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**碧生源控股有限公司**

**BESUNYEN HOLDINGS COMPANY LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 926)**

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

**FINANCIAL HIGHLIGHTS**

**The Operation Results of the Group**

The revenue of the Group for the first half of 2025 was RMB258.9 million, representing an increase of 1.8% as compared with the revenue of RMB254.3 million for the same period of 2024.

The gross profit of the Group for the first half of 2025 was RMB177.6 million, representing an increase of 2.4% as compared with the gross profit of RMB173.4 million for the same period of 2024. The gross profit margin of the Group for the first half of 2025 was 68.6%, representing an increase of 0.4 percentage points as compared with the gross profit margin of 68.2% for the same period of 2024.

The total operating expenses (including selling and marketing expenses, administrative expenses and research and development costs) of the Group for the first half of 2025 were RMB164.6 million, representing a decrease of 2.8% as compared with the total operating expenses of RMB169.3 million for the same period of 2024.

The total comprehensive income of the Group for the first half of 2025 was RMB12.4 million (for the same period of 2024: the total comprehensive income was RMB8.5 million).

The total comprehensive income attributable to owners of the Company for the first half of 2025 was RMB12.4 million (for the same period of 2024: the total comprehensive income attributable to owners of the Company was RMB8.5 million). The basic and diluted earnings per share attributable to owners of the Company for the first half of 2025 were both RMB10.14 cents (the basic and diluted earnings per share attributable to owners of the Company for the first half of 2024 were both RMB6.39 cents).

## **INTERIM DIVIDEND**

The Board has resolved to recommend the declaration and payment of an interim dividend of HK\$0.15 per share, HK\$18,339,837.75 in aggregate, out of the share premium account for the six months ended 30 June 2025. The declaration and payment of the interim dividend out of the share premium account is conditional upon the satisfaction of the following conditions: (a) the passing of an ordinary resolution by the shareholders at the extraordinary general meeting to be held by the Company on 25 August 2025 approving the declaration and payment of the interim dividend out of the share premium account pursuant to the articles of association of the Company; and (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the payment of the interim dividend, unable to pay its debts as they fall due in the ordinary course of business. Subject to the fulfilment of the above conditions, the interim dividend will be paid on or about 12 September 2025 to the shareholders whose names appear on the register of members of the Company on 29 August 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Besunyen Holdings Company Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Result Announcement**”), as below:

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<b>RMB’000</b>	<b>RMB’000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	3	<b>258,913</b>	254,286
Cost of sales		<b>(81,362)</b>	(80,851)
<b>Gross profit</b>		<b>177,551</b>	173,435
Other income		<b>3,998</b>	6,747
Selling and marketing expenses		<b>(124,603)</b>	(109,976)
Administrative expenses		<b>(34,927)</b>	(43,379)
Research and development costs		<b>(5,035)</b>	(15,958)
Credit impairment losses		<b>(107)</b>	(306)
Other expenses		<b>—</b>	(266)
Other (losses) gains, net	4	<b>(1,195)</b>	1,684
Loss on disposal of subsidiaries	6	<b>—</b>	(326)
<b>Operating profit</b>		<b>15,682</b>	11,655
Finance income		<b>1,193</b>	480
Finance costs		<b>(134)</b>	(110)
Finance income, net		<b>1,059</b>	370
Share of profits of investments accounted for using the equity method		<b>3,803</b>	1,100
<b>Profit before income tax</b>		<b>20,544</b>	13,125
Income tax expenses	5	<b>(8,142)</b>	(5,312)
<b>Profit for the period</b>		<b>12,402</b>	7,813

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
<i>Note</i>		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Other comprehensive income</b>			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		<u>—</u>	<u>652</u>
<b>Total comprehensive income for the period</b>		<b><u>12,402</u></b>	<b><u>8,465</u></b>
<b>Earnings per share attributable to the owners of the Company for the period (RMB cents):</b>			
<b>Basic earnings per share</b>	<b>7</b>	<b><u>10.14</u></b>	<b><u>6.39</u></b>
<b>Diluted earnings per share</b>	<b>7</b>	<b><u>10.14</u></b>	<b><u>6.39</u></b>

# **INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		As at	
		30 June	31 December
		2025	2024
	<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		102,109	108,087
Intangible assets		1,812	1,774
Right-of-use assets		19,590	21,752
Investments accounted for using the equity method		13,512	10,689
Financial assets measured at fair value through profit or loss	8	78,336	79,434
Loan receivable		69,793	69,793
Deferred income tax assets		27,242	33,802
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>312,394</b>	<b>325,331</b>
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		28,200	26,411
Trade receivables	9	31,459	20,592
Deposits, prepayments and other receivables		42,123	40,547
Restricted bank deposits		13,548	13,657
Cash and cash equivalents		164,542	134,155
		<hr/>	<hr/>
<b>Total current assets</b>		<b>279,872</b>	<b>235,362</b>
		<hr/>	<hr/>
<b>Total assets</b>		<b>592,266</b>	<b>560,693</b>
		<hr/> <hr/>	<hr/> <hr/>

	<i>Note</i>	<b>As at</b>	
		<b>30 June 2025</b>	<b>31 December 2024</b>
		<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		288	288
Share premium		939,484	939,484
Other reserves		347,973	347,973
Accumulated losses		(799,967)	(812,369)
<b>Total equity</b>		<b>487,778</b>	<b>475,376</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred government grants		1,983	2,051
Lease liabilities		1,537	2,474
Deferred income tax liabilities		660	1,407
<b>Total non-current liabilities</b>		<b>4,180</b>	<b>5,932</b>
<b>Current liabilities</b>			
Trade and bills payables	10	6,265	3,156
Other payables and accrued expenses		88,580	66,156
Contract liabilities		2,696	6,487
Lease liabilities		2,475	3,207
Current income tax liabilities		292	379
<b>Total current liabilities</b>		<b>100,308</b>	<b>79,385</b>
<b>Total liabilities</b>		<b>104,488</b>	<b>85,317</b>
<b>Total equity and liabilities</b>		<b>592,266</b>	<b>560,693</b>

## NOTE:

### 1. GENERAL INFORMATION

Besunyen Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company’s registered office is The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.

The ultimate parent undertaking of the Company is Green River Fiduciary Services, LLC which incorporated in the United States of America. The address of the Green River Fiduciary Services, LLC’s principal place of business is 140 S King St Ste C, Jackson, WY 83001, USA.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are manufacturing and sales of therapeutic tea products, including Detox tea, Slimming tea, Fit tea, Relief tea and other tea products, and sales of weight-loss and other medicines.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

This interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), unless otherwise stated.

This unaudited interim condensed consolidated financial information was approved for issue by the board of directors of the Company on 5 August 2025.

### 2. BASIS OF PREPARATION

The Group’s interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard 34 (“**IAS 34**”) “Interim Financial Reporting”. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2024 (the “**2024 Annual Financial Statements**”), which have been prepared in accordance with IFRS Accounting Standards, and any public announcement made by the Company during the current period and up to date of approval of this unaudited interim condensed consolidated financial information.

The accounting policies adopted are consistent with those of 2024 Annual Financial Statements, except for the adoption of amended standards as set out below.

#### **Amended standards adopted by the Group**

The Group has applied the following amended standards for the first time to financial reporting periods commencing 1 January 2025:

- Lack of Exchangeability — Amendments to IAS 21

The adoption of these amended standards did not have any material impact on the accounting policies of the Group and the presentation of the interim condensed consolidated financial information.

### **3. SEGMENT AND REVENUE INFORMATION**

The executive directors of the Company, identified as the chief operating decision makers (“**CODM**”), review the Group’s internal reporting in order to assess performance and allocate resources.

The CODM had identified the manufacturing and sales of tea products (including Detox tea, Slimming tea, Fit tea, Relief tea and others) and sales of weight-loss and other medicines as separate reportable segments, namely the tea products segment and the weight-loss and other medicines segment.

The CODM evaluates the performance of the reportable segments based on their revenue, gross profit and operating results which derived from gross profit deducting selling and marketing expenses and research and development costs. The CODM does not assess the assets and liabilities of the operating segments to allocate resources.



The segment results for the six months ended 30 June 2025 are as follows:

	Tea products segment <i>RMB'000</i>	Weight-loss and other medicines segment <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Total revenue</b>	<b>159,668</b>	<b>99,245</b>	<b>258,913</b>
Revenue from external customers	159,668	99,245	258,913
Revenue recognition at a point in time	159,668	99,245	258,913
Cost of sales	(33,484)	(47,878)	(81,362)
<b>Gross profit</b>	<b>126,184</b>	<b>51,367</b>	<b>177,551</b>
Selling and marketing expenses	(76,841)	(47,762)	(124,603)
Research and development costs	(2,873)	(2,162)	(5,035)
<b>Segment results</b>	<b>46,470</b>	<b>1,443</b>	<b>47,913</b>
Administrative expenses			(34,927)
Credit impairment losses			(107)
Other income			3,998
Other losses, net			(1,195)
<b>Operating profit</b>			<b>15,682</b>
Finance income			1,193
Finance costs			(134)
Finance income, net			1,059
Share of profits of investments accounted for using the equity method			3,803
Profit before income tax			20,544
Income tax expenses			(8,142)
Profit for the period			12,402
Other segment information:			
Depreciation	(7,983)	(1,162)	(9,145)
Amortisation	(218)	(9)	(227)

The segment results for the six months ended 30 June 2024 are as follows:

	Tea products segment <i>RMB'000</i>	Weight-loss and other medicines segment <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Total revenue</b>	<u>167,576</u>	<u>86,710</u>	<u>254,286</u>
Revenue from external customers	<u>167,576</u>	<u>86,710</u>	<u>254,286</u>
Revenue recognition at a point in time	167,576	86,710	254,286
Cost of sales	<u>(39,212)</u>	<u>(41,639)</u>	<u>(80,851)</u>
<b>Gross profit</b>	128,364	45,071	173,435
Selling and marketing expenses	(51,206)	(58,770)	(109,976)
Research and development costs	<u>(5,316)</u>	<u>(10,642)</u>	<u>(15,958)</u>
<b>Segment results</b>	<u>71,842</u>	<u>(24,341)</u>	<u>47,501</u>
Administrative expenses			(43,379)
Credit impairment losses			(306)
Other income			6,747
Other gains, net			1,684
Other expenses			(266)
Loss on disposal of subsidiaries			<u>(326)</u>
<b>Operating profit</b>			11,655
Finance income			480
Finance costs			<u>(110)</u>
Finance income, net			<u>370</u>
Share of profits of investments accounted for using the equity method			<u>1,100</u>
Profit before income tax			13,125
Income tax expenses			<u>(5,312)</u>
Profit for the period			<u><u>7,813</u></u>
Other segment information:			
Depreciation	<u>(8,670)</u>	<u>(553)</u>	<u>(9,223)</u>
Amortisation	<u>(155)</u>	<u>(57)</u>	<u>(212)</u>

### Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Customer A	N/A (Note (a))	27,064
Customer B	30,280	N/A (Note (b))
Customer C	30,010	N/A (Note (b))

Notes:

- (a) The corresponding revenue from the Group's joint venture as well as a distributor, Jiangxi Besunyen Trading Co., Ltd. for the period ended 30 June 2025 did not contribute over 10% of revenue to the Group.
- (b) The corresponding revenue from two e-commerce platforms for the period ended 30 June 2024 did not contribute over 10% of revenue to the Group.

#### 4. OTHER (LOSSES) GAINS, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Net foreign exchange (losses) gains	(515)	239
Change in fair value of financial assets measured at fair value through profit or loss	(1,098)	1,462
Net gains (losses) on disposals of land use rights and property, plant and equipment	567	(23)
Donation	—	(690)
Others	(149)	696
<b>Other (losses) gains, net</b>	<b>(1,195)</b>	<b>1,684</b>

#### 5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax	2,329	296
Deferred income tax	5,813	5,016
<b>Income tax expenses</b>	<b>8,142</b>	<b>5,312</b>

The Company was incorporated in the Cayman Islands and the Company's subsidiary, Besunyen Investment (BVI) Co., Ltd. was incorporated in the British Virgin Islands ("BVI") and they are tax exempted under the tax laws of the Cayman Islands and the BVI respectively.

The Company is a Hong Kong tax resident and subject to Hong Kong profit tax.

Hong Kong profits tax is subject to the two-tiered profits tax regime, under which the tax rate is 8.25% for assessable profits in the first HK\$2 million and 16.5% for any assessable profits in excess.

Tibet Besunyen Trading Co., Ltd. and Beijing Qianrui Wanfu Technology Co., Ltd. (formerly known as: Tibet Qianruiwanfu Venture Investment Co., Ltd. ("**Qianruiwanfu**")), the subsidiaries of the Group, are entitled to the preferential policy of Encouraged Industries in the West Regions in Tibet from establishment to 31 December 2024, for which the applicable income tax rate is 15% (2025: 25%).

Beijing Outsell Health Product Development Co., Ltd. is entitled to the preferential policy of High and New Technology Enterprise ("**HNTE**") from 2023 to 2025, for which the applicable income tax rate is 15% (2024: 15%).

Hangzhou Aoteshuer E-Commerce Co., Ltd., the subsidiary of the Group, is entitled to the preferential policy of small and micro-sized enterprises from establishment to 30 June 2025, for which the applicable income tax rate is 5%.

All other PRC subsidiaries of the Group are subject to the statutory corporate income tax rate of 25% (2024: 25%).

## 6. DISPOSAL OF SUBSIDIARIES

### Disposal of Kangbaina

Pursuant to an equity transfer agreement entered into by Qianruiwanfu and an independent third party, Zhuhai Hengqin Duomei Medical Technology Co., Ltd. ("**Hengqin Duomei**") dated on 20 November 2023, Qianruiwanfu has agreed to dispose 100% equity interests in Kangbaina, which is a wholly-owned subsidiary of Qianruiwanfu, to Hengqin Duomei, at a cash consideration of RMB3,000,000. On 10 April 2024, the disposal of Kangbaina was completed, and resulted in a net loss of approximately RMB326,000.

(i) Details of net loss on the disposal were as below:

	Six months ended 30 June 2024 RMB'000
Total cash consideration ( <i>note</i> )	3,000
Carrying amount of net assets of Kangbaina at the date of disposal	<u>(3,326)</u>
<b>Net loss on the disposal of Kangbaina</b>	<b><u>(326)</u></b>

*Note:*

The consideration of RMB3,000,000 was prepaid by Hengqin Duomei on 29 December 2023 as deposits for the transaction.

- (ii) The carrying amounts of net assets of Kangbaina as at the date of disposal was as below:

	<b>As at 10 April 2024 RMB'000</b>
Property, plant and equipment	93
Intangible assets	649
Inventories	101
Trade receivables and bills receivable	2,629
Deposits, prepayments and other receivables	348
Cash and cash equivalents	339
<b>Total assets</b>	<b>4,159</b>
Deferred income tax liabilities	(162)
Trade and bills payables	(80)
Other payables and accrued expenses	(438)
Contract liabilities	(153)
<b>Total liabilities</b>	<b>(833)</b>
<b>Carrying amount of net assets of Kangbaina at the date of disposal</b>	<b>3,326</b>

- (iii) The cash flows from the disposal of Kangbaina were as below:

	<b>Six months ended 30 June 2024 RMB'000</b>
Cash received	—
Cash and cash equivalents disposed	(339)
<b>Cash outflow from disposal of Kangbaina, net</b>	<b>(339)</b>

## 7. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company ( <i>RMB'000</i> )	<u>12,402</u>	<u>7,813</u>
Weighted-average number of ordinary shares in issue	<u>122,265,585</u>	<u>122,265,585</u>
Basic earnings per share ( <i>RMB cents per share</i> )	<u>10.14</u>	<u>6.39</u>

### (b) Diluted

There were no unvested restricted shares or share options which would result in dilutive effect to the Group as at 30 June 2025 and 2024. Accordingly, the diluted earnings per share is same as the basic earnings per share for the six months ended 30 June 2025 and 2024.

## 8. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>		
Preferred share investment ( <i>note b</i> )	12,886	12,947
Equity investments in private companies ( <i>note b</i> )	17,062	18,471
Investments in funds ( <i>note c</i> )	<u>48,388</u>	<u>48,016</u>
	<u>78,336</u>	<u>79,434</u>

*Note:*

- (a) The Group's wealth management products and structured deposits purchased from commercial financial institutes are denominated in RMB. The returns of these wealth management products and structured deposits are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are measured at fair value through profit or loss, and the fair values are based on discounted cash flow using the expected return based on management estimation and are within level 3 of the fair value hierarchy. There are no balance amounts as at 31 December 2024 and 30 June 2025.
- (b) The fair values of preferred share investment and equity investments in private companies are measured using a valuation technique with unobservable inputs and hence classified as level 3 of the fair value hierarchy.
- (c) The fair values of investments in funds are measured using a valuation technique with unobservable inputs and hence classified as level 3 of the fair value hierarchy.

## 9. TRADE RECEIVABLES

	As at	
	30 June 2025 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>
Trade receivables	31,555	20,633
Less: Loss allowance	<u>(96)</u>	<u>(41)</u>
	<u><b>31,459</b></u>	<u><b>20,592</b></u>

- (a) The Group normally allows a credit period of 30–90 days to its customers. The following is an aging analysis of trade receivables (net of loss allowance) based on the goods delivery dates, which approximated to their invoice dates:

	<b>As at</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
0 to 90 days	<b>30,149</b>	20,398
91 to 180 days	<b>951</b>	57
181 to 365 days	<b>79</b>	86
Over 365 days	<b>280</b>	51
	<b>31,459</b>	20,592

#### 10. TRADE AND BILLS PAYABLES

The aging of the trade and bills payables based on their respective invoice and issue dates were as follows:

	<b>As at</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
0 to 90 days	<b>6,136</b>	3,087
91 to 180 days	<b>75</b>	—
Over 180 days	<b>54</b>	69
	<b>6,265</b>	3,156

#### 11. DIVIDEND

Pursuant to the board resolution on 5 August 2025, the Board has resolved to recommend for declaration and payment of an interim dividend of HK\$0.15 per share (approximately HK\$18,339,837.75 in aggregate) for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$0.9), subject to the approval by the shareholders of the Company at the forthcoming extraordinary general meeting to be held on 25 August 2025. The interim dividend will be paid on or about 12 September 2025 to the shareholders whose names appear on the register of members of the Company on 29 August 2025.



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In the first half of 2025, revenue of the Group amounted to RMB258.9 million, representing an increase of 1.8% as compared with the same period last year, of which revenue from the Four Teas (Besunyen Detox Tea (碧生源牌常潤茶), Besunyen Slimming Tea (碧生源牌常菁茶), Besunyen Fit Tea (碧生源牌纖纖茶) and Besunyen Relief Tea (碧生源牌清源茶)) amounted to RMB129.1 million, representing a decrease of 4.7% as compared with the same period last year, and revenue from weight-loss medicines amounted to RMB94.4 million, representing an increase of 15.0% as compared with the same period last year. In the first half of 2025, the Group achieved a total comprehensive income of RMB12.4 million, representing an increase of 45.9% as compared with the total comprehensive income of RMB8.5 million for the first half of 2024.

In the first half of 2025, to adapt to the changes in the current economic and market landscape, the Group continued to adhere to the keynote of seeking progress while maintaining stability, consistently focusing on business enhancements aimed at profitability. The joint ventures have significantly improved the distribution, agency and service operations for Besunyen products. Through collaborative efforts between the Group and the joint ventures, a smooth transition and stable development of the Group's offline OTC business was achieved, alongside the initiation of further reform initiatives. Additionally, the online agency operational model has become more mature and efficient, enabling the Group to progressively improve its online operational efficiency and effectiveness and thereby significantly enhance its overall operational quality.

The Group continued to exert great efforts on therapeutic teas (i.e. the Four Teas) and weight-loss medicines (namely Orlistat) in the first half of 2025 by continuously expanding the promotion of the Group's products and brand via media including screen media, Xiaohongshu, KOL alliance, Douyin and Kuaishou. In the first half of 2025, the Group's offline sales business covered about 290,000 over-the-counter ("OTC") pharmacies and pharmaceutical third terminals, spanning across 31 provinces, autonomous regions and municipalities across the country, through the joint ventures. The Group's online e-commerce business has established 63 shops on 18 e-commerce platforms to conduct the sales of the Four Teas, Orlistat and other products. Adapting to the development of new sales trend, the Group made continuous progress in respect of new retail including Douyin, Kuaishou, O2O and B2C. Through the above mature and innovative channels, new products of the Group are able to enter the market more quickly, thereby maintaining the industrial leading position of the Group in terms of sales of products.

## **SALES IN OFFLINE CHANNELS ADAPTING TO MARKET DYNAMICS WHILE MAINTAINING STABLE OPERATIONS**

In the face of the constantly changing market landscape, the Group has reformed its business operation model within the OTC system. Concentrating on price stabilisation across all product channels, the Group has actively expanded its business to maintain market share and sales volume, with a focus on the following areas:

### **I. Deepening collaboration with chain stores and resource integration**

In line with the current adjustments to chain store business and the demand for professional team services, the Group focuses on weight-loss and intestinal management product categories. To this end, it has developed a comprehensive training system designed to deliver effective solutions to consumers. Furthermore, it has engaged in collaborative marketing strategy development with chain stores and actively supported their execution. This approach fosters strategic cooperation, category co-development, and mutual growth with chain stores.

### **II. Promotion and operation across multiple platforms**

Through interactive promotion methods such as OTO and live streaming with the chain membership channels, the Group actively developed new customers and boosted product sales, while reactivating chain members and increasing the purchase frequency of existing customers. As for the interaction with shop assistants and consumers in the chain system, the Group created a brand zone and made use of banner display, promotion, group buying, lightning deal and other activities to improve the convenience of purchase and provide consumers with timely access to promotional offers. By integrating online and offline efforts, improving service quality and increasing tasting events, consumer experience and product strength were enhanced.

### **III. Ensuring stable and healthy market pricing**

Regarding the pricing issues in multi-channel marketing, the Group has implemented diverse strategies and a series of management initiatives including the allocation of sales quotas and revocation of operational qualifications, in a bid to deter low-price, unregulated sales practices, maintain market order, and safeguard the legitimate rights and interests of all operational entities.

## **PROGRESSIVE IMPROVEMENTS IN AGENCY OPERATION MODEL OF THE E-COMMERCE BUSINESS**

In the first half of 2025, the agency operation model had been progressively improved. The self-financing agency companies have full discretion to operate e-commerce business on various platforms. As such, the processes have been further streamlined, making it more flexible and efficient in responding to market changes. Each agency company has formulated profit-oriented operational strategies to adapt to the rapidly changing e-commerce market environment, and it has adjusted the operational and maintenance strategies of different platforms in a timely manner to ensure healthy business development. Over the past six months, the operating results of e-commerce business on various platforms have improved significantly.

### **Traditional Platform: Strategic Optimisation, Innovative Advancement, and Substantial Performance Improvement**

#### ***I. Deepening platform operations, differentiated channel strategies, and ensuring steady growth in performance and profitability***

In pharmaceutical operations, comprehensive evaluation of the existing business system and strategic optimisation have been conducted, and differentiated operational strategies have been formulated in accordance with the characteristics of various channels. For platform channels, POP stores and brand flagship stores, the Group adopted strategic directions of “scale prioritisation”, “profit orientation” and “steady growth”, respectively, accompanied by corresponding operational measures to ensure effective execution.

In non-pharmaceutical operations, efforts are focused on optimising, integrating and innovating product strategies. For the sales of existing products, the strategy of “one product, multiple links, multiple resource positions” (一品多鏈接多資源位) has been successfully deployed, effectively leveraging core resource positions to secure public domain traffic and thereby maximising the acquisition of platform-specific traffic.

#### ***II. Launching a price optimisation initiative with multiple platforms to enhance ecosystem integrity and high-quality growth***

The “Price Optimisation Initiative” (價盤優化專項行動) has been formally launched across multiple platforms, employing big data analytics and market dynamics modeling to accurately recalibrate the equilibrium between product value and pricing. This initiative aims to optimise profit structures by systematically integrating pricing regulations. The Group makes use of the platforms to sustain long-term stability in industry pricing, thereby mitigating disruptive competition that could undermine brand value, ensuring consumers receive “transparent and reasonable” pricing experience, and facilitating the advancement of the platform ecosystem toward a new stage of “high-quality growth”.

During the recently concluded JD 618 Global Mid-Year Shopping Festival, Besunyen capitalised on its robust product quality and brand reputation to secure a position on JD Health's authoritative list of "618 Wellness and Health Station for Ten Thousand Stores" (618萬店養生健康站), earning a core position in the health category. Furthermore, at the 2025 JD 618 Global Mid-Year Shopping Festival, Slimming Tea and Fit Tea, the two flagship products of Besunyen, exhibited exceptional market performance, securing the top two positions in the sales rankings of weight-loss category.

### ***III. Strengthening content operations through virtual live streaming technology to improve store visibility and conversion rates***

During the first half of the year, the Group focused on broadening traffic acquisition channels and refining content marketing strategies. In respect of developing in-platform content, emphasis was placed on strengthening content production by utilising high-quality textual and visual materials, including short videos, to attract high-potential users on the platform. This approach aimed to expand the reach of content-driven user acquisition while simultaneously improving user engagement and conversion efficiency.

Moreover, the Group pioneered the launch and efficient operation of virtual digital human live streaming studios. By utilising AI-powered digital human live streaming technology, live streaming scripts and product highlight extraction processes were optimised to enable continuous, 24/7 AI-powered digital human live streaming. This innovation substantially increased store visibility and conversion rates, establishing itself as a critical factor in driving sustained growth in store performance.

### ***IV. Developing an omni-channel marketing strategy centered on Xiaohongshu to enhance brand awareness and drive sales***

Guided by innovative thinking, the Group strategically revitalised its marketing efforts on the Xiaohongshu platform, departing from conventional marketing methods to precisely engage the platform's core demographic of young consumers. As a breakthrough in the brand's omni-channel marketing strategy, this initiative builds a dual connection of "professional content + emotional resonance" to reshape Besunyen's brand image among the new generation, injecting dynamic, youthful growth momentum into the brand's business.

On the Xiaohongshu platform, the Group has implemented an innovative content marketing matrix system that transcends single-channel marketing models through the adoption of a "three-dimensional content marketing model". Furthermore, it has pioneered collaboration with the platform's health-themed IP to build a content closed loop of "product efficacy in real-life scenarios + health-conscious lifestyle concepts". This approach builds a comprehensive and innovative marketing pathway from "awareness and influence" to "value recognition" and "consumption conversion", driving exponential growth in brand visibility and product sales, and setting a new benchmark for innovative new media marketing in the industry.

## **New Business Platform: Emphasis on Core Products, Consumer Insight, and AI Integration for Sustainable Development**

### ***I. Focusing on weight management and core best-selling products to achieve steady growth***

In the first half of 2025, the operational strategy for the Douyin platform concentrated on core products including Besunyen Slimming Tea, Detox Tea, Herbsmooth Tea (潤元茶), Fit Tea, and Orlistat. In the non-pharmaceutical sector, the Group focused on Fit Tea as the core best-selling product, deeply targeting the promising niche market of weight management. Continued investment and refinement have been made to comprehensively enhance market recognition and influence of the brand and product, thereby laying a solid foundation for the long-term stable development of the business. In the pharmaceutical segment, Orlistat is making use of short video as an entry point, which has established a standardised content production workflow alongside real-time precision targeting strategies to improve user conversion efficiency and achieve over 100 million views per month.

### ***II. Deepening consumer engagement and insights, enhancing user experience, and strengthening user loyalty***

Regarding front-end engagement, the official Besunyen flagship store conducts live streaming sessions throughout the daytime, totaling 18 hours daily. These self-hosted live broadcasts constitute a live streaming matrix. By analysing user feedback and live streaming data, the product mix has been optimised and key products adjusted, leading to a marked increase in repeat purchase rates. This strategy has resulted in monthly sales surpassing RMB1 million from natural traffic live streams, as well as monthly sales exceeding RMB1 million for Slimming Tea product. On the back-end service, a user-value-centric, end-to-end service system has been established. For users engaged in 1V1 services, a regular follow-up mechanism is implemented to gain a comprehensive and in-depth understanding of their experiences, weight-loss progress, and any challenges or needs encountered during product use. Based on these follow-ups, the Group provides nutrition and healthy diet guidance. Through sustained and attentive service interactions, it fosters highly engaged, stable, and enduring service relationships with users, thereby comprehensively enhancing their service experience and reinforcing their trust and loyalty to the brand.

In terms of product supply, the Group analyses user needs and develops new product series based on market and user demands. Continuous optimisation of the supply chain is pursued through detailed review and efficient integration of all supply chain components. Full-process control over product quality is maintained, and a flexible supply chain is developed to consistently improve the capacity to develop high-quality, cost-effective products for both users and the market.

### ***III. Utilising digital marketing systems and AI technology to enhance marketing material production efficiency***

In terms of video production, leveraging the digital marketing system known as ICEM (介子雲), the Group has developed collaborative workflows, refined task allocation, deepened AI applications (particularly in scriptwriting/video fission), and continuously explored innovative directions for video production to systematically improve the quality and efficiency of materials. Concurrently, the Group is piloting innovative approaches with Orlistat to support business growth and horizontally support the production of short videos for new products.

The efficiency bottlenecks of traditional content production models have become increasingly apparent, underscoring the need for technological innovation to unlock creativity. The Group has established a “button workflow” that enables a fully intelligent end-to-end content creation system encompassing idea generation, production optimisation and effectiveness feedback. Additionally, it has established a database containing over 2,000 prohibited terms to enable real-time filtering of high-risk content, alongside a data-driven dynamic optimisation mechanism designed to continuously enhance content value production, achieve exponential growth in content production capacity, significantly reduce trial-and-error costs, achieve 100% content safety compliance, and systematically mitigate operational risks. The AI-driven workflow has decreased labor costs by 40%, ushering content production into an industrialised phase, facilitating the replicable production of viral content and establishing a competitive barrier.

## **CONTINUOUS EXPANSION OF THE INTERNATIONAL BUSINESS**

### **Successful implementation of trial orders with substantial progress in international business cooperation**

In the first half of 2025, the International Business Department intensified its efforts to accelerate the internationalisation of Besunyen’s core products by targeting emerging markets in Southeast Asia. A strategic trial order cooperation was entered into with SCI ECOMMERCE (THAILAND) COMPANY LIMITED, a local e-commerce unicorn under SCI Group. Through in-depth market research and product testing, the significant potential of Besunyen’s Four Teas product series including Slimming Tea and Detox Tea in Southeast Asia market was confirmed, thereby laying the foundation for future large-scale sales.



To broaden its production cooperation network in Southeast Asia, the International Business Department has entered into a strategic cooperation with GIGI Trading & Import-Export Co., Ltd in Vietnam. This cooperation culminated in the successful signing of the first OEM manufacturing agreement in Vietnam market, marking a new phase of the Group's internationalisation strategy with an emphasis on production capacity cooperation.

### **Completion of product upgrades in the US market and building of a complete overseas closed-loop for international business**

To fully open up the US health food market and better adapt to the consumer demands and regulatory requirements in the US market, the International Business Department has comprehensively upgraded the packaging of products for the US market (Bessence series), completing English packaging design and compliance modification, covering key aspects such as packaging design, compliance testing, warehousing and logistics, and marketing planning. These efforts have laid the foundation for the official entry of products into the US market.

### **CONTINUOUS RESEARCH AND DEVELOPMENT WORK AND GRADUAL ENHANCEMENT OF COMPETITIVENESS**

#### **Facilitating the deep integration of industry, academia and research institutes**

In 2025, the Company and the research team from Beijing Technology and Business University jointly conducted an expanded research on Detox Tea and Slimming Tea in the health sector, continuously facilitating the deep integration of industry, academia and research institutes. Both parties collaborated to complete animal experiments on mice on Detox Tea for uric acid reduction and Slimming Tea for protection against alcoholic liver damage, and metagenomic analysis of gut microbiota and mechanism of action studies. The trial results showed that these two teas have significant effects in reducing the risks of diseases through dietary intervention, injecting technological content into the Group's core products. One academic article has been published and two invention patents have been submitted before the project deadline.

- Name of invention: Preparation method and use of a uric acid-lowering composition
- Name of invention: Preparation method of an alcohol detoxification and liver protection composition

### **Maintenance of approvals for health food**

The renewal of registration and declaration work for the Company's core products, Besunyen Fit Tea and Besunyen Herbsmooth Tea, has been completed. In accordance with the new health food regulations, the product labels and technical specifications have been standardised, the thin-layer identification research of raw materials has been supplemented, quality indicators have been optimised, and health functions have been changed. These measures ensure that products continuously comply with the standards and requirements of the State Administration for Market Regulation, strengthen the compliance framework, and guarantee the compliant launch of key products without interruption.

### **Deepening the layout of intellectual property rights**

The R&D Department deepened the layout and transformation of intellectual property rights, vigorously promoted the exploration and declaration of invention patents, design patents, and utility model patents, and improved the intellectual property management system to comprehensively protect the intellectual property achievements of the Company. In the first half of 2025, we applied for 3 invention patents and 3 utility model patents; and obtained one invention patent authorisation, effectively protecting the Company's inventions and creations and building a technological moat.

### **CONTINUOUS OPTIMISATION OF PRODUCTION QUALITY MANAGEMENT SYSTEM**

The Group has established a comprehensive production quality management system. On the basis of complying with the relevant laws and regulations, the Group has successively passed the ISO9001 quality management system, ISO22000 food safety management system and HACCP key control point system certification, providing a strong guarantee for the Group's high-quality products. As the main body of food safety, the Group has implemented a three-tier management system involving the primary responsible person of the enterprise, the food safety director and the food safety officer. The Company has continuously improved risk control measures, ensuring that risk management is truly implemented to effectively prevent safety hazards in the production process. From factory layout and facilities, production management, raw and auxiliary materials management, warehouse management, inspection management, to model inspection and labelling, the Group has strictly controlled the entire production process, implemented quality management awareness in every aspect of production, and continuously improved product quality.



## PROSPECTS

In the second half of 2025, the Group will adapt to the current economic landscape and characteristics of the big health industry, seize the opportunity of the “Weight Management Year” initiative promoted by the National Health Commission, and actively respond to market changes through various means and measures. In the second half of 2025, the Group will continue to consolidate the achievements of its reforms. By deepening reforms and optimising mechanisms, the Group will leverage the enthusiasm of joint ventures, including the restructured agency companies and agency operation service companies, to better focus on Besunyen’s core business of health teas. In response to the significant changes in the OTC market, the Group will further deepen reforms, integrate management and marketing, better leverage the coordinated functions of online and offline channels, and capitalise on overall sales advantages. The Group will also cultivate market channels in the areas of “weight loss and weight management” and “laxative and gastrointestinal health” to actively meet the development trends of online and offline markets and the consumption needs of the younger generation, and enhance the Group’s competitiveness through new media and new retail. Meanwhile, the Group will also continue to expand its multi-channel product layout, refine its offline operations, enhance precision in online e-commerce agency operations, deeply facilitate the development of new retail, and strive for stable development of its core business. As a domestic brand with over 25 years of experience in the health industry, the Group will continue to facilitate the brand building and rejuvenation of Besunyen, and enhance its efforts on brand building and lift up the awareness and reputation of Besunyen brand via scenario-based marketing, integrated media communication, social influence and rejuvenation. By paying close attention to the ever-changing market and consumption demand, the Group will continue to undergo product development to contribute more high-quality products to the development of the big health market and the well-being of Chinese people, and satisfy growing pursuit of healthiness among the public. Promoting national health constitutes the Group’s fundamental mission, to which we are steadfastly dedicated.

## FINANCIAL REVIEW

### Revenue

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>Percentage of revenue</i>	<i>RMB'000</i>	<i>Percentage of revenue</i>
Revenue:				
Besunyen Detox Tea	30,352	11.7%	46,807	18.4%
Besunyen Slimming Tea	50,290	19.4%	54,352	21.4%
Besunyen Fit Tea	45,732	17.7%	30,994	12.2%
Besunyen Relief Tea	2,753	1.1%	3,270	1.3%
Weight-loss medicines	94,368	36.4%	82,136	32.3%
Other health food	30,541	11.8%	32,152	12.6%
Other medicines	4,877	1.9%	4,575	1.8%
Total	<u>258,913</u>	<u>100.0%</u>	<u>254,286</u>	<u>100.0%</u>

*Note:* Weight-loss medicines mainly consist of Besunyen Orlistat, other health food mainly consists of health food and other tea products (excluding the Four Teas), and other medicines mainly consist of finished medicines.

The Group's revenue in the first half of 2025 was RMB258.9 million, representing an increase of 1.8% from RMB254.3 million in the first half of 2024.

In particular, revenue from the Four Teas in the first half of 2025 was RMB129.1 million, representing a decrease of 4.7% from RMB135.4 million in the first half of 2024, revenue from weight-loss medicines in the first half of 2025 was RMB94.4 million, representing an increase of 15.0% from RMB82.1 million in the first half of 2024, revenue from other health food in the first half of 2025 was RMB30.5 million, representing a decrease of 5.0% from RMB32.2 million in the first half of 2024, and revenue from other medicines in the first half of 2025 was RMB4.9 million, representing an increase of 6.5% from RMB4.6 million in the first half of 2024.

Revenue in the first half of 2025 achieved moderate growth of 1.8% as compared to the first half of 2024, mainly due to the strong performance of online e-commerce channels, partially offsetting the phased pressure on traditional offline channels.

- (i) the offline sales volume of the two traditional tea products through offline channels decreased by 9.5% year-on-year;
- (ii) the sales volume of “Besunyen Orlistat” and “Besunyen Fit Tea” through online channels achieved significant year-on-year growth of 41.6% and 53.5%, respectively.

## Cost of Sales, Gross Profit and Gross Profit Margin

	For the six months ended 30 June	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of sales	<u>81,362</u>	<u>80,851</u>
Gross profit	<u>177,551</u>	<u>173,435</u>
Gross profit margin	<u>68.6%</u>	<u>68.2%</u>

The Group's cost of sales in the first half of 2025 was RMB81.4 million, representing an increase of 0.6% as compared to RMB80.9 million in the first half of 2024.

The gross profit margin in the first half of 2025 was 68.6%, representing an increase of 0.4 percentage points as compared to 68.2% in the first half of 2024, which was mainly due to (i) an increase in the gross profit margin of other medicines and other health food, which accounted for a lower proportion of revenue; and (ii) a natural balance arising from changes in the gross profit margin of the Four Teas and weight-loss medicines, which accounted for a higher proportion of revenue.

## Selling and Marketing Expenses

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>Percentage of revenue</i>	<i>RMB'000</i>	<i>Percentage of revenue</i>
Marketing and promotion expenses	106,192	41.0%	71,720	28.2%
Advertising costs	5,580	2.2%	26,072	10.3%
Employee benefit expenses	4,961	1.9%	5,721	2.2%
Others	<u>7,870</u>	<u>3.0%</u>	<u>6,463</u>	<u>2.5%</u>
Total	<u>124,603</u>	<u>48.1%</u>	<u>109,976</u>	<u>43.2%</u>

The Group's selling and marketing expenses in the first half of 2025 were RMB124.6 million, representing an increase of 13.3% from that of RMB110.0 million in the first half of 2024.

The marketing and promotion expenses increased by RMB34.5 million in the first half of 2025 as compared to the first half of 2024, mainly due to the increases in service fee of agency operation at e-commerce platforms and platform traffic acquisition costs.

The advertising costs decreased by RMB20.5 million in the first half of 2025 as compared to the first half of 2024, mainly due to the decrease in expenditure on traditional advertising activities.

### Administrative Expenses

	For the six months ended 30 June 2025		2024	
	<i>RMB'000</i>	<i>Percentage of revenue</i>	<i>RMB'000</i>	<i>Percentage of revenue</i>
Employee benefit expenses	11,351	4.4%	12,715	5.0%
Professional and consultation service fees	12,173	4.7%	12,681	5.0%
Entertainment and travelling expenses	3,114	1.2%	2,852	1.1%
Office expenses	1,120	0.4%	2,174	0.9%
Others	7,169	2.8%	12,957	5.1%
Total	<u>34,927</u>	<u>13.5%</u>	<u>43,379</u>	<u>17.1%</u>

The Group's administrative expenses in the first half of 2025 were RMB34.9 million, representing a decrease of 19.6% from RMB43.4 million in the first half of 2024, mainly due to the decrease in non-recurring expenses in the first half of 2025.

### Research and Development Costs

	For the six months ended 30 June 2025		2024	
	<i>RMB'000</i>	<i>Percentage of revenue</i>	<i>RMB'000</i>	<i>Percentage of revenue</i>
Research and development costs	<u>5,035</u>	<u>1.9%</u>	<u>15,958</u>	<u>6.3%</u>

The research and development costs in the first half of 2025 were RMB5.0 million, representing a decrease of RMB11.0 million from RMB16.0 million in the first half of 2024, mainly due to the decrease in the Group's investment in outsourced research and development activities.

## **Share of Profits of Investments Accounted for Using the Equity Method**

The Group's share of profits of investments accounted for using the equity method for the first half of 2025 was RMB3.8 million, which was mainly comprised of the profits of RMB4.0 million from shares held by the Group in the joint ventures, namely Hangzhou Bihan Network Technology Co., Ltd. (杭州碧瀚網絡科技有限公司), Guangzhou Bihan Network Technology Co., Ltd. (廣州碧瀚網絡科技有限公司) and Beijing Bihan E-commerce Co., Ltd. (北京碧瀚電子商務有限公司).

## **Taxation**

The income tax expenses of the Group in the first half of 2025 were RMB8.1 million, increased by RMB2.8 million as compared to the income tax expenses of RMB5.3 million in the first half of 2024, which was mainly due to the taxable items arising from the distribution of dividends between subsidiaries of the Group.

## **Total Comprehensive Income for the Period and Total Comprehensive Income Attributable to Owners of the Company**

Due to the factors set out above, the total comprehensive income of the Group for the first half of 2025 was RMB12.4 million (for the same period of 2024: the total comprehensive income was RMB8.5 million).

The total comprehensive income attributable to owners of the Company for the first half of 2025 was RMB12.4 million (for the same period of 2024: the total comprehensive income attributable to owners of the Company was RMB8.5 million). The basic and diluted earnings per share attributable to owners of the Company for the first half of 2025 were both RMB10.14 cents (for the same period of 2024: the basic and diluted earnings per share attributable to owners of the Company were both RMB6.39 cents).

## **Liquidity and Capital Resources**

In the first half of 2025, funds and capital expenditure required in the operation of the Group mainly came from the cash flows from operating activities.

## Cash Flows

The following table summarizes the net cash flows of the Group for the six months ended 30 June:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Net cash inflow from operating activities	<b>31,801</b>	12,354
Net cash inflow from investing activities	<b>389</b>	5,574
Net cash outflow from financing activities	<b>(1,803)</b>	(2,414)
Net increase in cash and cash equivalents	<b>30,387</b>	15,514
Exchange losses on cash and cash equivalents	<b>—</b>	(78)
Cash and cash equivalents at end of period	<b>164,542</b>	184,518

In the first half of 2025, the Group's net cash inflow from operating activities was RMB31.8 million (for the same period of 2024: net cash inflow from operating activities of RMB12.4 million), the increase was mainly due to the growth of the operating activities during the period. In the first half of 2025, the Group's net cash inflow from investing activities was RMB0.4 million, which was mainly attributable to the Group's receipt of dividend income from its associates, partially offset by the cash outflows from the acquisition of fixed assets (for the same period of 2024: net cash inflow from investing activities of RMB5.6 million, which was mainly attributable to the withdrawal of financial assets subscribed by the Group). In the first half of 2025, the Group's net cash outflow from financing activities was RMB1.8 million, which was mainly attributable to the payment of rents for housing leases (for the same period of 2024: net cash outflow from financing activities of RMB2.4 million, which was mainly attributable to the payment of rents for housing leases).

## Financial Assets Measured at Fair Value through Profit or Loss

As at 30 June 2025, the Group's financial assets measured at fair value through profit or loss amounted to RMB78.3 million (31 December 2024: RMB79.4 million), which mainly included:

- (i) The Group's investment in Vstar Investment Fund Limited Partnership amounting to approximately RMB13.8 million;
- (ii) The Group's investment in ERX Pharmaceuticals Inc. amounting to approximately RMB16.6 million;

- (iii) The Group's investment in Nanjing Jinbi Venture Capital Partnership (Limited Partnership) amounting to approximately RMB21.2 million;
- (iv) The Group's investment in Shanghai Yuanxing Zhiyin Venture Capital Partnership (Limited Partnership) amounting to approximately RMB13.4 million;
- (v) The Group's financial investments held through Central China Dragon Global Opportunity Fund SP6 which were measured at fair value through profit or loss amounting to approximately RMB12.9 million.

The Company subscribed for the participating shares of Central China Dragon Global Opportunity Fund SP6 (the “GOSP6”) with a total investment of HK\$100 million (equivalent to approximately RMB91.8 million) in October 2023, and the GOSP6 is principally engaged in managing and holding the investment in wealth management as acquired by the Company through the manager (please refer to the announcements of the Company dated 26 September 2023 and 5 October 2023 for details). The investment objective of the GOSP6 is to provide investors with a stable return through a combination of current income and capital appreciation, with fixed income investment products accounting for not less than 80% and mainly focusing on private and public general bonds, as well as investment products in Asia, America and Europe. Since the Company's subscription, the GOSP6 selected assets in accordance with its established investment strategy.

Given that the Company is the only holder of participating shares in the GOSP6 and the fees paid to the manager are comparable to the services it provided as an agent, the Group treats the GOSP6 as a consolidated structured entity under IFRS Accounting Standards. Pursuant to the latest net asset value report of GOSP6, the net asset value of the GOSP6 was approximately RMB95.9 million, accounting for approximately 16.2% of the Group's total assets as at 30 June 2025. As at 30 June 2025, except for the abovementioned investments measured at fair value through profit or loss, the Company also held loan receivable, through the GOSP6, which is measured at amortized cost amounting to approximately RMB69.8 million, and cash and cash equivalents for investment purpose which were presented as restricted bank deposits amounting to approximately RMB13.5 million.

For further details of the GOSP6, please refer to the section headed “Other Information — Progress on the Redemption of the Investment in GOSP6” in this announcement.

### **Bank Balances and Cash**

The Group's bank balances and cash, comprising cash and cash equivalents, term deposits and restricted bank deposits, amounted to RMB178.1 million as at 30 June 2025 (31 December 2024: RMB147.8 million).

## Borrowings and Pledge of Assets

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

As at 30 June 2025, the Group had no pledge of assets (31 December 2024: Nil).

## Capital Expenditure

In the first half of 2025, the capital expenditure of the Group amounted to RMB1.5 million (for the same period of 2024: RMB0.6 million). The following table sets forth the capital expenditure paid by the Group for the six months ended 30 June:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Property, plant and equipment	<b>1,204</b>	629
Intangible assets	<b>265</b>	—
	<hr/>	<hr/>
Total	<b>1,469</b>	629
	<hr/>	<hr/>

## Inventories

The Group's inventories include raw materials and packaging materials, work in progress and finished goods as indicated in the following table:

	<b>As at</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Raw materials and packaging materials	<b>4,598</b>	3,743
Work in progress	<b>1,961</b>	1,648
Finished goods	<b>21,641</b>	21,020
	<hr/>	<hr/>
Total	<b>28,200</b>	26,411
	<hr/>	<hr/>



### **Risks of Foreign Exchange Rate**

Almost all of the revenue, costs of sales and expenses of the Group are denominated in Renminbi. Apart from some bank deposits that are denominated in HK dollar and US dollar, most assets and liabilities of the Group are also denominated in Renminbi. Since Renminbi is the functional currency of the Group, risks of foreign exchange rate mainly come from assets denominated in HK dollar and US dollar.

For the six months ended 30 June 2025, the Group did not purchase any foreign exchange, interest rate derivative products or hedging instruments (for the same period of 2024: Nil).

### **Material Acquisitions or Disposals**

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the first half of 2025.

### **Significant Investments and Plans**

Save as disclosed in this announcement, as at 30 June 2025, the Group had no single significant investment with a carrying amount of 5% or more of the Group's total assets.

As at the date of this announcement, the Board has not approved any plan for significant investments or acquisition of capital assets.

### **Gearing Ratio**

As at 30 June 2025, the Group's gearing ratio (total liabilities divided by total assets, in percentage) was 17.6% (31 December 2024: 15.2%).

### **Contingent Liabilities and Guarantees**

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

### **Capital Commitments**

As at 30 June 2025, capital commitments for property, plant and equipment as contracted for but not yet incurred amounted to RMB0.2 million (31 December 2024: RMB0.2 million).

## **Compliance with Laws and Regulations**

The Group shall conduct business in compliance with the requirements of various laws and regulations, mainly including the Food Safety Law of the PRC, the Drug Administration Law of the PRC, the Regulations for Implementation of the Drug Administration Law of the PRC, the Environmental Protection Law of the PRC, the Labour Law of the PRC, the Labour Contract Law of the PRC as well as other applicable regulations, policies and normative legal documents issued based on or related to such laws and regulations. The Group's prevailing quality and safety control systems of product production are comprehensive and impose effective control over design and execution. The Group has passed the certifications of quality management systems such as ISO9001, ISO22000 and HACCP, ensuring its product quality and safety in an all-round and in-depth manner. In case of any changes in applicable laws, regulations and normative legal documents related to our principal businesses, the Group would inform relevant staff and operation teams in time. In addition, the Group ensured its compliance with such requirements via numerous measures, such as internal control and approval procedures as well as training and supervision on different business departments.

During the first half of 2025, so far as known to the Directors, there was no non-compliance with any relevant laws and regulations which would have a material impact on the Group.

## **Relationships with Employees, Suppliers and Customers**

The Group endeavors to maintain sustainable development in the long term, continuously create value for its employees and customers, and foster good relationships with its suppliers. The Group understands that employees are its valuable assets, and the realization and enhancement of employees' values will facilitate the achievement of the Group's overall goals. For the six months ended 30 June 2025, the Group provided generous social insurance benefits to its employees to motivate their proactivity at work and heighten their sense of belonging. The Group also understood the importance of maintaining good relationships with its suppliers and customers to the overall development of the Group. The Group placed emphasis on supplier selection and encouraged fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. To maintain the competitiveness of its brand and products, the Group abided by the principles of honesty and trustworthiness and committed itself to consistently providing quality products to establish a reliable service environment for its customers. For the six months ended 30 June 2025, there was no significant or material dispute between the Group and its suppliers and/or customers.

## **Human Resources Management**

The Group regards high-quality employees as its most important resource. As at 30 June 2025, the Group had 129 employees in mainland China and Hong Kong (31 December 2024: 128 employees). For the six months ended 30 June 2025, the staff costs of the Group (including remunerations of the Directors) were RMB22.5 million (for the same period of 2024: RMB24.5 million). Employee remuneration was determined with reference to individual performance, work experience, qualification and prevailing industry practice. Apart from basic remuneration and statutory pension benefit scheme, employee benefits also included discretionary bonus.

The Group places emphasis on the recruitment, motivation and retention of suitable talents. The Group invests considerable efforts in continuous education and training for its employees, so as to keep enhancing the knowledge, skill and team spirit of employees. The Group often provides internal and external training courses to relevant staff members based on various needs.

## **CORPORATE GOVERNANCE**

For the six months ended 30 June 2025, the Company has applied the principles and complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules, except for code provision C.2.1 of the CG Code.

### **CODE PROVISION C.2.1**

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of both Chairman and Chief Executive Officer were performed by Mr. Zhao Yihong. Mr. Zhao is a co-founder of the Group and has 34 years of experience in food and beverage industry in the PRC. The Board believes that vesting the two roles in the same person provided the Company with strong and consistent leadership and facilitated the implementation and execution of the Group’s business strategies. The Board is of the view that as all major decisions are made in consultation with members of the Board which comprises experienced and professional individuals (including three independent non-executive Directors), a balance of power and authority is adequately ensured.

In view of the strategic development needs of the Group, in June 2025, Mr. Zhao was re-designated from the Chief Executive Officer to Chief Strategy Officer, and Mr. Feng Bing was appointed as the Chief Executive Officer. From then on, the Company has complied with code provision C.2.1 of the CG Code.

## **AUDIT COMMITTEE**

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. He Yuanping, a Director with the appropriate professional qualifications and serving as the chairman of the Audit Committee, Mr. Shi Xiangxin and Dr. Chen Yang. The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 and this announcement, the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters.

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

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company or sell any treasury shares during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

## **INTERIM DIVIDEND**

The Board has resolved to recommend the declaration and payment of an interim dividend of HK\$0.15 per share, HK\$18,339,837.75 in aggregate, out of the share premium account for the six months ended 30 June 2025. The declaration and payment of the interim dividend out of the share premium account is conditional upon the satisfaction of the following conditions: (a) the passing of an ordinary resolution by the shareholders at the extraordinary general meeting to be held by the Company on 25 August 2025 approving the declaration and payment of the interim dividend out of the share premium account pursuant to the articles of association of the Company; and (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the payment of the interim dividend, unable to pay its debts as they fall due in the ordinary course of business. Subject to the fulfilment of the above conditions, the interim dividend will be paid on or about 12 September 2025 to the shareholders whose names appear on the register of members of the Company on 29 August 2025.

The register of members of the Company will be closed on 29 August 2025. On such day, no transfer of Shares will be registered. The record date for determining the eligibility to receive the Interim Dividend will be on 29 August 2025. In order to be eligible for receiving the Interim Dividend, all completed transfer forms accomplished by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4: 30 p.m. on 28 August 2025.

The register of members of the Company will be closed from 20 August 2025 to 25 August 2025, both days inclusive. During such period, no transfer of Shares will be registered. The record date for determining the eligibility to attend the extraordinary general meeting will be on 25 August 2025. In order to be eligible for attending the extraordinary general meeting, all completed transfer forms accomplished by the relevant share certificates must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 19 August 2025.

## **PROGRESS ON THE REDEMPTION OF THE INVESTMENT IN GOSP6**

Reference is made to the Company’s 2024 Annual Report dated 29 April 2025, which disclosed that the Company issued a written redemption notice to the fund manager in March 2025, requesting the full redemption of the participating shares of the GOSP6 held by the Company. Given the difficulties in asset redemption, the Company is currently discussing with the fund manager on the arrangements for a full cash redemption and exploring the implementation timeline and specific steps.

## **SUBSEQUENT EVENTS**

Subsequent to 30 June 2025, the Board has recommended the declaration and payment of an interim dividend for the six months ended 30 June 2025, details of which are set out in the section headed “Interim Dividend” and Note 11 to the Interim Condensed Consolidated Financial Statements. Save as disclosed above, no significant event affecting the Group has occurred subsequent to 30 June 2025 and up to the date of this announcement.

## **PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE**

This announcement is published on the websites of the Company (<http://ir.besunyen.com>) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report of the Company for the six months ended 30 June 2025 will be dispatched to the shareholders of the Company and published on the above websites in due course.

By order of the Board  
**Besunyen Holdings Company Limited**  
**Zhao Yihong**  
*Chairman and Chief Strategy Officer*

Hong Kong, 5 August 2025

*As at the date of this announcement, the executive Directors are Mr. Zhao Yihong (Chairman and Chief Strategy Officer), Ms. Gao Yan (Vice Chairman), Mr. Feng Bing (Chief Executive Officer) and Mr. Yu Hongjiang (Executive Vice President, Chief Operating Officer and Chief Financial Officer); and the independent non-executive Directors are Mr. He Yuanping, Mr. Shi Xiangxin and Dr. Chen Yang.*