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**Shiyue Daotian Group Co., Ltd.**

**十月稻田集團股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 9676)**

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

**FINANCIAL HIGHLIGHTS**

	Six months ended 30 June		Changes
	2025	2024	%
	RMB in million		
	(Unaudited)	(Unaudited)	
Revenue	3,063.5	2,620.6	16.9%
Gross profit	666.9	444.3	50.1%
Profit for the period	116.2	125.8	(7.6%)
Adjusted net profit <sup>1</sup>	294.3	148.9	97.7%

<sup>1</sup> To supplement the consolidated financial statements of the Group, which are presented in accordance with IFRS Accounting Standards, the Group also uses adjusted net profit (non-IFRS measure) as additional financial measures, which is not required by, or presented in accordance with IFRS Accounting Standards. The Group believes that the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help the Group's management. However, the Group's presentation of adjusted net profit (non-IFRS measure) 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 investors should not consider it in isolation from, or as a substitute for an analysis of, the Group's results of operations or financial condition as reported under IFRS Accounting Standards.

The Board of the Company is pleased to present the unaudited consolidated interim results (the “**Announcement**”) of the Group for the six months ended 30 June 2025, together with the comparative amounts for the corresponding period ended 30 June 2024. The interim results and interim financial information have been reviewed by the Audit Committee of the Company.

# Consolidated statement of profit or loss and other comprehensive income

For the six months ended 30 June 2025 – unaudited

		Six months ended 30 June	
	Note	2025	2024
		RMB'000	RMB'000
<b>Revenue</b>	3	<b>3,063,455</b>	2,620,565
Cost of sales		<u>(2,396,584)</u>	<u>(2,176,281)</u>
<b>Gross profit</b>	3	<b>666,871</b>	444,284
Other net income		<b>12,343</b>	31,077
Gains arising from changes in fair value of biological assets		<b>1,737</b>	3,467
Selling and distribution expenses		<b>(305,212)</b>	(239,558)
Administrative expenses		<b>70,427</b>	(73,156)
Impairment losses reversed/(charged) on trade and other receivables		<u><b>4,876</b></u>	<u>(2,089)</u>
<b>Profit from operations</b>		<b>310,188</b>	164,025
Finance costs	4(a)	<b>(6,146)</b>	(8,046)
Changes in fair value of financial assets measured at fair value through profit or loss (“FVPL”)		<u><b>(182,111)</b></u>	<u>(23,109)</u>
<b>Profit before taxation</b>	4	<b>121,931</b>	132,870
Income tax	5	<u><b>(5,705)</b></u>	<u>(7,109)</u>
<b>Profit and total comprehensive income for the period attributable to equity shareholders of the Company</b>		<u><b>116,226</b></u>	<u>125,761</u>
<b>Earnings per share</b>			
Basic and diluted	7	<u><b>0.11</b></u>	<u>0.12</u>

**Consolidated statement of financial position**  
**At 30 June 2025**

		At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Note</i>		
<b>Non-current assets</b>			
Property, plant and equipment		1,072,821	1,050,096
Right-of-use assets		231,074	240,029
Financial assets measured at FVPL		440,727	615,055
Other non-current assets		<u>46,824</u>	<u>25,780</u>
		<u>1,791,446</u>	<u>1,930,960</u>
<b>Current assets</b>			
Biological assets		28,989	–
Inventories		1,070,727	1,360,169
Trade and other receivables	8	559,672	609,717
Cash on hand and at bank		<u>786,721</u>	<u>712,972</u>
		<u>2,446,109</u>	<u>2,682,858</u>
<b>Current liabilities</b>			
Trade and other payables	9	434,253	253,217
Contract liabilities		15,355	40,635
Bank loans		200,074	645,475
Lease liabilities		27,011	26,488
Income tax payable		<u>3,556</u>	<u>14,488</u>
		<u>680,249</u>	<u>980,303</u>
<b>Net current assets</b>		<u>1,765,860</u>	<u>1,702,555</u>
<b>Total assets less current liabilities</b>		<u>3,557,306</u>	<u>3,633,515</u>

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
<i>Note</i>		
<b>Non-current liabilities</b>		
Lease liabilities	16,976	30,754
Deferred income	<u>44,511</u>	<u>47,991</u>
	<u>61,487</u>	<u>78,745</u>
<b>NET ASSETS</b>	<u><b>3,495,819</b></u>	<u><b>3,554,770</b></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	106,815	106,815
Reserves	<u>3,389,004</u>	<u>3,447,955</u>
<b>TOTAL EQUITY</b>	<u><b>3,495,819</b></u>	<u><b>3,554,770</b></u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

The interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the “IASB”). It was authorised for issue on 28 August 2025.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

### 2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to this interim financial information for the current accounting period. The amendments do not have a material impact on this interim financial information as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new or revised standard that is not yet effective for the current accounting period.

### **3. REVENUE AND SEGMENT REPORTING**

#### **(a) Revenue**

The principal activities of the Group are manufacturing and sales of pantry staple food. All of the revenue of the Group is recognised at a point in time during the reporting period. Further details regarding the Group's principal activities and disaggregation of revenue by primary products are disclosed in Note 3(b).

#### **(b) Segment reporting**

The Group manages its businesses by products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Rice products: this segment mainly produces pre-packaged rice products of different varieties.
- Corn products: this segment mainly produces pre-packaged corn products.
- Whole grain, bean and other products: this segment mainly produces pre-packaged mixed brown rice, millet, red bean and sesame.
- Dried food and other products: this segment mainly produces pre-packaged wood ear mushrooms, snow fungus mushroom and lotus seeds, as well as by-products, such as bran, husk and fractioned rice.

As revenue from corn products witnessed a significant increase from 2024, it is expected that corn products will help generate stable cashflows, and the growth in revenue of corn products will be a good opportunity for the Group to diversify its product matrix and revenue streams to improve the financial performance and profitability of the Group. The Group's most senior executive management considered the adoption of new segment is appropriate, and the comparative segments information for the six months ended 30 June 2024 has been restated.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is gross profit. The Group's assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure is presented.

**(i) Segment results**

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance during the reporting period is set out below.

	Six months ended 30 June 2025				
	Rice products RMB'000	Corn products RMB'000	Whole grain, bean and other products RMB'000	Dried food and other products RMB'000	Total RMB'000
Revenue from external customers and reportable segment revenue	<u>2,066,467</u>	<u>433,069</u>	<u>274,276</u>	<u>289,643</u>	<u>3,063,455</u>
Reportable segment gross profit	<u>435,553</u>	<u>156,635</u>	<u>52,849</u>	<u>21,834</u>	<u>666,871</u>

  

	Six months ended 30 June 2024				
	Rice products RMB'000	Corn products RMB'000	Whole grain, bean and other products RMB'000	Dried food and other products RMB'000	Total RMB'000
Revenue from external customers and reportable segment revenue	<u>1,707,209</u>	<u>514,221</u>	<u>212,050</u>	<u>187,085</u>	<u>2,620,565</u>
Reportable segment gross profit	<u>211,083</u>	<u>171,142</u>	<u>46,164</u>	<u>15,895</u>	<u>444,284</u>

**(ii) Geographic information**

The Group does not have material assets or operation outside the PRC. All of the Group's revenue is generated from its customers in the PRC. Hence, no segment analysis based on geographical location of the customers and assets is presented.

#### 4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

##### (a) Finance costs

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses on bank loans	5,025	13,270
Interest on lease liabilities	865	1,444
Foreign exchange loss/(gains)	256	(6,668)
	<u>6,146</u>	<u>8,046</u>

No borrowing costs have been capitalised for the six months ended 30 June 2025 and 2024.

##### (b) Staff costs

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and other benefits	153,655	144,004
Contributions to defined contribution retirement schemes	10,429	9,948
	<u>164,084</u>	<u>153,952</u>

##### (c) Other items

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories	2,396,584	2,176,281
Depreciation		
– owned property, plant and equipment	50,114	43,420
– right-of-use assets	4,601	5,915
Net loss on disposal of property, plant and equipment	555	113
Rental expenses	705	827



## 5 INCOME TAX

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current taxation	<u>5,705</u>	<u>7,109</u>

- (i) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% for the six months ended 30 June 2025 (six months ended 30 June 2024: 25%).
- (ii) In accordance with relevant tax regulations in the PRC, the Group's business in primary processing of agricultural products is eligible for income tax exemption.

## 6 DIVIDENDS

### (i) Dividends payable to equity shareholders of the Company attributable to the interim period

The directors of the Company do not recommend the payment of interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: RMBNil).

### (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividend in respect of the previous financial year, approved during the following interim period, of RMB0.164 per ordinary share (six months ended 30 June 2024: RMB0.031 per ordinary share)	<u>175,177</u>	<u>33,113</u>

## 7 EARNINGS PER SHARE

### (a) Basic earnings per share

The basic earnings per share for the six months ended 30 June 2025 is calculated based on the profit attributable to equity shareholders of the Company of RMB116,226,000 (six months ended 30 June 2024: RMB125,761,000) and the weighted average of 1,068,153,000 ordinary shares (six months ended 30 June 2024: 1,068,153,000 ordinary shares) in issue during the interim period.

### (b) Diluted earnings per share

There are no dilutive potential shares outstanding during the six months ended 30 June 2025 and 2024. Hence, the diluted earnings per share is the same as basic earnings per share.

## 8 TRADE AND OTHER RECEIVABLES

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables from:		
– third parties	363,053	383,188
Less: loss allowance	<u>(887)</u>	<u>(5,763)</u>
	----- 362,166	----- 377,425
Bills receivables	----- 7,989	----- 8,789
Dividend receivable	----- 4,465	----- 8,038
Prepayments for		
– raw materials, logistics and others	28,493	20,805
– advertising services	<u>68,851</u>	<u>84,343</u>
Prepayments to suppliers	----- 97,344	----- 105,148
Value added tax recoverable	59,015	82,289
Deposits and amounts due from the e-commerce platforms	18,665	13,582
Deposits for bidding and purchase of land-use-rights	1,657	1,657
Other receivables	1,058	931
Other deposits	<u>7,313</u>	<u>11,858</u>
	----- 87,708	----- 110,317
Trade and other receivables	<u><u>559,672</u></u>	<u><u>609,717</u></u>

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

## Ageing analysis

As of the end of the reporting period, the ageing analysis of the Group's trade receivables (net of loss allowance), based on the invoice date, is as follows.

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Within 3 months	<b>341,364</b>	371,937
4 to 6 months	<b>19,515</b>	4,988
7 to 12 months	<b>1,174</b>	299
Over 1 year	<b>113</b>	201
	<b>362,166</b>	<b>377,425</b>

## 9 TRADE AND OTHER PAYABLES

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Trade payables – third parties	<b>159,781</b>	152,677
Dividend payable	<b>175,177</b>	–
Payables for staff related costs	<b>42,510</b>	53,724
Payables for construction and purchase of property, plant and equipment	<b>17,827</b>	22,654
Others	<b>13,290</b>	12,617
	<b>248,804</b>	88,995
Financial liabilities measured at amortised cost	<b>408,585</b>	241,672
Refund liabilities	<b>1,494</b>	2,213
Payables for miscellaneous taxes	<b>24,174</b>	9,332
	<b>434,253</b>	<b>253,217</b>

As of the end of the reporting period, the ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Within one year or on demand	<u>159,781</u>	<u>152,677</u>

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### MACRO AND INDUSTRY ENVIRONMENT

In the first half of 2025, China's gross domestic product (GDP) reached RMB66.05 trillion, representing a year-on-year increase of 5.3%. Amid a complex and volatile global economic landscape, China's national economy demonstrated remarkable resilience and vitality, forging ahead against pressures while maintaining a steady and upward trajectory. New bright spots kept emerging in consumption sectors, burgeoning industries gained accelerated momentum, and fresh growth drivers were surging with vigor. Multiple dimensions of data underscored the ever-growing "innovation quotient" within China's economy, where the pulse of innovation grew ever stronger. In the first half of 2025, the total retail sales of consumer goods in China reached RMB24.55 trillion, representing a year-on-year increase of 5%. Overall, final consumption expenditure contributed as much as 52% to economic growth during the first half of 2025, cementing its position as the primary driving force of China's economic growth. China's consumer market has been witnessing the emergence of trends such as wellness-oriented consumption, consumption for domestic brands, and consumption by the elderly. Among them, the food industry has shown two major trends. One is the pursuit of health and quality. Consumers have transitioned from focusing on "satiety" to "healthy diet", preferring foods that are nutritionally balanced, low in fat and rich in dietary fiber. The other is the demand for convenience and brand. Pre-packaged food, with its advantages of stable quality, effortless storage and transportation, has continuously expanded its market share.

In terms of categories, China's pantry staple food can be divided into four categories, namely, flour products, rice products, whole grain and the new staple food products featuring corn as representative. As the world's largest producer and consumer of rice, China maintains a mature yet steadily expanding rice consumption market with promising growth potential. In December 2024, seven departments including the National Development and Reform Commission and the National Food and Strategic Reserves Administration, jointly issued the "National Whole Grain Action Plan (2024-2035)", which adheres to the orientation towards comprehensive food security, integrated nutrition and universal health, so as to develop the whole grain<sup>1</sup> industry according to local conditions, promote food conservation and loss reduction, facilitate balanced nutrition, enhance grain security and elevate public health standards. Meanwhile, the growing health awareness among consumers has also driven the growth of the whole grains and corn categories. Among them, corn, renowned for its low-fat characteristic, has gradually emerged as a new health-conscious choice for consumers' daily diet.

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<sup>1</sup> Whole grains are grains that retain a complete caryopsis structure (i.e., endosperm, germ, and pericarp) after the removal of inedible parts such as the husk, which preserve the natural nutrients and bioactive substances, such as dietary fiber, B vitamins, and minerals, to the greatest extent. Whole grains primarily include brown rice, whole wheat, oats, millet, corn, buckwheat, quinoa, sorghum and others.

Based on package specification, rice, corn, whole grain, bean and seed products can be further divided into pre-packaged products and bulk products. Pre-packaged products have become more popular among consumers, mainly due to their portability and better preservation of quality, freshness and taste. As Chinese consumers become more conscious of food quality, convenience and scenario-based application of products have become emerging essential demands. More consumers prefer to purchase pre-packaged rice, corn, whole grain, bean and seed products, boosting a much higher growth rate of the pre-packaged product market. In addition, consumers' multi-scenario demands have given rise to the trend of turning staple foods into snacks, making dietary patterns more adaptable to modern life. Pre-packaged corn products, along with pre-cooked whole grain foods, can fulfill consumers' composite demands for "health, nutrition and convenience".

## **PROSPECT**

By adhering to the mission of "being committed to providing Chinese consumers with healthy, quality and safe household food" all along, the Group has been dedicated to providing our customers with pre-packaged premium rice, corn, whole grain, bean, and dried food products. By maintaining omni-channel sales coverage, we are committed to providing customers with products of diversified categories that are sourced from renowned grain production regions in China. In virtue of increasingly improved service quality and operational efficiency, we aim to "build a valuable and influential food brand in China".

We will continue to broaden and deepen our omni-channel ecosystem, and reinforce our channel management capabilities. We will build an intelligent marketing ecosystem centered on content, continue to gain insight into consumer needs and continuously strengthen brand recognition. We will pay constant and close attention to the overall industry trends, promptly adjust our business layout and product portfolio, give full play to our own characteristics and advantages to expand new channels and businesses. We will continue to forge flagship products of healthy and high-quality nature. We will also continue to penetrate into selected production areas for rice, corn, whole grain, bean and other products, and focus on building procurement, production, inspection, storage and other core capabilities in high-quality origins. We will continue to promote digitalization and system development, enhancing the efficiency of omni-channel operations and the level of refined management. By building a comprehensive business management platform, ERP system, and a data analysis system, we will further improve the efficiency of resource allocation and decision-making support capabilities.

## **BUSINESS REVIEW**

In the first half of 2025, the Group continued to be dedicated to providing customers with pre-packaged premium rice, corn, whole grain, bean and dried food products, aiming to capture consumer mindshare with "high brand visibility and convenient purchase experience". The Group continued to cultivate its categories in existence, expand its multi-category product portfolio, develop its sales network, strengthen its multi-brand business model with respective proven record of success, and consolidate its supply chain management capabilities to meet diversified consumer needs.

During the first half of 2025, total revenue of the Group was RMB3,063.5 million, representing an increase of approximately 16.9% as compared with RMB2,620.6 million for the corresponding period of last year. Gross profit of the Group increased by 50.1% from RMB444.3 million for the corresponding period of last year to RMB666.9 million during the Reporting Period, while gross profit margin increased from 17.0% for the corresponding period of last year to 21.8% during the Reporting Period. The Group recorded a profit before income tax of RMB121.9 million during the Reporting Period as compared to a profit before income tax of RMB132.9 million for the corresponding period of last year, and recorded a net profit of RMB116.2 million during the Reporting Period as compared to a net profit of RMB125.8 million for the corresponding period of last year. Adjusted net profit increased by 97.7% from RMB148.9 million for the corresponding period of last year to RMB294.3 million during the Reporting Period, and adjusted net profit margin increased from 5.7% for the corresponding period of last year to 9.6% during the Reporting Period.

## OUR BRANDS AND PRODUCTS

We are one of the leading and rapidly growing household food companies in China, enjoying a robust multi-channel brand presence. We have been dedicated to providing our consumers with premium pre-packaged rice, corn, whole grain, bean, and dried food products since our inception, and have successfully established and operated multiple well-recognized brands, mainly including Shiyue Daotian (十月稻田), Firewood Courtyard (柴火大院) and Sunshine Family (福享人家). The Group has been growing steadily, successfully achieving a consistent leading performance in the past.

Our core competitive categories, rice and corn, maintain the leading sales volume advantages, simultaneously improving our earnings quality. According to Frost & Sullivan's market position certification, our brand has been recognized as the "Top Selling Brand for Northeast Rice in China for Six Consecutive Years<sup>2</sup>" and the "Top Selling Brand for Corn Categories in China for Two Consecutive Years<sup>3</sup>". We have deeply cultivated our core competitive categories and continuously created multiple products with annual sales scale of RMB100 million, such as Shiyue Daotian Cold Dew autumn fragrance Wuchang rice (十月稻田寒露秋香五常大米), Shiyue Daotian long grain fragrance rice (十月稻田長粒香), Shiyue Daotian yellow glutinous corn (十月稻田黃糯玉米), which is due to our sensitive capture of consumer needs. During the Reporting Period, as the consumption trend changed from "satiety" to "eating well" and the "single serving" economy continued to heat up, we took the opportunity to launch barbecue-flavored corn and spicy

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<sup>2</sup> Source: Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. based on research on the Northeast rice industry in China; calculated based on the sales volume arising from retail channels of enterprises within the industry in Mainland China (excluding Hong Kong, Macau, and Taiwan regions) between 2019 and 2024; Northeast rice refers to the japonica rice produced in the production areas of Heilongjiang Province, Jilin Province and Liaoning Province in China; the survey was completed in April 2025.

<sup>3</sup> Source: Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. based on research on the corn industry in China; calculated based on the sales volume arising from retail channels of enterprises within the industry in Mainland China (excluding Hong Kong, Macau, and Taiwan regions) between 2023 and 2024; corn categories refer to corn cobs, corn segments, corn kernels and corn derivatives, etc.; the survey was completed in April 2025.

corn, which effectively satisfied young people's demand for light burden and good taste. In addition, our subsidiary Wuchang City Caiqiao Rice Industry Co., Ltd. is one of the main drafting units of the new national standard of Wuchang rice, which also establishes our status as an industry builder.

In addition to our core competitive categories, we have been fully committed to becoming an expert in family food innovation during the Reporting Period, expanding the territory of family food focusing on the core needs of light, healthy and low-fat meals, such as brown-rice onigiri, bread with corn steep liquor, parsley and garlic salt. In the territory of family food, our whole grain, dried food and other products were also ranked among the top sellers on mainstream e-commerce platforms. In addition, with the improvement of our operating efficiency, we had further expanded into leisure food during the Reporting Period, launching a wide range of foods from the perspective of ready-to-eat, such as fruit corn kernels and ready-to-eat corn segments, to meet the triple demand of "delicious + healthy + convenient", and simultaneously introducing our long-term accumulated product development capabilities in this field to reach a broader consumer demand market.

Our brands, such as Shiyue Daotian (十月稻田) and Firewood Courtyard (柴火大院), maintain a broad recognition, and we are recognized as "Service Provider for 140 Million Household Users"<sup>4</sup> according to Frost & Sullivan. The brand influence continues to rise. "Chinese Taste, Fragrant Flavor" is the core of our brand. In the first half of 2025, we were selected for the first batch of "China's Premium Consumer Brands" list and the "2024 Annual List of the Chinese Food Industry", and were awarded honors such as "Brand Innovation of the Year" and TOP 10 for "Blooming Brands Annual Brand Innovation Cases". Centering on our main brand, we supplemented it with a series of integrated global marketing activities during the Reporting Period. By employing a dual-driven model of "traffic + content", we continuously innovated our content, widely spreading the brand's reputation. For example, around our two major original IPs, "Corn Light Food Season" and "Fresh Rice Season", we leveraged founder IP empowerment and global engagement of promotional campaigns to build cultural symbols from products to brands, effectively narrating the story of a new generation of national brands. Regarding our proprietary IP, we possessed a rare "dual-founder" IP in the industry, with over 1.5 million fans across the internet, creating a stable operating model of a global multi-account matrix combined with high-quality content output. In terms of marketing, we engaged users through scenario-based content that resonated, collaborating with top IPs like "The New Legend of the White Snake" to create diverse marketing events, further amplifying our brand presence. We promoted our brand through global engagement on social media with a humorous and vibrant expression that resonated with young people, offering emotional value for young people. The brand deeply covered high-energy scenarios such as high-speed rail and airports, sponsored offline activities like marathons, reinforced the concept of a healthy lifestyle, and created a closed-loop of online and offline content, driving long-term brand growth and aiding in the strategic upgrade of the brand from "product service" to "scenario service".

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<sup>4</sup> Source: Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. based on research on the pantry staple industry in China; calculated based on the total number of household users served in Mainland China (excluding Hong Kong, Macau, and Taiwan regions) as of the end of March 2025; the survey was completed in April 2025.



We mainly supply rice products, corn products, whole grain, bean and other products, as well as dried food and other products. Rice products mainly include pre-packaged rice products of different varieties, such as Wuchang rice (五常大米), Daoxiang rice (稻香米), long grain rice (長粒香大米) and Komachi rice (小町米). Corn products mainly include different categories of pre-packaged corn products, such as yellow glutinous corn, white glutinous corn, black glutinous corn, multicolored glutinous corn, fruit corn, fruit corn kernels, flavored corn, as well as dried and peeled corn kernels and other corn products. Whole grain and bean products mainly include pre-packaged mixed brown rice, millet and red bean, and other products under this category refer to seed and corn products. Dried food products mainly include pre-packaged wood ear mushrooms, snow fungus mushroom, and lotus seeds, and other products under this category mainly include by-products, such as bran, husk and fractioned rice. Our revenue is mainly derived from the sales of rice products, corn products, whole grain and bean products. The table below sets forth a breakdown of our revenue by product category for the periods indicated:

Product category	Six months ended 30 June			
	2025		2024	
	RMB'000	% of total revenue	RMB'000	% of total revenue
Rice products	2,066,467	67.4%	1,707,209	65.2%
Corn products	433,069	14.1%	514,221	19.6%
Whole grain, bean and other products	274,276	9.0%	212,050	8.1%
Dried food and other products	289,643	9.5%	187,085	7.1%
Total	<u>3,063,455</u>	<u>100.0%</u>	<u>2,620,565</u>	<u>100.0%</u>

Our revenue generated from rice products increased by 21.0% from RMB1,707.2 million for the corresponding period of last year to RMB2,066.5 million during the Reporting Period, primarily due to the Group's continuous strategy adjustment to deepen its channel development efforts, plus the increasing sales volume of mid-to-high-end rice across multiple channels and the rising proportion of rice income from Daoxiang rice as the brand influence grew. Additionally, we strategically reduced the sales of rice with lower gross profit. Such factors collectively resulted in an increase in rice revenue of RMB359.3 million. Our revenue generated from corn products decreased by 15.8% from RMB514.2 million for the corresponding period of last year to RMB433.1 million, mainly attributable to the Group's aim to enhance profit quality and adjustments of its marketing and advertising strategies, which led to a decline in sales revenue of corn on certain platforms. Our revenue generated from whole grain, bean and other products increased by 29.3% from RMB212.1 million for the corresponding period of last year to RMB274.3 million during the Reporting Period, primarily due to the fact that we have actively developed new products and broadened our product portfolio and sales network. In the first half of 2025, our revenue generated from dried food and other products increased by 54.8% from RMB187.1 million for the corresponding period of last year to RMB289.6 million, primarily due to the rising sales volume and sales price of by-products in such category, such as bran, husk and fractioned rice, coupled with the Group's active development of new products and broadening in our product portfolio and sales network of dried food, which collectively led to an increase of RMB102.6 million in the sales revenue of dried food and other products.

## OUR SALES NETWORK

The Group's customers include corporate customers and individual customers. We have built our own network by cooperating with online channels, partnering with multiple well-known e-commerce platforms with leading positions, wide consumer outreach and high brand awareness in China, and have established prominent leadership of market share in multiple core categories. Meanwhile, capitalizing on our acute insights into the development opportunities of offline retail ecosystem, we have successfully established an extensive sales coverage network across our modern retail channels. Leveraging our competitive advantages on online channels, we have continuously deepened channel penetration to build an multi-channel sales network, thereby further consolidating our leading position in the market.

The table below sets forth a breakdown of our revenue by sales channel for the periods indicated:

Sales channel	Six months ended 30 June			
	2025	% of total revenue	2024	% of total revenue
	RMB'000		RMB'000	
<b>Online channels</b>				
– E-commerce platforms	1,163,282	38.0%	1,095,938	41.8%
– Online self-operated stores	673,485	22.0%	680,319	26.0%
<b>Modern retail channels<sup>1</sup></b>	<b>495,584</b>	<b>16.2%</b>	393,223	15.0%
<b>Direct customers<sup>2</sup></b>	<b>563,209</b>	<b>18.4%</b>	321,654	12.3%
<b>Distribution network</b>	<b>167,895</b>	<b>5.4%</b>	129,431	4.9%
<b>Total</b>	<b>3,063,455</b>	<b>100.0%</b>	<b>2,620,565</b>	<b>100.0%</b>

Notes:

1. Modern retail channels mainly include NKAs and LKAs which provide our products to end-consumers.
2. Direct customers primarily consist of catering companies, agricultural products companies, and other corporate and individual customers.

During the Reporting Period, our revenue from online channels accounted for the majority of our total revenue. Revenue generated from online channels increased by 3.4% from RMB1,776.3 million for the corresponding period of last year to RMB1,836.8 million during the Reporting Period. Among them, our revenue from e-commerce platforms increased by 6.2% from RMB1,095.9 million for the corresponding period of last year to RMB1,163.3 million during the Reporting Period, primarily due to the Group's continuous in-depth efforts for the channel adjustment strategy. Additionally, the Company was committed to improving the quality of profits and continued to reduce investment in platforms with low gross profit. These factors collectively led to an increase in revenue from e-commerce platforms. Revenue from online self-operated stores decreased by 1.0% from RMB680.3 million for the corresponding period of last year to RMB673.5 million during the Reporting Period, mainly due to the fact that the Group adjusted the marketing and advertising strategies of some platform stores to enhance the quality of profits, leading to a decline in sales revenue from certain online self-operated stores, and moreover, the Company opened several new stores on some platforms, resulting in an increase in sales revenue, which collectively led to a slight decline in the sales revenue from online self-operated store. Revenue generated from modern retail channels increased by 26.0% from RMB393.2 million for the corresponding period of last year to RMB495.6 million during the Reporting Period, mainly due to our continuous efforts to deepen our presence in modern retail channels and expansion of product categories, which led to an increase in sales volume in this channel. Revenue from direct customers increased by 75.1% from RMB321.7 million for the corresponding period of last year to RMB563.2 million during the Reporting Period, mainly due to the increase in sales volume from both corporate and individual customers as the Group's brand recognition improved. Additionally, sales revenue from agricultural product companies also increased. Revenue from distribution network increased by 29.8% from RMB129.4 million for the corresponding period of last year to RMB167.9 million during the Reporting Period, which reflected the Company's continuous exploration of distribution channels during the Reporting Period.

## **OUR PRODUCTION**

We always prioritize quality, ensuring product quality by establishing an impeccable raw material supply system and production management system. In terms of raw materials procurement, we have established long-term and stable relationships with a wide range of suppliers across product categories. Specifically, our core grain production areas include Shenyang Xinmin, Wuchang, Songyuan, Tonghe, and Aohan. The rice originating from Wuchang, and millet originating from Aohan, are China National Geographical Indication Products. We also purchase raw materials for whole grain, bean and dried food products from other renowned places of origin, including red beans from Daqing, Heilongjiang Province, mung beans from Inner Mongolia, and peanuts from Fuyu, Jilin Province.

To ensure the stability of raw material quality, we have adopted a diversified supply strategy which involves establishing long-term strategic cooperative relationships with high-quality suppliers; engaging farmers for contract farming; and carrying out partial self-operated cultivation of high-quality crop varieties, with a focus on the cultivation of Daoxiang rice in the Wuchang base and high-quality corn in various bases and their surrounding areas.

We constantly optimize our production process, explore and develop the production technology and techniques to maintain the good taste and preserve the nutritional value of our products, thus satisfying the preferences of our consumers. Our production process is highly standardized and automated. In addition, we have made substantial investment in purchasing advanced production machinery and equipment. Our production team members work closely to continuously maintain our production machinery and equipment to meet our high production standards and improve our production efficiency. As of 30 June 2025, we had established five modern industrial bases in proximity to the five core grain production areas in China, namely Shenyang Xinmin industrial base, Wuchang industrial base, Songyuan industrial base, Tonghe industrial base and Aohan industrial base. As of 30 June 2025, we were establishing a fruit corn production base in Nanning, Guangxi. It is expected to be completed and put into production in the second half of 2025.

## **SUPPLY CHAIN MANAGEMENT**

Through in-depth integration of resources from various channels, we have achieved real-time monitoring of all links along the value chain, enabling us to collect and analyze consumption data in an efficient manner, and synchronize our order, inventory, and capacity information. By efficiently formulating, monitoring and adjusting our production plans, we can respond promptly to real-time transaction information and make precise decisions at critical business junctures. Relying on efficient supply chain management, we typically perform order-based production and are able to produce and process our products within three days of placement and dispatch them to customers' designated warehouses or end-consumers, thus effectively guaranteeing the freshness and good taste of our products. Furthermore, our flexible and efficient supply chain ensures a rapid response to market needs.

Our production is highly standardized and automated, and we are committed to continuously upgrading our production line with advanced equipment to enhance its automation level. As of 30 June 2025, we had put into operation over twenty automated production lines. Additionally, we had built a modern warehouse and distribution system, which expands nationwide through five self-operated regional distribution centers in Shanghai, Tianjin, Chengdu, Shenyang and Dongguan, and more than ten local warehouses to ensure prompt and reliable contract fulfillment.

## **FOOD SAFETY AND QUALITY CONTROL**

Food safety and product quality are our top priority. We are committed to offering safe and premium food to continuously consolidate consumer confidence and enhance brand reputation. We have implemented stringent food safety and quality control standards and measures throughout our operations, covering steps from procurement, production and storage to sales. To achieve systematic and full life-cycle quality management, our quality assurance team focuses on implementing a group-level quality control plan through the implementation and maintenance of our quality control system, and is responsible for quality inspection of raw materials, semi-finished products and finished products, as well as product shelf-life management.

## **OUR INFORMATION TECHNOLOGY**

The IT systems utilized by the Group cover various aspects of our operations, including raw materials supply, production, operation and logistics. Our IT team is responsible for developing and maintaining IT systems in line with our business expansion and flexibly customizing solutions to meet our business needs. We have developed and operationalized a supply chain management system to integrate resources along the supply chain while adopting a unified value propositions, thereby optimizing the structure of upfront costs. In addition, we leverage complementary systems such as ERP system, transportation management system (TMS), warehousing management system, customer relationship management (CRM) system, cloud office system and office automation (OA) system to jointly empower key functions such as efficient product operation and data management.

## **FINANCIAL REVIEW**

### **Revenue and Gross Profit**

During the Reporting Period, the Group recorded a revenue of RMB3,063.5 million, representing an increase of 16.9% as compared with RMB2,620.6 million in the first half of last year, primarily because (i) we cultivated our categories in existence while seeking continuous innovation, gained an insight into consumption trends, and expanded the multi-category product portfolio based on the philosophy of healthy and safe diet; and (ii) we paid constant and close attention to the overall industry trends, adjusted our business arrangement, gave full play to our own characteristics and advantages, enhanced our brand effect and brand competitiveness, and satisfied the diverse consumer needs.

Gross profit of the Group during the Reporting Period amounted to RMB666.9 million, representing an increase of RMB222.6 million from RMB444.3 million in the first half of last year. Gross profit margin of the Group increased from 17.0% in the first half of last year to 21.8% for the Reporting Period, primarily due to our (i) ongoing adjustments to product portfolio, with rising sales volume of mid-to-high-end products in the Group increasing as consumers' recognition of the brand improved, while the Company strategically reduced investment in products with low gross profit, (ii) continuous adjustment to the sales channel structure and strategic deployment, with a deepening focus on existing channels and a reduction in investment in several channels with low gross profit, and (iii) the price of raw material paddies decreased compared to the first half of last year.

## **Other Net Income**

Other net income of the Group decreased from RMB31.1 million in the first half of last year to RMB12.3 million during the Reporting Period, mainly due to the investment income of RMB15.8 million generated from the idle proceeds used to subscribe for wealth management products in the first half of last year, whereas no investment income from wealth management products was generated during the Reporting Period. Additionally, during the first half of last year, the difference of RMB3.8 million between the amount of litigation provision in the estimated liabilities and the amount of judgment was reversed.

## **Gains Arising from Changes in Fair Value of Biological Assets**

The Group planted corn and paddies during the Reporting Period. As of 30 June 2025, part of our corn has completed pollination and undergone changes in biological state, thus generating a fair value gain of RMB1.7 million, which was lower than the first half of the previous year, mainly due to changes in planting area.

## **Selling and Distribution Expenses**

Selling and distribution expenses of the Group increased by 27.4% from RMB239.6 million in the first half of last year to RMB305.2 million during the Reporting Period. This was mainly due to a significant increase in the number of our self-operated stores in certain channels, resulting in a substantial rise in operating expenses. Additionally, compared with the first half of last year, the Group increased its ground advertising in some airports and commercial districts, leading to higher advertising and promotion expenditures.

## **Administrative Expenses**

Administrative expenses of the Group slightly decreased from RMB73.2 million in the first half of last year to RMB70.4 million during the Reporting Period, with all expenses remaining stable.

## **Impairment Losses Reversed/Charged on Trade and Other Receivables**

Impairment losses reversed/charged on trade and other receivables of the Group changed from a impairment loss charged of RMB2.1 million in the first half of last year to an impairment loss reversed of RMB4.9 million during the Reporting Period, mainly due to the recovery of some long-aged trade receivables during the Reporting Period, resulting in the corresponding impairment loss reversal.



## **Finance Costs**

Our finance costs decreased by 23.8% from RMB8.0 million in the first half of last year to RMB6.1 million during the Reporting Period, primarily due to (i) the decrease in average balance of borrowings compared with that of the first half of last year which resulted in a decrease of interest expenses by RMB8.2 million during the Reporting Period, and (ii) in the first half of last year, a foreign exchange gain of RMB6.7 million was generated, whereas a foreign exchange loss of RMB0.3 million was incurred during the Reporting Period. Such combined factors led to a decrease in finance costs.

## **Losses Arising from Changes in Fair Value of Financial Assets Measured at FVPL**

During the Reporting Period, the Group had financial assets that carried at fair value, which resulted in a loss on fair value changes of RMB182.1 million. These financial assets primarily consist of equity interests in listed companies held by the Group for strategic collaboration and investment purposes.

## **Income Tax Expenses**

Income tax expenses of the Group decreased by 19.7% from RMB7.1 million in the first half of last year to RMB5.7 million during the Reporting Period, primarily due to the decrease in the taxable income.

## **Profit for the Period**

As a result of the foregoing, profit for the period of the Group decreased from RMB125.8 million in the first half of last year to a profit of RMB116.2 million during the Reporting Period.

## **Non-IFRS Measure**

To supplement the consolidated financial statements of the Group, which are presented in accordance with IFRS Accounting Standards, the Group also uses adjusted net profit (non-IFRS measure) as additional financial measures, which is not required by, or presented in accordance with IFRS Accounting Standards. The Group believes that the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help the Group's management. However, the Group's presentation of adjusted net profit (non-IFRS measure) 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 investors should not consider it in isolation from, or as a substitute for an analysis of, the Group's results of operations or financial condition as reported under IFRS Accounting Standards.

The Group defines adjusted net profit (non-IFRS measure) as net profit for the periods after deducting the fair value changes of equity investments and dividend income after tax. The following table reconciles the adjusted net profit (non-IFRS measure) for the periods presented to the most directly comparable financial measures calculated and presented in accordance with IFRS Accounting Standards, which is net profit for the periods:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Reconciliation of net profit to adjusted net profit (non-IFRS measure)		
Profit for the period	<b>116,226</b>	125,761
Add:		
Net losses arising from financial assets measured at FVPL <sup>1</sup>	<b>178,092</b>	23,109
Adjusted net profit (non-IFRS measure)	<b>294,318</b>	148,870

*Note:*

1. Fair value changes and dividend income after tax arising from listed equity investments, under the financial assets measured at FVPL held by the Group.

Adjusted net profit (non-IFRS measure) of the Group increased by 97.7% from RMB148.9 million in the first half of last year to RMB294.3 million during the Reporting Period, while the adjusted net profit margin (non-IFRS measure) rose from 5.7% to 9.6%, which was primarily attributable to our ongoing adjustments to product portfolio and strategic deployment, deepened channel development efforts, and increased contribution from mid-to-high-end products to the Group's revenue, which resulted in the rise of gross profit margin from 17.0% to 21.8%, with both net profit and net profit margin showing growth.

## **Inventories**

Inventories of the Group decreased by 21.3% from RMB1,360.2 million as of 31 December 2024 to RMB1,070.7 million as of 30 June 2025. Inventory turnover days of the Group decreased from 113 days in 2024 to 93 days during the Reporting Period, mainly due to the fact that the procurement of raw materials by the Company is subject to seasonal fluctuations, with raw grain purchases made in the fourth quarter of each year in most case, whereas during the Reporting Period, we used raw materials for production, the inventory balance of which had dropped off as of 30 June 2025.



## **Biological Assets**

The Group planted corn and paddies successively during the Reporting Period. The valuation on the fair value of its biological assets as of 30 June 2025 was carried out by an independent valuer, among which, the fair values of corn and paddies grown amounted to RMB15.0 million and RMB14.0 million respectively. As the biological assets planted by the Group are harvested between July to October each year, there is no balance of biological assets at the end of the year.

## **Trade and Other Receivables**

Trade receivables of the Group decreased by 4.0% from RMB377.4 million as of 31 December 2024 to RMB362.2 million as of 30 June 2025. Turnover days of trade receivables slightly increased from 20 days in 2024 to 22 days during the Reporting Period, with the level of trade receivables remaining stable.

Other receivables of the Group decreased from RMB223.5 million as of 31 December 2024 to RMB189.5 million as of 30 June 2025, mainly due to the fact that the refundable value-added tax was deducted during the Reporting Period, with the amount declining.

## **Financial Assets Measured at FVPL**

The financial assets measured at FVPL held by the Group as at 30 June 2025, represented the equity investments of RMB440.7 million in listed companies for the intention of strategic cooperation and investment. The decrease in the amount compared to 31 December 2024 was mainly due to changes in the fair value of the financial assets.

## **Trade and Other Payables**

Trade payables of the Group increased by 4.6% from RMB152.7 million as of 31 December 2024 to RMB159.8 million as of 30 June 2025. Trade payables turnover days increased from 11 days in the previous year to 12 days during the Reporting Period, which remained relatively stable.

Other payables of the Group increased by 173.0% from RMB100.5 million as of 31 December 2024 to RMB274.5 million as of 30 June 2025, mainly attributable to the increase in dividends payable of the Company by RMB175.2 million.

## **Contract Liabilities**

Our contract liabilities were short-term receipts in advance from customers. All of the contract liabilities are expected to be recognized as revenue within one year. Contract liabilities of the Group decreased by 62.1% from RMB40.6 million as of 31 December 2024 to RMB15.4 million as of 30 June 2025, mainly due to the fact that during the Reporting Period, the Group fulfilled its obligations of contractual liabilities, and affected by the seasonality of sales, as of 30 June 2025, the demand of some customers decreased as compared with that as of 31 December 2024, which was prior to the Spring Festival.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Cash on Hand and at Bank**

Cash on hand and at bank of the Group increased by 10.3% from RMB713.0 million as of 31 December 2024 to RMB786.7 million as of 30 June 2025, mainly due to the combined effect of the Group's cash inflow from operating activities and the repayment of borrowings during the Reporting Period.

### **Bank Loans**

Bank loans of the Group decreased by 69.0% from RMB645.5 million as of 31 December 2024 to RMB200.1 million as of 30 June 2025, mainly due to the repayment of borrowings by the Group during the Reporting Period.

### **Gearing Ratio**

As at 30 June 2025, gearing ratio of the Group (total liabilities/total assets) reached 17.5%, which was lower than gearing ratio of 23.0% as at 31 December 2024, mainly due to the decrease in the amount of liabilities resulting from the repayment of borrowings by the Group.

### **Financial Risks**

We have adopted risk management program to focus on minimizing potential adverse effects of the unpredictability of financial markets as we are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk, currency risk and fair value measurement risk.

### **Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of 30 June 2025, our Group's credit risk was primarily attributable to trade receivables. Our Group's exposure to credit risk arising from cash on hand and at bank and bills receivables is limited because the counterparties are banks and financial institutions with high credit standing, for which our Group is considered to have low credit risk. Our Group does not provide any guarantees which would expose our Group to credit risk.

### **Liquidity Risk**

The treasury function is centrally managed by our Group, which includes the short-term investment of cash surpluses and the raising of funds to cover expected cash demands. Our Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions and investors to meet its liquidity requirements in the short and long term.

## **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Group's interest rate risk arises primarily from interest-bearing borrowings issued at variable rates and at fixed rates, which expose our Group to cash flow interest rate risk and fair value interest rate risk, respectively.

## **Currency Risk**

The Group is exposed to currency risk primarily from cash balances that are denominated in a foreign currency. The currencies giving rise to this risk are primarily USD and HK\$.

## **CONTINGENT LIABILITIES**

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

## **CAPITAL COMMITMENTS AND CAPITAL EXPENDITURES**

As at 30 June 2025, the Group had capital commitments of approximately RMB101.5 million (as at 31 December 2024: RMB64.4 million), mainly used for purchase and construction of buildings, machinery and equipment.

For the six months ended 30 June 2025, the Group's capital expenditures amounted to approximately RMB106.4 million (for the six months ended 30 June 2024: RMB89.2 million), mainly used for purchase of property, plant and equipment and land-use-rights.

## **PLEDGED ASSETS**

As at 30 June 2025, the aggregate carrying value of the property, plant and equipment and land-use-rights pledged for the Group's bank loans was RMB62.5 million (as at 31 December 2024: RMB338.7 million).

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL**

The Group did not have any significant investment held, or any material acquisition or disposal of any relevant subsidiary, associate and joint venture during the Reporting Period.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save for the "Future Plans and Use of Proceeds" disclosed in the Prospectus, the Group did not have any existing plan for acquiring other material investments or capital assets during the Reporting Period and as of the date of the Announcement.

## **OTHER INFORMATION**

### **COMPLIANCE WITH MODEL CODE**

The Company has adopted the Model Code as a code of conduct regarding securities transactions by the Directors and Supervisors. Having made specific enquiries with all Directors and Supervisors, they have confirmed that they have complied with the Model Code during the Reporting Period.

### **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

We are committed to achieving high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. During the Reporting Period, the Company has complied with all applicable code provisions set out in the Corporate Governance Code, except for the deviation from code provision C.2.1.

In accordance with code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and general manager should be separate and should not be performed by the same individual. However, the Company does not have a separate role of chairman and general manager and the responsibilities of chairman and general manager are both undertaken by Mr. WANG Bing. The Board believes that having the same person assume the responsibilities of chairman and general manager is conducive to ensuring consistent leadership within the Group and making the Group's overall strategic planning more effective and efficient. In addition, since there are three independent non-executive Directors among the nine Directors in total of the Board, there will be sufficient independent voices in the Board to protect the interests of the Company and Shareholders as a whole. Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and monitor the corporate governance code practices of the Company with an aim of maintaining a high standard of corporate governance.

### **COMPLIANCE WITH LAWS AND REGULATIONS**

The Group's operations are carried out primarily in the PRC, while the Shares of the Company are listed on the Stock Exchange. The businesses operated by us are subject to the laws of relevant jurisdictions in the PRC, Hong Kong and other related areas. During the six months ended 30 June 2025 and as of the date of the Announcement, we have complied with relevant laws and regulations that have a significant impact on the Group in the applicable jurisdictions. During the Reporting Period, the Group did not have any material non-compliance with such laws and regulations.

### **PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale or transfer of treasury shares). As of the end of the Reporting Period, the Company or any of its subsidiaries did not hold any treasury shares.

## USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares were listed on the Stock Exchange on 12 October 2023 through a global offering, and the net proceeds from the global offering were approximately HK\$716.4 million after deducting underwriting commissions and other related expenses. The use of proceeds from the global offering and the planned schedule of the Company are as follows:

Intended Use	Approximate % of total net proceeds	Net proceeds from the global offering (HK\$ million)	Unutilized net proceeds as of 1 January 2025 (HK\$ million)	Utilized net proceeds during the six months ended 30 June 2025 (HK\$ million)	Utilized net proceeds up to 30 June 2025 (HK\$ million)	Unutilized net proceeds as at 30 June 2025 (HK\$ million)	Expected timeline for utilization of the balance of the net proceeds
Enhancing our cooperation with suppliers and strengthening our procurement capability	35%	250.74	90.14	40.16	200.76	49.98	By the end of 2025
Expanding our production capacity, upgrading existing production lines, broadening the geographic coverage of our warehousing and logistics, and providing funds for production activities related to our business expansion	30%	214.92	81.37	20.96	154.51	60.41	By the end of 2025
Expanding our channel coverage and establishing our sales ecosystem	10%	71.64	25.79	15.03	60.88	10.76	By the end of 2025
Enhancing our brand equity	10%	71.64	29.07	21.64	64.21	7.43	By the end of 2025
Constructing our digital middle platform system	5%	35.82	34.06	5.99	7.75	28.07	By the end of 2027
Working capital and general corporate purposes	10%	71.64	20.74	14.9	65.80	5.84	By the end of 2025
Total	100%	716.40	281.17	118.68	553.91	162.49	

The balance of proceeds from the listing will continue to be used in accordance with the proposed purposes aforementioned. Due to the adjustment to the Company's overall informatization strategy, the Company re-evaluated its business execution plan, and the proposed schedule regarding the use of the unutilized net proceeds for constructing the digital middle platform system will be later than originally planned.

## **AUDIT COMMITTEE**

The Company established the Audit Committee with written terms of reference in compliance with the Rule 3.21 of the Listing Rules and the Corporate Governance Code. As at the date of the Announcement, the Audit Committee comprises one non-executive Director (namely Mr. CHANG Bin) and two independent non-executive Directors (namely Mr. SHI Ketong and Mr. YEUNG Chi Tat) of the Company. Mr. YEUNG is the chairman of the Audit Committee. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters with the management of the Company, and has also reviewed the Group's unaudited interim results for the six months ended 30 June 2025.

## **REVIEW OF INTERIM FINANCIAL INFORMATION**

The financial information set out in the Announcement represents an extract from the interim financial report for the six months ended 30 June 2025, which is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders.

## **INTERIM DIVIDEND**

The Board resolved not to declare an interim dividend for the six months ended 30 June 2025.

## **HUMAN RESOURCES AND REMUNERATION POLICY**

The Company upholds the philosophy that "talents constitute the most valuable resource of a company" and "the effective management of human resources is the core competitiveness of a company" all along. We constantly build and refine the human resources management system, motivate and give full play the potential and effectiveness of talents, and enhance the value and contribution of human resources.

In terms of talent recruitment, the Company focuses on pivotal business channels, fortifies its talent pipeline development, and consistently refines its human capital structure. In the first half of the year, the Company concentrated its superior recruitment resources to continuously supply talents to rapidly-growing channels such as Pinduoduo, thereby fulfilling strategic needs. Meanwhile, the Company expanded its campus recruitment to infuse young talent influx. On the basis of consolidating its cooperation with universities in Northeast China, it also extended collaborations to universities in Henan, Hebei, Shandong, Shanxi and other regions. For instance, it held recruitment sessions at Double First-Class universities such as Zhengzhou University, Ocean University of China and Shanxi University. The Company also focused on product innovation by introducing professional talents in supply chain, quality control and other aspects to enhance the professional capabilities of the team.

In terms of talent cultivation, the Company continuously promotes “precise selection” and “accelerated cultivation”, deepens the “Amoeba” operation approach, and constantly propels the fission of autonomous micro-units, enabling outstanding talents to stand out rapidly and take on higher responsibilities of “affairs planning” and “talent cultivation”. The Company has established a “headquarters – branch – headquarters” interactive model to achieve a talent follow-up and training mode where the headquarters makes overall plans, the teams carry out the tasks, and the headquarters tracks the progress. This enables employees to quickly integrate into the corporate culture and enhance their professional capabilities.

In terms of personnel management, the Company has strengthened performance management and improved the working mechanism. The Company has formulated the “Work Report and Regular Meeting System” to enhance internal communication and decision-making efficiency within the organization. It has also developed and refined the “Performance Management Plan” for some business departments in a targeted manner, strengthening the evaluation of monthly goals and performance, and improving the effectiveness of employees’ work.

In terms of cultural construction, the Company has issued the Notice on Implementing Frugality Practices and Combating Waste, enhancing employees’ awareness of saving and fostering a pragmatic working style. The Company has also enlivened the cultural atmosphere and enhanced the happiness of its employees by organizing activities for the International Women’s Day and the Dragon Boat Festival.

In terms of salary, the Company has gradually improved its salary system. On the basis of ensuring internal fairness and enhancing external market competitiveness, it meets the needs of attracting and retaining talents while also taking into account the Company’s cost control. The Company has continued to flexibly use a variety of salary structures and models to meet the needs of employee management and motivation in different scenarios, such as implementing piece-rate wages and performance incentives for front-line employees at production line. The Company has implemented a performance-linked salary incentive model for the majority of offline sales personnel, while continuously adjusting and optimizing performance indicators in response to market changes, so as to encourage employees to earn higher incomes on the condition of completing performance targets. For some positions, such as live-streaming hosts, a parallel employment model of full-time and part-time work is adopted, which can not only flexibly carry out business but also balance the efficiency and cost of the enterprise. The Company handles and pays various social insurance and housing provident funds in accordance with relevant national laws, regulations and local policies, and withholds and pays personal income tax of employees.

As at 30 June 2025, we had 2,225 full-time employees, most of whom were located in Shenyang, Wuchang and Beijing.

## **SHARE SCHEME**

During the six months ended 30 June 2025, the Company and its major subsidiaries did not have any share scheme.



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

There were no significant events after 30 June 2025 that would materially affect the Group's operating and financial performance as at the date of the Announcement.

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

The Announcement has been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.shiyuedaotian.com](http://www.shiyuedaotian.com)). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be available on the above websites in due course.

## **DEFINITIONS**

“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	Shiyue Daotian Group Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange with stock code of 9676
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“Director(s)”	the director(s) of the Company
“ERP system”	enterprise resource planning system
“Group”, “we”, “us” or “our”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign Shares in the share capital of the Company with a nominal value of RMB0.10 each, which are traded in Hong Kong dollars and listed on the Stock Exchange
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong



“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange, as amended, supplemented or otherwise modified from time to time
“LKA(s)”	regional supermarket, hypermarket and convenience store operator(s)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“NKA(s)”	national supermarket, hypermarket and convenience store operator(s)
“PRC”	the People’s Republic of China excluding, for the purposes of the Announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus issued by the Company on 28 September 2023 in relation to our global offering and listing
“Reporting Period”	from 1 January 2025 to 30 June 2025
“RMB” or “Renminbi”	the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB0.10 each, comprising the Unlisted Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“treasury share”	has the meaning ascribed to it under the Listing Rules

“Unlisted Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB0.10 each, which are subscribed for and paid up in RMB
“USD”	United States dollars, the lawful currency of the United States

By order of the Board  
**Shiyue Daotian Group Co., Ltd.**  
**Mr. WANG Bing**  
*Chairman and Executive Director*

Beijing, the PRC, 28 August 2025

*As at the date of this announcement, the Board comprises Mr. WANG Bing, Ms. ZHAO Wenjun, Ms. ZHAO Shulan, Mr. SHU Minghe and Mr. ZOU Hao as executive Directors; Mr. CHANG Bin as non-executive Director; and Mr. SHI Ketong, Mr. YEUNG Chi Tat and Mr. LIN Chen as independent non-executive Directors.*