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China Beidahuang Industry Group Holdings Limited

中國北大荒產業集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00039)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2025 AND RESUMPTION OF TRADING

The board (the “**Board**”) of directors (the “**Directors**”) of China Beidahuang Industry Group Holdings Limited (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”) together with comparative figures. The results for the Period are unaudited, but have been reviewed by the audit committee of the Company.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Restated)
	<i>Notes</i>	HK\$'000	(Unaudited)
			HK\$'000
REVENUE	4	158,359	97,767
Cost of sales		(152,521)	(86,907)
Gross profit		5,838	10,860
Other income, gains or (losses)	4	464	218
Selling and distribution expenses		(3,412)	(2,533)
Administrative expenses		(42,274)	(17,261)
Finance costs	5	(2,947)	(3,620)
Share of loss of associates		—	(689)

		Six months ended 30 June	
		2025	2024
			(Restated)
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
LOSS BEFORE TAX	6	(42,331)	(13,025)
Income tax expense	7	<u>(6)</u>	<u>(5)</u>
Loss for the period from continuing operation		(42,337)	(13,030)
Discontinued operation:			
Loss for the period from discontinued operation		<u>–</u>	<u>(44,502)</u>
LOSS FOR THE PERIOD		<u>(42,337)</u>	<u>(57,532)</u>
Loss attributable to:			
Owners of the Company			
– Loss from continuing operation		(38,389)	(22,752)
– Loss from discontinued operation		<u>–</u>	<u>(37,697)</u>
		(38,389)	(60,449)
Non-controlling interests			
– Loss from continuing operation		(3,948)	3,231
– Loss from discontinued operation		<u>–</u>	<u>(314)</u>
		(3,948)	2,917
		<u>(42,337)</u>	<u>(57,532)</u>
Loss per share for loss from continuing operations attributable to the owners of the Company			
Basic and diluted (<i>in HK cents</i>)	9	<u>(0.50)</u>	<u>(0.36)</u>
Loss per share for loss from continuing and discontinued operations attributable to the owners of the company			
Basic and diluted (<i>in HK cents</i>)	9	<u>(0.50)</u>	<u>(0.96)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	(42,337)	(57,532)
Other comprehensive expense		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations and associates	<u>9,037</u>	<u>(18,835)</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	<u>(33,300)</u>	<u>(76,367)</u>
Attributable to:		
Owner of the Company		
– Loss from continuing operations	(29,701)	(34,606)
– Loss from discontinued operations	<u>–</u>	<u>(44,599)</u>
	(29,701)	(79,205)
Non-controlling interest		
– (Loss)/gain from continuing operations	(3,599)	3,604
– Loss from discontinued operations	<u>–</u>	<u>(766)</u>
	<u>(33,300)</u>	<u>(76,367)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		87,914	22,811
Investment properties		278,967	284,840
Right-of-use assets		36,428	41,601
Interests in associates	<i>10</i>	1,043	–
		404,352	349,252
CURRENT ASSETS			
Inventories		15,790	6,551
Trade receivables	<i>11</i>	52,188	12,209
Prepayments, deposits and other receivables	<i>12</i>	87,982	64,291
Cash and cash equivalents		13,880	10,644
		169,840	93,695
CURRENT LIABILITIES			
Trade payables	<i>13</i>	46,918	17,860
Other payables and accruals	<i>14</i>	66,743	51,052
Contract liabilities		46,602	7,278
Bank and other borrowings	<i>15</i>	62,534	28,774
Amounts due to related parties		–	10,290
Tax payable		196	272
Lease liabilities		17,185	16,636
		240,178	132,162
NET CURRENT LIABILITIES		(70,338)	(38,467)
TOTAL ASSETS LESS CURRENT LIABILITIES		334,014	310,785

	30 June 2025 (Unaudited) <i>HK\$'000</i>	31 December 2024 (Audited) <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	9,540	9,197
Lease liabilities	<u>57,719</u>	<u>62,683</u>
Total non-current liabilities	<u>67,259</u>	<u>71,880</u>
Net assets	<u><u>266,755</u></u>	<u><u>238,905</u></u>
EQUITY		
Equity attributable to owners of the Company		
Share capital	803,757	756,019
Reserves	<u>(548,230)</u>	<u>(529,936)</u>
	255,527	226,083
Non-controlling interests	<u>11,228</u>	<u>12,822</u>
Total equity	<u><u>266,755</u></u>	<u><u>238,905</u></u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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

The financial information has been prepared under the historical cost convention. The Financial Information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

During the period ended 30 June 2025, the Group incurred a loss for the year from continuing operation of approximately HK\$42,337,000 and as of that date, the Group had net current liabilities of HK\$70,338,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. The directors are of the opinion that the Group will be able to meet its financial obligations as and when they fall due within the next twelve months, after taking into account the following plans and measures:

- (a) The Group has classified bank borrowings amounting to approximately HK\$22,915,000 with scheduled repayment dates that were more than 12 months from the end of the reporting period but contain a repayment on demand clause as current liabilities at 30 June 2025. Based on the latest communication with the banks and taking into account the security provided to the bank, the Directors are not aware of any intention of the banks to require early repayment of the borrowings. Moreover, the Group is in the process of negotiating with its bankers to secure necessary facilities to meet the Group’s working capital and financial requirements in the near future.
- (b) The Group continues to monitor capital expenditure to balance and relieve cash resource to support the operations and take action to tighten cost controls over various operating expenses and is actively seeking new investment and business opportunities with an aim to attain profitable and positive cash flow operations.

In the opinion of the Directors, in light of the various measures or arrangements being implemented during and after the end of the reporting period together with the expected results of the other measures, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

However, the validity of the preparation of the consolidated financial statements on going concern basis depends on the successful eventual outcome of the above mentioned plans and measures, which are inherently uncertain and as at the date of approval of the consolidated financial statements cannot be ascertained with reasonable certainty and are still subject to multiple uncertainties. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Application of amendments to HKFRSs

In the reporting period, the Group has applied the following new and amendments to HKFRS Accounting Standard issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group's condensed consolidated interim financial statements:

Amendments to HKAS 21 Lack of Exchangeability

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

3. OPERATING SEGMENT INFORMATION

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

- (a) the trading of food products segment is engaged in wholesaling and retailing of staple food, cooking oil, alcohol and beverage, frozen and fresh food, commodity hog; and
- (b) the rental segment is engaged in the leasing of logistic facilities in Hong Kong and office facilities in PRC.

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

No intersegment sale and transfer was transacted for the six months ended 30 June 2025 and 2024.

	Trading of food products (Unaudited) HK\$'000	Rental (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Six months ended 30 June 2025			
Segment revenue:			
Sales to external customers	140,363	17,996	158,359
Timing of revenue recognition			
At a point in time	140,363	–	140,363
Revenue from other sources	–	17,996	17,996
Other income, gain or (losses)	234	203	437
	<u>140,597</u>	<u>18,199</u>	<u>158,796</u>
Segment results	<u>(1,602)</u>	<u>(1,887)</u>	(3,489)
Reconciliation:			
Bank interest income			3
Unallocated other operating income			24
Finance costs			(2,947)
Corporate and other unallocated expenses			<u>(35,922)</u>
Loss before tax from continuing operations			<u>(42,331)</u>

	Trading of food products (Unaudited) <i>HK\$'000</i>	Rental (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
Six months ended			
30 June 2024 (Restated)			
Segment revenue:			
Sales to external customers	62,806	34,961	97,767
Timing of revenue recognition			
At a point in time	62,806	–	62,806
Revenue from other sources	–	34,961	34,961
Other income, gain or (losses)	<u>120</u>	<u>85</u>	<u>205</u>
	<u>62,926</u>	<u>35,046</u>	<u>97,972</u>
Segment results	<u>979</u>	<u>4,310</u>	5,289
Reconciliation:			
Bank interest income			8
Unallocated other operating income			5
Finance costs			(3,620)
Corporate and other unallocated expenses			<u>(14,707)</u>
Loss before tax from continuing operations			<u>(13,025)</u>

4. REVENUE AND OTHER INCOME, GAINS OR (LOSSES)

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and services rendered, after allowances for returns and trade discounts; the gross rental income from logistic warehouse and subleasing fee income, net of business tax during the Period.

An analysis of revenue and other income, gains or (losses) is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Restated)
	HK\$'000	HK\$'000
Revenue from contracts with Customers		
Trading of food products	<u>140,363</u>	<u>62,806</u>
Total revenue recognised at point in time	140,363	62,806
Revenue from other sources		
Rental	<u>17,996</u>	<u>34,961</u>
	<u>158,359</u>	<u>97,767</u>
Other income, gains or (losses)		
Bank interest income	3	8
Interest income	189	181
Government grants (<i>Note</i>)	12	9
Others	<u>260</u>	<u>20</u>
	<u>464</u>	<u>218</u>

Note:

Government grants were mainly granted to the Group as subsidies to support the operation of the PRC subsidiaries. There are no special conditions or contingencies that are needed to be fulfilled and they were non-recurring in nature.

5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
		(Restated)
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank and other borrowings wholly repayable within five years	1,420	462
Interest on lease liabilities	1,527	3,158
	<u>2,947</u>	<u>3,620</u>

6. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
		(Restated)
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories recognised as an expenses	97,926	51,596
Depreciation of property, plant and equipment	3,421	5,890
Depreciation of right-of-use assets	5,557	11,291
	<u>5,557</u>	<u>11,291</u>

7. INCOME TAX EXPENSE

During the Period, no Hong Kong profits tax has been provided as there was no assessable profit arising from Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the PRC in which the Group operates.

	Six months ended 30 June	
	2025	2024
		(Restated)
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current	(6)	(5)
Deferred	—	—
	<u>—</u>	<u>—</u>
Total tax expense for the period	<u>(6)</u>	<u>(5)</u>

8. DIVIDENDS

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

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic and diluted loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the Period:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Restated) (Unaudited)
Loss from continuing operations: (HK\$'000)		
Loss for the year attributable to the owners of the Company	(38,389)	(60,449)
Add: Loss for the year from discontinued operations	—	37,697
Loss for the year from continuing operations attributable to the owners of the Company for the purpose of basic and diluted loss per share	<u>(38,389)</u>	<u>(22,752)</u>
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per shares ('000)	<u>7,676,212</u>	<u>6,327,838</u>
Loss per share for loss from continuing operations attributable to the owners of the Company		
Basic and diluted (<i>in HK cents</i>)	<u>(0.50)</u>	<u>(0.36)</u>
Loss per share for loss from continuing and discontinued operations attributable to the owners of the Company		
Basic and diluted (<i>in HK cents</i>)	<u>(0.50)</u>	<u>(0.96)</u>

10. INTERESTS IN ASSOCIATES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Share of net assets	<u>1,043</u>	<u>—</u>
	<u><u>1,043</u></u>	<u><u>—</u></u>

11. TRADE RECEIVABLES

Other than the cash sales, the Group allows a credit period which is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit.

None of the trade receivables is impaired. The Directors are of the opinion that no provision for impairment is necessary as the credit quality of these customers are strong and the balances are still considered fully recoverable. An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 1 month	34,817	11,848
1 to 2 months	13,598	474
2 to 3 months	<u>3,886</u>	<u>—</u>
	52,301	12,322
Less: Allowance for expected credit losses	<u>(113)</u>	<u>(113)</u>
	<u><u>52,188</u></u>	<u><u>12,209</u></u>

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Prepayments	47,201	33,937
Deposits and other receivables	<u>74,105</u>	<u>63,678</u>
	121,306	97,615
Less: Allowance for expected credit losses	<u>(33,324)</u>	<u>(33,324)</u>
	<u><u>87,982</u></u>	<u><u>64,291</u></u>

As at 30 June 2025, approximately HK\$54,953,000 (31 December 2024: HK\$26,027,000) was paid as trade deposits and prepayments on trading of food products.

Rental deposits and construction deposits for the warehouse amounting to HK\$24,759,000 (31 December 2024: HK\$22,183,000) were paid for the warehouse logistic business.

13. TRADE PAYABLES

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

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 1 month	27,054	8,831
1 to 2 months	13,882	5,674
2 to 3 months	5,085	2,976
Over 3 months	<u>897</u>	<u>379</u>
	<u><u>46,918</u></u>	<u><u>17,860</u></u>

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

Included in trade payables are HK\$70,964,000 construction payables in which approximately HK\$60,414,000 are defaulted as at 31 December 2024.

All the trade payables are denominated in Renminbi.

14. OTHER PAYABLES AND ACCRUALS

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Other payables	55,036	44,405
Accruals	11,707	6,647
	<u>66,743</u>	<u>51,052</u>

Other payables are non-interest-bearing and have an average term of three months.

As included in other payables, there are HK\$23,497,000 (31 December 2024: HK\$21,519,000) rental deposits received from the tenants of logistic warehouse and office in PRC.

Included in the accruals, there are default interest of approximately HK\$264,693,000 and the penalties from default construction payables of approximately HK\$68,674,000 at 31 December 2024.

15. BANK AND OTHER BORROWINGS

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Secured bank loans	55,563	22,363
Unsecured other loans	<u>6,971</u>	<u>6,411</u>
	<u>62,534</u>	<u>28,774</u>
Carrying amounts repayable within one year based on scheduled payment dates set out in the agreement	39,619	4,401
Carrying amounts not repayable within one year from the end of reporting period but contain a repayment on demand clause (shown under current liabilities)	<u>22,915</u>	<u>24,373</u>
	62,534	28,774
<i>Less:</i> amounts due within one year shown under current liabilities	<u>(62,534)</u>	<u>(28,774)</u>
Amounts shown under non-current liabilities	<u><u>—</u></u>	<u><u>—</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the Period, the Group's revenue amounted to approximately HK\$158.36 million (2024 (restated): approximately HK\$97.77 million), representing an increase of approximately 61.98% over the corresponding period in 2024 (the “**Corresponding Period**”). Gross profit of the Group was approximately HK\$5.84 million (2024 (restated): approximately HK\$10.86 million). The loss (net of tax) from continuing operation was approximately HK\$42.34 million (2024 (restated): loss (net of tax) from continuing operation was approximately HK\$13.03 million). The increase in loss (net of tax) from continuing operation for the Period was mainly due to the combined effects of (i) the decrease in gross profit; (ii) the recognition of share options expenses of approximately HK\$12.72 million in administrative expenses during the Period; and (iii) the recognition of fair value loss on investment properties of approximately HK\$14.25 million for the Period. The decrease in gross profit was mainly because of the relatively lower gross profit of new products in the segment of trading of food products in this Period.

The Group will continue to control the costs and focus on existing resources to further strengthen and grow the Group's business both organically and through acquisitions when appropriate opportunities arise. The Group considered the business mix was diversified during the past few years. The Group will focus on the existing businesses and will expand by self-development and investing in similar businesses. Investments would be carefully selected among all the choices we have explored and would be operated with experienced business partners.

Segmental Information

Trading of Food Products Business

Trading of food products business recorded a revenue of approximately HK\$140.36 million (2024 (restated): approximately HK\$62.81 million) and accounted for approximately 88.64% (2024 (restated): approximately 64.24%) of the total revenue. Gross profit of this business segment for the Period was approximately HK\$2.32 million (2024 (restated): approximately HK\$3.78 million). The increase in revenue was mainly because of the increase in trading of agricultural products, konjac semi-finished products, konjac snack foods, ready-made foods and etc.

Rental Business

The rental business was engaged in the leasing of logistic facilities in Hong Kong and office facilities in the PRC. The rental business recorded a revenue of approximately HK\$18.0 million (2024 (restated): approximately HK\$34.96 million) and accounted for approximately 11.36% (2024 (restated): approximately 35.76%) of the total revenue. Gross profit of this business segment for the Period was approximately HK\$3.52 million (2024 (restated): approximately HK\$7.08 million). The decrease in revenue from rental business was mainly because part of the tenancy agreements had been lapsed during the second half year in 2024. The Group has rental business in Hong Kong and will keep on exploring and investing in potential renting facilities.

Financial Review

Revenue

During the Period, the Group achieved a revenue of approximately HK\$158.36 million (2024 (restated): approximately HK\$97.77 million), representing an increase of approximately 61.98% when compared with the Corresponding Period. Gross profit of the Group was approximately HK\$5.84 million (2024 (restated): approximately HK\$10.86 million). The loss (net of tax) from continuing operation was approximately HK\$42.34 million (2024 (restated): loss (net of tax) from continuing operation was approximately HK\$13.03 million).

Selling and Distribution Expenses

Selling and distribution expenses were approximately HK\$3.41 million (2024 (restated): approximately HK\$2.53 million), representing an increase of approximately 34.7% when compared with the Corresponding Period and approximately 2.15% (2024 (restated): 2.59%) of the Group's revenue. The increase in selling and distribution expenses was mainly because of the increase in revenue.

Administrative Expenses

Administrative expenses were approximately HK\$42.27 million (2024 (restated): approximately HK\$17.26 million), representing an increase of approximately 144.91% when compared with the Corresponding Period. The increase in administrative expenses was due to the combined effects of recognition of share options expenses of HK\$12.72 million and fair value loss on investment properties of approximately HK\$14.25 million during the Period.

Finance Costs

Finance costs were approximately HK\$2.95 million (2024 (restated): approximately HK\$3.62 million), representing a decrease of approximately 18.60% from the Corresponding Period and approximately 1.86% (2024 (restated): approximately 3.70%) of the Group's total revenue. The decrease in finance cost was mainly because of the decrease in interests on lease liabilities.

Prepayments, Deposits and Other Receivables

Included in prepayments, deposits and other receivables, there were trade deposits of approximately HK\$54.95 million (31 December 2024: approximately HK\$26.03 million) paid for food products, approximately HK\$24.76 million (31 December 2024: approximately HK\$22.18 million) was paid as rental deposits for the rental business.

Capital Structure, Liquidity and Financial Resources

As at 30 June 2025, the total number of issued shares of the Company was 8,037,572,616 shares. During the Period, 477,380,740 (2024: Nil) share options were exercised which results in 47,738,074 (2024: Nil) shares being issued at a price of HK\$0.1 per share.

As at 30 June 2025, the Group had net assets to owners of the Company of approximately HK\$255.53 million (31 December 2024: approximately HK\$226.08 million). Net current liabilities of the Group as at 30 June 2025 amounted to approximately HK\$70.34 million (31 December 2024: approximately HK\$38.47 million). The current ratio (calculated as current assets to current liabilities) as at 30 June 2025 was approximately 0.71 (31 December 2024: approximately 0.71), which was the same as last year.

The Group's cash and cash equivalents as at 30 June 2024 amounted to approximately HK\$13.88 million (31 December 2024: approximately HK\$10.64 million), which were denominated in Hong Kong dollars and Renminbi.

As at 30 June 2025, the Group's total bank and other borrowings amounted to approximately HK\$62.53 million (31 December 2024: approximately HK\$28.77 million). The bank and other borrowings are charged at fixed interest rates. All of the Group's bank and other borrowings were denominated in Renminbi and Hong Kong dollars.

The gearing ratio of the Group as at 30 June 2025 (calculated as net debt divided by equity attributable to owners of the Company) was approximately 114.88% (31 December 2024: approximately 85.54%). Having considered the Group's current unpledged cash and cash equivalents, bank and other borrowings, and banking facilities, the management believes that the Group's financial resources are sufficient for its day-to-day operations. The Group did not use financial instruments for financial hedging purposes during the Period.

The Group's business transactions, assets and liabilities are principally denominated in Renminbi and Hong Kong dollars. Fluctuations in Renminbi may impact the Group's results and net assets value as the Group's consolidated financial statements are presented in Hong Kong dollars. The Group's treasury policy is to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

Charge on Assets and Contingent Liabilities

The Group provided a guarantee and pledged certain accounts receivable as security to a bank for the due performance of the repayment obligations of Shenzhen Meiming Wenshi Trading Limited* (深圳市美名問世商貿有限公司) under a facility agreement of up to RMB75.50 million.

Business Prospects

The Group will continue to expand its existing businesses by developing its core business segments. The Group will also look for and invest in other potential businesses and related profitable businesses. The Group will also deploy appropriate measures to control its operating and finance costs in order to deliver better financial performance going forward.

Proposed Acquisition of BOT Project

Framework Agreement

On 13 January 2025, the Company had entered into a framework agreement (the “**Agreement**”) with Mr. Liu Qinghe (the “**Potential Vendor**”) (“**First BOT Announcement**”). Pursuant to the Agreement, the Company or one of its subsidiaries nominated as the potential purchaser (the “**Potential Purchaser**”) intends to acquire, and the Potential Vendor intends to dispose of, the entire issued shares (the “**Sale Shares**”) of Huapan and Hao Resources Co., Ltd* (the “**Target Company**”) (the “**Proposed Acquisition**”).

The Target Company is a company incorporated in Laos and is principally engaged in investment and development. The Target Company had acquired the BOT concession of the “Laos Boten International Port Health and Animal and Plant Inspection and Quarantine Center” by way of tender (the “**BOT Project**”) in 2016. The scope of cooperation authorised by the BOT Project covers all the administrative responsibilities of international health, animal and plant inspection and quarantine (including existing highway ports, and the entry and exit ports set up for the roads, highways and railways to be built in the future), as well as the corresponding right for the toll, related real estate investment and income in Boten area, Louang Namtha Province, Laos. According to the BOT investment cooperation agreement signed with the Louang Namtha Province Government of Laos, the Target Company will jointly establish a project operation company with the Louang Namtha Province Government of Laos for an operation period of 90 years, during which the Target Company can share 90% of the profits of the project operating company and the Louang Namtha Province Government of Laos can share 10% of the profits of the project operating company every year after the completion of the construction of the BOT Project. After the

expiration of the operation period, the BOT Project will be transferred to the Louang Namtha Province Government of Laos for free. Furthermore, according to the BOT investment cooperation agreement, the investment and income of other real estate such as commercial building, warehousing, logistics, and supporting hotels derived from the BOT Project belongs to the Target Company, and the Target Company can sell and realize the real estate (including shops, residences, warehouses, hotels, logistics real estate and other properties) developed by the BOT Project or hold them for leasing and investment purposes.

The consideration for the Proposed Acquisition shall be further negotiated between the Company or the Potential Purchaser and the parties to the Agreement agrees to use reasonable endeavors to negotiate the terms and conditions of a sale and purchase agreement (“**Formal Agreement**”) in relation to the Proposed Acquisition.

The Potential Vendor has agreed that the Company and the Potential Purchaser and their adviser(s) shall conduct a business, financial and legal due diligence exercise on the Target Company and its BOT concession, the properties and construction in progress with a view to acquiring the Sales Shares. The due diligence period will end on 28 February 2025 (or such later date as may be agreed in writing by the parties to the Agreement).

The Potential Vendor further agreed not to enter into negotiations, whether formal or informal, with any party other than the Company or the Potential Purchaser concerning the disposal of the Sale Shares or the sale or transfer of the Properties, and the Potential Vendor shall promptly notify the Company and the Potential Purchaser of any inquiries by any third parties regarding the foregoing during the period of 60 days from the date of the Agreement (or such later date(s) as the parties to the Agreement may agree in writing).

Should the Company enter into the Formal Agreement or if there are any material developments with respect to the Possible Acquisition, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

Supplemental Agreement

On 28 February 2025, the Company and the Potential Vendor had entered into a supplemental agreement (the “**Supplemental Agreement**”) in relation to the Proposed Acquisition of the BOT Project (“**Second BOT Announcement**”). Pursuant to the Supplemental Agreement, the Parties agreed to extend the due diligence period to (i) 30 March 2025, if the Louang Namtha Province Government of Laos approves that the BOT concession of the “Laos Boten International Port Health, Animal and Plant Inspection and Quarantine Center” is still legal and valid (the “**Written Consent**”) on or before 15 March 2025; or (ii) within 20 days from the date of obtaining the Written Consent, if the Louang Namtha Province Government of Laos approves that the BOT concession of the “Laos Boten International Port Health, Animal and Plant Inspection and Quarantine Center” is still legal and valid after 15 March 2025. Save as disclosed in the Second BOT Announcement, all other terms and conditions of the Agreement remain unchanged. The Second BOT Announcement is supplemental to and should be read in conjunction with the First BOT Announcement.

Further details about the Proposed Acquisition of BOT Project were disclosed in First BOT Announcement dated 13 January 2025 and Second BOT Announcement dated 3 March 2025 of the Company.

Acquisition of Sales Shares of Hunan Tianyu Ecological Agriculture Development Co., Ltd*

On 24 January 2025, Shenzhen Tianyu Magic Food Technology Co., Ltd* (深圳市天裕魔味食品科技有限公司)(a subsidiary of the Company) (the “**Purchaser**”) and Yueyang Huayuyuan Trading Co., Ltd* (岳陽華玉源商貿有限公司)(the “**Seller**”) had entered into an equity transfer agreement (the “**Agreement**”), pursuant to which, among others, the Purchaser agreed to purchase, and the Seller agreed to sell approximately 51% of the entire issued share capital (the “**Sales Shares**”) of Hunan Tianyu Ecological Agriculture Development Co., Ltd* (湖南天裕生態農業發展有限公司)(the “**Target Company**”) at completion for the consideration of RMB14,280,000 (the “**Consideration**”) payable in cash, subject to the terms and conditions of the Agreement (the “**Proposed Acquisition**”).

The Proposed Acquisition is subject to satisfaction of certain conditions precedents (the “**Conditions Precedents**”). Subject to the fulfilment of the Conditions Precedents, completion of the Proposed Acquisition shall take place on the Completion Date.

The Purchaser and the Seller had entered into a supplemental agreement (the “**Supplemental Agreement**”) on 12 April 2025. Pursuant to the Supplemental Agreement, the Parties agreed to amend the scope of the Proposed Acquisition of the Agreement. The amended scope of Proposed Acquisition included the Target Company and its subsidiaries (collectively referred to as the “**Target Group**”). The Supplemental Agreement was entered into through friendly negotiations between the Parties, aiming to ensure the completion of the Proposed Acquisition can be progressed smoothly.

All of the Conditions Precedents under the Agreement had been fulfilled on 22 April 2025 and the Consideration had been settled in cash. The Target Group had become subsidiaries of the Company and their results and net assets have been consolidated into the financial statements of the Group for the Period accordingly.

Further details about the Proposed Acquisition of the Sales Shares of the Target Group were disclosed in the announcements of the Company dated 27 January 2025 and 23 April 2025.

Supply Contract

On 13 February 2025, a subsidiary of the Company, Hunan Magic Foods Technology Company Limited* (湖南魔法食品科技有限公司) (“**Magic Foods**”) had entered into a supply contract (the “**Supply Contract**”) with Hunan Busy Ming Commercial Chain Co., Ltd.* (湖南鳴鳴很忙商業連鎖有限公司) (formerly known as “Hunan Snack Foods Busy Commercial Co., Ltd.* (湖南零食很忙商業連鎖有限公司)”) (“**Snack Foods Busy**”). Pursuant to the Supply Contract, Magic Foods will supply snack foods to Snack Foods Busy with a contract term of one year.

Snack Foods Busy was established in Changsha City, Hunan Province, China in 2017, which is a pre-packaged snack brand service provider, through a combination of online and offline sales model, to provide customers with all kinds of snack foods, and it also provide franchise services. It is one of the largest group in bulk sales of snack foods in China and currently has over 7,500 stores across 13 provinces in China, including Hunan, Jiangxi, Hubei, Guizhou, Guangxi, Guangdong, Henan, Chongqing, Yunnan, Sichuan, Shanxi, Gansu and Anhui.

Further details about the Supply Contract were disclosed in the announcement of the Company dated 14 March 2025.

Processing Agreement

On 12 May 2025, a subsidiary of the Company, Hunan Tianyu Ecological Agriculture Development Co., Ltd* (湖南天裕生態農業發展有限公司)(the“**Manufacturer**”) had entered into an entrusted processing agreement (the “**Processing Agreement**”) with Hunan Zhang and Li Food Co., Ltd.* (湖南省張和李食品有限公司)(“**Zhang & Li**”). Pursuant to the Processing Agreement, Zhang & Li entrusted the Manufacturer to carry out processing and manufacture of the Zhang & Li brand series products, including but not limited to the top selling product “old jar sun-dried chili peppers” with a contract term of two years. The Manufacturer is responsible for the procurement of raw materials, inspection and acceptance, supply, and to manufacture the products strictly under the requirements from Zhang & Li.

Zhang & Li is principally engaged in processing and sales of agricultural products, green planting, and agricultural recreation. The series of products developed and produced by Zhang & Li had won the Innovation Product Award at the 24th China Convenience Food Conference for the year of 2023/2024. Zhang & Li has expanded its product portfolio into all-channel for both online and offline, online platforms such as Tmall, Douyin, and Pinduoduo. Zhang & Li has established long-term and stable cooperation relationships with several streaming influencers like Li Jiaqi, Eastbuy and Time With Yuhui, they also have entered into national offline channels such as department stores including WalMart, Yonghui, AEON, 7FRESH, Pupu, DDL, and Meituan.

Further details about the Processing Agreement were disclosed in the announcement of the Company dated 16 May 2025.

Litigations

(i) HCA 1867 of 2015

On 18 August 2015, the Company received a writ of summons issued from the High Court of Hong Kong (the “**Writ**”) relating to a claim by Mr. Qu Shuncaï (“**Mr. Qu**”), a former Director of the Company. Pursuant to the Writ, Mr. Qu claims against the Company for the sum of HK\$6,069,000 being damages for the Company’s wrongful refusal of the issue of 2,500,000 shares of the Company to him upon his exercise of the share options. The trial was heard before Judge from 8 December 2022 to 14 December 2022, and on 10 February 2023, it was adjudicated by the Court that the Company shall pay damages to the Plaintiff, assessed at HK\$4,394,000, and costs. The Company has decided to appeal against the said judgment, and thus the Company filed a Notice of Appeal on 6 March 2023.

(ii) CACV 71 of 2023

On 6 March 2023, the Company filed a Notice of Appeal to the Court to appeal against the Judgment of HCA 1867 of 2015 that the quantum of damages be HK\$2,944,000.00 only.

(iii) HCA 1948 of 2019

On 24 October 2019, the Company received a writ of summons (under HCA 1948 of 2019) issued on behalf of Gemini Funds Limited for an order to direct the Company to deliver up the share certificate of 5,000,000 (Bonus) Shares issued in January 2016 and damages to be assessed. The said Gemini Funds Limited has also taken out an application for summary judgment against the Company returnable before a Master of the High Court on 9 April 2020. The legal representative of the Company filed an Acknowledgment of Service on 6 November 2019, and the Company has filed a notice to the Court to oppose the application by the said Plaintiff to enter judgment against the Company. The hearing was heard before a Judge on 21 January 2021 and pursuant to the

Judgement, the Company delivered up the said share certificate to the Plaintiff on 24 March 2021. At the same time, the Company filed a Notice to Appeal on 18 February 2021.

(iv) HCA 1270 of 2025

On 8 July 2025, a person named Wang Zili (the “**Plaintiff**”), purportedly suing for and on behalf of all the members of the Company, commenced an action (the “**Action**”) at the High Court of Hong Kong (the “**Court**”) against the Company and certain of its Directors, namely, Mr. Ke Xionghan (“**Mr. Ke**”), Mr. Chen Zhifeng (“**Mr. Chen ZF**”), Ms. Ho Wing Yan (“**Ms. Ho**”, together with Mr. Ke and Mr. Chen ZF, the “**Relevant Directors**”), Mr. Liu Xiaopeng (“**Mr. Liu**”), Mr. Chong Cha Hwa (“**Mr. Chong**”), Mr. Yang Yunguang (“**Mr. Yang**”, together with Mr. Liu and Mr. Chong, the “**Reappointed Directors**”) and Mr. Wong Tak Fan Frankie (“**Mr. Wong**”), alleging (among other things) that the Board meeting approving the appointments of the Reappointed Directors and Mr. Wong (the “**Relevant Board Meeting**”) was invalidly held and that the Relevant Directors have breached their duties as Directors, and seeking (among other things) declarations that the Relevant Board Meeting is invalid and/or ineffective, that Ms. Ho was not validly appointed as a member of the nomination committee of the Company (the “**Nomination Committee**”), and that the Reappointed Directors and Mr. Wong were not validly appointed. The Plaintiff further applies for an order from the Court (the “**Application**”) that (among other things) until trial or further order of the Court, Ms. Ho be restrained from holding herself out or taking any action as a member of the Nomination Committee, and that the Reappointed Directors and Mr. Wong be restrained from holding themselves out or taking any action (including taking part in Board meetings) as Director, committee member or chairman (as the case may be).

At the hearing of the Application on 11 July 2025, the Court ordered, among other things, that until the substantive hearing of the Application or further order of the Court: (a) Ms. Ho be restrained from in any way holding herself out or taking any action as a member of the Nomination Committee; (b) the Reappointed Directors and Mr. Wong be restrained from in any way holding themselves out or taking any action (including taking part in Board meetings) as Director, committee member or committee chairman (as the case may be); and (c) the Application be adjourned for substantive argument before a Judge on a day to be fixed.

Employees and Remuneration Policy

As at 30 June 2025, the Group had approximately 92 (30 June 2024: 141) employees in Hong Kong and the PRC with total staff costs amounting to approximately HK\$2.25 million (2024: HK\$2.76 million). Remuneration of employees is offered at competitive standards, generally structured with reference to market terms and individual qualifications. The Company has adopted the share option scheme aiming to provide incentives to participants for their contributions to the Group, and to enable the Group to recruit and retain quality employees to serve the Group on a long-term basis.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Period (six months ended 30 June 2024: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Period.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the Period have been reviewed by the audit committee of the Company, which comprises three independent non-executive Directors, namely Mr. Chen Zhifeng, Ms. Lai Pik Chi Peggy and Ms. Cheng Juan.

NON-COMPLIANCE WITH CORPORATE GOVERNANCE CODE AND LISTING RULES

The Company has complied with all code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules throughout the Period and up to the date of this announcement, save as disclosed as follows:

1. Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company did not officially have a position of chief executive officer since 24 June 2016, and the Company did not appoint the chairman of the Board since the resignation of Mr. Jiang Jiancheng (“**Mr. Jiang**”) on 28 January 2025. The chairman of the Board, provides leadership to the Board to ensure that the Board works effectively and all important issues are discussed and dealt with in a timely manner. The Board will continue to review the effectiveness of the Group’s structure as business continues to grow and develop in order to assess whether any changes, including the appointment of a chief executive officer and the chairman of the Board are necessary.
2. Under code provision C.5.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend. During the Period, certain regular Board meetings were convened with less than 14 days’ notice to enable the Directors to react timely and make expeditious decisions in respect of transactions which were of significance to the Group’s business. As a result, the aforesaid regular Board meetings were held with a shorter notice period than required with no objection by the Directors, save for the objection to the alleged improper convening of the Relevant Board Meeting. The Board will do its endeavours to meet the requirement of this code provision in future.

During the period from 1 July 2024 to 27 January 2025, the Company failed to meet the requirement of Rule 3.10A of the Listing Rules (which requires that the independent non-executive directors represent at least one-third of the board of directors) following the appointment of Mr. Liu as an executive Director of the Company and a vice-chairman of the Board with effect from 1 July 2024. On 28 January 2025, Mr. Jiang resigned as an executive Director of the Company and the chairman of the Board. Following Mr. Jiang's resignation, the ratio of the number of independent non-executive directors of the Company complied with the requirement of the minimum one-third of the Board under Rule 3.10A of the Listing Rules.

Following the retirement of each of Mr. Liu, Mr. Chong and Mr. Yang at the conclusion of the annual general meeting of the Company held on 30 June 2025, the Company failed to comply with the following requirements of the Listing Rules:

- (a) at least three independent non-executive directors on the board of directors under Rule 3.10(1) of the Listing Rules;
- (b) at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules;
- (c) the independent non-executive directors representing at least one-third of the board under Rule 3.10A of the Listing Rules; and
- (d) the audit committee comprising a minimum of three members under Rule 3.21 of the Listing Rules.

The Company has appointed two independent non-executive Directors to comply with the relevant rules as mentioned above on 15 October 2025.

EVENTS AFTER THE REPORTING PERIOD

Other than as disclosed in the Management Discussion and Analysis of this announcement and disclosed as follows, there is no other material event after the reporting period and up to the date of this announcement.

On 16 September 2025 and 3 October 2025 respectively, the Company has received from shareholders a written requisition notice requesting the Company to convene an extraordinary general meeting, details please refer to the announcements of the Company dated 6 October 2025 and 19 November 2025.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 1 September 2025.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 27 November 2025.

By Order of the Board
China Beidahuang Industry Group Holdings Limited
Ke Xionghan
Executive Director

Hong Kong, 26 November 2025

As at the date of this announcement, the Executive Directors are Mr. Ke Xionghan and Mr. Chen Chen, the Non-executive Directors are Mr. Yang Guang (Vice-chairman), Ms. Ho Wing Yan and Mr. Li Dawei, and the Independent Non-executive Directors are Mr. Chen Zhifeng, Ms. Lai Pik Chi Peggy and Ms. Cheng Juan. Pursuant to an order of the Court, Mr. Liu Xiaopeng, Mr. Chong Cha Hwa, Mr. Yang Yunguang and Mr. Wong Tak Fan Frankie are restrained from holding out or taking action as a Director of the Company until the substantive hearing of the summons or further order of the Court.

* *For identification purposes only*