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<u>(498,807)</u>	<u>(75,772)</u>	<u>-558.3</u>
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Total comprehensive expense attributable to:

Owners of the Company

<u>(500,927)</u>	<u>(73,563)</u>	<u>-580.9</u>
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Non-controlling interests

<u>24</u>	<u>(1,662)</u>	<u>101.4</u>
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<u><u>(500,903)</u></u>	<u><u>(75,225)</u></u>	<u><u>-565.9</u></u>
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**Loss per share**

– Basic (RMB)

<u>(0.66)</u>	<u>(0.31)</u>	<u>-112.9</u>
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– Diluted (RMB)

<u>(0.66)</u>	<u>(0.31)</u>	<u>-112.9</u>
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## NET REVENUES

Net revenues increased by 12.2% from approximately RMB710.9 million for the six months ended June 30, 2024, to approximately RMB797.4 million for the same period in 2025, mainly due to increases in revenue from overseas transaction business and other business. The following table sets forth a breakdown of revenue by business segment for the periods indicated.

	For the Six Months Ended June 30,			
	2025	(%)	2024	(%)
	<i>(RMB in thousands, except percentages)</i>			
Transaction Services	131,466	16.5	142,239	20.0
Transaction Support Services	201,589	25.3	217,617	30.6
Technology Subscription Services	12,436	1.6	16,188	2.3
Overseas Transaction Business	338,537	42.5	243,675	34.3
Others	113,367	14.1	91,173	12.8
<b>Total Net Revenues</b>	<b>797,395</b>	<b>100.0</b>	<b>710,892</b>	<b>100.0</b>

### Transaction services

Revenue generated from transaction services primarily consists of income from steel transactions on our digital platform, where we sell steel products to buyers through our digital platform and charge commissions from sellers on a per-ton basis. We do not obtain ownership of the steel products sold through our platform. In accordance with IFRS 15, we act as an agent because the specified goods remain under the control of the sellers before they are transferred to the buyers. Revenue related to commissions is reported on a net basis and recognized when the relevant transaction is completed (i.e., when the right to receive the commission becomes unconditional).

Revenue generated from transaction services decreased by 7.6% from approximately RMB142.2 million for the six months ended June 30, 2024, to approximately RMB131.5 million for the same period in 2025, mainly due to a decrease in steel transaction volume.

## Transaction support services

The following table sets forth a breakdown of our transaction support services revenue by nature for the periods indicated.

	For the Six Months Ended June 30,			
	2025	%	2024	%
	<i>(RMB in thousands, except percentages)</i>			
<b>Logistics, warehousing and processing services</b>	<b>201,589</b>	<b>100.0</b>	198,430	91.2
Platform users	<b>190,069</b>	<b>94.3</b>	191,298	87.9
Non-platform users	<b>11,520</b>	<b>5.7</b>	7,132	3.3
<b>Transaction settlement services</b>	<b>–</b>	<b>–</b>	19,187	8.8
<b>Total</b>	<b><u>201,589</u></b>	<b><u>100.0</u></b>	<b><u>217,617</u></b>	<b><u>100.0</u></b>

### Logistics, Warehousing and Processing Services

We coordinate logistics, warehousing, and processing for buyers who choose to use our services by engaging and matching suitable carriers for the delivery of steel products, and relevant warehousing and processing service providers for warehousing and steel product processing. Through this, we earn the fee difference between the fees charged to buyers on a per-ton basis and payments to partnered third-party service providers. Service income is recognized over the service period when the services are performed.

### Transaction Settlement Services

We provide three types of transaction settlement services, namely FatCat Bai Tiao, FatCat Easy Procurement, and bill settlement, and earn service fees from our transaction settlement services. We ceased providing FatCat Bai Tiao and FatCat Easy Procurement and related systems by August 2024. After termination, we no longer generate income from providing transaction settlement services but will continue to provide bill settlement as a payment or settlement method for transactions on our digital platform.

Revenue generated from transaction support services decreased by 7.4% from approximately RMB217.6 million for the six months ended June 30, 2024, to approximately RMB201.6 million for the same period in 2025, mainly due to our cessation of FatCat Bai Tiao and FatCat Easy Procurement and related systems by August 2024.



## Technology Subscription Services

We provide a range of digital solutions through our digital platform to facilitate user transaction services, including our SaaS products, data analytics, and other value-added services such as advertising services. Revenue generated from technology subscription services is recognized over the service period during which the services are provided. We have assessed that the stage of completion is determined based on the proportion of the total service period that has elapsed as of the end of the Reporting Period, as this is an appropriate method to measure progress towards complete satisfaction of these performance obligations in accordance with IFRS 15, because buyers simultaneously receive and consume the services we provide during the service period.

Revenue generated from technology subscription services decreased by 23.2% from RMB16.2 million for the six months ended June 30, 2024, to RMB12.4 million for the same period in 2025, mainly due to a decrease in our advertising business.

## Overseas Transaction Business

The following table sets forth a breakdown of revenue generated from our overseas transaction business by geographical location for the periods indicated.

	For the Six Months Ended June 30,			
	2025	%	2024	%
	<i>(RMB in thousands, except percentages)</i>			
Middle East	134,998	39.9	140,347	57.6
Southeast Asia	195,679	57.8	700	0.3
East Asia	7,860	2.3	102,628	42.1
<b>Total</b>	<b>338,537</b>	<b>100.0</b>	<b>243,675</b>	<b>100.0</b>

During the Reporting Period, we operated in overseas markets through a project direct supply model. In accordance with IFRS 15, we primarily act as a principal under the project direct supply model because we obtain control over the specified goods before they are transferred to the buyers. Revenue generated from overseas transaction business is primarily reported on a gross basis and recognized when signed receipt documents are received from buyers and the goods are received by buyers at the premises specified in the contract (i.e., when buyers obtain control over the goods and we fulfill our performance obligations).

Revenue generated from overseas transaction business increased significantly by 38.9% from RMB243.7 million for the six months ended June 30, 2024, to RMB338.5 million for the same period in 2025, mainly due to our deepening of international business layout, leveraging the development opportunities of the Belt and Road Initiative, coupled with strong infrastructure demand in Southeast Asian countries. To this end, we invested more resources in developing overseas transaction business, resulting in increased transaction volumes in regions such as Thailand, Indonesia, and Malaysia.

## Others

Others primarily refer to non-steel products transaction business. We actively develop diversified business lines across industry sectors, mainly including electrical and electronic products, non-ferrous metals, and wires and cables.

Revenue generated from other business increased by 24.3% from RMB91.2 million for the six months ended June 30, 2024, to RMB113.4 million for the same period in 2025, mainly due to the continued expansion of our non-steel products transaction business.

## COST OF REVENUE

Our cost of revenue primarily consists of (i) logistics, warehousing, and processing costs; (ii) product procurement costs, representing steel product procurement costs for overseas transaction sales and other procurement costs of non-steel products; (iii) stamp duty and extra charges; and (iv) service fees.

The table below sets forth a breakdown of our cost of revenue by nature and as a percentage of total cost of revenue for the periods indicated.

	For the Six Months Ended June 30,			
	2025	%	2024	%
	<i>(RMB in thousands, except percentages)</i>			
<b>Cost of revenue</b>				
Product procurement costs	<b>418,678</b>	<b>68.0</b>	315,250	62.1
Logistics, warehousing and processing costs	<b>187,377</b>	<b>30.4</b>	181,232	35.7
Stamp duty and extra charges	<b>8,599</b>	<b>1.4</b>	10,178	2.0
Service fees	<b>1,209</b>	<b>0.2</b>	1,120	0.2
<b>Total</b>	<b><u>615,863</u></b>	<b><u>100.0</u></b>	<b><u>507,780</u></b>	<b><u>100.0</u></b>

Our cost of revenue was RMB615.9 million for the six months ended June 30, 2025, a 21.3% increase from RMB507.8 million for the six months ended June 30, 2024, in line with our revenue growth. Our product procurement costs were RMB418.7 million in the same period of 2025, a 32.8% increase from RMB315.3 million for the six months ended June 30, 2024, primarily due to expansion of overseas transaction business and non-steel products. This was partially offset by logistics, warehousing, and processing costs of RMB187.4 million in the same period of 2025, a 3.4% increase from RMB181.2 million for the six months ended June 30, 2024, consistent with the growth trend of logistics revenue.

## GROSS PROFIT AND GROSS PROFIT MARGIN

The table below sets forth a breakdown of our gross profit and gross profit margin by business segments for the periods indicated:

	For the Six Months Ended June 30,			
	2025	%	2024	%
	<i>(RMB in thousands, except percentages)</i>			
<b>Gross profit and gross profit margin</b>				
Transaction services	123,010	93.6	132,640	93.3
Transaction support services	14,137	7.0	35,835	16.5
Technology subscription services	11,202	90.1	15,046	92.9
Overseas transaction business	29,590	8.7	15,531	6.4
Others	3,593	3.2	4,060	4.5
<b>Total</b>	<b>181,532</b>	<b>22.8</b>	<b>203,112</b>	<b>28.6</b>

Our gross profit was RMB181.5 million for the six months ended June 30, 2025, a 10.6% decrease from RMB203.1 million for the six months ended June 30, 2024, primarily due to our cessation of FatCat Bai Tiao and FatCat Easy Procurement and related systems by August 2024. Our overall gross profit margin was 22.8% in the same period of 2025, compared to 28.6% for the six months ended June 30, 2024, primarily due to higher proportion of lower-margin international transaction services and non-steel products transaction business.

### Transaction Services

Our gross profit from transaction services was RMB123.0 million for the six months ended June 30, 2025, a 7.3% decrease from RMB132.6 million for the six months ended June 30, 2024, primarily due to the overall decline in steel transaction tonnage. The gross profit margin was 93.6% for the six months ended June 30, 2025, compared to 93.3% for the six months ended June 30, 2024, remaining relatively stable.

### Transaction Support Services

Our gross profit from transaction support services was RMB14.1 million for the six months ended June 30, 2025, a 60.6% decrease from RMB35.8 million for the six months ended June 30, 2024, primarily due to our cessation of FatCat Bai Tiao and FatCat Easy Procurement and related systems by August 2024. Due to the termination of high-margin businesses such as FatCat Bai Tiao and FatCat Easy Procurement, the gross profit margin also decreased accordingly, from 16.5% for the six months ended June 30, 2024 to 7.0% for the six months ended June 30, 2025.

### Technology Subscription Services

Our gross profit from technology subscription services was RMB11.2 million for the six months ended June 30, 2025, a 25.5% decrease from RMB15.0 million for the six months ended June 30, 2024, primarily due to the decrease in our advertising business. The gross profit margin was 90.1% for the six months ended June 30, 2025, compared to 92.9% for the six months ended June 30, 2024, remaining relatively stable.

## Overseas Transaction Business

Our gross profit from overseas transaction business was RMB29.6 million for the six months ended June 30, 2025, a 90.5% increase from RMB15.5 million for the six months ended June 30, 2024, in line with increased revenue from our overseas transaction business. Due to deep cultivation of business and continuous improvement in management efficiency, the gross profit margin also increased accordingly, from 6.4% for the six months ended June 30, 2024 to 8.7% for the six months ended June 30, 2025.

## Others

Our gross profit from the non-steel products transaction business was RMB3.6 million for the six months ended June 30, 2025, a 11.5% decrease from RMB4.1 million for the six months ended June 30, 2024. The gross profit margin was 3.2% for the six months ended June 30, 2025, compared to 4.5% for the six months ended June 30, 2024, primarily due to changes in the non-steel products transaction structure.

## OTHER INCOME

Other income primarily consists of (i) interest on bank deposits; and (ii) government grants, which represent incentives provided by local government authorities in the PRC, including various forms of government financial incentives and preferential tax treatments, to reward our support and contribution to local economic development.

The table below sets forth a breakdown of our other incomes for the periods indicated:

	<b>For the Six Months Ended</b>	
	<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Interest on bank deposits	9,745	4,682
Government grants	4,729	4,135
<b>Total</b>	<b>14,474</b>	<b>8,817</b>

Our other income was RMB14.5 million for the six months ended June 30, 2025, an increase from RMB8.8 million for the six months ended June 30, 2024, primarily due to an increase in bank deposit interest income as more funds are available after listing.

## OTHER GAINS AND LOSSES, NET

Other gains and losses primarily consist of (i) fair value changes of derivative financial instruments, related to our holding of derivative futures contracts and foreign exchange forward contracts priced at market value, with resulting gains or losses recognized in profit or loss; (ii) gain on disposal of property and equipment; and (iii) net foreign exchange gain.

The table below sets forth a breakdown of our other gains and losses for the periods indicated:

	<b>For the Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB in thousands)</i>	
Loss on fair value changes of derivative financial instruments	<b>(510)</b>	(636)
Gain on disposal of property and equipment	<b>191</b>	262
Net foreign exchange gain/(loss)	<b>6,156</b>	(3,579)
Others	<b>83</b>	250
<b>Total</b>	<b><u>5,920</u></b>	<b><u>(3,703)</u></b>

Our net other gains were RMB5.9 million for the six months ended June 30, 2025, an increase from net other losses of RMB3.7 million for the six months ended June 30, 2024, primarily due to an increase in foreign exchange gains of RMB9.7 million.

#### **FAIR VALUE CHANGES OF FINANCIAL LIABILITIES AT FVTPL**

Fair value changes of financial liabilities at FVTPL include (i) fair value changes of listed warrants liabilities; (ii) fair value changes of promoter warrant liabilities; (iii) fair value changes of promoter earn-out right liabilities; (iv) fair value changes of convertible preferred share liabilities; and (v) fair value changes of redeemable preferred share liabilities. Our fair value changes of financial liabilities at FVTPL increased from a loss of RMB6.8 million for the six months ended June 30, 2024 to a gain of RMB109.9 million in the same period of 2025, primarily due to share price fluctuations after listing.

#### **SELLING AND DISTRIBUTION EXPENSES**

Our selling and distribution expenses were RMB167.5 million for the six months ended June 30, 2025, an increase from RMB138.2 million for the six months ended June 30, 2024; excluding equity-settled share-based payments, selling and distribution expenses were RMB156.5 million for the six months ended June 30, 2025, primarily attributable to business expansion leading to an increase in employee benefit expenses related to sales personnel.

#### **ADMINISTRATIVE EXPENSES**

Our administrative expenses were RMB117.4 million for the six months ended June 30, 2025, an increase from RMB37.4 million for the six months ended June 30, 2024; excluding equity-settled share-based payments, administrative expenses were RMB48.5 million for the six months ended June 30, 2025, primarily due to increased listing-related expenses.

#### **RESEARCH AND DEVELOPMENT EXPENSES**

Our research and development expenses were RMB22.1 million for the six months ended June 30, 2025, a decrease from RMB25.2 million for the six months ended June 30, 2024; excluding equity-settled share-based payments, research and development expenses were RMB18.3 million for the six months ended June 30, 2025, primarily due to improved efficiency in research and development activities and completion of major research and development products in the past few years.

## **DE-SPAC TRANSACTION EXPENSES ARISING FROM CAPITAL REORGANISATION**

Due to the completion of the De-SPAC transaction, Aquila promoters and certain shareholders were deemed to have been issued shares and warrants at a fair value exceeding the net asset value acquired by the Company. This difference of RMB373.6 million was recognized as De-SPAC transaction expenses arising from capital reorganisation at the time of listing on March 10, 2025.

## **FINANCE COSTS**

Our finance costs were RMB10.4 million for the six months ended June 30, 2025, a decrease from RMB26.5 million for the six months ended June 30, 2024, primarily due to reduced borrowing interest expenses and bank handling fees.

## **IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL**

Our impairment losses under the expected credit loss model, net of reversal, were RMB75.6 million for the six months ended June 30, 2025, an increase from RMB44.5 million for the six months ended June 30, 2024, primarily due to economic environment reasons, estimated on a more prudent basis.

## **INCOME TAX EXPENSE**

Our income tax expense was RMB0.27 million for the six months ended June 30, 2025, an increase from RMB0.04 million for the six months ended June 30, 2024, primarily due to our development of international business segments, increasing income tax expenses for international entities.

## **LOSS FOR THE PERIOD**

Our loss for the period was RMB498.8 million for the six months ended June 30, 2025, an increase from loss of RMB75.8 million for the six months ended June 30, 2024, due to the reasons described above.



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table sets forth the condensed consolidated statement of financial position of the Group as of the dates indicated.

	As of June 30, 2025 (Unaudited)	As of December 31, 2024 (Audited)	Change (%)
	<i>(RMB in thousands, except percentages)</i>		
<b>Non-current Assets</b>			
Property and equipment	210,705	209,525	0.6
Right-of-use assets	30,681	34,043	-9.9
Goodwill	31,954	31,954	0.0
Intangible assets	111,167	110,226	0.9
Interests in associates and joint venture	34,032	34,897	-2.5
Financial assets at fair value through profit and loss	44,439	42,806	3.8
Prepayments	6,441	7,450	-13.5
	<u>469,419</u>	<u>470,901</u>	<u>-0.3</u>
<b>Current Assets</b>			
Inventories	15,302	20,077	-23.8
Trade receivables, prepayments and other receivables	9,227,281	8,696,367	6.1
Financial assets at fair value through other comprehensive income (“FVTOCI”)	189,633	114,349	65.8
Restricted cash	537,070	506,695	6.0
Cash and cash equivalents	410,827	240,163	71.1
	<u>10,380,113</u>	<u>9,577,651</u>	<u>8.4</u>
<b>Current Liabilities</b>			
Trade, bills and other payables	9,404,591	9,181,814	2.4
Bank and other borrowings	591,474	406,358	45.6
Derivative financial instruments	510	–	N/A
Lease liabilities	5,387	7,990	-32.6
Contract liabilities	32,974	67,045	-50.8
Financial liabilities at FVTPL	37,900	6,821,940	-99.4
	<u>10,072,836</u>	<u>16,485,147</u>	<u>-38.9</u>
<b>Net Current Assets (Liabilities)</b>	<u>307,277</u>	<u>(6,907,496)</u>	<u>104.4</u>
<b>Total Assets Less Current Liabilities</b>	<u><u>776,696</u></u>	<u><u>(6,436,595)</u></u>	<u><u>112.1</u></u>

	As of June 30, 2025 (Unaudited)	As of December 31, 2024 (Audited)	Change (%)
<i>(RMB in thousands, except percentages)</i>			
<b>Capital and Reserves</b>			
Share capital	377	71	431.0
Reserves	<u>665,275</u>	<u>(6,549,463)</u>	<u>110.2</u>
Equity attributable to owners of the Company	<b>665,652</b>	<b>(6,549,392)</b>	<b>110.2</b>
Non-controlling interests	<u>43,011</u>	<u>42,987</u>	<u>0.1</u>
<b>Total Equity/(Deficit)</b>	<b><u>708,663</u></b>	<b><u>(6,506,405)</u></b>	<b><u>110.9</u></b>
<b>Non-Current Liabilities</b>			
Financial liabilities at FVTPL	27,888	27,759	0.5
Contract liabilities	9,388	10,956	-14.3
Lease liabilities	7,049	7,112	-0.9
Deferred tax liabilities	<u>23,708</u>	<u>23,983</u>	<u>-1.1</u>
	<b><u>68,033</u></b>	<b><u>69,810</u></b>	<b><u>-2.5</u></b>

## Trade Receivables, Prepayments and Other Receivables

The following table sets forth the trade receivables, prepayments and other receivables of the Group as of the dates indicated.

	As of June 30, 2025	As of December 31, 2024
	<i>(RMB in thousands)</i>	
Trade receivables		
– Transaction services	109,592	76,973
– Transaction support services	8,250	6,675
– Technology subscription services	2,770	1,200
– Overseas transaction business	252,995	213,229
– Others	2,161	606
	<hr/>	<hr/>
Less: allowance for credit losses	(25,259)	(25,198)
	<hr/>	<hr/>
Sub-total	350,509	273,485
Prepayment to sellers in relation to transaction services	8,652,105	8,251,935
Prepayment to sellers in relation to overseas transaction business	42,158	54,261
Refundable deposits in relation to purchase of property and equipment	71,479	–
Interest receivable	3,902	3,529
Prepaid expenses	29,578	27,736
Amounts due from related parties	–	23,340
Loans to third parties	20,695	–
Refundable deposits to sellers	13,312	8,801
Deferred issue cost	–	3,019
Others	63,588	73,651
	<hr/>	<hr/>
Sub-total	8,896,817	8,446,272
Less: allowance for credit losses	(13,604)	(15,940)
	<hr/>	<hr/>
Sub-total	8,883,213	8,430,332
	<hr/>	<hr/>
<b>Total</b>	<b>9,233,722</b>	<b>8,703,817</b>
	<hr/> <hr/>	<hr/> <hr/>

In terms of transaction services, we charge sellers a commission and buyers a service fee. As we typically collect advances from buyers and disburse prepayments to sellers on a back-to-back basis, we recognize the advances from buyers and the prepayments to sellers.

Our trade receivables, prepayments, and other receivables were RMB9,233.7 million as of June 30, 2025, a 6.1% increase from RMB8,703.8 million as of December 31, 2024, primarily due to the recovery of transaction tonnage in the Reporting Period, leading to an increase in prepayments to sellers related to our transaction services.

## Restricted Cash

The following table sets forth the restricted cash of the Group as of the dates indicated.

	As of June 30, 2025	As of December 31, 2024
	<i>(RMB in thousands)</i>	
Margin deposits to secure open derivatives	–	2,297
Deposits to secure bank borrowing and bills payable	516,814	470,280
Others	20,256	34,118
<b>Total</b>	<b>537,070</b>	<b>506,695</b>

Our restricted cash primarily includes margin deposits to secure open derivatives, deposits for bank borrowing and bills payable, and others. Others mainly refers to deposits associated with derivative futures contracts that we periodically enter into, as well as deposits restricted by banks due to certain business disputes.

## Trade, Bills and Other Payables

The following table sets forth the trade, bills and other payables of the Group as of the dates indicated.

	As of June 30, 2025	As of December 31, 2024
	<i>(RMB in thousands)</i>	
Trade payables		
– Transaction services	76,974	78,601
– Transaction support services	19,930	27,557
– Technology subscription services	29	11
– Overseas transaction business	10,505	38,710
– Others	–	295
Bills payable	565,050	438,800
Advances received from buyers in relation to transaction services	8,646,844	8,516,647
Interest payable	425	361
Salary and bonus payables	36,447	38,381
Stamp duty payable	5,780	17,553
Other taxes payable	11,796	3,937
Accrued expenses	15,179	2,235
Accrued professional fees and expenses related to De-SPAC		
Transaction	4,890	8,482
Accrued issue costs	679	352
Construction cost payables	109	157
Others	9,954	9,735
<b>Total</b>	<b>9,404,591</b>	<b>9,181,814</b>

Our trade, bills, and other payables were RMB9,404.6 million as of June 30, 2025, an increase from RMB9,181.8 million as of December 31, 2024, primarily due to the recovery of transaction tonnage in the Reporting Period, leading to an increase in advances received from buyers related to our transaction services.

## Bank and Other Borrowings

The following table sets forth our bank and other borrowings as of the dates indicated:

	As of June 30, 2025	As of December 31, 2024
	<i>(RMB in thousands)</i>	
Bank borrowings	591,256	399,978
Other borrowings	218	6,380
<b>Total</b>	<b>591,474</b>	<b>406,358</b>

As of June 30, 2025 and December 31, 2024, our bank and other borrowings were RMB591.5 million and RMB406.4 million, respectively, all of which were fixed-rate borrowings. Bank borrowings include bills discounted to banks but not derecognized, amounting to RMB129.2 million. The remaining balance of other borrowings arose from factoring trade receivables to bank and non-bank financial institutions with full recourse. The Company further confirms that during the Reporting Period, we did not encounter any difficulties in obtaining bank loans and other borrowings, had no defaults on bank loans and other borrowings, no breaches of covenants, and no significant changes in our debts.



## Financial Liabilities at FVTPL

The following table sets forth the financial liabilities at FVTPL of the Group as of the dates indicated.

	As of June 30, 2025	As of December 31, 2024
	<i>(RMB in thousands)</i>	
<b>Current Liabilities</b>		
Convertible preferred shares	–	6,821,940
Listed warrants	3,390	–
Promoter warrants	14,771	–
Promoter earn-out rights	19,739	–
	<u>37,900</u>	<u>6,821,940</u>
<b>Non-current Liabilities</b>		
Redeemable preferred shares	<u>27,888</u>	<u>27,759</u>
<b>Total</b>	<u><u>65,788</u></u>	<u><u>6,849,699</u></u>

Our financial liabilities at FVTPL are the convertible preferred shares, warrants, and redeemable preferred shares issued to investors. The fair value of convertible preferred shares, warrants, and redeemable preferred shares is affected by changes in our equity value and various parameters and input data.

## LIQUIDITY AND CAPITAL RESOURCES

We primarily funded our cash requirements through proceeds from business operations, bank borrowings, other debt financing, and shareholder equity contributions. Our cash position increased from RMB746.9 million as of December 31, 2024 to RMB947.9 million as of June 30, 2025. The cash position includes cash and cash equivalents and restricted cash.

## Condensed Consolidated Statement of Cash Flows

The following table sets forth the components of our condensed consolidated statement of cash flows for the periods indicated.

	<b>For the Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(RMB in thousands)</b>	
Net cash (used in)/generated from operating activities	<b>(134,230)</b>	339,202
Net cash used in investing activities	<b>(530,587)</b>	(304,534)
Net cash from financing activities	<b>835,131</b>	97,574
<b>Net increase in cash and cash equivalents</b>	<b>170,314</b>	132,242
Cash and cash equivalents at beginning of the period	<b>240,163</b>	310,904
Effect of foreign exchange rate changes	<b>350</b>	592
<b>Cash and cash equivalents at end of the period</b>	<b>410,827</b>	443,738

### ***Operating Activities***

For the six months ended June 30, 2025, our net cash used in operating activities was RMB134.2 million. This was primarily due to (i) decrease in working capital, mainly including: (a) increase in trade receivables of RMB77.0 million, (b) decrease in contract liabilities of RMB35.6 million; and (ii) loss of RMB72.4 million adjusted for non-cash items, mainly including: (a) impairment losses under expected credit loss model (net of reversal) of RMB75.6 million, (b) share-based expenses of RMB83.7 million, (c) De-SPAC transaction expenses arising from capital reorganisation of RMB373.6 million, and (d) partially offset by fair value gain on financial liabilities at FVTPL of RMB109.9 million.

### ***Investing Activities***

For the six months ended June 30, 2025, our net cash used in investing activities was RMB530.6 million, primarily attributable to placement of bank deposits pledged for bills payable related to transaction services of RMB516.8 million.

### ***Financing Activities***

For the six months ended June 30, 2025, our net cash generated from financing activities was RMB835.1 million, primarily attributable to (i) net proceeds from fundraising of RMB506.0 million and proceeds from capital reorganisation of RMB115.8 million; (ii) proceeds from bills discounted to banks not fully derecognized of RMB143.5 million; and (iii) proceeds from bank and other borrowings of RMB183.1 million, partially offset by repayment of bank and other borrowings of RMB73.7 million.

## CAPITAL EXPENDITURES

Our capital expenditures primarily consisted of purchases of property and equipment, as well as intangible assets. The following table sets forth our capital expenditures for the periods indicated.

	For the Six Months Ended June 30,	
	2025	2024
	<i>(RMB in thousands)</i>	
Purchases of property and equipment	75,925	5,829
Capitalisation of digital assets	2,431	—
<b>Total</b>	<b>78,356</b>	<b>5,829</b>

## CONTRACTUAL COMMITMENTS

Our contracted capital expenditure refers to capital expenditure related to the acquisition of prepaid lease payments and property and equipment that have been contracted for but not yet provided for in the historical financial information. As of June 30, 2025, we did not record any capital commitments.

## CONTINGENT LIABILITIES

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

## SIGNIFICANT INVESTMENTS HELD, SIGNIFICANT ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES, AND FUTURE PLANS FOR SIGNIFICANT INVESTMENTS OR CAPITAL ASSETS

For the six months ended June 30, 2025, except for the “Future Plans and Use of Proceeds” as disclosed in the Prospectus, the Group did not hold any significant investments and did not make any significant acquisitions or disposals of subsidiaries, associates, or joint ventures.

## PLEDGE OF ASSETS

As of June 30, 2025, we had pledged land use rights and property, plant and equipment with net book values of RMB16.3 million and RMB196.1 million, respectively, as security for the Group’s short-term borrowings of RMB280.0 million. The Group is not allowed to use such assets as security for other borrowings.

## GEARING RATIO

As of June 30, 2025, the Group’s gearing ratio (calculated as total liabilities divided by total assets, expressed as a percentage) was 93.5%, compared with 164.7% as of December 31, 2024. The decline in the gearing ratio was mainly due to the impact of the convertible preferred shares, which were converted into ordinary shares on March 10, 2025 after listing of the Company.

## **FOREIGN EXCHANGE EXPOSURE**

We primarily conduct our operations in China, with the majority of our transactions settled in RMB. Our exposure to foreign exchange risks arises predominantly from international transaction business, involving currencies such as the USD, Hong Kong dollar, Dirham, Ringgit, Indonesian Rupiah, Singapore dollar, and Thai Baht. Therefore, foreign exchange risks mainly stem from assets and liabilities recognized when we receive or anticipate receiving foreign currency from overseas business partners, or when we pay or expect to pay foreign currency to them. As of June 30, 2025, with the increase in the scale of international transaction business, we actively prevent exchange rate fluctuation risks to ensure overall control of exchange rate risks. Based on business development, we actively take the following measures to prevent foreign exchange risks: (i) reasonably arrange financing and foreign exchange receipts and payments, and timely adjust foreign exchange fund management plans; and (ii) in combination with changes in exchange rates and interest rates, timely use foreign exchange hedging tools to avoid foreign exchange risks.

## **EMPLOYEES AND REMUNERATION**

As of June 30, 2025, we employed 1,291 full-time staff. Our success hinges on our ability to attract, retain, and motivate qualified personnel. As part of our human resources strategy, we offer competitive salaries, performance-linked bonuses, and other incentives to our employees. Additionally, we have implemented robust training programs for new hires and provide tailored online and offline regular and professional training based on the needs of employees across different departments. These training courses are customized according to the roles and skill levels of new hires, current employees, and management.

As required by regulations in China, we participate in various government statutory employee benefit plans. These include social insurance plans – covering retirement, medical, unemployment, work-related injury, and maternity benefits – as well as housing provident funds. Under Chinese law, we must contribute to these employee benefit plans at specified percentages of our employees' salaries, bonuses, and certain allowances, up to a maximum amount determined periodically by local governments.

We believe that we maintain good working relationships with our employees and during the Reporting Period, we have not experienced any strikes nor labour disputes that had any material adverse effect on our operations.

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

Since the listing of the Company's shares on March 10, 2025, up to June 30, 2025, neither the Company nor any of its subsidiaries and consolidated affiliated entities had purchased, sold, or redeemed any of the Company's listed securities.

## **MATERIAL LITIGATION**

During the Reporting Period and up to June 30, 2025, unless otherwise disclosed in the latest annual report of the Company under the section headed "Material Litigation", our Company has not been involved in any material litigation or arbitration. Furthermore, our Directors are not aware of any material litigation or claims, whether pending or threatened, against our Company.

## **IMPLEMENTATION STATUS OF THE 2023 PRE-LISTING SHARE OPTION SCHEME**

The 2023 Pre-Listing Share Option Scheme was approved by the Board on July 14, 2023, and is managed and implemented in accordance with the 2023 Pre-Listing Share Option Scheme and Implementation Measures for Option Incentives of Zhaogang adopted by the Board resolution. The newly issued pre-listing options were granted a total of 14,554,683 shares on March 5, 2025.

## CORPORATE GOVERNANCE

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Corporate Governance Code has been applicable to the Company with effect from the Listing Date.

The Company and the Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of the minority Shareholders. In light of this, the Company has established a Corporate Governance Committee which has adopted terms of reference consistent with Code Provision D.3.1 of the Corporate Governance Code and Rule 8A.30 of the Listing Rules. The members of the Corporate Governance Committee are independent non-executive Directors. The primary duties of the Corporate Governance Committee are to ensure that the Company is operated and managed for the benefit of all Shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to the WVR structure of the Company.

Under the articles of association of the Company (the “**Articles**”), Shareholders, including holders of Class A Shares, holding not less than one-tenth of the paid-up capital of the Company that carries the right of voting at general meetings (on a one share one vote basis) are entitled to convene an extraordinary general meeting of the Company and add resolutions to the meeting agenda. In addition, pursuant to the Shareholder communication policy, Shareholders are encouraged to put governance-related matters to the Directors of the Company and to the Company directly in writing.

The Group has adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between the Group and the Controlling Shareholders (namely Mr. Wang Dong, Mr. Wang Changhui, Mr. Rao Huigang, Jeremy Global Development Limited, Kiwi Global Development Limited, Restriven Limited, Wangdong Holdings Limited, Pangmao1 Ltd, Wangchanghui Holdings Limited, Pangmao2 Ltd, and Raohuigang Holdings Limited):

- (a) under the Articles, where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders have a material interest, the relevant Controlling Shareholders will not vote on the relevant resolutions;
- (b) the Company has established internal control mechanisms to identify connected transactions, and will comply with applicable Listing Rules upon entering into connected transactions;
- (c) the independent non-executive Directors of the Company will review, on an annual basis, whether there are any conflicts of interest between the Group and the Controlling Shareholders and provide impartial and professional advice to protect the interests of the minority Shareholders;
- (d) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational, and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

- (e) the Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its interim and annual reports or by way of announcements as required by the Listing Rules;
- (f) where the Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at the Company's expense;
- (g) the Company has appointed a compliance advisor on a permanent basis, Altus Capital Limited, to provide advice and guidance to the Group in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and
- (h) the Company has established its Audit Committee, Remuneration Committee, Nomination Committee, and Corporate Governance Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code and Chapter 8A to the Listing Rules. All members of the Corporate Governance Committee, including the chairman, are independent non-executive Directors.

Based on the above, during the period from the Listing Date to June 30, 2025, the Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between the Group and the Controlling Shareholders, and to protect the minority Shareholders' interests. During this period, the Company has complied with all applicable code provisions set out in the Corporate Governance Code, save for the deviation set out below.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. In view of Mr. Wang Dong's experience, personal profile, and his roles in the Company, and given that Mr. Wang Dong has assumed the role of chief executive officer of the Company since its commencement of business, the Board considers it beneficial to the business prospect and operational efficiency to have Mr. Wang Dong act as the chairman of the Board and continue to act as the chief executive officer of the Company. While this constitutes a deviation from Code Provision C.2.1 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decisions to be made by the Board require approval by at least a majority of the Directors; (ii) Mr. Wang Dong and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of the Company and will make decisions for the Company accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board, which comprises experienced and high-calibre individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Company to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.



## COMPLIANCE WITH THE MODEL CODE

The Company has adopted its own code (the “**Company’s Code**”), with terms no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, as its own securities dealing code to regulate all dealings by Directors and relevant employees in the securities of the Company.

Specific enquiry has been made of all the Directors, and they have confirmed that they have complied with the Company’s Code during the period from the Listing Date to June 30, 2025.

## AUDIT COMMITTEE

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and paragraph D.3.3 of the Corporate Governance Code. The Audit Committee comprises one non-executive Director and two independent non-executive Directors, namely Mr. Jiang Rongfeng, Mr. Wang Weisong, and Mr. Chen Yin. Mr. Wang Weisong is the chairman of the Audit Committee and possesses the appropriate qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee include: (i) reviewing and supervising the effectiveness of the Company’s financial reporting, risk management, and internal control systems; (ii) reviewing the Company’s financial information; (iii) considering issues relating to external auditors and their appointment; (iv) reviewing and monitoring the Company’s environmental, social responsibility, and corporate governance policies and practices; (v) reviewing and approving connected transactions; and (vi) other duties and responsibilities as assigned by the Board.

The Company has determined that Mr. Wang Weisong, Mr. Chen Yin, and Mr. Wang Xiang each satisfies the “independence” requirements under the Listing Rules.

The Audit Committee has reviewed the unaudited interim results of the Company for the six months ended June 30, 2025, and has met with the independent auditor, Deloitte Touche Tohmatsu. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters with senior management members of the Company.

In addition, the independent auditor of the Company, Deloitte Touche Tohmatsu, has reviewed our interim financial information for the six months ended June 30, 2025, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

## **NOMINATION COMMITTEE**

The Company has established a Nomination Committee in compliance with Rules 3.27A, 8A.27, and 8A.28 of the Listing Rules and paragraph B.3.1 of the Corporate Governance Code. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Ms. Gong Yingxin, Mr. Wang Xiang, and Mr. Wang Weisong. Mr. Wang Xiang, our independent non-executive Director, is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include: (i) reviewing the structure, diversity, size, and composition of the Board on a regular basis and making recommendations regarding any proposed changes to its composition; (ii) identifying, selecting, or making recommendations to the Board on the selection of nominees for directorship; (iii) ensuring the diversity of the Board; (iv) assessing the independence of the Company's independent non-executive Directors; (v) making recommendations to the Board regarding the appointment, re-appointment, removal, and succession of the Directors; and (vi) assessing each Director's time commitment and contribution to the Board annually.

The Nomination Committee recommended the Board to continue the implementation of the corporate governance measures described above and to periodically review their efficacy.

## **CORPORATE GOVERNANCE COMMITTEE**

The Company has established a Corporate Governance Committee in compliance with the Corporate Governance Code and Chapter 8A of the Listing Rules. The Corporate Governance Committee comprises three independent non-executive Directors, namely Mr. Chen Yin, Mr. Wang Weisong, and Mr. Wang Xiang. Mr. Chen Yin is the chairman of the Corporate Governance Committee.

The Corporate Governance Committee is required to confirm to the Board that it is of the view that the Company has adopted sufficient corporate governance measures to manage the potential conflict of interest between the Group and the beneficiaries of WVR to ensure that the operations and management of the Company are in the interests of the Shareholders as a whole indiscriminately.

The attendance record of the Corporate Governance Committee members will be disclosed in accordance with the Listing Rules in subsequent interim and annual reports of our Company.

The Corporate Governance Committee confirms that, except as otherwise disclosed in this interim results announcement, it is not aware of any significant subsequent events that have occurred between the end of the Reporting Period and the date of this interim results announcement.

## **OTHER BOARD COMMITTEES**

In addition to the Audit Committee, Nomination Committee, and Corporate Governance Committee, the Board has also established the Remuneration Committee. Each of these committees is established with defined written terms of reference. The terms of reference of the Board committees are available on the website of the Stock Exchange and the investor relations website of the Company.

## **INTERIM DIVIDEND**

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2025.

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

*FOR THE SIX MONTHS ENDED JUNE 30, 2025*

	<i>NOTES</i>	<b>Six months ended June 30,</b> <b>2025</b> <b>RMB'000</b> <b>(Unaudited)</b>	<b>2024</b> <b>RMB'000</b> <b>(Unaudited)</b>
Revenue	4	797,395	710,892
Cost of revenue		<u>(615,863)</u>	<u>(507,780)</u>
Gross profit		181,532	203,112
Other income	6	14,474	8,817
Other gains and losses	7	5,920	(3,703)
Selling and distribution expenses		(167,470)	(138,244)
Administrative expenses		(117,443)	(37,423)
Research and development expenses		(22,091)	(25,176)
Professional fees and expenses related to De-SPAC Transaction		(44,671)	(7,518)
De-SPAC Transaction expenses arising from capital reorganisation	20	(373,590)	—
Finance costs	8	(10,357)	(26,457)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	10	(75,595)	(44,542)
Fair value changes of financial assets at fair value through profit or loss (“FVTPL”)		1,762	3,315
Fair value changes of financial liabilities at FVTPL	18	109,860	(6,824)
Share of results of associates and joint venture		<u>(865)</u>	<u>(1,087)</u>
Loss before tax		(498,534)	(75,730)
Income tax expense	9	<u>(273)</u>	<u>(42)</u>
<b>Loss for the period</b>	10	<b><u>(498,807)</u></b>	<b><u>(75,772)</u></b>
<b>Other comprehensive (expense) income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(2,096)</u>	<u>547</u>
<b>Other comprehensive (expense) income for the period, net of income tax</b>		<b><u>(2,096)</u></b>	<b><u>547</u></b>
<b>Total comprehensive expense for the period</b>		<b><u>(500,903)</u></b>	<b><u>(75,225)</u></b>

	<i>NOTES</i>	<b>Six months ended June 30,</b>	
		<b>2025</b>	<b>2024</b>
		<b><i>RMB'000</i></b> <b>(Unaudited)</b>	<b><i>RMB'000</i></b> <b>(Unaudited)</b>
Loss for the period attributable to:			
Owners of the Company		<b>(498,831)</b>	(74,110)
Non-controlling interests		<u><b>24</b></u>	<u>(1,662)</u>
		<b><u>(498,807)</u></b>	<b><u>(75,772)</u></b>
Total comprehensive expense attributable to:			
Owners of the Company		<b>(500,927)</b>	(73,563)
Non-controlling interests		<u><b>24</b></u>	<u>(1,662)</u>
		<b><u>(500,903)</u></b>	<b><u>(75,225)</u></b>
<b>Loss per share</b>	<i>12</i>		
– Basic (RMB)		<b>(0.66)</b>	(0.31)
– Diluted (RMB)		<b><u>(0.66)</u></b>	<b><u>(0.31)</u></b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

	<i>NOTES</i>	<b>June 30, 2025 RMB'000 (Unaudited)</b>	<b>December 31, 2024 RMB'000 (Audited)</b>
<b>Non-current Assets</b>			
Property and equipment		<b>210,705</b>	209,525
Right-of-use assets		<b>30,681</b>	34,043
Goodwill		<b>31,954</b>	31,954
Intangible assets		<b>111,167</b>	110,226
Interests in associates and a joint venture		<b>34,032</b>	34,897
Financial assets at FVTPL		<b>44,439</b>	42,806
Prepayments	<i>13</i>	<b>6,441</b>	7,450
		<b>469,419</b>	470,901
<b>Current Assets</b>			
Inventories		<b>15,302</b>	20,077
Trade receivables, prepayments and other receivables	<i>13</i>	<b>9,227,281</b>	8,696,367
Financial assets at fair value through other comprehensive income ("FVTOCI")	<i>14</i>	<b>189,633</b>	114,349
Restricted cash	<i>15</i>	<b>537,070</b>	506,695
Cash and cash equivalents	<i>15</i>	<b>410,827</b>	240,163
		<b>10,380,113</b>	9,577,651
<b>Current Liabilities</b>			
Trade, bills and other payables	<i>16</i>	<b>9,404,591</b>	9,181,814
Bank and other borrowings	<i>17</i>	<b>591,474</b>	406,358
Derivative financial instruments		<b>510</b>	–
Lease liabilities		<b>5,387</b>	7,990
Contract liabilities	<i>4</i>	<b>32,974</b>	67,045
Financial liabilities at FVTPL	<i>18</i>	<b>37,900</b>	6,821,940
		<b>10,072,836</b>	16,485,147
<b>Net Current Assets (Liabilities)</b>		<b>307,277</b>	(6,907,496)
<b>Total Assets Less Current Liabilities</b>		<b>776,696</b>	(6,436,595)

	<i>NOTES</i>	<b>June 30, 2025 RMB'000 (Unaudited)</b>	<b>December 31, 2024 RMB'000 (Audited)</b>
<b>Non-current Liabilities</b>			
Financial liabilities at FVTPL	18	27,888	27,759
Contract liabilities	4	9,388	10,956
Lease liabilities		7,049	7,112
Deferred tax liabilities		23,708	23,983
		<u>68,033</u>	<u>69,810</u>
<b>Net Assets (Liabilities)</b>		<u><b>708,663</b></u>	<u><b>(6,506,405)</b></u>
<b>Capital and Reserves</b>			
Share capital	19	377	71
Reserves		<u>665,275</u>	<u>(6,549,463)</u>
Equity attributable to owners of the Company		<b>665,652</b>	<b>(6,549,392)</b>
Non-controlling interests		<u>43,011</u>	<u>42,987</u>
<b>Total Equity (Deficit)</b>		<u><b>708,663</b></u>	<u><b>(6,506,405)</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

### 1. GENERAL INFORMATION

ZG Group (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the laws of the Cayman Islands on February 27, 2012, and its shares have been listed by way of De-SPAC Transaction on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on March 10, 2025. Mr. Wang Dong, Mr. Wang Changhui, and Mr. Rao Huigang are collectively the controlling shareholders of the Company.

The Company acts as an investment holding company and its subsidiaries, including the consolidated affiliated entities (together, the “Group”), are principally engaged in providing an integrated suite of services across the steel trading value chain, including online steel commerce, logistics, warehousing and processing services.

The condensed consolidated financial statements are presented in the currency of Renminbi (“RMB”), which is the Company’s functional currency.

### 2. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board (the “IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange.

#### De-SPAC Transaction

A business combination agreement (“Business Combination Agreement”) was entered into on August 31, 2023 and amended on December 9, 2024 among the Company, ZG Merger Sub Limited, a wholly-owned subsidiary of the Company (the “Merger Sub”) and Aquila Acquisition Corporation (the “Aquila”) as part of the De-SPAC Transaction (as defined below). Aquila was formerly a special purpose acquisition company (“SPAC”) incorporated on November 25, 2021 in Cayman Islands with limited liability company formed for the purpose of acquiring a suitable target that results in the listing of a successor company (referred to as a “De-SPAC Transaction”) within the time limits required by the Listing Rules on the Stock Exchange. Aquila completed its initial public offering on March 18, 2022.

Upon the completion of the De-SPAC Transaction on March 10, 2025 (the “Closing Date”):

- a) the Merger Sub and Aquila amalgamated and continue as one company, following which the separate existence of Merger Sub will cease and Aquila will continue as the surviving entity and become a direct, wholly-owned subsidiary of the Company;
- b) pursuant to the Business Combination Agreement, (i) each issued and outstanding ordinary share of the Company (other than those beneficially owned by Mr. Wang Dong or Mr. Wang Changhui) was redesignated and reclassified as a class A share of the Company, (ii) each issued and outstanding ordinary share of the Company beneficially owned by Mr. Wang Dong or Mr. Wang Changhui was redesignated and reclassified as a class B share of the Company, and (iii) each existing option of the Company (whether vested or unvested), that is outstanding and unexercised as of immediately prior to the Closing Date was, automatically and without any required action on the part of any holder or beneficiary thereof, be converted into an option to purchase the Company’s class A shares; and
- c) the Company’s 7,869,750 class A shares were issued to the non-redeeming Aquila’s class A shareholders pursuant to the Business Combination Agreement.

The results of Aquila have been consolidated to the Group’s condensed consolidated financial statements since the Closing Date of the De-SPAC Transaction and further details of the De-SPAC Transaction are set out in Note 20 to the condensed consolidated financial statements.



### 3. ACCOUNTING POLICIES

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

Other than the accounting policies in relation to acquisition of a subsidiary not constituting a business and settle through allotment of Company's shares and the change in accounting policies resulting from application of amendments to IFRS Accounting Standards disclosed below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2024.

Acquisition of a subsidiary not constituting a business and settle through allotment of Company's shares

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

The issue of equity is accounted for as an equity-settled share-based payment transaction and measured indirectly by reference to the fair value of the equity instruments issued in accordance IFRS 2 "Share-based Payment", any excess of the Company's share issued over the fair value of the SPAC's identifiable net assets represents a listing service received by the Company and is recognised in profit or loss as De-SPAC Transaction expenses arising from capital reorganisation.

#### APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

#### 4. REVENUE

##### (i) Disaggregation of revenue

Segments	For the six months ended June 30, 2025					Total <i>RMB'000</i> (Unaudited)
	Transaction services <i>RMB'000</i> (Unaudited)	Transaction support services <i>RMB'000</i> (Unaudited)	Technology subscription services <i>RMB'000</i> (Unaudited)	Overseas transaction business <i>RMB'000</i> (Unaudited)	Others <i>RMB'000</i> (Unaudited)	
Commission income	131,466	–	–	–	814	132,280
Service income	–	201,589	12,436	–	–	214,025
Sales of goods	–	–	–	338,537	112,553	451,090
Revenue from contracts with customers	<u>131,466</u>	<u>201,589</u>	<u>12,436</u>	<u>338,537</u>	<u>113,367</u>	<u>797,395</u>
Timing of revenue recognition from contracts with customers:						
A point in time	131,466	860	–	338,537	113,367	584,230
Over time	<u>–</u>	<u>200,729</u>	<u>12,436</u>	<u>–</u>	<u>–</u>	<u>213,165</u>
	<u>131,466</u>	<u>201,589</u>	<u>12,436</u>	<u>338,537</u>	<u>113,367</u>	<u>797,395</u>

Segments	For the six months ended June 30, 2024					
	Transaction services	Transaction support services	Technology subscription services	Overseas transaction business	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Commission income	142,239	–	–	–	959	143,198
Service income	–	199,666	16,188	–	–	215,854
Sales of goods	–	–	–	243,675	90,214	333,889
Revenue from contracts with customers	142,239	199,666	16,188	243,675	91,173	692,941
Interest income	–	17,951	–	–	–	17,951
Total	<u>142,239</u>	<u>217,617</u>	<u>16,188</u>	<u>243,675</u>	<u>91,173</u>	<u>710,892</u>
Timing of revenue recognition from contracts with customers:						
A point in time	142,239	2,065	–	243,675	91,173	479,152
Over time	–	197,601	16,188	–	–	213,789
	<u>142,239</u>	<u>199,666</u>	<u>16,188</u>	<u>243,675</u>	<u>91,173</u>	<u>692,941</u>

(ii) Contract liabilities

	As at	
	June 30, 2025	December 31, 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Overseas transaction business	7,389	39,447
Technology subscription services	21,936	24,583
Transaction services and transaction support services	<u>13,037</u>	<u>13,971</u>
	<u>42,362</u>	<u>78,001</u>

## 5. SEGMENT INFORMATION

Information reported to the chief executive officer, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

**For the six months ended June 30, 2025**

	Transaction services <i>RMB'000</i> (Unaudited)	Transaction support services <i>RMB'000</i> (Unaudited)	Technology subscription services <i>RMB'000</i> (Unaudited)	Overseas transaction business <i>RMB'000</i> (Unaudited)	Others <i>RMB'000</i> (Unaudited)	Elimination <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
REVENUE							
Commission income	131,466	-	-	-	814	-	132,280
Service income	-	201,589	12,436	-	-	-	214,025
External sales of goods	-	-	-	338,537	112,553	-	451,090
Inter-segment revenue	185,946	-	-	-	-	(185,946)	-
	<u>317,412</u>	<u>201,589</u>	<u>12,436</u>	<u>338,537</u>	<u>113,367</u>	<u>(185,946)</u>	<u>797,395</u>
SEGMENT (LOSS) PROFIT	<u>(65,404)</u>	<u>926</u>	<u>3,336</u>	<u>6,117</u>	<u>1,025</u>	<u>-</u>	<u>(54,000)</u>
Unallocated							
Other income and other gains and losses							20,394
Selling and distribution expenses							(8,546)
Administrative expenses							(117,443)
Research and development expenses							(21,078)
Professional fees and expenses related to De-SPAC Transaction							(44,671)
De-SPAC transaction expenses arising from capital reorganisation							(373,590)
Finance costs							(10,357)
Fair value changes of financial assets at FVTPL							1,762
Fair value changes of financial liabilities at FVTPL							109,860
Share of results of associates and joint ventures							(865)
Loss before tax							(498,534)
Income tax expense							(273)
Loss for the period							<u>(498,807)</u>

**For the six months ended June 30, 2024**

	Transaction services <i>RMB'000</i> (Unaudited)	Transaction support services <i>RMB'000</i> (Unaudited)	Technology subscription services <i>RMB'000</i> (Unaudited)	Overseas transaction business <i>RMB'000</i> (Unaudited)	Others <i>RMB'000</i> (Unaudited)	Elimination <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
REVENUE							
Commission income	142,239	–	–	–	959	–	143,198
Service income	–	199,666	16,188	–	–	–	215,854
External sales of goods	–	–	–	243,675	90,214	–	333,889
Interest income	–	17,951	–	–	–	–	17,951
Inter-segment revenue	162,610	–	377	–	–	(162,987)	–
	<u>304,849</u>	<u>217,617</u>	<u>16,565</u>	<u>243,675</u>	<u>91,173</u>	<u>(162,987)</u>	<u>710,892</u>
SEGMENT (LOSS) PROFIT	<u>(10,702)</u>	<u>21,258</u>	<u>544</u>	<u>8,718</u>	<u>2,952</u>	<u>–</u>	<u>22,770</u>
Unallocated							
Other income and other gains and losses							5,114
Selling and distribution expenses							(5,850)
Administrative expenses							(37,423)
Research and development expenses							(21,770)
Professional fees and expenses related to De-SPAC Transaction							(7,518)
Finance costs							(26,457)
Fair value changes of financial assets at FVTPL							3,315
Fair value changes of financial liabilities at FVTPL							(6,824)
Share of results of associates and joint ventures.							<u>(1,087)</u>
Loss before tax							(75,730)
Income tax expense							<u>(42)</u>
Loss for the period							<u><u>(75,772)</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the loss from/profit earned by from each segment without allocation of other income and other gains and losses, certain selling and distribution expenses, administrative expenses, certain research and development expenses, professional fees and expenses related to De-SPAC Transaction, De-SPAC transaction expenses arising from capital reorganisation, finance costs, fair value changes of financial assets and liabilities at FVTPL and share of results of associates and joint ventures.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

### Geographical information

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Mainland China	<b>458,858</b>	467,217
United Arab Emirates (“UAE”)	<b>134,998</b>	140,347
Thailand	<b>110,658</b>	–
Malaysia	<b>50,284</b>	700
Indonesia	<b>34,737</b>	–
Korea	<b>4,850</b>	41,480
Hong Kong	<b>3,010</b>	61,148
	<b>797,395</b>	<b>710,892</b>

Information about the Group’s non-current assets (excluding goodwill and financial assets at FVTPL) which is presented based on geographical location of the assets, is as follows:

	<b>June 30,</b>	<b>December 31,</b>
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Mainland China	<b>382,423</b>	382,037
Overseas	<b>10,603</b>	14,104
	<b>393,026</b>	<b>396,141</b>

## 6. OTHER INCOME

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest on bank deposits	<b>9,745</b>	4,682
Government grants	<b>4,729</b>	4,135
	<b>14,474</b>	<b>8,817</b>

## 7. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss on fair value changes of derivative financial instruments	(510)	(636)
Gain on disposal of property and equipment	191	262
Net foreign exchange gains (losses)	6,156	(3,579)
Others	83	250
	<u>5,920</u>	<u>(3,703)</u>

## 8. FINANCE COSTS

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on:		
– Bank borrowings	6,530	7,669
– Other borrowings	3,550	18,668
– Lease liabilities	277	120
	<u>10,357</u>	<u>26,457</u>

## 9. INCOME TAX EXPENSE

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax (“EIT”)	–	1
Malaysia corporate income tax	546	–
Under provision in prior years	2	22
	<u>548</u>	<u>23</u>
Deferred tax:		
Current period	(275)	19
	<u>273</u>	<u>42</u>

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group’s consolidated annual revenue is not expected to be 750 million euros or more in the consolidated financial statements in at least two of the four fiscal years preceding the relevant fiscal year, the management of the Group considered the Group is not liable to income taxes under the Pillar Two Rules.

## 10. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended June 30,	
	2025	2024
	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Unaudited)
Cost of inventories recognised as an expense	418,720	315,258
Depreciation of property and equipment	3,192	5,315
Depreciation of right-of-use assets	4,630	2,660
Amortisation of intangible assets	1,490	2,484
Total depreciation and amortisation	9,312	10,459
De-SPAC Transaction expenses arising from capital reorganisation	373,590	–
Professional fees and expenses related to De-SPAC Transaction	10,357	26,457
Directors' remuneration (excluding equity-settled share-based expense)	8,049	7,492
Equity-settled share-based payments ( <i>note</i> )	83,670	–
Salaries, allowances and benefits	139,277	123,372
Retirement benefits scheme contributions	13,443	12,820
Total staff costs (including directors)	244,439	143,684
Impairment loss under ECL model, net of reversal		
Trade receivables		
– Impairment losses recognised	27,673	31,337
– Impairment losses reversed	(9,205)	(11,365)
	18,468	19,972
Other receivables		
– Impairment losses recognised	57,160	24,610
– Impairment losses reversed	(33)	(40)
	57,127	24,570
	<b>75,595</b>	<b>44,542</b>

*Note:* Included the share-based payments paid/payable to key management personnel and directors.

## 11. DIVIDENDS

No dividends were paid, declared or proposed during the current interim period. The directors of the Company have resolved not to declare any interim dividend in respect of the interim period.



## 12. LOSS PER SHARE

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

Loss figures are calculated as follows:

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	<b><u>(498,831)</u></b>	<b><u>(74,110)</u></b>

### Number of shares

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Weighted average number of ordinary shares for the purpose of basic loss per share	<b><u>754,715,803</u></b>	<b><u>241,177,040</u></b>

The weighted average number of ordinary shares for the purpose of basic loss per share for the six months ended June 30, 2024 and 2025 has been adjusted retrospectively after taking into impact of capitalisation issue to the existing shareholders of 23,168,284 units of ordinary shares.

During the six months ended June 30, 2024, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible preferred shares, Tengcai's redeemable preferred shares and the effect of share options granted under the 2023 Pre-Listing Share Option Scheme as these would be anti-dilutive.

During the six months ended June 30, 2025, the computation of diluted loss per share does not assume the effect of share options granted under the 2023 Pre-Listing Share Option Scheme, and the Company's Listed Warrants, Promoter Warrants and Promoter Earn-out Rights as these would be anti-dilutive.

### 13. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Trade receivables		
– <i>Transaction services</i>	109,592	76,973
– <i>Transaction support services</i>	8,250	6,675
– <i>Technology subscription services</i>	2,770	1,200
– <i>Overseas transaction business</i>	252,995	213,229
– <i>Others</i>	2,161	606
	<u>375,768</u>	<u>298,683</u>
Less: allowance for credit losses	(25,259)	(25,198)
	<u>350,509</u>	<u>273,485</u>
Prepayment to sellers in relation to transaction services	8,652,105	8,251,935
Prepayment to sellers in relation to overseas transaction business	42,158	54,261
Refundable deposits in relation to purchase of property and equipment	71,479	–
Interest receivable	3,902	3,529
Prepaid expenses	29,578	27,736
Amounts due from related parties	–	23,340
Loans to third parties	20,695	–
Refundable deposits to sellers	13,312	8,801
Deferred issue cost	–	3,019
Others	63,588	73,651
	<u>8,896,817</u>	<u>8,446,272</u>
Less: allowance for credit losses	(13,604)	(15,940)
	<u>8,883,213</u>	<u>8,430,332</u>
Total trade receivables, prepayments and other receivables	<u><u>9,233,722</u></u>	<u><u>8,703,817</u></u>
Analysed for reporting purposes as:		
Current assets	9,227,281	8,696,367
Non-current assets	6,441	7,450
	<u><u>9,233,722</u></u>	<u><u>8,703,817</u></u>

The Group generally allows credit periods ranging from 30 days to 90 days to its trade buyers. The following is an aged analysis of trade receivables (net of allowance for credit losses), presented based on the invoice date, which approximates the respective revenue recognition dates.

	As at June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Not past due	157,660	170,392
Past due:		
0-90 days	142,100	78,170
91-180 days	42,045	17,103
181-365 days	2,497	5,550
1-2 years	3,992	151
Over 2 years	2,215	2,119
	<u>192,849</u>	<u>103,093</u>
	<u><u>350,509</u></u>	<u><u>273,485</u></u>

#### 14. FINANCIAL ASSETS AT FVTOCI

	As at	
	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Receivables at FVTOCI	189,633	114,349

#### 15. CASH AND CASH EQUIVALENTS/RESTRICTED CASH

##### Cash and cash equivalents

Cash and cash equivalents comprised of cash and short-term bank deposits with an original maturity of three months or less. The short-term bank deposits are carried interest at market rates, ranging from 0.15% to 3.75% per annum as at June 30, 2025 (December 31, 2024: 0.1% to 3.75% per annum).

##### Restricted cash

	As at	
	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Margin deposits to secure open derivatives	–	2,297
Deposits to secure bank borrowing and bills payable	516,814	470,280
Others	20,256	34,118
Total	537,070	506,695

The pledged bank deposits carry annual fixed interest rates ranging from 0.05% to 1.85% as at June 30, 2025 (December 31, 2024: 0.3% to 3.2%).

#### 16. TRADE, BILLS AND OTHER PAYABLES

	As at	
	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Trade payables		
– Transaction services	76,974	78,601
– Transaction support services	19,930	27,557
– Overseas transaction business	10,505	38,710
– Technology subscription services	29	11
– Others	–	295
	107,438	145,174
Bills payable	565,050	438,800
Advances received from buyers in relation to transaction services	8,646,844	8,516,647
Interest payable	425	361
Salary and bonus payables	36,447	38,381
Stamp duty payable	5,780	17,553
Other taxes payable	11,796	3,937
Accrued expenses	15,179	2,235
Accrued professional fees and expenses related to De-SPAC Transaction	4,890	8,482
Accrued issue costs	679	352
Construction cost payables	109	157
Others	9,954	9,735
	9,404,591	9,181,814

At the end of each reporting period, the Group had bills payable issued by banks with the following maturity.

	As at	
	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
0-180 days	<b>565,050</b>	438,800

## 17. BANK AND OTHER BORROWINGS

	As at	
	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Fixed-rate borrowings:		
Bank borrowings	<b>591,256</b>	399,978
Other borrowings ( <i>note i</i> )	<b>218</b>	6,380
	<b>591,474</b>	406,358
Analysed as:		
Secured	<b>135,075</b>	98,447
Guaranteed	<b>55,000</b>	20,000
Secured and guaranteed	<b>280,000</b>	280,000
Unsecured and unguaranteed	<b>121,399</b>	7,911
	<b>591,474</b>	406,358

### Notes:

- (i) The balances were arising from factoring of trade receivables to bank and non-bank financial institutions with full recourse.
- (ii) The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	As at	
	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Fixed-rate borrowings	<b>2.98%-3.5%</b>	3.5%-4.0%

(iii) Types of borrowings are as follows:

Types of borrowings	Guaranteed/secured by	As at	
		June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Guaranteed bank borrowings	Guarantees from the shareholders* and fellow subsidiaries	55,000	20,000
Guaranteed and secured bank borrowings	Guarantees from the shareholders* and the Company, secured by building and leasehold lands of the Group	280,000	280,000
Secured bank borrowings	Secured by certain bank deposits	5,700	38,650
	Secured by certain bills receivable	129,157	53,417
Secured other borrowings	Secured by certain trade receivables	218	6,380
		<u>135,075</u>	<u>98,447</u>
Unsecured and unguaranteed bank borrowings		<u>121,399</u>	<u>7,911</u>
		<u>591,474</u>	<u>406,358</u>

\* Pursuant to the agreement entered with the banks, the guarantees from shareholders were released on the day of listing of the Company by way of the De-SPAC Transaction.

## 18. FINANCIAL LIABILITIES AT FVTPL

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	December 31, 2024 <i>RMB'000</i> (Audited)
Current:		
Convertible preferred shares	–	6,821,940
Listed Warrants	3,390	–
Promoter Warrants	14,771	–
Promoter Earn-out Rights	19,739	–
	<u>37,900</u>	6,821,940
Non-current:		
Redeemable preferred shares	27,888	27,759
	<u>65,788</u>	<u>6,849,699</u>

## 19. SHARE CAPITAL

The movement of share capital of the Company is set out as below:

	Par value per share <i>US\$</i>	Number of ordinary shares <i>Class A</i>	<i>Class B</i>	Share capital <i>US\$000</i>	Share capital presented in RMB <i>RMB'000</i>
<b>Authorised:</b>					
As at January 1, 2023 and December 31, 2024 (audited), and June 30, 2025 (unaudited)	0.00005	<u>1,700,000,000</u>	<u>300,000,000</u>	<u>100</u>	<u>622</u>
	Par value per share <i>US\$</i>	Number of ordinary shares <i>Class A</i>	<i>Class B</i>	Share capital <i>US\$</i>	Share capital presented in RMB <i>RMB'000</i>
<b>Issued:</b>					
As at January 1, 2024 and December 31, 2024 (audited)	0.00005	45,324,446	172,684,310	10,900	71
Conversion of preference shares	0.00005	743,121,519	–	37,156	267
Shares issued to PIPE and PEF investors	0.00005	54,814,642	–	2,741	20
Shares issued to promoters	0.00005	24,109,411	–	1,205	9
Shares and bonus shares issued to non-redeeming Aquila's Class A shareholders	0.00005	7,869,750	–	393	2
Capitalisation issue to existing shareholders ( <i>note</i> )	0.00005	<u>4,816,732</u>	<u>18,351,552</u>	<u>1,159</u>	<u>8</u>
As at June 30, 2025 (unaudited)		<u>880,056,500</u>	<u>191,035,862</u>	<u>53,554</u>	<u>377</u>

*Note:*

The capitalisation issue of 94,555,054 (Class A: 76,203,502 (including the conversion of preference shares), Class B: 18,351,552) shares is calculated at the ratio of approximately 1:1.106, which is derived from the ratio of converting 904,298,188 ordinary shares (including the conversion of preference shares) immediately before completion of the De-SPAC Transaction into 1,000,400,000 ordinary shares immediately after completion of the De-SPAC Transaction.

The Company has adopted a weighted voting rights structure. The share capital of the Company comprises Class A Shares and Class B Shares. The Class B shares are beneficially owned by Mr. Wang Dong and Mr. Wang Changhui. Each Class A Share entitles the holder to exercise one vote, and each Class B Share entitles the holder to exercise ten votes, respectively, on any resolution tabled at the Company's general meetings, except for resolutions with respect to the reserved matters, in relation to which each share is entitled to one vote.

## **20. CAPITAL REORGANISATION**

Capital reorganisation as part of the De-SPAC Transaction ("Capital Reorganisation") is accounted for as share-based payment transaction under IFRS 2 and the shares allotted and issued to effect the Capital Reorganisation are measured at fair value of the equity consideration issued to the former owners of Aquila.

Since the Company have issued shares with a fair value in excess of the net assets of Aquila acquired, the difference is recognised in profit or loss as De-SPAC Transaction expenses arising from capital reorganisation.

The fair value of the consideration was determined as follows:

- (i) Based on the number of non-redeeming shares of Aquila outstanding immediately prior to the Capital Reorganisation, plus the bonus share issued immediately prior to the Capital Reorganisation, totalling 7,869,750 shares, with a share price of HK\$10 per share; and
- (ii) Based on the number of Aquila's promoter shares outstanding immediately prior to the Capital Reorganisation, totalling 24,109,411 shares, also at a share price of HK\$10 per share.

Accordingly, the deemed consideration amount to approximately RMB295,184,000.

The fair value hierarchy of the input (i.e. share price of Aquila) to determine De-SPAC Transaction expense is categorised under Level 1 by reference to the quoted bid prices in an active market.



The carrying amount of the identifiable assets and liabilities of Aquila acquired or assumed upon the Capital Reorganisation in exchange for the issued share capital of the Company and the De-SPAC Transaction expense arising from the capital reorganisation are set out as follows:

	<b><i>RMB'000</i></b>
Ordinary shares of the Company issued:	
– In exchange of non-redeeming Aquila's Class A shareholders	69,184
– As bonus shares issue to non-redeeming Aquila's Class A shareholders	3,459
– As promoter shares	222,541
	<hr/>
	295,184
Less: fair value of Aquila 's identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	115,769
Trade and other receivables	759
Accrued payable	(9,231)
	<hr/>
	107,297
	<hr/>
Excess of net assets	187,887
Other liabilities arising from the Capital Reorganisation:	
Listed warrants	1,930
Promoter Warrants liabilities	78,485
Promoter earn-out right liabilities	105,288
	<hr/>
De-SPAC Transaction expense arising from capital reorganisation	373,590
	<hr/> <hr/>
Net cash inflow from Capital Reorganisation:	
Cash and cash equivalent balances acquired	115,769
	<hr/> <hr/>

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

This interim results announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the investor relations website of the Company ([ir.zhaogang.com](http://ir.zhaogang.com)). The interim report of the Company for the Reporting Period will be published on the same websites in due course.

By order of the board of directors

**ZG GROUP**

**WANG Dong**

*Chairman of the board of directors*

Hong Kong, August 27, 2025

*As at the date of this announcement, the Board comprises: (i) Mr. Wang Dong, Mr. Wang Changhui, Ms. Gong Yingxin and Ms. Zhou Min as executive directors, (ii) Mr. Ye Qian and Mr. Jiang Rongfeng as non-executive directors and (iii) Mr. Wang Xiang, Mr. Chen Yin and Mr. Wang Weisong as independent non-executive directors.*