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WellCell Holdings Co., Limited

經緯天地控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2477)

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

2025 INTERIM RESULTS FINANCIAL HIGHLIGHTS

- Revenue decreased by approximately 15.1% to approximately RMB90.1 million for the six months ended 30 June 2025.
- Profit attributable to the equity holders of the Company for the six months ended 30 June 2025 amounted to approximately RMB7.7 million, representing a decrease of approximately 28.0% when compared to that for the same period in 2024.
- Basic earnings per share amounted to approximately RMB0.77 cents for the six months ended 30 June 2025, representing a decrease of approximately 29.4% when compared to that for the same period in 2024.
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Director(s)**”) of WellCell Holdings Co., Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2024 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		Unaudited	Unaudited
	Notes	RMB'000	RMB'000
Revenue	4	90,068	106,092
Other income	6	3,934	667
Other gains — net	7	80	1,435
Employee benefit expenses	8	(7,685)	(9,725)
Subcontracting charges		(62,396)	(64,983)
Materials, supplies and other project costs		(8,000)	(8,853)
Depreciation and amortisation	5	(2,464)	(1,009)
Reversal of impairment losses/(Impairment losses) on trade receivables and contract assets, net	5	320	(3,363)
Impairment losses on other receivables	5	(281)	—
Other operating expenses		(4,799)	(3,085)
Listing expenses	5	—	(6,257)
Operating profit		8,777	10,919
Finance income	9	94	1,679
Finance costs	9	(596)	(448)
Finance (costs)/income, net	9	(502)	1,231
Profit before tax	5	8,275	12,150
Income tax expense	10	(558)	(1,429)
Profit for the period attributable to the equity holders of the Company		7,717	10,721
			(Restated)
Earnings per share attributable to equity holders of the Company			
Basic and diluted (RMB cents per share)	11	0.77	1.09

		Six months ended 30 June	
		2025	2024
		Unaudited	Unaudited
Notes		RMB'000	RMB'000
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
	— Exchange differences arising on translation of operations outside PRC, net of tax	<u>(170)</u>	<u>(2)</u>
	Net other comprehensive income for the period, net of tax	<u>(170)</u>	<u>(2)</u>
	Total comprehensive income for the period attributable to the equity holders of the Company	<u><u>7,547</u></u>	<u><u>10,719</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		14,376	14,459
Intangible assets		15,602	10,377
Financial assets at fair value through profit or loss	14	23,986	–
Deferred tax assets		14	857
Total non-current assets		53,978	25,693
CURRENT ASSETS			
Trade receivables	13	38,441	53,539
Contract assets		101,642	106,799
Prepayments, deposits and other receivables		42,591	21,370
Financial assets at fair value through profit or loss	14	–	11,600
Due from a related company		1,219	1,205
Pledged bank deposits		244	133
Cash and cash equivalents		68,769	104,982
Total current assets		252,906	299,628

		As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
	<i>Notes</i>		
CURRENT LIABILITIES			
Trade payables	15	7,414	6,022
Contract liabilities, other payables and accruals		57,544	73,635
Interest-bearing bank borrowings	16	32,409	41,776
Lease liabilities		742	1,168
Due to a shareholder		32	1,032
Tax payables		—	285
		<u> </u>	<u> </u>
Total current liabilities		<u>98,141</u>	<u>123,918</u>
NET CURRENT ASSETS			
		<u>154,765</u>	<u>175,710</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>208,743</u>	<u>201,403</u>
NON-CURRENT LIABILITY			
Lease liabilities		<u>829</u>	<u>1,036</u>
Total non-current liability		<u>829</u>	<u>1,036</u>
Net assets		<u>207,914</u>	<u>200,367</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	17(b)	4,549	4,549
Reserves		<u>203,365</u>	<u>195,818</u>
Total equity		<u>207,914</u>	<u>200,367</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

1.1 Corporate information

WellCell Holdings Co., Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) was incorporated in the Cayman Islands on 14 September 2021 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is 71 Fort Street, P.O. Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands.

The Company is an investment holding company. The principal activities of the Group consisted of the provision of (i) wireless telecommunication network enhancement services, (ii) telecommunication network infrastructure maintenance and engineering services, (iii) information and communication technology (“**ICT**”) integration services; (iv) telecommunication network-related software development and related services; and (v) sales of software. During the period, the Group extended its business into the financial technology (or Fintech) business.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”) since 12 January 2024.

These interim condensed consolidated financial statements (the “**Interim Financial Statements**”) are presented in Renminbi thousands (“**RMB’000**”), unless otherwise stated. These Interim Financial Statements, which have not been audited, have been reviewed by the audit committee of the Company and approved for issue by the Board on 29 August 2025.

2 BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The Interim Financial Statements contain interim condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the consolidated financial statements for the year ended 31 December 2024 (the “**2024 Annual Financial Statements**”). The Interim Financial Statements and notes thereon do not include all the information and disclosures required for full set of financial statements prepared in accordance with HKFRS Accounting Standards, and should be read in conjunction with the 2024 Annual Financial Statements.

These Interim Financial Statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss (“**FVTPL**”) which are stated at its fair value.

The Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the 2024 Annual Financial Statements, except for the revised HKFRS Accounting Standards that are required to be adopted in the consolidated financial statements for the year ending 31 December 2025. Details of these revised HKFRS Accounting Standards are set out below.

New and revised HKFRS Accounting Standards adopted by the Group

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the Interim Financial Statements.

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendment in the current period had no significant impact on the Interim Financial Statements.

Issued but not yet effective HKFRS Accounting Standards for the accounting period beginning on 1 January 2025 and not early adopted by the Group

		Effective for accounting periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements [#]	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instrument	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

[#] As a consequence of new HKFRS 18 issued in July 2024, Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to reflect the requirements in HKFRS 18.

The Group is in the process of making an assessment on the impact of these new standards and amendments to standards and preliminary results showed that their applications are not expected to have a material impact on the financial performance and the financial position of the Group.

3 ESTIMATES

The preparation of the Interim Financial Statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2024 Annual Financial Statements.

4 REVENUE AND SEGMENT INFORMATION

The principal activities of the Group consisted of the provision of (i) wireless telecommunication network enhancement services, (ii) telecommunication network infrastructure maintenance and engineering services, (iii) ICT integration services; (iv) telecommunication network-related software development and related services; and (v) sales of software. During the period, the Group extended its business into the financial technology (or Fintech) business. However, the financial technology (or Fintech) business did not form a separate reportable segment as it was still in a preliminary development stage and did not generate any revenue during the period.

The chief operating decision-maker has been identified as the Directors. The Directors review the Group's internal reporting in order to assess performance and allocate resources. The Directors have determined the operating segment based on these reports.

The Directors consider the Group's operation from a business perspective and determine that the Group has one reportable operating segment being provision of services and products for telecommunication network and infrastructure. Therefore, no segment result, segment assets and segment liabilities were further presented.

Six months ended 30 June	
2025	2024
Unaudited	Unaudited
RMB'000	RMB'000

Timing of revenue recognition

Over time

— Wireless telecommunication network enhancement services	28,636	41,136
— Telecommunication network infrastructure maintenance and engineering services	17,170	16,842
— ICT integration services	38,359	32,240
— Telecommunication network-related software development and related services	3,683	11,515
	<u>87,848</u>	<u>101,733</u>

At a point in time

— Sales of software	2,220	4,359
	<u>90,068</u>	<u>106,092</u>

5 PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting) the following:

Six months ended 30 June	
2025	2024
Unaudited	Unaudited
RMB'000	RMB'000

Auditor's remuneration

— Audit services	—	—
— Non-audit services	354	350

Depreciation and amortisation	2,464	1,009
Expenses of short-term lease in respect of offices and staff quarters	10	27
(Reversal of impairment losses)/Impairment losses on trade receivables and contract assets	(320)	3,363
Impairment losses on other receivables	281	—
Listing expenses*	<u>—</u>	<u>6,257</u>

* Listing expenses represents other listing expenses not directly related to the issuing of new shares upon listing of the Company on 12 January 2024.

6 OTHER INCOME

	Six months ended 30 June	
	2025	2024
	Unaudited RMB'000	Unaudited RMB'000
Government subsidies (<i>Note (i)</i>)	469	259
VAT refund	4	379
Net change in fair value of financial assets at FVTPL (<i>Note 14</i>)	3,442	–
Sundry income	19	29
	<u>3,934</u>	<u>667</u>

Notes:

- (i) During the six months ended 30 June 2024 and 2025, there were no unfulfilled conditions or other contingencies attaching to these subsidies.

7 OTHER GAINS — NET

	Six months ended 30 June	
	2025	2024
	Unaudited RMB'000	Unaudited RMB'000
Exchange gains	130	1,386
Others	(50)	49
	<u>80</u>	<u>1,435</u>

8 EMPLOYEE BENEFIT EXPENSES

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	<i>RMB'000</i>	<i>RMB'000</i>
Wages and salaries	6,541	8,334
Pension cost — defined contribution plans	983	1,211
Other staff welfares	161	180
	<u> </u>	<u> </u>
Total employee benefit expenses (including directors' remunerations)	<u>7,685</u>	<u>9,725</u>

9 FINANCE (COSTS)/INCOME, NET

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Interest income on cash at banks	<u>94</u>	<u>1,679</u>
Finance costs		
Interest expenses on		
— Interest-bearing bank borrowings	(574)	(430)
— Leases	<u>(22)</u>	<u>(18)</u>
	<u>(596)</u>	<u>(448)</u>
Finance (costs)/income, net	<u>(502)</u>	<u>1,231</u>

10 INCOME TAX EXPENSE

Under the Hong Kong two-tiered profits tax rates regime, the first HK\$2,000,000 of profits arising in Hong Kong of one subsidiary of the Group, which is a qualifying group entity operating in Hong Kong, is taxed at 8.25%, and its remaining assessable profits is taxed at 16.5% during the six months ended 30 June 2024 and 2025. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong for the six months ended 30 June 2024 and 2025.

Income tax provision of the Group in respect of operations in the People's Republic of China ("PRC") has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax ("CIT") rate in the PRC is 25%. During the six months ended 30 June 2024 and 2025, the Group's major operating subsidiary in the PRC has been qualified for high and new technology enterprises status and is therefore subject to a preferential income tax rate of 15%.

	Six months ended 30 June	
	2025	2024
	Unaudited RMB'000	Unaudited RMB'000
Current tax		
— PRC CIT	—	837
— Hong Kong profits tax		
— Overprovision in previous period	(285)	—
Deferred tax	<u>843</u>	<u>592</u>
Income tax expense	<u><u>558</u></u>	<u><u>1,429</u></u>

11 EARNINGS PER SHARE

The calculation of basic earnings per share amount is based on the profit for the period attributable to the equity holders of the Company and the weighted average number of ordinary shares outstanding during the respective periods.

The weighted average number of ordinary shares in issue for the respective periods has been retrospectively adjusted for the following events:

- (i) 374,999,600 ordinary shares of the Company, which were issued by the Company on 12 January 2024 as a result of the capitalisation issue pursuant to a resolution of the shareholder passed on 15 December 2023, which were deemed to have been issued and allotted by the Company on 1 January 2024 when computing the basic and diluted earnings per share for the six months ended 30 June 2024.
- (ii) As detailed in note 17(a) to this announcement, pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 27 March 2025, effective on 31 March 2025, each of the existing issued and unissued shares of the Company of HK\$0.01 each were sub-divided into two shares of HK\$0.005 each, which were deemed to be effective on 1 January 2024 when computing the basic and diluted earnings per share for the six months ended 30 June 2024 and 2025.

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
Profit for the period (RMB'000)	7,717	10,721 (Restated)
Weighted average number of ordinary shares in issue (in thousands)	<u>1,000,000</u>	<u>984,890</u>
		(Restated)
Basic and diluted earnings per share (RMB cents per share)	<u><u>0.77</u></u>	<u><u>1.09</u></u>

There were no differences between the basic and the diluted earnings per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2024 and 2025.

12 DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

13 TRADE RECEIVABLES

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Trade receivables	44,972	60,195
Less: Impairment on trade receivables	<u>(6,531)</u>	<u>(6,656)</u>
	<u>38,441</u>	<u>53,539</u>

Trade receivables are generally due within 15 days to 180 days from the invoice date.

As at 30 June 2025 and 31 December 2024, the aging analysis of trade receivables, based on invoice date, and net of loss allowance, was as follows:

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Within 180 days	18,053	33,122
Between 181 days and 365 days	2,950	5,166
Between 1 year and 2 years	13,882	14,932
Over 2 years	<u>3,556</u>	<u>319</u>
	<u>38,441</u>	<u>53,539</u>

Movements of the provision for impairment on trade receivables are as follows:

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
At beginning of period/year	6,656	3,393
(Reversal of impairment losses)/Impairment provided during the period/year	<u>(125)</u>	<u>3,263</u>
At end of period/year	<u>6,531</u>	<u>6,656</u>

14 FINANCIAL ASSETS AT FVTPL

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Investment in equity securities – Unlisted, at fair value	23,986	11,600
Less: Classified as current portion	–	(11,600)
Non-current portion	<u>23,986</u>	<u>–</u>

As at 30 June 2025, the unlisted equity investments mainly represented (i) 0.206% (31 December 2024: 0.206%) equity interest in an unlisted entity established in the PRC; and (ii) 11% (31 December 2024: Nil) equity interest in an unlisted entity incorporated in the Cayman Islands which were classified as financial assets at FVTPL. During the six months ended 30 June 2025, the Group recorded fair value gains of approximately RMB3,442,000 (Note 6) from these financial assets at FVTPL.

15 TRADE PAYABLES

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Trade payables	<u>7,414</u>	<u>6,022</u>

As at 30 June 2025 and 31 December 2024, the aging analysis of trade payables, based on invoice date, was as follows:

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Within 180 days	6,225	3,331
Between 181 days and 365 days	438	1,940
Over 1 year	<u>751</u>	<u>751</u>
	<u>7,414</u>	<u>6,022</u>

16 INTEREST-BEARING BANK BORROWINGS

	As at 30 June 2025			As at 31 December 2024		
	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000
Bank borrowings, unsecured	2.4%-2.9%	August and September 2025	20,000	2.9%	June and September 2025	22,000
	Loan prime rate -0.5%	March 2026	10,000	Loan prime rate -0.5%	March 2025	10,000
Bank borrowings, secured	2.6%	December 2025	2,409	2.6%	January, June and December 2025	9,776
			<u>32,409</u>			<u>41,776</u>

As at 30 June 2025 and 31 December 2024, interest-bearing bank borrowings were repayable as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within 1 year	32,409	41,776
Between 1 and 2 years	—	—
	<u>32,409</u>	<u>41,776</u>

As at 30 June 2025, the Group's bank borrowings of approximately (i) RMB22,409,000 (31 December 2024: RMB31,776,000) were carried at fixed rates at 2.4% to 2.9% (31 December 2024: 2.6% to 2.9%) and (ii) RMB10,000,000 (31 December 2024: RMB10,000,000) were carried at a floating rate at 0.5% below loan prime rate (31 December 2024: 0.5% below loan prime rate).

As at 30 June 2025 and 31 December 2024, the interest-bearing bank borrowings were secured by a floating charge over the receivables arising from certain service contracts. As at 30 June 2025, the receivables arising from these service contracts included in the contract assets were approximately RMB1,774,000 (31 December 2024: RMB4,022,000).

Certain of the Group's bank borrowings as at 30 June 2025 and 31 December 2024 are subject to the fulfillment of certain covenants which primarily relate to, among others, the maintenance of debt-to-assets ratio below certain levels. The Group regularly monitors its compliance with these covenants and none of these covenants had been breached as at 30 June 2025 and 31 December 2024.

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Share capital of the Company		
Authorised (<i>Note (a)</i>):		
2,000,000,000 ordinary shares of HK\$0.005 each		
(31 December 2024: 1,000,000,000 ordinary shares of HK\$0.01 each)	<u>9,252</u>	<u>9,252</u>
Issued and fully paid (<i>Note (b)</i>):		
1,000,000,000 ordinary shares of HK\$0.005 each		
(31 December 2024: 500,000,000 ordinary shares of HK\$0.01 each)	<u>4,549</u>	<u>4,549</u>

Notes:

- (a) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 27 March 2025, the existing issued and unissued shares of the Company of HK\$0.01 each were sub-divided into two shares of HK\$0.005 each (the “**Subdivided Shares**”) with effect from 31 March 2025. Upon the Share Subdivision became effective on 31 March 2025, the authorised share capital of the Company was HK\$10,000,000 divided into 2,000,000,000 Subdivided Shares, of which 1,000,000,000 Subdivided Shares were in issue and fully paid.

(b) Summary of movements in the Company's issued and fully paid share capital is as follows:

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Number of shares	Nominal value HK\$	Number of shares	Nominal value HK\$
Issued and fully paid:				
At beginning of period/year, ordinary shares of HK\$0.01 each	500,000,000	5,000,000	400	4
Share subdivision (<i>Note (a)</i>)	500,000,000	–	–	–
Issue of shares upon listing (<i>Note (i)</i>)	–	–	125,000,000	1,250,000
Capitalisation issue (<i>Note (ii)</i>)	–	–	374,999,600	3,749,996
At end of period, ordinary shares of HK\$0.005 each (At the end of year: HK\$0.01 each)	<u>1,000,000,000</u>	<u>5,000,000</u>	<u>500,000,000</u>	<u>5,000,000</u>
		RMB'000		RMB'000
Equivalent to:		<u>4,549</u>		<u>4,549</u>

Notes:

- (i) On 12 January 2024, the Company issued 125,000,000 ordinary shares at a price of HK\$1.00 per share as a result of completion of the share offer (the “**Share Offer**”) and the Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Share Offer was completed on 12 January 2024, with the net proceeds of approximately HK\$104,498,000 (equivalent to approximately RMB95,127,000), net of (i) the share issue expenses and (ii) direct expenses attributable to the listing with an aggregate amount of approximately HK\$20,502,000 (equivalent to approximately RMB18,598,000). Apart from the above, the total net proceeds from the Share Offer was approximately HK\$60,600,000 (equivalent to approximately RMB56,000,000) after further deducting the other expenses, which was not directly related to the issuing of new shares upon listing.
- (ii) On 12 January 2024, 374,999,600 ordinary shares of the Company were allotted to the shareholders (the “**Capitalisation Issue**”) to capitalise an amount of HK\$3,749,996 (equivalent to approximately RMB3,412,000) standing to the credit of the share premium account of the Company, pursuant to the resolutions passed by the shareholders' meeting on 15 December 2023.

18 CAPITAL COMMITMENTS

As at 30 June 2025, the Group did not have any material capital commitments (31 December 2024: Nil).

19 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

Major related parties that had transactions with the Group during the six months ended 30 June 2024 and 2025 were as follows:

Related parties	Relationship with the Company
Mr. Jia Zhengyi (“ Mr. Jia ”)	Director and shareholder
Ms. Zheng Li	Spouse of Mr. Jia
WellCell Group Co., Limited# (“ WellCell Group ”)	Former immediate holding company
Guangdong Huajun Sports Culture Communication Co., Limited* (“ Huajun ”)	Controlled by Mr. Jia and Ms. Zheng Li

* The English translation is for identification purpose only. This company does not have official English name.

WellCell Group ceased as the immediate holding company of the Company upon the completion of certain disposal of the Company’s shares by WellCell Group during the six months ended 30 June 2025.

In the opinion of the Directors, the following related party transactions were carried out at terms mutually agreed between the Group and the respective related parties:

(a) Balances with related parties

	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
Non-trade nature		
Due from a related company (former immediate holding company)		
Wellcell Group	<u>1,219</u>	<u>1,205</u>
Due to a shareholder:		
Mr. Jia	<u>(32)</u>	<u>(1,032)</u>

Note: The balances with related parties were unsecured, interest free and repayable on demand.

- (b)** In March 2024, the Group entered into a tenancy agreement with Huajun for its office for a term of 3 years, pursuant to which, the present value of the right-of-use assets and lease liabilities of approximately RMB2,380,000 were initially recognised during the six months ended 30 June 2024. During the period, rental payments amounted to approximately RMB413,000 (excluded VAT) (six months ended 30 June 2024: approximately RMB413,000 (excluded VAT)) were paid by the Group to Huajun.

(c) Key management compensation

Compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June 2025 Unaudited RMB'000	2024 Unaudited RMB'000
Salaries and other short-term employee benefits	1,475	730
Pension costs – defined contribution plans	<u>191</u>	<u>95</u>
	<u>1,666</u>	<u>825</u>

20 PLEDGED ASSETS

As at 30 June 2025, the Group has pledged (i) deposits amounting to approximately RMB244,000 (as at 31 December 2024: approximately RMB133,000 as securities for wages) as securities for a customer project; and (ii) outstanding receivable arising from certain service contracts amounting to approximately RMB1,774,000 (31 December 2024: approximately RMB4,022,000) which were included in the contract assets as securities for the interest-bearing bank borrowings.

21 CONTINGENT LIABILITIES

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

22 COMPARATIVE FIGURES

As detailed in note 11 to this announcement, the comparative amount of the earnings per share has been retrospectively adjusted. Certain comparative amounts have been reclassified to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

During the Reporting Period, the Group principally derived its revenue from the provision of wireless telecommunication network enhancement services, telecommunication network infrastructure maintenance and engineering services and information and communication technology (“ICT”) integration services, telecommunication network-related software development and related services, and sales of software. During the Reporting Period, the Group expanded its business into the financial technology (or Fintech) business.

Servicer — Provision of telecommunication network support services

The Group’s role as a servicer mainly involves the provision of telecommunication network support services which can be sub-categorised as follows: (a) wireless telecommunication network enhancement services: the wireless telecommunication network enhancement services are intended for customers which require an efficient wireless telecommunication network; and (b) telecommunication network infrastructure maintenance and engineering services: over the course of day-to-day usage, certain components of a telecommunication network infrastructure may malfunction to varying extents. Revenue from the provision of telecommunication network support services amounted to approximately 50.9% of the total revenue of the Group during the Reporting Period (six months ended 30 June 2024: approximately 54.6%).

Integrator — ICT integration services

The Group’s role as an integrator mainly involves the provision of ICT integration services. In this respect, the Group is typically engaged in (i) customizing customers’ computer system design for providing business-specific systems for the customers; (ii) procuring equipment, hardware and software and engaging third-party subcontractors within the customers’ budget; (iii) assembling equipment, hardware, software and other equipment to form a functional and inter-connected system according to the integration plan, and ensuring the compatibility of both; and (iv) providing follow-up services such as advising customers on operation and management of the integrated system, which aims to cater for the customers’ specific needs or requirements, such as integration of a communication network system for the purposes of e-commerce. Revenue from ICT integration services amounted to approximately 42.6% of the total revenue of the Group during the Reporting Period (six months ended 30 June 2024: approximately 30.4%).

Developer — Telecommunication network-related software development

The Group's role as a developer mainly involves (i) development and sale of software and (ii) provision of customised software development services. Revenue from telecommunication network-related software development amounted to approximately 6.5% of the total revenue of the Group during the Reporting Period (six months ended 30 June 2024: approximately 15.0%).

Financial Technology (or Fintech) Businesses

During the Reporting Period, the Company has developed a new business segment which involves payment services (including global payment services utilizing blockchain technology) and financial technology (or fintech) businesses. In particular, the Company has launched its self-developed one-stop payment platform, namely "Fopay" on 21 July 2025 for free download at its official website. Currently, Fopay offers stablecoin custody for Fopay users who can apply for virtual or physical VISA prepaid cards and spend with the prepaid cards and settle the payment by their digital assets under custodian.

OUTLOOK

Despite the complex and challenging market environment, the Group has endeavored to maintain relationships and collaboration with suppliers, subcontractors, and customers. However, with the core business experiencing a slight decline, coupled with increasing market saturation and intensifying competition that continue to compress profit margins, the management remains cautious about the Group's ability to achieve sustainable and stable expansion in the near term.

The telecommunications industry in the PRC has seen remarkable growth in recent years, fueled by a large population, a rapidly expanding middle class, and rising demand for connectivity. Key drivers include widespread smartphone adoption, increasing internet penetration, and government initiatives promoting digital transformation.

Meanwhile, sectors such as e-commerce, cross-border trade, and mobile payment applications are experiencing rapid global growth. Fintech and payment services play a pivotal role in economic development, particularly in Asian markets like Hong Kong, which benefits from its status as an international financial hub, open market policies, advanced infrastructure, and a digitally savvy user base.

In line with global fintech trends, the Group has ventured into the encrypted payments sector under its financial technology business segment, it launched its first mobile application, Fopay, on 21 July 2025, available for free download on its official website. Built on a stablecoin-based crypto payment system, the app aims to provide one-stop payment solution. Currently, Fopay offers stablecoin custody and prepaid card payment services through licensed partners. The Group may consider obtaining its own licenses for the provision of custodian services, money services, crypto services and/or other services in Hong Kong or other parts of the world to compliment the development of its financial technology business.

FINANCIAL REVIEW

Revenue

The Group principally derive its revenue from the provision of wireless telecommunication network enhancement services, telecommunication network infrastructure maintenance and engineering services, ICT integration services and software-related business during the Reporting Period. The following table sets out a breakdown of the Group's revenue by nature.

	Six months ended 30 June	
	2025	2024
	Unaudited RMB'000	Unaudited RMB'000
Wireless telecommunication network enhancement services	28,636	41,136
Telecommunication network infrastructure maintenance and engineering services	17,170	16,842
ICT integration services	38,359	32,240
Software-related business <i>(Note)</i>	<u>5,903</u>	<u>15,874</u>

Note: Software-related business represents the revenue derived from sales of software and the provision of software development and related services.

Wireless telecommunication network enhancement services

The revenue derived from the wireless telecommunication network enhancement services decreased by approximately RMB12.5 million or approximately 30.4% from approximately RMB41.1 million for the six months ended 30 June 2024 to approximately RMB28.6 million for the six months ended 30 June 2025. The decrease was mainly due to (i) reduction of budgets by major customers in the first half of 2025, resulting with the Group to lower its bids during the tendering process to remain competitive; and (ii) certain contracts have been completed during the Reporting Period, which resulted in the decrease in revenue.

Telecommunication network infrastructure maintenance and engineering services

The revenue derived from the telecommunication network infrastructure maintenance and engineering services increased by approximately RMB0.4 million or approximately 2.4% from approximately RMB16.8 million for the six months ended 30 June 2024 to approximately RMB17.2 million for the six months ended 30 June 2025. During the Reporting Period, major customers reduced their budgets, forcing the Group to lower its bids during tendering to remain competitive. However, this reduction was partially mitigated by an increase in the number of sizable projects tendered by the Group during the Reporting Period, resulting in a modest growth in revenue.

ICT integration services

The revenue derived from the ICT integration services increased by approximately RMB6.2 million or approximately 19.3% from approximately RMB32.2 million for the six months ended 30 June 2024 to approximately RMB38.4 million for the six months ended 30 June 2025. The increase was mainly due to increase in the number of sizable projects tendered by the Group during the Reporting Period.

Software-related business

The revenue derived from the software-related business decreased by approximately RMB10.0 million or approximately 62.9% from approximately RMB15.9 million for the six months ended 30 June 2024 to approximately RMB5.9 million for the six months ended 30 June 2025. The decrease was mainly due to decrease in the number of revenue-generating projects of software development projects for customers during the Reporting Period.

Other income

The Group's other income increased by approximately RMB3.2 million or approximately 457.1% from approximately RMB0.7 million for the six months ended 30 June 2024 to approximately RMB3.9 million for the six months ended 30 June 2025. The increase was mainly due to the net increase in the fair value of the Group's financial assets at fair value through profit or loss during the Reporting Period. Further details are set out under the paragraph headed "Financial assets at fair value through profit or loss" below.

Other gains — net

The Group's other gains, net decreased by approximately RMB1.3 million or approximately 92.9% from approximately RMB1.4 million for the six months ended 30 June 2024 to approximately RMB0.1 million for the six months ended 30 June 2025. The decrease was mainly due to the decrease in exchange gains during the Reporting Period.

Employee benefit expenses

The Group's employee benefit expenses decreased by approximately RMB2.0 million or approximately 20.6% from approximately RMB9.7 million for the six months ended 30 June 2024 to approximately RMB7.7 million for six months ended 30 June 2025. The decrease was mainly due to certain employee benefit expenses having been capitalised as part of the development cost of intangible assets during the Reporting Period and more bonus was paid during the six months ended 30 June 2024.

Subcontracting charges

The Group's subcontracting charges decreased by approximately RMB2.6 million or approximately 4.0% from approximately RMB65.0 million for the six months ended 30 June 2024 to approximately RMB62.4 million for the six months ended 30 June 2025. The subcontracting charges decreased slightly only mainly due to the need to maintain stable core network operations, which limited the Group's ability to reduce subcontracting charges in proportion to the revenue generated.

Materials, supplies and other project costs

The Group's materials, supplies and other project costs decreased by approximately RMB0.9 million or approximately 10.1% from approximately RMB8.9 million for six months ended 30 June 2024 to approximately RMB8.0 million for the six months ended 30 June 2025 in line with the decrease in revenue generated.

Depreciation and amortisation

The Group's depreciation and amortisation expenses increased by approximately RMB1.5 million or approximately 150.0% from approximately RMB1.0 million for the six months ended 30 June 2024 to approximately RMB2.5 million for the six months ended 30 June 2025. The increase was mainly due to the increase in property, plant and equipment and intangible assets.

Net reversal of impairment losses/impairment losses on trade receivables and contract assets

The Group recognised reversal of impairment losses of approximately RMB0.32 million for the six months ended 30 June 2025 (for the six months ended 30 June 2024: impairment losses of approximately RMB3.4 million). The change was mainly due to the decrease in gross amounts of trade receivables and contract assets.

Other operating expenses

The Group's other operating expenses increased by approximately RMB1.7 million or approximately 54.8% from approximately RMB3.1 million for the six months ended 30 June 2024 to approximately RMB4.8 million for the six months ended 30 June 2025. The increase was mainly due to the increase in professional fees.

Listing expenses

Listing expenses represents other listing expenses not directly related to the issuing of new shares upon listing (the “**Listing**”) of the Company on 12 January 2024. The decrease was due to the fact that the listing expenses will no longer be incurred after the Listing.

Finance (costs)/income, net

The Group’s net finance costs was approximately RMB0.5 million for the six months ended 30 June 2025 (for the six months ended 30 June 2024: net finance income of approximately RMB1.2 million). The change was mainly due to the decrease in cash at bank and interest rate, which in turn led to a decrease in interest income.

Operating profit

The Group’s operating profit decreased by approximately RMB2.1 million or approximately 19.3% from approximately RMB10.9 million for the six months ended 30 June 2024 to approximately RMB8.8 million for the six months ended 30 June 2025. The decrease in operating profit was mainly due to the decrease in revenue, and the increase in other operating expenses and depreciation and amortisation as explained above.

Income tax expenses

The Group’s income tax expenses decreased by approximately RMB0.8 million or approximately 57.1% from approximately RMB1.4 million for the six months ended 30 June 2024 to approximately RMB0.6 million for the six months ended 30 June 2025. The decrease was mainly due to the decrease in corporate income tax as a result of the decrease in operating profit.

Net profit

The Group’s net profit decreased by approximately RMB3.0 million or approximately 28.0% from approximately RMB10.7 million for the six months ended 30 June 2024 to approximately RMB7.7 million for the six months ended 30 June 2025. The decrease was mainly due to the decrease in revenue and interest income on cash at banks and the increase in other operating expenses and depreciation and amortisation as explained above.

Financial assets at fair value through profit or loss

The financial assets at fair value through profit or loss represents (i) approximately 11% equity interest in an unlisted entity incorporated in the Cayman Islands; and (ii) approximately 0.206% equity interest in an unlisted entity incorporated in the PRC. During the Reporting Period, the fair value gains of the financial assets at fair value through profit or loss amounted to approximately RMB3.4 million (six months ended 30 June 2024: Nil).

Interim dividend

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

Financial Position, Liquidity and Capital Resources

The shares of the Company were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 January 2024. The Company historically funded its cash requirements principally from cash generated from business operations and bank borrowings. After the share offer, the Company has financed its capital requirements through cash generated from business operations, the net proceeds from the share offer, and other future equity or debt financings.

Cash position

As at 30 June 2025, the cash and cash equivalents of the Group amounted to approximately RMB68.8 million (as at 31 December 2024: approximately RMB105.0 million), which were mainly denominated in RMB and Hong Kong Dollar, representing a decrease of approximately 34.5% as compared to that as at 31 December 2024. The decrease was mainly due to the acquisition cost of financial assets at fair value through profit or loss, repayment of interest-bearing bank borrowings and utilisation for the operation of the Group during the Reporting Period.

Borrowings

As at 30 June 2025, the total bank borrowings of the Group, all of which were denominated in RMB, amounted to (i) approximately RMB22.4 million (as at 31 December 2024: approximately RMB31.8 million) that bear fixed interest rates at 2.4% to 2.9% per annum (31 December 2024: 2.6% to 2.9%) and (ii) RMB10 million (as at 31 December 2024: RMB10 million) which carried at floating interest at 0.5% below loan prime rate per annum (as at 31 December 2024: 0.5% below loan prime rate per annum). No financial instrument was being used for interest rate hedging purpose.

Save as disclosed in this announcement, the Group did not have other borrowings as at 30 June 2025 and 2024.

As at 30 June 2025, the unutilised bank facility amounted to approximately RMB5 million (as at 31 December 2024: approximately RMB3 million) which may further draw down by the Group depending on the business needs.

Charges over assets of the Group

As at 30 June 2025, the Group has pledged (i) deposits amounting to approximately RMB244,000 as securities for a customer project (as at 31 December 2024: approximately RMB133,000 as securities for wages) issued by the banks; and (ii) the receivables arising from certain service contracts included in contract assets amounting to approximately RMB1,774,000 (as at 31 December 2024: approximately RMB4,022,000) as securities for the interest-bearing bank borrowings.

Current ratio

The current ratio of the Group, calculated by dividing the total current assets by the total current liabilities, was approximately 2.6 times as at 30 June 2025 (31 December 2024: approximately 2.4 times).

Gearing ratio

The gearing ratio of the Group, which is calculated as total bank borrowings divided by total equity, was approximately 15.6% as at 30 June 2025 compared to that of approximately 20.8% as at 31 December 2024. The decrease in the Group's gearing ratio was mainly attributable to the decrease in interest-bearing bank borrowings.

Share Capital and Board Lot Size

During the Reporting Period, pursuant to a resolution passed by the shareholders of the Company (the “**Shareholders**”) at the extraordinary general meeting of the Company held on 27 March 2025, every issued and unissued ordinary share of par value of HK\$0.01 each in the share capital of the Company was subdivided into two ordinary shares of par value of HK\$0.005 each in the share capital of the Company, which became effective on 31 March 2025 (the “**Share Subdivision**”). As a result, the authorised share capital of the Company has been changed from HK\$10,000,000 divided into 1,000,000,000 ordinary shares of par value of HK\$0.01 each to HK\$10,000,000 divided into 2,000,000,000 ordinary shares of par value of HK\$0.005 each, and the total number of issued shares of the Company has been changed from 500,000,000 ordinary shares of par value of HK\$0.01 each to 1,000,000,000 ordinary shares of par value of HK\$0.005 each.

Following the Share Subdivision becoming effective, the board lot size of the ordinary shares of the Company (the “**Shares**”) for trading on the Stock Exchange has been changed from 4,000 Shares to 800 Shares effective from 9:00 a.m. on 31 March 2025.

For details, please refer to the announcement of the Company dated 19 February 2025 and the circular of the Company dated 11 March 2025.

Foreign exchange exposure and treasury policies

The Group’s business operations are mainly conducted in the PRC. The transactions, monetary assets and liabilities of the Group are mainly denominated in RMB and Hong Kong Dollar. The Group is exposed to currency risk primarily through its principal activities which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. For the six months ended 30 June 2025 and the year ended 31 December 2024, there was no material adverse impact to the Group arising from the fluctuation in the foreign exchange rates between currencies.

The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure for the six months ended 30 June 2025.

The Directors will continue to follow a prudent policy in managing the Group’s cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

Capital commitments

As at 30 June 2025, the Group did not have any material capital commitments (as at 31 December 2024: Nil).

Employees and remuneration policy

As at 30 June 2025, the Group had 116 (as at 31 December 2024: 115) employees, including the Directors. Total wages and salaries (including Directors’ emoluments) were approximately RMB8.8 million (before capitalisation as intangible assets) for the six months ended 30 June 2025 as compared to approximately RMB9.7 million for the six months ended 30 June 2024.

The Director’s fee for each of the Directors is subject to the Board’s review from time to time in its discretion after taking into account the recommendation of our Remuneration Committee. The remuneration package of each of the Directors is determined by reference to market terms, seniority, experience, and duties and responsibilities of that Director within the Group. The Directors are entitled to statutory benefits as required by law from time to time, such as pensions.

The remuneration packages of the employees and executives are based on their performance, qualifications, competence demonstrated and market comparable remuneration. A remuneration package typically comprises salary, contribution to pension schemes and discretionary bonuses relating to the profit of the Company. Upon and after the Listing, the remuneration packages of the Directors and the senior management have been, in addition to the above factors, linked to the return to the Shareholders. The Remuneration Committee will review annually the remuneration packages of all the Directors and senior management to ensure that they are attractive enough to attract and retain a competent team of executive members.

Significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies, and plans for material investments or capital assets

Save as disclosed in this announcement, during the six months ended 30 June 2025, there were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries and affiliated companies by the Company during the six months ended 30 June 2025 and up to the date of this announcement. Save as disclosed in this announcement, the Group did not have any other plans for material investments or capital assets as at 30 June 2025.

Contingent liabilities

As at 30 June 2025, the Group did not have any material contingent liability (as at 31 December 2024: Nil).

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)) during the Reporting Period. As at 30 June 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

Use of proceeds

The Company issued 125,000,000 Shares at HK\$1.00 each which were listed on the Main Board of the Stock Exchange on 12 January 2024. As a result, the net proceeds from the Share Offer are approximately HK\$60.6 million (equivalent to approximately RMB56.0 million) (the “**Net Proceeds**”) after deducting underwriting commissions and other related expenses. There has been no change in the intended use of the net proceeds and the expected implementation timeline as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus and the annual reports of the Company for the years ended 31 December 2023 and 31 December 2024.

The following table sets forth a summary of the intended use of net proceeds and their expected timeline of full utilisation. The following table sets out the details of the application of the Net Proceeds:

Purpose	Percentage of net proceeds from the Share Offer	Allocation of net proceeds from the Share Offer as set out in the Prospectus <i>RMB million</i> <i>(approximately)</i>	Actual use of net proceeds from the date of Listing up to 31 December 2024 <i>RMB million</i> <i>(approximately)</i>	Unutilised net proceeds as at 31 December 2024 <i>RMB million</i> <i>(approximately)</i>	Amount utilised during the Reporting Period <i>RMB million</i> <i>(approximately)</i>	Unutilised net proceeds as at 30 June 2025 <i>RMB million</i> <i>(approximately)</i>	Expected timeline of full utilisation of net proceeds
Finance the initial funding needs of future ICT integration projects	20.5%	11.5	8.7	2.8	2.8	–	Not applicable
Pursue new research and development undertakings	34.6%	19.4	5.0	14.4	3.9	10.5	By the end of 2027
Expand manpower in project management to cater for the anticipated expansion plans and business growth	19.8%	11.1	0.1	11.0	–	11.0	By the end of 2026
Finance sales and marketing funding needs for expansion of manpower and marketing activities	5.4%	3.0	0.2	2.8	–	2.8	By the end of 2026
Repay part of bank borrowings	12.9%	7.2	7.2	–	–	–	Not applicable
General working capital	6.8%	3.8	1.9	1.9	1.9	–	Not applicable
	<u>100%</u>	<u>56.0</u>	<u>23.1</u>	<u>32.9</u>	<u>8.6</u>	<u>24.3</u>	

The unutilised amounts of the Net Proceeds will be applied in the manner consistent with that mentioned in the Prospectus. The Directors are not aware of any material change to the planned use of Net Proceeds as at the date of this announcement.

The unused Net Proceeds have been placed as bank balances with licensed bank in Hong Kong as at the date of this announcement.

Event after Reporting Period

Save as disclosed in this announcement, the Group did not have any material subsequent event after the Reporting Period and up to the date of this announcement.

Issue of Securities

The Company did not issue any of the Company's securities for cash (including securities convertible into equity securities) during the Reporting Period.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”), were as follows:

(i) Long positions in the Company's Shares

Name of Directors	Capacity/Nature	Number of Shares Held/ Interested	Percentage of shareholding (Note 1)
Mr. Qian Fenglei	Interest of a controlled corporation	299,000,000 (Note 2)	29.9%
Mr. Jia Zhengyi	Interest of a controlled corporation	166,000,000 (Note 3)	16.6%
Mr. Lin Qihao	Interest of a controlled corporation	166,000,000 (Note 4)	16.6%

Notes:

1. The calculation is based on the number of 1,000,000,000 Shares in issue as at 30 June 2025.
2. Such interests are held by Hang Feng International Holdings Co., Limited (“**Hang Feng**”) of which Mr. Qian Fenglei is interested in it as to 58.48% and therefore Mr. Qian Fenglei was deemed to be interested in the interest of Hang Feng in the Company by virtue of the SFO.
3. Such interests are held by WellCell Group Co. Limited which is owned as to 51.50% by Shine Dynasty Limited which in turn is wholly-owned by Mr. Jia Zhengyi. As such, Mr. Jia Zhengyi is deemed to be interested in the interest of WellCell Group Co. Limited in the Company by virtue of the SFO.
4. Such interests are held by WellCell Group Co. Limited which is owned as to 37.5% by Cheer Partners Limited which in turn is wholly-owned by Mr. Lin Qihao. As such, Mr. Lin Qihao is deemed to be interested in the interest of WellCell Group Co. Limited in the Company by virtue of the SFO.

(ii) Long positions in the shares of associated corporations

Name of Director	Name of associated Corporation	Capacity/Nature	Percentage of Shareholding
Mr. Qian Fenglei ^(Note 1)	Hang Feng	Beneficial owner	58.48%
Mr. Jia Zhengyi ^(Note 2)	Shine Dynasty Limited	Beneficial owner	100%
Mr. Lin Qihao ^(Note 3)	Cheer Partners Limited	Beneficial owner	100%

Notes:

1. As at 30 June 2025, Hang Feng was the registered and beneficial owner holding 29.9% of the issued share capital of the Company and the issued share capital of Hang Feng is owned as to 58.48% by Mr. Qian Fenglei.
2. As at 30 June 2025, WellCell Group Co. Limited was the registered and beneficial owner holding 16.6% of the issued share capital of the Company; and the issued share capital of WellCell Group Co. Limited was owned as to 51.50% by Shine Dynasty Limited which is in turn wholly-owned by Mr. Jia Zhengyi.
3. As at 30 June 2025, WellCell Group Co. Limited was the registered and beneficial owner holding 16.6% of the issued share capital of the Company; and the issued share capital of WellCell Group Co. Limited is owned as to 37.50% by Cheer Partners Limited which is in turn wholly-owned by Mr. Lin Qihao.

Save as disclosed above and to the best knowledge of all the Directors, as at 30 June 2025, none of the Directors and chief executive of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, so far as the Directors are aware, other than the interests of the Directors and chief executive of the Company as disclosed in the section titled “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures”, the following persons had interests and short positions in the Shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Long Positions in the Company’s Shares

Name of Shareholders	Capacity/Nature	Number of Shares	Percentage of Shareholding (Note 1)
Hang Feng (Note 2)	Beneficial owner	299,000,000	29.9%
WellCell Group Co. Limited (Note 3)	Beneficial owner	166,000,000	16.6%
Shine Dynasty Limited (Note 3)	Interest of a controlled corporation	166,000,000	16.6%
Cheer Partners Limited (Note 3)	Interest of a controlled corporation	166,000,000	16.6%
Ms. Zheng Li (Note 5)	Interest of spouse	166,000,000	16.6%
Ms. Zhong Shumin (Note 5)	Interest of spouse	166,000,000	16.6%

Notes:

- The calculation is based on the number of 1,000,000,000 Shares in issue as at 30 June 2025.
- Hang Feng is owned as to 58.48% by Mr. Qian Fenglei. Accordingly, Mr. Qian Fenglei is deemed to be interested in all the Shares held by Hang Feng under the SFO.
- WellCell Group Co. Limited is owned (i) as to 51.5% by Shine Dynasty Limited which is in turn wholly-owned by Mr. Jia Zhengyi; and (ii) as to 37.5% by Cheer Partners Limited which is in turn wholly-owned by Mr. Lin Qihao. As such, each of Shine Dynasty Limited, Cheer Partners Limited, Mr. Jia Zhengyi and Mr. Lin Qihao is deemed to be interested in all the Shares held by WellCell Group Co. Limited under the SFO.
- Ms. Zheng Li is the spouse of Mr. Jia Zhengyi. Accordingly, Ms. Zheng Li is deemed to be interested in all the shares held by Mr. Jia Zhengyi under the SFO.
- Ms. Zhong Shumin is the spouse of Mr. Lin Qihao. Accordingly, Ms. Zhong Shumin is deemed to be interested in all the shares held by Mr. Lin Qihao under the SFO.

Saved as disclosed above, as at 30 June 2025, the Company had not been notified by any person(s) (other than the Directors and chief executive of the Company, whose interests are set out in the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above) who had interests or short positions in the Shares or underlying shares of the Company which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register of the Company under Section 336 of the SFO.

DISPOSAL OF SHARES BY A CONTROLLING SHAREHOLDER

During the Reporting Period, WellCell Group Co., Limited, one of the controlling shareholders (as defined in the Listing Rules) of the Company, has disposed of an aggregate of 299,000,000 Shares, representing 29.9% of the total issued share capital of the Company, to Hang Feng International Holdings Co., Limited (the “**Disposal**”). After the Disposal and up to the date of this announcement, (i) Hang Feng International Holdings Co., Limited is the legal and beneficial owner of 299,000,000 Shares, representing 29.9% of the total issued share capital of the Company; and (ii) the number of Shares owned by WellCell Group Co., Limited has decreased to 166,000,000 Shares, representing 16.6% of the issued share capital of the Company. Please refer to the announcements published by the Company on 6 January 2025, 13 January 2025, 15 April 2025, 7 May 2025 and 9 May 2025 for details of the Disposal.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) which was conditionally approved by a written resolution of the then shareholders of the Company on 15 December 2023 and became effective on 12 January 2024 upon the Listing. Unless otherwise terminated or amended, the Share Option Scheme will remain in force for 8.5 years from the effective date. The Share Option Scheme will enable the Group to eligible participants to subscribe for the Shares subject to the terms and conditions stipulated therein with the purpose to provide an incentives or rewards for their contributions to the Group.

No Share options has been granted, exercised, cancelled, lapsed, forfeited or subject to any vesting conditions under the Share Option Scheme since the adoption of the Share Option Scheme.

CORPORATE GOVERNANCE

The Company’s corporate governance practices are based on the principles and code provisions as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules. During the Reporting Period, the Company has complied with all applicable code provisions as set out in the CG Code save for the deviation from code provision C.2.1 of the CG Code as follows.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the beginning of the Reporting Period to 26 May 2025, the roles of the chairman and chief executive officer of the Company were both performed by Mr. Jia Zhengyi. The Board has been reviewing and monitoring the practices of the Company for the purpose of complying with the CG Code and after the appointment of Mr. Qian Fenglei as chairman of the Company on 26 May 2025, the Company has complied with all the applicable code provisions as set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in the Appendix C3 of the Listing Rules as the Company's code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during the Reporting Period.

AUDIT COMMITTEE

The Company established the audit committee (the "**Audit Committee**") with written terms of reference in compliance with the CG Code and the Listing Rules. As at the date of this announcement, the Audit Committee comprises three members, namely Mr. Wong Che Man Eddy, Ms. Dan Xi and Mr. Chan Wai Dune. Mr. Wong Che Man Eddy is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 and the accounting principles and practices adopted by the Group and the Audit Committee is of the opinion that the preparation of such results complied with the applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules at all times since the Listing.

INTERIM DIVIDEND

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND DESPATCH OF INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.wellcell.com.cn. The interim report for the six months ended 30 June 2025 will be available on the above websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By Order of the Board
WellCell Holdings Co., Limited
Qian Fenglei
Chairman and Executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Qian Fenglei, Mr. Jia Zhengyi, Mr. Cong Bin and Mr. Li Shihua; one non-executive Director, namely Mr. Lin Qihao; and three independent non-executive Directors, namely Mr. Wong Che Man Eddy, Ms. Dan Xi and Mr. Chan Wai Dune.