Champion Alliance International Holdings Limited
冠均國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1629

2025 INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

Name of directors
Mr. Chen Chen *(Chairman and Executive Director)*
Mr. Chen Xiaolong *(Executive Director)*
Mr. Hu Enfeng *(Executive Director)*
Mr. Li Aiguo *(Executive Director)*
Ms. Luo Yanhong *(Executive Director)*
Mr. Chen Hua *(Independent non-executive Director)*
Mr. Zhao Zhendong *(Independent non-executive Director)*
Mr. Chin Chi Ho Stanley
(Independent non-executive Director)

Stock code
1629

Registered office
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

Headquarters in the PRC
Dongping Economic Development Zone
Shandong Province
PRC

Principal place of business in Hong Kong
Unit E, 22/F, Tower A
Billion Centre
1 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Company's website
www.championshipintl.com
(Note: the information contained in this website does not form part of this report)

Company secretary
Ms. Leung Mei King

Authorised representatives
Mr. Chen Chen
Ms. Leung Mei King

Audit committee
Mr. Chin Chi Ho Stanley *(Chairman)*
Mr. Chen Hua
Mr. Zhao Zhendong

Remuneration committee
Mr. Chen Hua *(Chairman)*
Mr. Chen Chen
Mr. Zhao Zhendong

Nomination committee
Mr. Chen Chen *(Chairman)*
Mr. Zhao Zhendong
Mr. Chin Chi Ho Stanley
Ms. Luo Yanhong *(appointed on 26 June 2025)*
Mr. Chen Hua *(appointed on 26 June 2025)*

Principal share registrar
Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

Hong Kong branch share registrar
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal bankers
China Merchants Bank
Bank of China Limited

Legal adviser as to Hong Kong laws
Michael Li & Co.
19th Floor, Prosperity Tower
39 Queen's Road East
Central, Hong Kong

Auditor
CCTH CPA Limited
Unit 1510–1517, 15/F., Tower 2
Kowloon Commerce Centre
No. 51 Kwai Cheong Road
Kwai Chung, New Territories
Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS

Champion Alliance International Holdings Limited (the "Company", together with its subsidiaries, the "Group") is principally engaged in the (i) trading of household paper products and hygiene products and manufacturing of hygiene products, and (ii) property leasing.

BUSINESS REVIEW

i. Household Paper and Hygiene Products

The Group's household paper and hygiene products segment trades household paper and hygiene products and manufactures hygiene products in the PRC. The Group's household paper and hygiene products business currently has over 400 corporate customers, with sales network spanning across Heilongjiang, Jilin, Liaoning, Hebei, Henan, Shandong, Shaanxi, Jiangsu and Anhui Provinces, Beijing and Tianjin.

The household paper and hygiene products market in the PRC is projected to reach a market volume of approximately 29 million tons by 2035, maintaining its position as the global leader in this sector. The market is expected to achieve a compound annual growth rate (CAGR) of approximately 2.7% in volume terms from 2024 to 2035, driven by sustained consumer demand and favorable demographic trends. In value terms, the market is forecasted to grow at a CAGR of 4.5%, reaching approximately US$74 billion by 2035. In 2025, the market volume is anticipated to grow by approximately 4.9%, reflecting continued expansion in the sector.

The growing middle class in the PRC continues to drive demand for high-quality household paper products, including toilet paper, facial tissues, paper towels, and napkins. Additionally, there is an increasing consumer preference for environmentally sustainable and eco-friendly household paper products, particularly in urban and economically developed regions of the PRC, aligning with global sustainability trends.

During the reporting period, revenue of this segment was approximately RMB61.6 million, representing an increase of approximately 10.5% as compared to the same period of 2024.

ii. Property Leasing

The Group's property leasing segment leases out the factory, equipment and the land for the new energy business which is operated by an independent third party.

During the reporting period, revenue of this segment was approximately RMB6.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2025, the total revenue was approximately RMB67.6 million, representing an increase of approximately RMB3.9 million over the total revenue of approximately RMB63.7 million for the corresponding period in 2024, such increase was due to the increase in the sale of household paper and hygiene products.

The following table sets forth the breakdown of the Group's revenue for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June		
	2025	2024	**Change**
	RMB'000	*RMB'000*	*%*
Property leasing	**6,002**	7,909	(24.1)
Household paper and hygiene products	**61,631**	55,783	10.5

i. Household Paper and Hygiene Products

For the six months ended 30 June 2025, revenue of household paper and hygiene products business was approximately RMB61.6 million (six months ended 30 June 2024: RMB55.8 million), representing an increase of approximately 10.5% as compared with the corresponding period in 2024.

ii. Property Leasing

For the six months ended 30 June 2025, revenue of property leasing business was approximately RMB6.0 million.

Gross Profit and Gross Profit Margin

The Group's gross profit increased from approximately RMB9.8 million for the six months ended 30 June 2024 to approximately RMB10.3 million for the six months ended 30 June 2025. Gross profit margin was approximately 15.2% for the six months ended 30 June 2025, similar to approximately 15.3% for the six months ended 30 June 2024.

Other Income and Gains

For the six months ended 30 June 2025, the Group's other income and gains mainly consisted of bank interest income, subsidy income and other income. The other income and gains increased by 24.5% to approximately RMB0.8 million for the six months ended 30 June 2025, from approximately RMB0.6 million for the six months ended 30 June 2024. The increase was mainly due to the increase in other income for the reporting period.

Selling and Distribution Expenses

During the reporting period, selling and distribution expenses mainly consisted of (i) costs of transportation expenses, (ii) staff costs, and (iii) other expenses. The Group's selling and distribution expenses increased by approximately 46.1% from approximately RMB1.2 million for the six months ended 30 June 2024 to approximately RMB1.7 million for the six months ended 30 June 2025. The increase in selling and distribution expenses was mainly due to the increase in transportation cost.

Administrative Expenses

For the six months ended 30 June 2025, administrative expenses mainly consisted of (i) staff costs, (ii) entertainment expenses, (iii) office expenses and (iv) legal and professional fee. Administrative expenses increased from approximately RMB2.8 million for the six months ended 30 June 2024 to approximately RMB3.3 million for the six months ended 30 June 2025. The increase in administrative expenses of the Group was mainly due to the increase of staff costs for the reporting period.

Finance Costs

Finance costs consisted of interest expenses from other borrowing and imputed interest on rental deposit received. The finance costs were approximately RMB0.6 million for the reporting period (six months ended 30 June 2024: RMB0.3 million). The increase was mainly attributable to the addition of other borrowings and increase in the interest rate of other borrowings.

Income Tax Expense

The Group's income tax expense was approximately RMB2.7 million for the six months ended 30 June 2025. The Group's income tax expense was approximately RMB2.6 million in the corresponding period of 2024.

Loss/Profit Attributable to Owners of the Company

For the six months ended 30 June 2025, the Group's loss attributable to owners of the Company was approximately RMB8.5 million. Profit attributable to owners of the Company for the six months ended 30 June 2024 was approximately RMB5.0 million.

LIQUIDITY AND FINANCIAL RESOURCES

Net Current Assets

The Group recorded net current assets of approximately RMB158.3 million as at 30 June 2025, while the net current assets as at 31 December 2024 was approximately RMB160.1 million.

Borrowings and Gearing Ratio

The total borrowings of the Group as at 30 June 2025 were approximately RMB26.2 million (as at 31 December 2024: RMB21.9 million). The Group's gearing ratio increased from approximately 6.6% as at 31 December 2024 to approximately 8.1% as at 30 June 2025. The increase in the gearing ratio was primarily a result of additional loan of approximately RMB4.6 million. Gearing ratio was calculated by dividing total debt (which mainly consisted of other borrowings and amount due to a former shareholder of a subsidiary) by total equity as at the dates indicated and multiplied by 100%.

Capital Expenditure

During the six months ended 30 June 2025, the Group's total capital expenditure amounted to approximately RMB2.5 million, which was mainly used for prepayment for and additions to property, plant and equipment (six months ended 30 June 2024: RMB0.1 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Treasury Policies

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Capital Structure

The capital structure of the Group consists of equity attributable to owners of the Company, which comprises issued share capital and reserves. During the six months ended 30 June 2025, there had been no change in the number of issued shares in the Company.

Charge on Assets

As at 30 June 2025, the Group did not have any charge on assets (as at 31 December 2024: nil).

Contingent Liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities (as at 31 December 2024: nil).

Foreign Exchange Risk

The Group's transactions were mainly conducted in RMB. The functional currency of certain subsidiaries of the Group, and the major receivables and payables were denominated in RMB. The Group's exposure to foreign currency risk related primarily to certain bank balances and cash and other payables maintained in Hong Kong dollars ("HK$"). The Group did not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

Human Resources and Remuneration

As at 30 June 2025, the Group employed 45 employees (as at 31 December 2024: 41) with total staff costs of approximately RMB3.0 million incurred for the same period (six months ended 30 June 2024: approximately RMB1.6 million). The increase in staff costs of the Group was mainly due to the increase in number of staff and salary adjustments. The Group's remuneration packages are generally structured with reference to market terms and individual merits.

Interim Dividend

The Board proposed not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

Use of Net Proceeds from the Listing

The Company listed its shares on the Stock Exchange on 25 November 2016. Net proceeds from the Listing (after deduction of the underwriting commission and relevant expenses) were approximately HK$42.2 million (equivalent to approximately RMB37.6 million), which has been applied in the manner as disclosed in the prospectus of the Company dated 15 November 2016 (the "Prospectus").

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2025, the net proceeds from the Listing has been utilised as follows:

Use of net proceeds from the Listing	Adjusted use of net proceeds in the manner and proportion as stated in the Prospectus *RMB'000*	Approximate % of total actual net proceeds	Actual amount utilised from the Listing Date up to 30 June 2025 *RMB'000*	Balance as at 30 June 2025 *RMB'000*	Expected timeline for the remaining use of net proceeds *(Note)* For the year ending 31 December 2025 *RMB'000*
Purchase and upgrade of production equipment, as well as expansion and maintenance of the production facilities	23,303	62%	8,788	14,515	14,515
Expansion and upgrade of non-production facilities, including but not limited to warehouse and other supporting facilities	5,638	15%	1,334	4,304	4,304
Business development expenditures, including expanding the geographical coverage of sales network and research and development expenditures relating to the purchase of research and development equipment and to future research and development projects	4,886	13%	4,886	–	–
Working capital and general corporate purposes	3,758	10%	3,758	–	–
	37,585	100%	18,766	18,819	18,819

Note: The expected timeline for utilising the remaining net proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

As at 30 June 2025, unutilised proceeds amounted to approximately HK$21 million (equivalent to approximately RMB19 million), which will be invested in production plant, equipment upgrade and technical development. The unutilised portion of the net proceeds have been placed as interest bearing deposits with licensed banks as restricted cash in China. As at the date of this report, the Directors do not anticipate any change to the plan on the use of net proceeds.

Future Plans for Material Investments or Capital Assets

Save for the business plan disclosed in the Prospectus or in this report, there is no other plan for material investments or capital assets as at 30 June 2025.

Capital Commitments

	As at 30 June 2025 ***RMB'000***	As at 31 December 2024 *RMB'000*
Commitments for the acquisition of:		
– Property, plant and equipment	**21**	21

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE OUTLOOK

The Group remains cautiously optimistic about its industrial and manufacturing operations in the PRC, despite a projected economic growth rate of around 5% for 2025, as outlined by the Chinese government. The government has prioritized employment stability, targeting the creation of approximately 12 million new urban jobs and maintaining an urban surveyed unemployment rate of around 5.5% in 2025. These measures are expected to bolster job security, enhance consumer confidence, and drive private consumption, thereby supporting demand for consumer goods, including household and sanitary paper products. Additionally, proactive fiscal policies and prudent monetary measures are anticipated to stabilize the economic environment, creating favorable conditions for market growth.

To capitalize on these opportunities, the Group will continue to pursue strategic initiatives, including expanding into new markets and acquiring new clients to diversify its customer base. The Group is also committed to implementing cost-optimization measures as well as investing in new production facilities and equipment to enhance operational efficiency. By focusing on product innovation, particularly in eco-friendly and sustainable household paper products, and adapting to evolving market dynamics, the Group aims to strengthen its competitive position. The Group remains confident in the long-term growth potential of the PRC economy and its ability to achieve sustainable growth in the household and hygiene products market.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE

As a publicly listed company, the Directors recognise the importance of good corporate governance standards and internal procedures so as to achieve effective accountability and enhance shareholders' value. The Company has complied with all applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the reporting period.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company throughout the reporting period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far as is known to the Directors, as at 30 June 2025, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or shorts positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

Name	Capacity	Total number of Shares held (long position)	Approximate percentage of interests
Mr. Chen Shuming	Beneficial owner	350,000,000	64.09%
Champion Alliance International Corporation	Beneficial owner *(Note 1)*	350,000,000	64.09%
Ms. Chen Xiuchun	Interest of spouse *(Note 2)*	350,000,000	64.09%
CM Asset Management (Hong Kong) Company Limited	Investment manager	45,704,000	8.37%
Shareholder Value Fund	Beneficial owner	45,704,000	8.37%

Notes:

1. These Shares were beneficially owned by Champion Alliance International Corporation, which is wholly-owned by Mr. Chen Shuming.

2. Ms. Chen Xiuchun is the spouse of Mr. Chen Shuming, who in turn beneficially owns the entire issued share capital of Champion Alliance International Corporation, and is deemed to be interested in all the Shares in which Mr. Chen Shuming is interested pursuant to the SFO.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other person who had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

A share option scheme (the "Scheme") was conditionally adopted by the written resolutions of the Company's shareholders passed on 3 November 2016. The terms of the Scheme are in accordance with the provisions of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The principal terms of the Scheme are summarised in the section headed "D. Share Option Scheme" in Appendix V of the Prospectus. As of the date of this interim report, no option had been granted, agreed to be granted, exercised, cancelled or lapsed under the Scheme.

As of 1 January 2025 and 30 June 2025, the total number of share options available for grant under the scheme mandate of the share option scheme were 50,000,000 share options. No service provider sub-limit was set under the share option scheme. No option was granted to any eligible participant under the share option scheme during the period of six months ended 30 June 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the period under review, none of the Directors or any of their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' MATERIAL INTERESTS IN CONTRACTS

Save as disclosed above or in this interim report, no Director had any material interests in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the period.

CHANGE IN INFORMATION OF THE DIRECTORS

Changes in the information of directors required to be disclosed under Rule 13.51B(1) of the Listing Rules since the date of annual report 2024 of the Company are set out as follow:

(i) Ms. Luo Yanhong and Mr. Chen Hua were appointed as a member of the nomination committee with effect from 26 June 2025.

Details of the changes of information of the directors are set out in the Company's announcement dated 26 June 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The Company established the audit committee of the Board (the "Audit Committee") in November 2016 with written terms of reference in compliance with Rule 3.22 of the Listing Rules and provision D3.3 of the CG Code set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chin Chi Ho Stanley (as chairman), Mr. Chen Hua and Mr. Zhao Zhendong. The composition of the Audit Committee meets the requirements of Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee, among other things, are to ensure the adequacy and effectiveness of the accounting and financial controls of the Group, oversee the performance of internal control systems and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and listing requirements and oversee the independence and qualifications of the external auditors and objectivity and the effectiveness of the audit process in accordance with applicable standards. The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 together with the notes attached thereto have been reviewed by the Audit Committee but have not been audited by the Company's auditor.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code on terms no less exacting than those set out in Appendix C3 to the Listing Rules as the code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, each of them confirmed that he/she has complied in full with the Model Code throughout the period.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of unpublished inside information in relation to the securities of the Group, on no less exacting terms than the Model Code.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there were no important events affecting the Group after the end of financial period.

By Order of the Board
Champion Alliance International Holdings Limited
Chen Chen
Executive Director

Hong Kong, 29 August 2025

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

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**67,633**	63,692
Cost of sales		**(57,334)**	(53,933)
Gross profit		**10,299**	9,759
Other income and gains	*6*	**807**	648
Selling and distribution expenses		**(1,726)**	(1,181)
Administrative expenses		**(3,316)**	(2,833)
Impairment of trade receivables, net		**(3,124)**	–
Impairment of other receivables, net		**(10,010)**	–
Finance costs		**(594)**	(349)
(LOSS)/PROFIT BEFORE INCOME TAX	*7*	**(7,664)**	6,044
Income tax expense	*8*	**(2,736)**	(2,605)
(LOSS)/PROFIT FOR THE PERIOD		**(10,400)**	3,439
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Item that will not be reclassified subsequently to profit or loss:			
Exchange differences on translation of the Company's financial statements into its presentation currency		**764**	(1,015)
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD		**(9,636)**	2,424
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**(8,453)**	4,964
Non-controlling interests		**(1,947)**	(1,525)
		(10,400)	3,439

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

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
TOTAL COMPREHENSIVE (EXPENSE)/INCOME ATTRIBUTABLE TO:			
Owners of the Company		**(7,689)**	3,949
Non-controlling interests		**(1,947)**	(1,525)
		(9,636)	2,424
(LOSSES)/EARNINGS PER SHARE			
– Basic and diluted *(RMB cents per share)*	*9*	**(1.55)**	0.91

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30 June 2025 *RMB'000* (Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**85,751**	92,437
Investment properties	*11*	**102,728**	103,689
Right-of-use assets		**1,334**	2,223
Total non-current assets		**189,813**	198,349
CURRENT ASSETS			
Inventories		**6,205**	5,799
Trade receivables	*12*	**30,689**	31,351
Prepayments, deposits and other receivables		**56,352**	67,561
Cash and cash equivalents	*13*	**131,832**	119,214
Total current assets		**225,078**	223,925
CURRENT LIABILITIES			
Trade payables	*14*	**17,880**	15,662
Other payables and accruals		**19,541**	22,829
Income tax payable		**1,186**	1,121
Other borrowings		**26,230**	21,898
Lease liabilities		**1,375**	1,797
Deferred government grants		**524**	524
Total current liabilities		**66,736**	63,831
NET CURRENT ASSETS		**158,342**	160,094
TOTAL ASSETS LESS CURRENT LIABILITIES		**348,155**	358,443

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Other payables	**2,038**	1,988
Lease liabilities	**–**	462
Deferred government grants	**21,581**	21,821
Total non-current liabilities	**23,619**	24,271
NET ASSETS	**324,536**	334,172
EQUITY		
Share capital	**4,838**	4,838
Reserves	**241,376**	249,065
Equity attributable to owners of the Company	**246,214**	253,903
Non-controlling interests	**78,322**	80,269
TOTAL EQUITY	**324,536**	334,172

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Share premium account	Merger reserve	Exchange fluctuation reserve	PRC statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2025	**4,838**	**160,113**	**56,341**	**(1,117)**	**9,951**	**23,777**	**253,903**	**80,269**	**334,172**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(8,453)**	**(8,453)**	**(1,947)**	**(10,400)**
Other comprehensive income for the period:									
– Exchange differences on translation of the Company's financial statements into its presentation currency	**–**	**–**	**–**	**764**	**–**	**–**	**764**	**–**	**764**
Total comprehensive income/(expense) for the period	**–**	**–**	**–**	**764**	**–**	**(8,453)**	**(7,689)**	**(1,947)**	**(9,636)**
At 30 June 2025	**4,838**	**160,113**	**56,341**	**(353)**	**9,951**	**15,324**	**246,214**	**78,322**	**324,536**
At 1 January 2024	4,838	160,113	56,341	(708)	8,309	22,325	251,218	83,025	334,243
Profit/(loss) for the period	–	–	–	–	–	4,964	4,964	(1,525)	3,439
Other comprehensive expense for the period:									
– Exchange differences on translation of the Company's financial statements into its presentation currency	–	–	–	(1,015)	–	–	(1,015)	–	(1,015)
Total comprehensive (expense)/income for the period	–	–	–	(1,015)	–	4,964	3,949	(1,525)	2,424
At 30 June 2024	4,838	160,113	56,341	(1,723)	8,309	27,289	255,167	81,500	336,667

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Six months ended 30 June 2025 RMB'000 (Unaudited)	Six months ended 30 June 2024 RMB'000 (Unaudited)
Cash flows from operating activities			
(Loss)/profit before income tax		**(7,664)**	6,044
Adjustments for:			
Bank interest income	*6*	**(64)**	(99)
Other interest income	*6*	**(5)**	–
Subsidy income	*6*	**(240)**	(280)
Finance costs		**594**	349
Depreciation of property, plant and equipment		**9,156**	9,228
Depreciation of investment properties		**961**	1,022
Depreciation of right-of-use assets		**889**	–
Amortisation of computer software		**–**	5
Impairment of trade receivables, net		**3,124**	–
Impairment of other receivables, net		**10,010**	–
Cash flows before working capital changes		**16,761**	16,269
Increase in inventories		**(406)**	(4,549)
Increase in trade receivables		**(2,462)**	(2,288)
Decrease in prepayments, deposits and other receivables		**1,204**	18,466
Increase in trade payables		**2,218**	2,070
Decrease in other payables and accruals		**(3,202)**	(19,898)
Exchange alignments		**–**	260
Cash generated from operations		**14,113**	10,330
Income tax paid		**(2,671)**	(2,598)
Net cash generated from operating activities		**11,442**	7,732
Cash flows from investing activities			
Purchases of property, plant and equipment		**(2,470)**	(101)
Interest received		**64**	99
Net cash used in investing activities		**(2,406)**	(2)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash flow from financing activities		
Decrease in amount due to a former shareholder of a subsidiary	**–**	(6,000)
Other interest paid	**(30)**	–
Principal portion of lease payments	**(884)**	–
Proceeds from other borrowings	**4,642**	–
Net cash generated from/(used in) financing activities	**3,728**	(6,000)
Net increase in cash and cash equivalents	**12,764**	1,730
Cash and cash equivalents at beginning of period	**119,214**	111,030
Effect of exchange rate changes on cash and cash equivalents	**(146)**	(530)
Cash and cash equivalents at end of period	**131,832**	112,230
Analysis of cash and cash equivalents		
Cash and bank balances	**131,832**	112,230

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE AND GROUP INFORMATION

Champion Alliance International Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The registered office address of the Company is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and the Company's principal place of business in Hong Kong is located at Unit E, 22/F, Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

During the reporting period, the Company and its subsidiaries (collectively referred to as the "Group") were principally involved in the following activities:

- leasing of factory, equipment and the land for the new energy business which is operated by an independent third party; and

- trading of household paper and hygiene products and manufacturing of hygiene products in Mainland China.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Champion Alliance International Corporation, which is incorporated in the British Virgin Islands (the "BVI").

The Interim Financial Information has not been audited but has been reviewed by the audit committee of the Company.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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

The interim condensed consolidated financial information is presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand except when otherwise indicated.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted and methods of computation used in the preparation of this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the following new and revised HKFRS Accounting Standards for the first time for the current period's financial information.

Adoption of amended HKFRS Accounting Standards – effective on 1 January 2025

The HKICPA has issued the following amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to HKAS 21	Lack of exchangeability

The nature and impact of the amended HKFRS Accounting Standards are described below:

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

3 ESTIMATES

The preparation of the Interim Financial Information requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has following reportable operating segments:

(a) the property leasing segment leases out the factory, equipment and the land for the new energy business which is operated by an independent third party; and

(b) the household paper and hygiene products segment trades household paper and hygiene products and manufactures hygiene products in Mainland China.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit before income tax. The adjusted profit before income tax is measured consistently with the Group's profit before income tax except that interest income, finance costs as well as head office and corporate income and expenses are excluded from such measurement.

Segment revenue and results

	Six months ended 30 June					
	Property leasing		**Household paper and hygiene products**		**Total**	
	2025	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Segment revenue *(note 5)*						
Revenue from external customers	**6,002**	7,909	**61,631**	55,783	**67,633**	63,692
Segments results	**(3,924)**	(2,757)	**11,675**	10,373	**7,751**	7,616
Reconciliation:						
Bank and other interest income					**69**	99
Corporate and other unallocated expenses					**(14,890)**	(1,322)
Finance costs					**(594)**	(349)
(Loss)/profit before income tax					**(7,664)**	6,044

Segment assets and liabilities

Segment assets and liabilities information is not disclosed as they are not regularly reviewed by the chief operating decision maker.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4 OPERATING SEGMENT INFORMATION *(Continued)*

Other segment information

	Six months ended 30 June					
	Property leasing		Household paper and hygiene products		Total	
	2025	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Depreciation of items of property, plant and equipment	**9,143**	9,227	**13**	1	**9,156**	9,228
Depreciation of investment properties	**961**	1,022	**–**	–	**961**	1,022
Depreciation of right-of-use assets	**–**	–	**889**	–	**889**	–
Amortisation of computer software	**–**	–	**–**	5	**–**	5
Capital expenditure*	**–**	101	**2,470**	–	**2,470**	101

* *Capital expenditure consists of prepayment for and additions to property, plant and equipment.*

Geographical information

No geographical information is presented as the Group's revenue is solely derived from Mainland China and more than 90% of the Group's non-current assets were located in Mainland China.

Information about major customers

During the six months ended 30 June 2025, one (2024: two) external customer individually contributed 10% or more to the Group's total revenue for the period and the revenue generated from sales to each of these customers is set out below:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Property leasing		
Customer A	**N/A**	7,909
Household paper and hygiene products		
Customer B	**N/A**	6,893
Customer C	**7,423**	N/A

Note: N/A represents that the revenue from the particular customer for the particular period accounted for less than 10% of the Group's revenue for the particular period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Rental income	**6,002**	7,909
Sale of goods	**61,631**	55,783
	67,633	63,692

Notes:

(a) Disaggregated revenue information

Six months ended 30 June 2025

	Property leasing ***RMB'000*** **(Unaudited)**	**Household paper and hygiene products** ***RMB'000*** **(Unaudited)**	**Total** ***RMB'000*** **(Unaudited)**
Type of goods			
Sale of household paper and hygiene products	–	**61,631**	**61,631**
Total revenue from contracts with customers	–	**61,631**	**61,631**
Timing of revenue recognition			
Goods transferred at point in time	–	**61,631**	**61,631**
Total revenue from contracts with customers	–	**61,631**	**61,631**
Rental income	**6,002**	–	**6,002**
Total revenue	**6,002**	**61,631**	**67,633**

Geographical market

All revenue from contracts with customers were generated in Mainland China.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE *(Continued)*

Notes: (Continued)

(a) Disaggregated revenue information *(Continued)*

Six months ended 30 June 2024

	Property leasing *RMB'000* (Unaudited)	Household paper and hygiene products *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Type of goods			
Sale of household paper and hygiene products	–	55,783	55,783
Total revenue from contracts with customers	–	55,783	55,783
Timing of revenue recognition			
Goods transferred at point in time	–	55,783	55,783
Total revenue from contracts with customers	–	55,783	55,783
Rental income	7,909	–	7,909
Total revenue	7,909	55,783	63,692

Geographical market

All revenue from contracts with customers were generated in Mainland China.

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the household paper and hygiene products and payment is generally due within 30 days from delivery. Some household paper and hygiene products sales contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6 OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**64**	99
Other interest income	**5**	–
Subsidy income	**240**	280
Other income	**498**	269
	807	648

7 (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**45,619**	44,177
Depreciation of items of property, plant and equipment	**9,156**	9,228
Less: Amount included in cost of sales	**(9,156)**	(9,227)
	–	1
Depreciation of investment properties	**961**	1,022
Less: Amount included in cost of sales	**(961)**	–
	–	1,022
Depreciation of right-of-use assets	**889**	–
Less: Amount included in cost of sales	**(889)**	–
	–	–

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7 (LOSS)/PROFIT BEFORE INCOME TAX *(Continued)*

The Group's (loss)/profit before income tax is arrived at after charging: *(Continued)*

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Amortisation of computer software	**–**	5
Lease payments not included in the measurement of lease liabilities	**30**	24
Employee benefit expenses (including directors' remuneration):		
Salaries, bonus and benefits in kind	**2,773**	1,393
Retirement contribution scheme contributions	**235**	188
	3,008	1,581

8 INCOME TAX EXPENSE

An analysis of the Group's income tax expense is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax – Mainland China		
– Tax for the year	**2,733**	2,605
– Under-provision in respect of prior years	**3**	–
Income tax expense	**2,736**	2,605

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2025 as the Group did not generate any assessable profits arising in Hong Kong during the reporting period (six months ended 30 June 2024: Nil).

Taxes on profits assessable in Mainland China have been calculated at the applicable tax rate of 25% on the estimated assessable profits for the reporting period, based on the prevailing legislation, interpretations and practices in respect thereof.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 (LOSSES)/EARNINGS PER SHARE

The calculation of the basic and diluted (losses)/earnings per share attributable to the owners of the Company is based on:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Losses)/earnings		
(Loss)/profit for the period attributable to owners of the Company	**(8,453)**	4,964

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares	**546,092,537**	546,092,537

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
(Losses)/earnings per share		
– Basic and diluted *(RMB cents per share)*	**(1.55)**	0.91

Diluted losses/earnings per share for both periods provided are the same as the basic losses/earnings per share as there were no potential dilutive ordinary shares outstanding for the six months periods ended 30 June 2025 and 2024.

10 DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

11 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six month ended 30 June 2025, the Group incurred approximately RMB2,470,000 for acquisition of plant and machinery in the Mainland China.

In the opinion of the directors of the Company, the respective carrying amounts of the Group's owned properties at the end of reporting period that are carried at revalued amounts do not differ significantly from their respective estimated fair value. Consequently, no revaluation surplus or deficit has been recognised in the reporting period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 TRADE RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables	**43,939**	41,477
Less: Impairment	**(13,250)**	(10,126)
Trade receivables – net	**30,689**	31,351

Note: The Group's trading terms with its customers for the sale of goods and provision of processing services are mainly on credit. For new customers, payment in advance is normally required. The credit period is generally 30 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 1 month	**2,897**	1,817
1 to 2 months	**1,252**	186
2 to 3 months	**1,329**	178
3 to 4 months	**1,133**	233
Over 4 months	**24,078**	28,937
	30,689	31,351

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13 CASH AND CASH EQUIVALENTS

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Cash and bank balances	**131,832**	119,214

Notes:

(a) At 30 June 2025, the cash and bank balances of the Group denominated in RMB amounted to RMB125,484,000 (31 December 2024: RMB116,108,000). The RMB is not freely convertible into other currencies, however, under China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

(b) Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

14 TRADE PAYABLES

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Trade payables	**17,880**	15,662

Note:

(a) The trade payables are non-interest bearing and are normally settled on 30-day terms.

An ageing analysis of the trade payables of the Group as at the end of the reporting period, based on the invoice date, is as follows:

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Within 1 month	**8,133**	6,162
1 to 2 months	**4**	61
2 to 3 months	**–**	13
Over 3 months	**9,743**	9,426
	17,880	15,662

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15 CONTINGENT LIABILITIES

As at 30 June 2025 and 31 December 2024, the Group did not have any significant contingent liabilities.

16 CAPITAL COMMITMENTS

The Group had the following capital commitments at end of the period:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Commitments for the acquisition of:		
– Property, plant and equipment	**21**	21

17 FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and liabilities of the Group as at 30 June 2025 and 31 December 2024 are classified as financial assets and liabilities at amortised cost, respectively.

18 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 August 2025.