



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

LEADING IN
INNOVATION

STRIVING FOR
EXCELLENCE



2026 | Interim
Report

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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, resigned on 6 July 2026*)
Ms. Luo Yanhong (*Executive Director*)
Ms. Zhang Lin (*Executive Director, appointed on 6 July 2026*)
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
Mr. Chen Hua

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 Shandong, Beijing, Tianjin, Hebei, Henan, Shaanxi, Jiangsu, Anhui, Liaoning, Jilin and Heilongjiang.

The household paper market in the PRC continued its expansion during the period under review, underpinned by sustained drivers including heightened consumer hygiene awareness, ongoing urbanization, and rising disposable income levels. The PRC maintained its position as one of the global market leaders in household paper revenue. Industry forecasts indicate a compound annual growth rate of approximately 5.5% for the market from 2025 to 2033, with a projected volume growth of approximately 2.7% in 2026.

The expanding middle class in the PRC has continued to drive demand for quality household paper products, including facial tissues and paper towels, while a growing preference for environmentally sustainable products has also been observed in certain regions. In terms of distribution, while traditional brick-and-mortar stores remained the most significant channel, e-commerce platforms continued their rapid ascent as a crucial distribution channel during the period. The Group will continue to monitor these market trends and adapt its strategies accordingly to capture growth opportunities.

During the reporting period, revenue of this segment was approximately RMB48.5 million, representing a decrease of approximately 21.4% as compared to the same period of 2025.

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 RMB5.2 million.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the total revenue was approximately RMB53.6 million, representing a decrease of approximately RMB14.0 million over the total revenue of approximately RMB67.6 million for the corresponding period in 2025, such decrease was due to the decrease 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 2026 and 2025:

	Six months ended 30 June		Change %
	2026 RMB'000	2025 RMB'000	
Household paper and hygiene products	48,468	61,631	(21.4)
Property leasing	5,164	6,002	(14.0)

i. Household Paper and Hygiene Products

For the six months ended 30 June 2026, revenue of household paper and hygiene products business was approximately RMB48.5 million (six months ended 30 June 2025: RMB61.6 million), representing a decrease of approximately 21.4% as compared with the corresponding period in 2025.

ii. Property Leasing

For the six months ended 30 June 2026, revenue of property leasing business was approximately RMB5.2 million.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased from approximately RMB10.3 million for the six months ended 30 June 2025 to approximately RMB4.5 million for the six months ended 30 June 2026. Gross profit margin decreased from approximately 15.2% for the six months ended 30 June 2025 to approximately 8.4% for the six months ended 30 June 2026.

Other Income and Gains

For the six months ended 30 June 2026, the Group's other income and gains mainly consisted of bank interest income, subsidy income and other income. The other income and gains was approximately RMB0.8 million for the six months ended 30 June 2026, which was similar to the amount recorded for the six months ended 30 June 2025.

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 57.5% from approximately RMB1.7 million for the six months ended 30 June 2025 to approximately RMB2.7 million for the six months ended 30 June 2026. The increase in selling and distribution expenses was mainly due to the increase in staff cost and transportation cost.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative Expenses

For the six months ended 30 June 2026, 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 RMB3.3 million for the six months ended 30 June 2025 to approximately RMB3.8 million for the six months ended 30 June 2026. 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 2025: RMB0.6 million). Finance costs were similar between the two reporting periods.

Income Tax Expense

The Group's income tax expense was approximately RMB1.5 million for the six months ended 30 June 2026. The Group's income tax expense was approximately RMB2.7 million in the corresponding period of 2025.

Loss Attributable to Owners of the Company

For the six months ended 30 June 2026, the Group's loss attributable to owners of the Company was approximately RMB7.6 million. Loss attributable to owners of the Company for the six months ended 30 June 2025 was approximately RMB8.5 million.

LIQUIDITY AND FINANCIAL RESOURCES

Net Current Assets

The Group recorded net current assets of approximately RMB176.4 million as at 30 June 2026, while the net current assets as at 31 December 2025 was approximately RMB175.6 million.

Borrowings and Gearing Ratio

The total borrowings of the Group as at 30 June 2026 were approximately RMB26.1 million (as at 31 December 2025: RMB26.4 million). The Group's gearing ratio increased from approximately 8.7% as at 31 December 2025 to approximately 8.8% as at 30 June 2026. Gearing ratio was calculated by dividing total debt (which mainly consisted of other borrowings) by total equity as at the dates indicated and multiplied by 100%.

Capital Expenditure

During the six months ended 30 June 2026, the Group did not pay any capital expenditure (six months ended 30 June 2025: RMB2.5 million used for prepayment for and additions to property, plant and equipment).

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 2026, there had been no change in the number of issued shares in the Company.

Charge on Assets

As at 30 June 2026, the Group did not have any charge on assets (as at 31 December 2025: nil).

Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities (as at 31 December 2025: 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 2026 (six months ended 30 June 2025: nil).

Employees, Remuneration Policies and Training Schemes of the Group

As at 30 June 2026, the Group employed 48 employees (as at 31 December 2025: 48) with total staff costs of approximately RMB3.8 million incurred for the same period (six months ended 30 June 2025: approximately RMB3.0 million). The increase in staff costs of the Group was mainly due to salary adjustments.

The Group's remuneration framework is designed to be performance-driven and competitive, taking into account both employee contributions and prevailing market conditions. Directors' compensation is determined based on their individual experience, scope of responsibilities, and current market benchmarks. In addition to base salaries, discretionary bonuses may be awarded in recognition of the Group's overall performance and individual achievements. Other staff benefits include contributions to the Mandatory Provident Fund retirement benefits scheme in Hong Kong and various retirement benefits schemes including the provision of pension funds, medical insurance and other relevant insurance for employees of the Group pursuant to the PRC rules and regulations and the prevailing regulatory requirements of the PRC.

The Group had also provided training programmes or courses for the Mainland staff at all levels from different departments, and also for Directors and employees of the Company so as to further enhance their technical skills in production operation and management, professional skills and knowledge, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Interim Dividend

The Board proposed not to declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: 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").

As at 30 June 2026, the net proceeds from the Listing has been utilised as follows:

	Adjusted use of net proceeds in the manner and proportion as stated in the Prospectus <i>RMB'000</i>	Approximate % of total actual net proceeds	Actual amount utilised from the Listing Date up to 30 June 2026 <i>RMB'000</i>	Balance as at 30 June 2026 <i>RMB'000</i>	Expected timeline for the remaining use of net proceeds <i>(Note)</i> For the year ending 31 December 2026 <i>RMB'000</i>
Use of net proceeds from the Listing					
Purchase and upgrade of production equipment, as well as expansion and maintenance of the production facilities	23,303	62%	10,581	12,722	12,722
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%	20,559	17,026	17,026

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 2026, unutilised proceeds amounted to approximately HK\$19.7 million (equivalent to approximately RMB17.0 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.

Significant Investments Held, Material Acquisitions and Disposal

During the six months ended 30 June 2026, the Group did not hold any other significant investments nor have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2026.

Capital Commitments

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Commitments for the acquisition of:		
– Property, plant and equipment	21	21

FUTURE OUTLOOK

Looking ahead to the second half of 2026, the Group continues to maintain a cautiously optimistic stance towards its industrial and manufacturing operations in the PRC, while acknowledging a complex and evolving market landscape. The PRC government continues to prioritize economic stability, with a focus on employment and consumption to drive growth, which is expected to support sustained demand for household and sanitary paper products. However, the Group is mindful of the intensified competition within the industry, characterized by ongoing capacity expansion that has created a supply-demand imbalance, and the persistent volatility in raw material costs.

In response to the prevailing market conditions and our recent financial performance, our strategic focus for the remainder of 2026 and beyond is on prudent financial management and operational resilience. Following a reassessment of operational needs and market dynamics, the Group has adjusted the deployment of its remaining Hong Kong listing proceeds, extending the timeline for facility upgrades and expansion to the year ending 31 December 2026. This measured approach to capital expenditure is designed to preserve financial flexibility.

Concurrently, the Group continues to execute its long-term strategic initiatives to strengthen its competitive position. We remain committed to our “Green Transition” strategy, focusing on product innovation, particularly in eco-friendly and sustainable household paper products, to capture the growing consumer preference for high-quality and environmentally conscious goods. We will also continue to pursue cost-optimization measures and are exploring opportunities to enhance operational efficiency through investments in new production facilities and equipment when market conditions are more favorable. While the pace of capacity expansion may be moderated, the Group is confident in the long-term growth potential of the PRC economy and its ability to adapt to market dynamics 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 2026, 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 2026, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, 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:

Name	Capacity	Total number of Shares held (long position)	Approximate percentage of interests
Champion Alliance International Corporation	Beneficial owner (Note i)	350,000,000	64.09%
Mr. Chen Shuming ("Mr. Chen")	Interest of controlled corporation (Note i)	350,000,000	64.09%
Ms. Chen Xiuchun	Interest of spouse (Note ii)	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%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- i. These Shares were beneficially owned by Champion Alliance International Corporation, which is wholly-owned by Mr. Chen.
- ii. Ms. Chen Xiuchun is the spouse of Mr. Chen, 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 is interested pursuant to the SFO.

Save as disclosed above, as at 30 June 2026, 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 2026 and 30 June 2026, 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. The total number of shares available for issue under the Scheme were 50,000,000 shares, representing approximately 9.16% of the total issued share capital of the Company of 546,092,537 shares as at the date of the Interim Report. Furthermore, no option was granted to any eligible participant under the share option scheme during the period of six months ended 30 June 2026.

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 2025 of the Company are set out as follows:

- (i) Ms. Zhang Lin (“Ms. Zhang”) was appointed as the executive director of the Company with effect from 6 July 2026.
- (ii) Mr. Li Aiguo had resigned as the executive director of the Company with effect from 6 July 2026.

Details of the changes of information of the directors are set out in the Company’s announcement dated 6 July 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Ms. Zhang had obtained legal advice relating to director's duties and responsibilities under applicable laws and regulations on 6 July 2026 from a law firm qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules, and had confirmed that she understood her obligations as a Director of the Company.

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 2026 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, 31 August 2026

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

	Notes	Six months ended 30 June	
		2026	2025
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	5	53,632	67,633
Cost of sales		(49,108)	(57,334)
Gross profit		4,524	10,299
Other income and gains	6	848	807
Selling and distribution expenses		(2,718)	(1,726)
Administrative expenses		(3,818)	(3,316)
Impairment of trade receivables, net		(1,626)	(3,124)
Impairment of other receivables, net		(4,865)	(10,010)
Finance costs		(630)	(594)
LOSS BEFORE INCOME TAX	7	(8,285)	(7,664)
Income tax expense	8	(1,508)	(2,736)
LOSS FOR THE PERIOD		(9,793)	(10,400)
OTHER COMPREHENSIVE INCOME			
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		866	764
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		(8,927)	(9,636)
LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(7,559)	(8,453)
Non-controlling interests		(2,234)	(1,947)
		(9,793)	(10,400)

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

		Six months ended 30 June	
		2026	2025
	Note	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:			
Owners of the Company		(6,693)	(7,689)
Non-controlling interests		(2,234)	(1,947)
		(8,927)	(9,636)
LOSS PER SHARE			
– Basic and diluted (RMB cents per share)	9	(1.38)	(1.55)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	11	68,160	77,043
Investment properties	11	100,806	101,767
Right-of-use assets		–	445
Total non-current assets		168,966	179,255
CURRENT ASSETS			
Inventories		5,936	6,791
Trade receivables	12	27,802	31,479
Prepayments, deposits and other receivables		33,105	35,871
Cash and cash equivalents	13	128,757	131,797
Total current assets		195,600	205,938
CURRENT LIABILITIES			
Trade payables	14	3,959	10,525
Other payables and accruals		14,035	17,118
Income tax payable		706	1,751
Lease liabilities		–	462
Deferred government grants		524	524
Total current liabilities		19,224	30,380
NET CURRENT ASSETS		176,376	175,558
TOTAL ASSETS LESS CURRENT LIABILITIES		345,342	354,813

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES		
Other payables	2,144	2,094
Deferred government grants	21,058	21,298
Other borrowings	26,063	26,417
Total non-current liabilities	49,265	49,809
NET ASSETS	296,077	305,004
EQUITY		
Share capital	4,838	4,838
Reserves	217,108	223,801
Equity attributable to owners of the Company	221,946	228,639
Non-controlling interests	74,131	76,365
TOTAL EQUITY	296,077	305,004

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	(Accumulated losses)/ retained profits	Total	Non-controlling interests
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2026	4,838	160,113	56,341	41	11,500	(4,194)	228,639	76,365
Loss for the period	-	-	-	-	-	(7,559)	(7,559)	(2,234)
Other comprehensive income for the period:								
– Exchange differences on translation of the Company's financial statements into its presentation currency	-	-	-	866	-	-	866	-
Total comprehensive income/(expense) for the period	-	-	-	866	-	(7,559)	(6,693)	(2,234)
At 30 June 2026	4,838	160,113	56,341	907	11,500	(11,753)	221,946	74,131
At 1 January 2025	4,838	160,113	56,341	(1,117)	9,951	23,777	253,903	80,269
Loss for the period	-	-	-	-	-	(8,453)	(8,453)	(1,947)
Other comprehensive income for the period:								
– Exchange differences on translation of the Company's financial statements into its presentation currency	-	-	-	764	-	-	764	-
Total comprehensive income/(expense) for the period	-	-	-	764	-	(8,453)	(7,689)	(1,947)
At 30 June 2025	4,838	160,113	56,341	(353)	9,951	15,324	246,214	78,322

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Loss before income tax		(8,285)	(7,664)
Adjustments for:			
Bank interest income	6	(33)	(64)
Other interest income	6	(5)	(5)
Subsidy income	6	(240)	(240)
Finance costs		630	594
Depreciation of property, plant and equipment		8,883	9,156
Depreciation of investment properties		961	961
Depreciation of right-of-use assets		445	889
Impairment of trade receivables, net		1,626	3,124
Impairment of other receivables, net		4,865	10,010
Cash flows before working capital changes		8,847	16,761
Decrease/(increase) in inventories		855	(406)
Decrease/(increase) in trade receivables		2,051	(2,462)
(Increase)/decrease in prepayments, deposits and other receivables		(2,094)	1,204
(Decrease)/increase in trade payables		(6,566)	2,218
Decrease in other payables and accruals		(3,083)	(3,202)
Cash generated from operations		10	14,113
Income tax paid		(2,553)	(2,671)
Net cash (used in)/generated from operating activities		(2,543)	11,442
Cash flows from investing activities			
Purchases of property, plant and equipment		–	(2,470)
Interest received		33	64
Net cash generated from/(used in) investing activities		33	(2,406)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flow from financing activities		
Other interest paid	(1)	(30)
Principal portion of lease payments	(462)	(884)
Proceeds from other borrowings	–	4,642
Net cash (used in)/generated from financing activities	(463)	3,728
Net (decrease)/increase in cash and cash equivalents	(2,973)	12,764
Cash and cash equivalents at beginning of period	131,797	119,214
Effect of exchange rate changes on cash and cash equivalents	(67)	(146)
Cash and cash equivalents at end of period	128,757	131,832
Analysis of cash and cash equivalents		
Cash and bank balances	128,757	131,832

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:

- trading of household paper and hygiene products and manufacturing of hygiene products in Mainland China; and
- leasing of factory, equipment and the land for the new energy business which is operated by an independent third party.

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 condensed consolidated financial statements for the six months ended 30 June 2026 (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 2026 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 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 2025.

The Interim 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 consolidated financial statements for the year ended 31 December 2025, 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 2026

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 HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group's financial performance and position for the current and prior period and/or on the disclosures set out in these interim condensed consolidated financial statements.

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 Group's consolidated financial statements for the year ended 31 December 2025.

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

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/loss before income tax. The adjusted profit/loss before income tax is measured consistently with the Group's loss 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					
	Household paper and hygiene products		Property leasing		Total	
	2026	2025	2026	2025	2026	2025
	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	48,468	61,631	5,164	6,002	53,632	67,633
Segments (loss)/profit	5,270	11,675	(4,509)	(3,924)	761	7,751
Reconciliation:						
Bank and other interest income					38	69
Corporate and other unallocated expenses					(8,454)	(14,890)
Finance costs					(630)	(594)
Loss before income tax					(8,285)	(7,664)

Segment assets and liabilities

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4 OPERATING SEGMENT INFORMATION *(Continued)*

Other segment information

	Six months ended 30 June					
	Household paper and hygiene products		Property leasing		Total	
	2026	2025	2026	2025	2026	2025
	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	8	13	8,875	9,143	8,883	9,156
Depreciation of investment properties	–	–	961	961	961	961
Depreciation of right-of-use assets	445	889	–	–	445	889
Capital expenditure*	–	2,470	–	–	–	2,470

* 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 2026, one (six months ended 30 June 2025: one) external customer individually contributed 10% or more to the Group's total revenue for the period and the revenue generated from sales to the customer is set out below:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Household paper and hygiene products		
Customer A	6,328	7,423

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	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Rental income	5,164	6,002
Sale of goods	48,468	61,631
	53,632	67,633

Notes:

(a) Disaggregated revenue information

Six months ended 30 June 2026

	Household paper and hygiene products <i>RMB'000</i> (Unaudited)	Property leasing <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Type of goods			
Sale of household paper and hygiene products	48,468	–	48,468
Total revenue from contracts with customers	48,468	–	48,468
Timing of revenue recognition			
Goods transferred at point in time	48,468	–	48,468
Total revenue from contracts with customers	48,468	–	48,468
Rental income	–	5,164	5,164
Total revenue	48,468	5,164	53,632

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 2025

	Household paper and hygiene products RMB'000 (Unaudited)	Property leasing 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	61,631	6,002	67,633

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	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income	33	64
Other interest income	5	5
Subsidy income	240	240
Other income	570	498
	848	807

7 LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	38,133	45,619
Depreciation of items of property, plant and equipment	8,883	9,156
Less: Amount included in cost of sales	(8,883)	(9,156)
	—	—
Depreciation of investment properties	961	961
Less: Amount included in cost of sales	(961)	(961)
	—	—
Depreciation of right-of-use assets	445	889
Less: Amount included in cost of sales	(445)	(889)
	—	—

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7 LOSS BEFORE INCOME TAX *(Continued)*

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Lease payments not included in the measurement of lease liabilities	31	30
Employee benefit expenses (including directors' remuneration):		
Salaries, bonus and benefits in kind	3,526	2,773
Retirement contribution scheme contributions	276	235
	3,802	3,008

8 INCOME TAX EXPENSE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax – Mainland China		
– Tax for the period	1,508	2,733
– Under-provision in respect of prior years	–	3
Income tax expense	1,508	2,736

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2026 as the Group did not generate any assessable profits arising in Hong Kong during the reporting period (six months ended 30 June 2025: 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 LOSS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company	(7,559)	(8,453)
	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares	546,092,537	546,092,537
	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss per share		
– Basic and diluted (RMB cents per share)	(1.38)	(1.55)

Diluted loss per share for both periods presented are the same as the basic loss per share as there were no potential dilutive ordinary shares outstanding for the six months periods ended 30 June 2026 and 2025.

10 DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

11 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six month ended 30 June 2026, the Group did not acquire any 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 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables	43,714	45,765
Less: Impairment	(15,912)	(14,286)
Trade receivables – net	27,802	31,479

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 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 month	1,983	3,011
1 to 2 months	1,167	1,114
2 to 3 months	1,167	1,114
3 to 4 months	1,167	1,114
Over 4 months	22,318	25,126
	27,802	31,479

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13 CASH AND CASH EQUIVALENTS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Cash and bank balances	128,757	131,797

Notes:

- (a) At 30 June 2026, the cash and bank balances of the Group denominated in RMB amounted to RMB125,582,000 (31 December 2025: RMB127,079,000). 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 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables	3,959	10,525

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 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 month	2,784	846
1 to 2 months	14	–
2 to 3 months	–	–
Over 3 months	1,161	9,679
	3,959	10,525

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15 CONTINGENT LIABILITIES

As at 30 June 2026 and 31 December 2025, 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 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (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 2026 and 31 December 2025 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 31 August 2026.