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CORPORATE INFORMATION

BOARD OF DIRECTORS　è + 6

Executive Directors　B è +

Mr. HUANG Jian *(Chairman)*	ǚ ʕ Ω¾ ◦ ¿
Mr. ZHENG Wenbin	' ʕ Ω
Mr. LI Youquan	G Э ̈Ḥ ʕ Ω
Ms. HUANG Danyan	' '

Non-executive Directors　¢ B è +

Mr. LIU Zhen	ʕ Ω
Mr. WANG Yalong	M ʕ Ω

Independent Non-executive Directors　ù m ¢ B è +

Mr. XIAO Wei	ǚ ʕ Ω
Mr. CHEN Aihua	ö ʕ Ω
Mr. LAM Yiu Por	Ḡ Į ʕ Ω

Supervisors　9 +

Mr. ZHENG Feng	ʕ Ω
Ms. WEI Wei	' '
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AUDIT COMMITTEE　2 ‰ p 6

Mr. CHEN Aihua *(Chairman)*	ö ʕ Ω¾ ◦ ¿
Mr. XIAO Wei	ǚ ʕ Ω
Mr. LAM Yiu Por	Ḡ Į ʕ Ω

REMUNERATION AND APPRAISAL COMMITTEE　Z G ~ ý è ‰ p 6

Mr. XIAO Wei *(Chairman)*	ǚ ʕ Ω¾ ◦ ¿
Mr. LI Youquan	G Э ̈Ḥ ʕ Ω
Mr. CHEN Aihua	ö ʕ Ω

NOMINATION COMMITTEE　d ¤ ‰ p 6

Mr. XIAO Wei *(Chairman)*	ǚ ʕ Ω¾ ◦ ¿
Mr. CHEN Aihua	ö ʕ Ω
Ms. HUANG Danyan	' '

STRATEGY COMMITTEE

Mr. HUANG Jian *(Chairman)*
Mr. ZHENG Wenbin
Mr. LAM Yiu Por

JOINT COMPANY SECRETARIES

Ms. XIONG Ting
Ms. LEUNG Kwan Wai

H SHARE REGISTRAR

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

AUTHORIZED REPRESENTATIVES

Mr. HUANG Jian
Ms. XIONG Ting

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with
the Accounting and Financial Reporting Council Ordinance
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10 Chater Road
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REGISTERED OFFICE IN THE PRC

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Industrial Zone
Xiamen City, Fujian Province, the PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

22/F, Caizihui No. 188, Qianpu Road
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1928, 19/F
Lee Garden One, 33 Hysan Avenue
Causeway Bay, Hong Kong

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PRINCIPAL BANK

Xiamen Bank Co., Ltd. (Lianqian Branch)

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COMPANY'S WEBSITE

http://www.yanzhiwu.com

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http://www.yanzhiwu.com

LISTING DATE

December 12, 2023

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STOCK SHORT NAME

YAN PALACE

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STOCK CODE

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RESULTS HIGHLIGHTS 8 6 Ü

Our revenue decreased by 4.22% from RMB1,059.30 million for the six months ended June 30, 2024 to RMB1,014.58 million for the six months ended June 30, 2025.

Our gross profit increased by 2.67% from RMB513.80 million for the six months ended June 30, 2024 to RMB527.53 million for the six months ended June 30, 2025.

Our net profit increased by 28.98% from RMB60.05 million for the six months ended June 30, 2024 to RMB77.45 million for the six months ended June 30, 2025.

Our adjusted net profit (non-IFRS measure)[1] increased by 35.54% from RMB60.05 million for the six months ended June 30, 2024 to RMB81.39 million for the six months ended June 30, 2025.

Note:

(1) The Company s adjusted net profit (non-IFRS measure) represents the net profit for the period, adjusted to add back equity-settled share-based payment expenses, which are non-cash in nature.

BUSINESS REVIEW

In the first half of 2025, China s macro-economic policies continued to deliver sound results, and the economy maintained a stable and positive trend, demonstrating strong resilience. However, uncertain factors in the external environment persisted. Against this backdrop, the health industry became a key driver of economic growth, with multiple favorable factors, including policies, technology and capital, accelerating the industry s transformation and upgrade.

Leveraging its strong research and development capabilities, the Company continued to enrich its EBN product portfolio, successfully reaching a wider consumer base through a diversified and differentiated product strategy. At the same time, the Company upheld a prudent operational strategy to proactively respond to market changes and continued to consolidate and strengthen existing channels while focusing on the deployment of its KA channel. It actively explored the potential of lower-tier markets and accelerated the expansion for overseas business. By continuously optimizing production efficiency and effectively reducing production costs, the Company laid a solid foundation for enhancing product competitiveness. With certifications such as No. 1 in Premium EBN Sales , No. 1 in Traceable Bird s Nest Imports , and No. 1 in the China Brand Power Index , the Company has further strengthened its leading position in the industry.

1. Product Innovation and Exploration to Expand Consumer Groups

In response to the diverse and differentiated needs of consumers, the Company firmly implemented the pure EBN , EBN+ and +EBN strategies, built a systematic framework of product development, covering R&D, iteration and innovation, and continuously improved the product structure to cover a wider range of segmented demand scenarios, with an aim to providing consumers with more comprehensive nourishment solutions.

During the Reporting Period, the Company actively expanded its consumer base for EBN products. In response to consumers natural desire for hot EBN, the Company leveraged its patented supercritical process to launch Yan Palace Supercritical Hot EBN , offering a highly effective, warm and fresh ready-to-eat experience, integrating technological innovation into daily nourishment. To address people s emerging needs such as sleep and intestinal health, the Company started developing functional products of EBN + probiotics to further expand its EBN consumer base.

The Company relied on EBN porridge and other +EBN products to effectively cover diverse scenarios for EBN consumption. *Xiao Yan Nong* ( ) EBN porridge has been successfully applied to highly frequent scenarios such as breakfast and meal replacement, achieving rapid sales growth. In the first half of 2025, its sales reached RMB43.82 million, representing a 6.28% increase over the same period of last year. Meanwhile, during the 618 Shopping Festival, *Xiao Yan Nong* ( ) EBN porridge maintained its top position in the ranking of sales of EBN porridge on both platforms of Tmall and JD. This fully demonstrated the product s core competitiveness and brand influence in its niche market, laying a solid foundation for the continuous growth of the sales of EBN porridge.

Based on the new trend of nutritious products with diversified functions and snack-like forms, the Company has leveraged its accumulated experience of scientific research over years to establish the brand YANPEP EBN peptide, introducing oral EBN peptide, EBN peptide collagen essence drink, EBN peptide natural strontium water and other products with EBN peptide as the core ingredient. These products are both palatable and convenient, which is conducive to cultivating daily consumption habits among consumers, driving the innovation of EBN peptide products and leading the development of the EBN industry.

2. Strategic Upgrade of Sales Channels to Optimize Consumer Experience

In the first half of 2025, the Company optimized and upgraded its offline channels, actively explored online distribution channels, developed KA, overseas and other emerging channels, and continuously improved its sales network. Certified by Beijing Zhongyan Century Consulting Co., Ltd., the Company received a market position confirmation certificate of No. 1 in National Sales of Premium EBN for Nine Consecutive Years. During the Reporting Period, the Company s operating revenue reached RMB1,014.58 million.

(2) E-commerce Channels

The Company's online sales network consists of self-operated online stores, distributor-operated online stores and e-commerce platforms. During the Reporting Period, the Company's total revenue generated from e-commerce business was RMB632.66 million, accounting for 62.36% of the total revenue of the Company. As of June 30, 2025, the Company had 41 self-operated online stores, 65 distributor-operated online stores and 20 customers who are e-commerce platforms on mainstream e-commerce or social media platforms such as JD, Tmall and Douyin.

Online channels continued to expand due to their high penetration and flexibility. Interest-based e-commerce platforms like Douyin and social recommender platforms like Xiaohongshu became growth engines. In the first half of 2025, in addition to traditional

(4) New Channel Deployment

In the first half of 2025, the Company steadily boosted its international presence, and successively opened overseas stores in New York, U.S.A., Singapore and other locations, marking a key step in showcasing the unique appeal of Chinese nourishing culture to the world. At the same time, the Company accelerated its expansion into the KA channel through products such as customized EBN porridge and instant EBN, successfully entering Ole, Rainbow, CR Vanguard, Sungiven and other supermarket systems.

With respect to the cultural tourism business, the Company promoted the revenue growth through collaborations with key customers, factory visits and educational tours. Along with the stable development of the cultural tourism business, our customers have gained a deeper understanding of EBN culture, production process and the nutritional value through the visits to transparent factories, EBN cultural museums and EBN research institutes, deepening brand recognition and trust, and enhancing the Company s influence.

3. Driving Industry Development with R&D and Innovation

The Company established the Yan Palace EBN Research Institute in 2008, which dedicated to the comprehensive research into EBN ingredients, nutrition, health, process and products. In June 2025, the Company, together with the Xiamen Customs Technology Center and Fujian Agriculture and Forestry University, established the Joint Laboratory for Quality Control and Health Efficacy Application of EBN and EBN Peptide of Xiamen . To date, the Company has set up joint laboratories with the Xiamen Customs Technology Center, Peking University Health Science Center, Jiangnan University, South China University of Technology, and the National Research and Innovation Agency of Indonesia. Furthermore, the Company has partnered with institutions and universities, including the Chinese Academy of Medical Sciences, China Pharmaceutical University, Hong Kong University of Science and Technology, the National Quarantine Agency of Indonesia, China National Institute of Standardization and China National Research Institute of Food Fermentation Industry, creating the 1+7+N ofa03Td(s influene,)7CnCnCne,1

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(2) EBN Peptide Technology Research and Development

Among the Company s seven established joint laboratories, three specialized laboratories focus on the in-depth research and application transformation of EBN peptide. As a significant achievement in EBN deep processing, EBN peptide represents a new direction for the modernization and functionalization of EBN. It is a modern interpretation of the millennium-old EBN health culture and embodies the mission of Yan Palace to shoulder industry responsibilities and lead the future of EBN. Yan Palace leveraged the in-depth research and application of EBN peptide, a core active ingredient, to continuously expand the boundaries of EBN s application.

With respect to the in-depth research on the structure-activity relationship of EBN peptide, the Company published a research result entitled Edible bird s nest peptide (EBNP) with high whitening activity: Sequences analysis, whitening activity characterization and molecular docking study in the international SCI-indexed journal, being Journal of Functional Foods (JCR Q2 zone, impact factor 4.0). The result of the study shows that EBN peptide can downregulate the expression of tyrosinase, MITF, TYR, TYRP1 and TYRP2 in relation to melanin synthesis at the cellular level, thereby significantly inhibiting the melanin synthesis and exerting a whitening effect. At the same time, the study clarifies the peptide sequence and fine structure of the EBN peptide that plays the abovementioned role, providing scientific evidence for the structure-activity relationship of the EBN peptide. In February 2025, the Company jointly published the research results of EBN peptide with South China University of Technology, being Bioactive peptides from edible Bird s nest: Pivotal players in skin mechanic injury repair in the international SCI-indexed journal, being Food Bioscience (JCR Q1 zone, impact factor 5.9), revealing that EBN peptide has the biological activity of promoting dermal collagen synthesis and skin repair, and the effect is stronger than biosynthetic sialic acid (N-acetylneuraminic acid).

With respect to the EBN peptide preparation technology, in light of the patent named A type of bird s nest peptides preparation method and application with the efficacy of promoting cellular repair and high moisturization and whitening , the Company was certified by Shangpu Group in March 2025, and obtained the market position certificate of the world s first independent invention patent authorization for EBN peptide with clear efficacy and application , which further consolidated its R&D and innovation strength.

Meanwhile, during the Reporting Period, Yan Palace launched its independent brand, YANPEP EBN Peptide , with the simultaneous release of three new EBN peptide products, namely oral EBN peptide, EBN peptide collagen essence drink, and EBN peptide natural strontium water, opening up new application scenarios for EBN. In June 2025, YANPEP oral EBN peptide completed a two-month human clinical efficacy evaluation, further demonstrating its excellent performance in boosting energy, improving sleep and enhancing skin quality, which injected new momentum into the research and development of the EBN peptide product series and the launch of new products.

In the future, the Company will continue to focus on researching and developing the core technology of EBN and EBN peptide. On the one hand, it will deepen basic research, cooperate with universities and research institutions to analyze the molecular mechanism of the active ingredients of EBN peptide, optimize the preparation process and bioavailability of EBN peptide and strengthen technological advantages. On the other hand, it will accelerate the innovation for application and expand the product forms of EBN peptide in multiple scenarios based on the wellness needs of different groups of people, so as to provide consumers with more scientific and efficient wellness solutions.

4. Integration of High-quality Resources to Boost Brand Development and Enhance Industry Leadership

On the China Brand Power Index SM (C-BPIfi) EBN brand ranking, the Company has been ranked the first in the industry for six consecutive years, leading the industry in terms of brand power.

During the Reporting Period, the Company leveraged its multi-faceted brand ambassador matrix, including Ms. Gong Li ( ) and Mr. Wang Yibo ( ), to reach diverse consumer groups. Furthermore, the Company gradually initiated IP collaborations to further expand its consumer base short video clips featuring relevant ambassadors, collaborating artists and leading influencers were released on platforms such as Douyin, JD and Tmall, which has effectively boosted the brand exposure.

The Company continued to collaborate with restaurants and hotels to launch EBN-featured Afternoon Tea Sets and EBN Banquets, creating the frequent scenarios for social consumption. As of June 30, 2025, it had established partnerships with seven restaurants, including LA CHANSONNI¨RE and Lu Shang Lu, as well as six hotels, including China World Summit Wing, Beijing and Shangri-La Shenyang. Leveraging its premium positioning and expertise, the Company offered customers refined EBN experience, elevating EBN from a traditional tonic into a modern consumer product combining wellness, nourishment and social attributes. In light of the high-quality and stable consumer base and brand endorsements of its partners, the Company further strengthened its brand image.

5. Empowerment of Supply Chain Efficiency Upgrades with Intelligent Manufacturing

The Company owns three self-built factories, namely the Yan Palace EBN smart factory in Xiamen, the Songjiang production base in Shanghai and the Guanghe rural employment factory in Gansu. In the first half of 2025, the Yan Palace EBN smart factory s MES (Manufacturing Execution System), WES (Warehouse Execution System), WMS (Warehouse Management System) and intelligent and stereoscopic warehouse passed acceptance and completed digital transformation. Thanks to intelligent upgrades in sorting, canning, packaging and warehousing, the production efficiency has been significantly improved and operating costs have been effectively optimized. In the sorting process, automated slitting and the cleaning and soaking equipment enhance the efficiency of EBN soaking, and AI-powered sorting equipment significantly improves efficiency. In the filling and packaging process, the lean management, including process flow and VSM value

The Company spearheaded the drafting of the Calculation Approach for Carbon Footprint of EBN Products. This approach will build a refined carbon footprint calculation model covering the entire life cycle of an EBN product, from raw material tracing, production and processing, packaging and transportation, consumption, and waste disposal. The approach will clarify the boundaries for data collection and calculation methods, filling gaps in the industry and leading the industry s green and low-carbon transformation. Furthermore, the Yan Palace EBN smart factory, which has been actively practicing green intelligent manufacturing, received green environmental certifications such as the Product Carbon Footprint Verification Statement and the Greenhouse Gas Verification Statement in January 2025.

OUTLOOK

In 2025, the health industry has entered a stage of strategic development, driven by continuous policy empowerment, stabilizing market environment and growing health demand. However, with the lingering external challenges, the Company is in a phase of strategic transformation and upgrading and in the face of substantial challenges. Therefore, the Company will continue to deepen its core strategy of tapping deeper into the value of bird s nests and expanding the health ecosystem, focusing on the diverse and personalized needs of consumer groups and launching more comprehensive nourishment solutions, so as to strengthen its leadership in the blue ocean market of healthcare. The Company will advance the implementation of this core strategy through three key approaches, being brand enhancement, product innovation, and channel expansion.

The Company will continue to deepen its brand strategy and enhance its brand value and influence across multiple dimensions. Going forward, it will keep building a multi-faceted ambassador matrix, leveraging high-quality resources such as artists and influencers to precisely reach and deeply engage with high-net-worth customers. It will also meticulously curate a series of community events, including golf membership events, private EBN banquets and VIP concert rooms, to enhance brand value and build deep connections with customers through immersive experiences. Meanwhile, it will deepen strategic collaborations with high-quality business partners, such as those in the hotel and restaurant sectors, to integrate the brand s essence into the high-quality lifestyles of its target customers, aiming to become a creator and companion for their beauty and wellness.

The Company s expansion into innovative products and EBN-related business extensions is currently in the phase of market cultivation and is still undergoing exploration and incubation. The Company is committed to fully releasing the growth potential and market value of this product matrix in the future. It also continues to iterate and upgrade existing products and develop new products that precisely meet consumer needs to continuously enrich its product portfolio. In relation to the pure EBN products, the Company is iterating core products such as *One Nest* ( ) and Freshly Stewed Bird s Nest ( ) to optimize production efficiency, strengthen product competitiveness and strengthen its leading position in the industry. In relation to the EBN+ and +EBN products, the Company is accelerating the research and development of new products, launching new product series such as EBN porridge and EBN peptide and developing innovative products such as EBN vials to expand coverage of its targeted customer base.

To further improve its sales network, the Company will focus on optimizing stores in core cities, building a county-level sales network, expanding the KA channel and exploring overseas markets. Based on its strategy of opening large stores in core cities, the Company will continue to open 3.0 flagship stores in the second half of the year and advance the launch of Yan Palace s Shanghai Member Center, comprehensively enhancing the offline experience. Focusing on the top 100 counties, the Company will establish a sales network system in lower-tier markets through standardized and asset-light stores. The Company will strengthen its partnerships with KA and convenience-store channels, creating new pillars of growth by entering large supermarket chains. Furthermore, the Company will actively expand into overseas markets, adopting Singapore as a hub to reach more regions and enhance its international competitiveness.

The Company will uphold the corporate vision of leading the global bird s nest industry and building a century-old national brand ( ). Relying on its excellent product strength, extensive channel layout and strong scientific research capabilities, the Company will further strengthen its leading position in the industry and actively promote the high-quality development of the health industry.

FINANCIAL REVIEW

The following discussions are based on the financial information and notes set out in other sections of this interim report and should be read in conjunction with them.

Revenue

Our revenue was mainly derived from sales and distribution of EBN products.

Our revenue decreased by 4.22% from RMB1,059.30 million for the six months ended June 30, 2024 to RMB1,014.58 million for the six months ended June 30, 2025. The following table sets forth a breakdown of our revenues by product categories for the six months ended June 30, 2024 and 2025.

	Six months ended June 30,			
	2025		2024	
	RMB'000	%	RMB'000	%
Pure EBN products	896,817	88.4	926,319	87.4
EBN+ and +EBN products	111,003	10.9	124,698	11.8
Others(1)	6,761	0.7	8,287	0.8
Total	1,014,581	100.0	1,059,304	100.0

Note:

(1) Include non-EBN products such as snacks and rice dumplings etc.

Pure EBN products. Revenue generated from pure EBN products mainly represents the revenue generated from sales of pure EBN products primarily consisting of *One Nest* ( ), Freshly Stewed Bird's Nest ( ), other bottle-canned bird's nest and dried EBN. Our revenue generated from the sales of pure EBN products decreased by 3.18% from RMB926.32 million for the six months ended June 30, 2024 to RMB896.82 million for the six months ended June 30, 2025, primarily due to decrease in sales of *One Nest*, Freshly Stewed Bird's Nest and dried EBN.

EBN+ and +EBN products. Revenue generated from EBN+ and +EBN products mainly represents the revenue generated from sales of EBN+ and +EBN products. Our revenue generated from the sales of EBN+ and +EBN products decreased by 10.99% from RMB124.7 million for the six months ended June 30, 2024 to RMB111.0 million for the six months ended June 30, 2025.

Others. Our revenue generated from the sales of other products decreased by 18.46% from RMB8.29 million for the six months ended June 30, 2024 to RMB6.76 million for the six months ended June 30, 2025.

Cost of sales

Our cost of sales primarily consisted of cost of raw materials, employee benefits expenses, production costs and courier fees.

Our cost of sales decreased by 10.72% from RMB545.51 million for the six months ended June 30, 2024 to RMB487.05 million for the six months ended June 30, 2025.

Gross profit and gross profit margin

Our gross profit increased by 2.67% from RMB513.80 million for the six months ended June 30, 2024 to RMB527.53 million for the six months ended June 30, 2025.

Our gross profit margin for the six months ended June 30, 2025 was 51.99% as compared to 48.50% for the six months ended June 30, 2024. The increase in gross profit margin was attributable to the steady improvement of the production efficiency through the intelligent manufacturing upgrades and process improvements of the new factory, which has effectively promoted the optimization and upgrades of the cost structure.

Selling and distribution expenses

Our selling and distribution expenses primarily consisted of (i) advertising and promotion fees and (ii) employee benefits expenses. Our selling and distribution expenses decreased by 8.70% from RMB365.27 million for the six months ended June 30, 2024 to RMB333.48 million for the six months ended June 30, 2025, which was primarily attributable to a reduction in the Group s advertising fees in light of the macro-economic situation, we proactively adjusted our sales strategy and effectively increased the input-output ratio, which resulted in a decrease in the selling expense ratio.

Administrative expenses

Our administrative expenses primarily consisted of (i) employee benefits expenses and (ii) consulting service fee which primarily consisted of expenses in connection with strategic and management consulting services. Our administrative expenses increased by 6.36% from RMB62.60 million for the six months ended June 30, 2024 to RMB66.58 million for the six months ended June 30, 2025, which was primarily attributable to an increase in the equity-settled share-based payment expenses.

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Research and development expenses

Our research and development expenses decreased by 8.17% from RMB12.36 million for the six months ended June 30, 2024 to RMB11.35 million for the six months ended June 30, 2025, as we optimized and streamlined our experimental design, reducing the expenses on materials for research and development.

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Other net income

Our other net income primarily consisted of (i) government grants and (ii) interest income. Our other net income decreased by 20.75% from RMB7.97 million for the six months ended June 30, 2024 to RMB6.32 million for the six months ended June 30, 2025, which was primarily attributable to a decrease in the interest income.

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Finance cost

Our finance costs primarily consisted of interest expenses on our lease liabilities. Our finance costs decreased by 9.23% from RMB3.53 million for the six months ended June 30, 2024 to RMB3.21 million for the six months ended June 30, 2025, which was primarily attributable to a decrease in the interest expenses on our lease liabilities.

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Income tax

Our income tax increased by 81.51% from RMB17.96 million for the six months ended June 30, 2024 to RMB32.60 million for the six months ended June 30, 2025, which was primarily attributable to an increase in the profits.

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Profit for the period

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As a result of the foregoing, our profit for the period increased by 28.98% from a net profit of RMB60.05 million for the six months ended June 30, 2024 to a net profit of RMB77.45 million for the six months ended June 30, 2025.

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Adjusted net profit for the period (non-IFRS measure)

In order to supplement our consolidated financial statements presented in accordance with the IFRSs, we use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or not presented in accordance with the IFRSs. Our adjusted net profit (non-IFRS measure) represents the net profit, adjusted to add back equity-settled shared-based payment expenses for the corresponding period. Equity-settled share-based payment expenses are adjusted for as they are non-cash in nature. We believe that the non-IFRS measure facilitates the analysis and comparison of our operating performance.

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		2025 Z g Z ž Ë RMB'000 [O Æ w ©	2024 ʘ ʘʰ K RMB 000 ʙ M ɬ ɫ
Profit and total comprehensive income for the period	, « ; — ¿ < Œ & × B	77,451	60,045
Add:	˛ ¨		
Equity-settled share-based payment expenses	– . ﻏﺠ Ṭ ẃ Ÿ⁄ ﻟﺴﻜﻢ'	3,942	
Adjusted net profit (non-IFRS measure)	¾ Æ ; — € ¢ 7 ç Ì S _ Æ Ž)	81,393	60,045

Liquidity, financial resources and capital structure

The primary uses of cash are to fund the daily operations of the business of the Group. For the six months ended June 30, 2024 and 2025, we financed our capital expenditures and working capital requirements primarily through cash generated from our operating activities. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, the gross proceeds from the Global Offering, bank loans and other borrowings, and other funds raised from the capital markets from time to time. As of June 30, 2025, the Group had not used any financial instruments for hedging purposes.

We have continued to maintain a healthy and sound financial position and have followed a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved. Our current assets decreased from approximately RMB1,013.52 million as of December 31, 2024 to approximately RMB890.95 million as of June 30, 2025, primarily due to a decrease in the inventories as a result of the fluctuation in sales during the peak season and the off season.

Cash flows

As of June 30, 2025, our cash and cash equivalents primarily consisted of cash at banks and were denominated in RMB and HKD. Our total cash and cash equivalents increased by 23.25% from RMB420.51 million as of December 31, 2024 to RMB518.29 million as of June 30, 2025, primarily attributable to an increase in the retained profits.

Foreign exchange risk management

Our functional currency is RMB. Our business is principally conducted in RMB, and substantially all of our assets are denominated in RMB. Foreign exchange risk arises when commercial transactions or recognized assets and liabilities are denominated in a currency that is not our functional currency. We are subject to foreign exchange risk arising from commercial transactions and recognized assets and liabilities which are denominated in non-RMB.

We recognized net foreign exchange gains of RMB0.01 million for the six months ended June 30, 2025.

We have not implemented any hedging arrangements. We manage our foreign exchange risk by closely monitoring the movement of the foreign currency rates. We will mitigate such a risk by constantly reviewing the economic situation and foreign exchange risk, and applying hedging measures when necessary.

Capital expenditure

For the six months ended June 30, 2025, our total capital expenditure was approximately RMB18.83 million, compared to approximately RMB97.62 million for the six months ended June 30, 2024. Our capital expenditure primarily consisted of payments for purchase of equipment and intangible assets. We funded these expenditures with cash generated from our operations and financing activities.

Capital commitments

As of December 31, 2024 and June 30, 2025, we had capital commitments of RMB8.30 million and RMB6.93 million, respectively, primarily in connection with (1) the remaining amount of payments expected to be made in the future for the purchase of long-term assets; and (2) the amount of payments for short-term leases within the next period.

Contingent liabilities

As of June 30, 2025, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of the Group.

Future plans for material investments and capital assets

Save as disclosed in the section headed Future Plans and Use of Proceeds in the Prospectus and in this interim report, as of June 30, 2025, we did not have detailed future plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries and affiliated companies

Save as disclosed in this interim report, for the six months ended June 30, 2025, we did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Pledge of assets

As of June 30, 2025, we did not pledge any of our assets.

Net current assets

As of December 31, 2024 and June 30, 2025, our net current assets amounted to RMB402.04 million and RMB375.88 million, respectively. The decrease in our net current assets was primarily attributable to a decrease in the inventories as a result of the fluctuation in sales during the peak season and the off season.

Borrowings and Indebtedness

Our indebtedness consisted primarily of lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of June 30, 2025	As of December 31, 2024
	(RMB in thousands)	
Current indebtedness		
Lease liabilities	29,830	25,267
Non-current indebtedness		
Lease liabilities	96,391	105,048
Total	126,221	130,315

As of June 30, 2025, we had no outstanding balance of borrowings. In addition, we had banking facilities of RMB197.0 million, none of which was utilized.

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Name ‘ ¤	Capacity/Nature of interest … J Æ B Ì /	Number of H Shares[(1)] H p p … p Ž [(1)]	Approximate percentage in our total share capital & p I < X Y ? Ò õ ± â
Mr. Zheng ʢ Ω	Beneficial owner . Э в	33,273,040 (L)	7.15%
	Interest held jointly with another person[(2)] _ ȥ j в ' Ғ Ϭ Э . [(2)]	137,578,025 (L) 29,000,000 (S)	29.55% 6.23%
	Interest of spouse[(5)] ʗ ů . [(5)]	8,625,000 (L)	1.85%
Mr. Li G ʢ Ω	Beneficial owner . Э в	33,249,145 (L)	7.14%
	Interest held jointly with another person[(2)] _ ȥ j в ' Ғ Ϭ Э . [(2)]	146,226,920 (L) 29,000,000 (S)	31.41% 6.23%
LIU Zhen	Beneficial owner . Э в	12,059,675 (L)	2.59%
	Interest in controlled corporation[(6)] Ç ᵁ V̈ ḿ Ţ . [(6)]	60,000,000 (L)	12.89%
WANG Yalong ˛ м	Interest in controlled corporation[(7)] Ç ᵁ V̈ ḿ Ţ . [(7)]	38,857,460 (L)	8.35%

(1) [illegible]

(2) (i) [illegible] (ii) [illegible] §(iii) [illegible] (iv) [illegible]

(3) [illegible]

(4) [illegible]

(5) [illegible]

(6) [illegible] 80% [illegible]

(7) [illegible] 45% [illegible]

[illegible] XV [illegible] XV [illegible] 7 [illegible] 8 [illegible] 352 [illegible]

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2025, to the best knowledge of the Directors, the following persons, other than Directors, Supervisors or chief executive of the Company, had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 366 of the SFO:

Name	Capacity/Nature of interest	Number of H Shares(1)	Approximate percentage in our total share capital

Name	Capacity/Nature of interest	Number of H Shares(1)	Approximate percentage in our total share capital
YANG Lei	Interest in controlled corporation(6)	38,857,460 (L)	8.35%
Shannan Yanshi Venture Investment Co., Ltd.	Interest in controlled corporation(6)	38,857,460 (L)	8.35%
WANG Jinghui	Interest in controlled corporation(6)	38,857,460 (L)	8.35%
HU Qiaohong	Beneficial owner	32,978,255 (L)	7.08%

(1) (2) See "Corporate Governance and Other Information — Interests and Short Positions of the Directors, Supervisors and the Chief Executive of Our Company in the Shares, Underlying Shares and Debentures of Our Company and Its Associated Corporations" in this interim report for more information.

(3) Ms. Xue is the spouse of Mr. Zheng. Accordingly, they are deemed to be interested in the same number of Shares of each other for the purpose of the SFO.

(4) Xiamen Guangyao Tianxiang Investment Co., Ltd. is the sole general partner of Guangyao Tianxiang LP and is therefore deemed to be interested in the Shares held by Guangyao Tianxiang under the SFO.

(5) The general partner of Xiamen Jinyanlai LP is Wang Junjie, who is therefore deemed to be interested in the Shares held by Xiamen Jinyanlai LP under the SFO.

(6) Beijing Yanshi Investment Management Center (Limited Partnership) is the sole general partner of Hongyan Investment LP. The general partner of Beijing Yanshi Investment Management Center (Limited Partnership) is YANG Lei and the limited partner of Beijing Yanshi Investment Management Center (Limited Partnership) holds more than one-third of its limited partnership interest is Shannan Yanshi Venture Investment Co., Ltd. (a company owned as to 51% by WANG Jinghui and 45% by WANG Yalong). As such, each of Beijing Yanshi Investment Management Center (Limited Partnership), YANG Lei, Shannan Yanshi Venture Investment Co., Ltd., WANG Jinghui and WANG Yalong is deemed to be interested in the Shares held by Hongyan Investment LP under the SFO.

Save as disclosed above, as of June 30, 2025, the Directors, Supervisors and

(iii) Scheme administration

A management committee has been authorized to act as the scheme administrator to manage the scheme and the related shareholding platform, including but not limited to, formulating and amending detailed implementation documents for the scheme, managing the daily operation of the scheme and related shares, approving the exit and share transfer, determining and explaining terms of the scheme and related matters thereunder and other work as otherwise authorized by the Company. The management committee shall consist of eight members including one team leader who is the chairman of the Company, three deputy team leaders who are the Company s vice chairman, general manager, and chairman of the board of Supervisors, and four team members who are the Company s chief financial officer, board secretary, human resources director and manager of the legal department.

(iv) Maximum number of Shares

A total number of 8,208,320 Shares underlying the Employee Incentive Scheme were issued to Jinyan Tengfei LP for the purpose of the Employee Incentive Scheme, representing approximately 1.76% of the total issued share capital of the Company. As of June 30, 2025, all Shares subject to the Employee Incentive Scheme have been granted to and subscribed by 43 Participants.

(v) Rights and Restrictions Attached to the Limited Partnership Interests in Jinyan Tengfei LP that were Subscribed For

The Company shall establish a limited partnership entity as an employee shareholding platform to hold and manage the Shares under the scheme. The general partner of such entity shall be the person representing and responsible for the management of such entity, including exercising the voting rights attached to the Shares held by Jinyan Tengfei LP, and the limited partners shall not participate in the management. Accordingly, the Company established Jinyan Tengfei LP as the employee shareholding platform, the general partner of which is Mr. Huang and the limited partners of which are grantees under the scheme.

All the grantees shall be entitled to all the economic interests relating to their respective limited partnership interests in Jinyan Tengfei LP that were subscribed for, except that the limited partnership interests in Jinyan Tengfei LP that were subscribed for shall be subject to certain transfer and disposal restrictions, including: (i) the completion of a qualified listing; (ii) the expiry of the lock-up period as required by the CSRC (where applicable); and (iii) 36 months commencing from the date of implementation of the scheme. In addition, each grantee who is Director, Supervisor or senior management of the Company shall retain at least 10% of the total Shares subscribed by him/her under the scheme during his/her term of employment, to avoid short selling and control the risk.

In the event that the relevant grantees conduct material malfeasance, violate the lock-up requirements, take action materially adversely affect the Group or conduct competitive business without the approval of the Company, such limited partnership interests in Jinyan Tengfei LP that were subscribed for shall be unconditionally sold to other limited partners or third parties designated by the scheme administrator at the price calculated based on the following calculation methods, whichever is lower and deducting the taxes and administrative expenses accrued per share: (a) the actual subscription price paid by such grantee; or (b) the most recent and valid fair value assessed.

In the other events, the sales price shall be determined with reference to the principal above and such shall not be higher than the price calculated based on the following calculation methods, whichever is higher and deducting the taxes and administrative expenses accrued per share: (a) the actual subscription price paid by such grantee plus interests of commercial banks in the same period; or (b) the most recent and valid fair value assessed or the market trading price.

(vi) Details of the Awards granted

Below is the list of the grantees under the Employee Incentive Scheme that are entitled to the limited partnership interests in Jinyan Tengfei LP that were subscribed for as of June 30, 2025:

Name	Role	Date of grant	Number of Shares[1]	Approximate 542.1308 d1 590.463 9re eC7

All the limited partnership interests in Jinyan Tengfei LP granted under the Employee Incentive Scheme are subject to certain transfer and disposal restrictions set out above. No grant of the limited partnership interests in Jinyan Tengfei LP under the Employee Incentive Scheme has caused any dilution of the shareholding of our Shareholders after the Listing.

H SHARE INCENTIVE SCHEME

The H Share Incentive Scheme was approved and adopted by the Company on March 25, 2024. The terms of the H Share Incentive Scheme are subject to the provisions of Chapter 17 of the Listing Rules. Summary of major terms of the H Share Incentive Scheme are as follows:

(i) Purposes of H Share Incentive Scheme

The purposes of the H Share Incentive Scheme include (a) promoting the achievement of long-term sustainable development and performance goals of the Company, (b) closely aligning the interests of the grantees with those of the Shareholders, investors and the Company to enhance the cohesion of the Company and to facilitate the maximization of the value of the Company, and (c) improving the Company s incentive mechanism to attract, motivate and retain Directors, Supervisors, senior management, core employees and service providers who have made outstanding contributions to the sustainable operation, development and long-term growth of the Company.

(ii) Participants of H Share Incentive Scheme

Eligible participants who may participate in the H Share Incentive Scheme include: (a) any Director (excluding independent non-executive Director), Supervisor, senior management or employee of the Group; and (b) any service provider as the Board deems fit.

A person shall not be considered as an eligible participant if, at the Grant Date, he/she: (a) is an independent non-executive Director; (b) has been publicly censured or declared as an ineligible candidate by securities regulatory institutions in the last 12 months; (c) has been imposed with administrative penalties by securities regulatory institutions in the last 12 months due to material non-compliance of laws or regulations; (d) is prohibited from acting as a Director, Supervisor or a member of the senior management of the Company as required by the PRC Company Law or the Listing Rules; (e) is prohibited from participating in the Scheme as required by laws and regulations; (f) has committed other material violation of relevant requirements of the Group or caused material damage to the interest of the Group as determined by the Board; or (g) any other circumstances prescribed by the Board for the purpose of safeguarding the Group s interests and ensuring the Group s compliance with applicable laws and regulations relating to the operation of the H Share Incentive Scheme.

(iii) Scheme Limit

In any event, the maximum number of Target Shares corresponding to the Trust Units which may be granted under the H Share Incentive Scheme shall not exceed 5% of the Company s total Shares in issue as at the adoption of the H Share Incentive Scheme (the Scheme Limit), which was 23,275,000 H Shares.

(iv) Limit for each participant

None of the grantees shall be granted with an aggregate of more than 1% of the Company s total Shares in issue in any 12-month period up to and including the Grant Date.

(v) Grant of Trust Units

Subject to the terms and conditions of the H Share Incentive Scheme, the Board and/or the Delegatee(s) may at their absolute discretion and on such terms and conditions as the Board and/or the Delegatee(s) thinks fit, grant the Trust Units to any eligible participant at the Grant Price, which shall be determined by the Board and/or the Delegatee(s). The consideration shall be paid by the relevant grantee when the Trust Units are vested.

After the Board and/or the Delegatee(s) has decided to make a grant of Trust Units to any grantee, the Company shall issue an Award Letter to such grantee, which should set out details of the grant, including but not limited to the name of the grantee, the Trust Units granted, the vesting criteria and conditions, the vesting date, Grant Price and other terms and conditions to be determined by the Board and/or the Delegatee(s) that are not inconsistent with the H Share Incentive Scheme. The grantee shall confirm in writing his acceptance of such grant.

(vi) Vesting of the Trust Units

Subject to all applicable laws, rules or regulations, the Board and/or the Delegatee(s) will determine the vesting criteria and conditions and the vesting periods for the Trust Units to be granted to each grantee pursuant to the H Share Incentive Scheme. The details of the vesting conditions and terms shall be determined by the Board and/or the Delegatee(s) from time to time with reference to, among others, the business performance and financial position of the Company and the prevailing market conditions and shall be set out in the Award Letter.

Within a reasonable time after the vesting conditions and schedule have been reached, fulfilled, satisfied or waived and before the date of vesting, the Board or its Delegatee(s) shall send the vesting notice to each of the relevant grantees. The vesting notice will confirm, among others, the extent to which the vesting conditions and schedule have been reached, fulfilled, satisfied or waived, and the number of Trust Units and Target Shares to be vested for that relevant vesting period.

If a grantee satisfies the vesting conditions applicable to the grant of such Trust Units and accepts the vesting of relevant Trust Units, such grantee shall confirm in writing for his acceptance and fully pay the relevant Grant Price either in cash or by deduction of such number of Shares equivalent to the Grant Price, to vest the relevant Trust Units.

After the relevant Trust Units are duly vested in accordance with the aforementioned procedures, subject to compliance with the relevant laws, regulations, rules and regulatory documents of the places where the Company is established and listed, as well as the articles of association of the Company, the Trustee shall allocate and dispose the Target Shares which corresponds to the Trust Units vested in the grantees in accordance with the instruction of the grantees pursuant to the H Share Incentive Scheme.

(vii) Grant Price

The grant price of each Target Share underlying the Trust Unit shall be determined by the Board and/or the Delegatee(s).

(viii) Remaining life of the H Share Incentive Scheme and outstanding Trust Units

The H Share Incentive Scheme will be valid and effective for a period of ten years commencing on March 25, 2024.

For further information of the H Share Incentive Scheme and related information, please refer to the announcement of the Company dated January 12, 2024 and the circular of the Company dated March 7, 2024.

In December 2024, 70 Eligible Participants were granted with Trust Units representing a total of 6,284,500 underlying H Shares at the grant price of HK$4.85 per H Share under the H Share Incentive Scheme, excluding the Trust Units representing a total of 273,000 underlying H Shares which were granted to but not accepted by three Eligible Participants. For further details, please refer to the Company's announcement dated December 4, 2024.

In April 2025, 11 Eligible Participants were granted with Trust Units representing a total of 993,000 underlying H shares at the grant price of HK$4.85 per H Share under the H Share Incentive Scheme, including the Trust Units representing a total of 78,000 underlying H Shares which were granted to but not accepted by two Eligible Participants. For further details, please refer to the Company's announcement dated April 30, 2025 and the Company's supplemental announcement dated May 30, 2025.

Movements of the unvested H Shares underlying the Trust Units granted under the H Share Incentive Scheme during the Reporting Period are set out below:

Category/ Name of Grantee	Date of Grant	Purchase Price	Vesting Period	Number of unvested H Shares underlying the Trust Units as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Number of unvested H Shares underlying the Trust Units as of June 30, 2025	Weighted average closing price of the H Shares before vesting
Directors, Supervisors, Senior Management and Other Connected Persons									
Mr. Huang	December 2024	HK$4.85	The Trust Units shall vest in three tranches of 40% in July 2026, 30% in July 2027 and 30% in July 2028, respectively.	332,500				332,500	N/A

Category/ Name of Grantee	Date of Grant	Purchase Price	Vesting Period	Number of unvested H Shares underlying the Trust Units as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Number of unvested H Shares underlying the Trust Units as of June 30, 2025	Weighted average closing price of the H Shares before vesting
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Category/ Name of Grantee Õ¬[ó9J'¤	Date of Grant ¬šÚ,	Purchase Price …0	Vesting Period ån,	Number of unvested H Shares underlying the Trust Units as of January 1, 2025 Ú ZgZžË SÜSÚJånY ¦ÄaBÆ…X ´ëHppŽ	Granted during the Reporting Period S,« ¬š	Vested during the Reporting Period S,« ån	Lapsed during the Reporting Period S,«0Ö	Number of unvested H Shares underlying the Trust Units as of June 30, 2025 Ú ZgZžË ¬ÜgdÚJånY ¦ÄaBÆ…X ´ëHppŽ	Weighted average closing price of the H Shares before vesting HpånÃY Æ;i×9
ZHENG Feng	December 2024	HK$4.85	The Trust Units shall vest in three tranches of 40% in July 2026, 30% in July 2027 and 30% in July 2028, respectively.	166,250				166,250	N/A
		4.85	40% £ 30% ˛ 30% ¤						Ï
HUANG Junhao[1]	December 2024	HK$4.85	The Trust Units shall vest in three tranches of 40% in July 2026, 30% in July 2027 and 30% in July 2028, respectively.	133,000				133,000	N/A
[1]		4.85	40% £ 30% ˛ 30% ¤						Ï
XUE Fenghong[2]	April 2025	HK$4.85	The Trust Units shall vest in three tranches of 40% in July 2026, 30% in July 2027 and 30% in July 2028, respectively.		133,000			133,000	N/A
[2]		4.85	40% £ 30% ˛ 30% ¤						Ï
LI Jiangtao[3]	April 2025	HK$4.85	The Trust Units shall vest in three tranches of 40% in July 2026, 30% in July 2027 and 30% in July 2028, respectively.		133,000			133,000	N/A
G[3]		4.85	40% £ 30% ˛ 30% ¤						Ï
Employees									
62 employees in aggregate[4]	December 2024	HK$4.85	The Trust Units shall vest in three tranches of 40% in July 2026, 30% in July 2027 and 30% in July 2028, respectively.	3,824,000				3,824,000	N/A
62[4]		4.85	40% £ 30% ˛ 30% ¤						Ï

Category/ Name of Grantee	Date of Grant	Purchase Price	Vesting Period	Number of unvested H Shares underlying the Trust Units as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Number of unvested H Shares underlying the Trust Units as of June 30, 2025	Weighted average closing price of the H Shares before vesting
Seven employees in aggregate[4]	April 2025	HK$4.85	The Trust Units shall vest in three tranches of 40% in July 2026, 30% in July 2027 and 30% in July 2028, respectively.		649,000			649,000	N/A

Notes:

(1) HUANG Junhao is the son of Mr. Huang.

(2) XUE Fenghong is the sister-in-law of ZHENG Wenbin, an executive Director and the vice chairman of the Board.

(3) LI Jiangtao is the nephew of LI Youquan, an executive Director and the general manager of the Company.

(4) None of the grantees is a Director, a chief executive, or a substantial shareholder of the Company, or an associate of any of them.

Save as disclosed above, no Trust Unit has been granted under the H Share Incentive Scheme during the Reporting Period.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended June 30, 2025.

COMPLIANCE WITH THE CG CODE

The Company s corporate governance practices are based on the principles and code provisions as set out in the CG Code and the Company has adopted the CG Code as its own code of corporate governance.

During the Reporting Period, the Company had complied with all the applicable code provisions as set out in the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding the transactions of securities of the Company by its directors, supervisors and the relevant employees who would likely possess inside information of the Company. Specific enquiry has been made to all directors and supervisors of the Company and all of them have confirmed that they have complied with the Model Code during the six months ended June 30, 2025.

CHANGES OF INFORMATION OF DIRECTORS AND SUPERVISORS

During the six months ended June 30, 2025 and up to the date of this report, there were no changes to the information of Directors and Supervisors.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

As of June 30, 2025, the Company had no other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL RESULTS

The Audit Committee has been established in compliance with Rules 3.21 and 3.22 of the Listing Rules with written terms of reference in compliance with the CG Code. The primary responsibilities of the Audit Committee are to review and monitor the financial reporting, risk management and internal control systems of the Company and to assist the Board to fulfill its responsibilities over the audit.

As of the date of this interim report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. CHEN Aihua, Mr. XIAO Wei and Mr. LAM Yiu Por, and Mr. CHEN Aihua serves as the chairman of the Audit Committee.

The Audit Committee has reviewed and confirmed the accounting principles and policies adopted by the Group and discussed the auditing, internal control and financial reporting matters of the Group. The interim results of the Group for the six months ended June 30, 2025 have also been reviewed by the Audit Committee.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity,* issued by the Hong Kong Institute of Certified Public Accountants (HKICPA).

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

Neither the Company nor its subsidiary had purchased, sold or redeemed any of the Company s listed securities (including the sale of Treasury Shares (as defined under the Listing Rules), if any) during the Reporting Period. As at June 30, 2025, the Company did not hold any Treasury Shares.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during six months ended June 30, 2025 was the Company or its subsidiaries a party to any arrangement that would enable the Directors or Supervisors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporates, and none of the Directors, Supervisors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporates or had exercised any such right.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the six months ended June 30, 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The management provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As of June 30, 2025, we had 1,590 employees. The labor costs including Directors' and Supervisors' emoluments and share-based payment expenses were approximately RMB148.78 million for the six months ended June 30, 2025.

Our employees' compensation includes basic salary, performance-based cash bonuses and other incentives. We determine our employees' compensation based on each employee's performance, qualifications, position and seniority. In order to improve the Company's incentive mechanism, retain key employees and promote the sustainable development of the Company's business, the Board proposed the H Share Incentive Scheme to the Shareholders' general meeting for consideration to incentivize the management personnel and core technical employees who play important roles in the Company's operating results and future development. The H Share Incentive Scheme was approved and adopted on March 25, 2024. For the details of the H Share Incentive Scheme and related information, please refer to the announcement of the Company dated January 12, 2024 and the circular of the Company dated March 7, 2024.

We recognize the importance of keeping the Directors updated with the latest information of duties and obligations of a director of a company whose shares are listed on the Stock Exchange and the general regulatory and environmental requirements for such listed company. To meet this goal, we are committed to the continuing education and development of the Directors.

The Directors, Supervisors and senior management receive remuneration from the Company in the form of fees, salaries, contributions to pension schemes, discretionary bonuses, allowances and other benefits in kind. The Board has established the Remuneration and Appraisal Committee to review and recommend the remuneration and compensation packages of the Directors, Supervisors and senior management of the Company, and the Board, with the advice from the Remuneration and Appraisal Committee, will review and determine the remuneration and compensation packages taking into account salaries paid by comparable companies, time commitment and responsibilities of the Directors, Supervisors and senior management and performance of the Group.

As required under the labor laws of PRC, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans.

We believe that we have maintained a good working relationship with our employees and we had not experienced any material labor disputes or any difficulty in recruiting staff for our operations during the six months ended June 30, 2025.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H shares of the Company were listed on the main board of the Stock Exchange on December 12, 2023. The net proceeds received from the Global Offering (after deducting the underwriting commissions and other fees and expenses in connection with the Global Offering) was approximately HK$256.46 million (equivalent to approximately RMB233.2 million).

The net proceeds from the Global Offering have been and will be utilized in that same manner, proportion and the expected timeframe as set out in the Prospectus under the section headed Future Plans and Use of Proceeds.

The table below sets out the planned and actual applications of the net proceeds up to June 30, 2025.

	Net proceeds from the Global Offering (HKD in millions)	Equivalent to RMB (RMB in millions)	Utilization as of June 30, 2025 (RMB in millions)	Unutilized proceeds as of June 30, 2025 (RMB in millions)
Research and development activities to expand our product portfolio and enrich our product features	25.6	23.3	20.5	2.8
Expand and consolidate our sales network	64.1	58.3	54.7	3.6
Strengthen our brand building and marketing promotion efforts	38.5	35.0	35.0	–
Strengthen our supply chain management capabilities	89.8	81.6	81.6	–
Strengthen our digital infrastructure	12.8	11.7	10.1	1.6
Working capital and other general corporate purposes	25.6	23.3	23.3	–
Total	256.46	233.21	225.2	8.0

To the extent that the net proceeds have not been immediately utilized, the balance has been deposited with banks. The Board currently do not expect to change the intended use of net proceeds as previously disclosed in the Prospectus, and expects full utilization of the net proceeds raised from the Global Offering by December 31, 2028, subject to changes in light of the Company s evolving business needs and changing market conditions.

EVENTS AFTER THE REPORTING PERIOD

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As of the date of this interim report, save as disclosed in the notes to the financial statements in this interim report, there has been no significant event since the end of the Reporting Period that is required to be disclosed by the Company.

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By Order of the Board
Xiamen Yan Palace Bird's Nest Industry Co., Ltd.
HUANG Jian
Chairman and Executive Director

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Hong Kong, August 29, 2025

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Review report to the board of directors
of Xiamen Yan Palace Bird's Nest Industry Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 50 to 92, which comprise the consolidated statement of financial position of Xiamen Yan Palace Bird's Nest Industry Co., Ltd. ("the Company") as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
29 August 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 – unaudited i ʘ ʘ ˜ K ʟ ˥ ʥ Ҁ ˛ ˛ ʟ ↔˥ ɗ H ⁵
*(Expressed in Renminbi)*¾ ʙ M ϟ θ ¿

		Note	Six months ended 30 June Ú ¬ Ü g d Ú ß ¬ H Ü 2025 Z g Z ž Ë RMB'000 [O Æ w ©	 2024 ʘ ʘʰ K RMB'000 ʙ M ɬ ɬ
		ằ ض		
Revenue	×]	3	1,014,581	1,059,304
Cost of sales	ϽT Z		(487,051)	(545,505)
Gross profit	ã ;		527,530	513,799
Other net income	P˽ ص Ц ɠ	4	6,319	7,973
Selling and distribution expenses	Ͻ ˽ ێ		(333,484)	(365,272)
Administrative expenses	Ѡ'Ω ێ		(66,582)	(62,604)
Research and development expenses	ΎY ﻬ ێ		(11,349)	(12,358)
Impairment loss on goodwill	˜ ﻧﻲ ⅓	9	(9,179)	
Profit from operations	¾ ; —		113,255	81,538
Finance costs	Ɲ₂ ﺣﻲ Ï	5(a)	(3,206)	(3,532)
Profit before taxation	ð ü Ã ; —	5	110,049	78,006
Income tax	ʃ ȡ ﺟﻪ	6(a)	(32,598)	(17,961)
Profit for the period	, « ; —		77,451	60,045
Attributable to:	Ð & j			
Equity shareholders of the Company	Z ˯ __ . ẃ Ḛ		75,261	58,080
Non-controlling interests	Ḛ V̈ ẃ .		2,190	1,965
Profit for the period	, « ; —		77,451	60,045
Earnings per share	Ê p ® ;			
Basic and diluted (RMB)	` Z ˽ ¾ ʙ M ɬ ¿	7	0.16	0.12

The notes on pages 57 to 92 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 16(a).

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – unaudited

(Expressed in Renminbi)

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Profit for the period	77,451	60,045
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income (FVOCI) – net movement in fair value reserves (non-recycling)	(7,078)	
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of operations outside Chinese Mainland	51	
Other comprehensive income for the period	(7,027)	
Total comprehensive income for the period	70,424	60,045
Attributable to:		
Equity shareholders of the Company	68,211	58,080
Non-controlling interests	2,213	1,965
Total comprehensive income for the period	70,424	60,045

The notes on pages 57 to 92 form part of this interim financial report.

At 30 June 2025 – unaudited

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	8	272,646	282,421
Intangible assets		3,640	1,982
Goodwill	9	67,986	77,165
Equity securities designated at FVOCI	10	27,874	35,948
Financial assets measured at fair value through profit or loss (FVPL)		991	991
Deferred tax assets		63,014	51,227
Other non-current assets		26,273	23,365
		462,424	473,099
Current assets			
Inventories	11	197,598	353,198
Trade and other receivables	12(a)	95,898	163,656
Prepayments	12(b)	75,713	75,996
Prepaid taxes		3,446	157
Cash and cash equivalents	13	518,294	420,508
		890,949	1,013,515
Current liabilities			
Trade and other payables	14	199,323	271,050
Contract liabilities		238,835	254,075
Lease liabilities			

At 30 June 2025 – unaudited Ç ʘ ʘ ˜ K ʟ ¯ ʤ ʢ ȡ H ⁵
*(Expressed in Renminbi)*¾ ʙ M ϟ θ ¿

		At 30 June 2025 õ Z g Z ž Ë ¬ Ü g d Ú RMB'000 [O Æ w ©	At 31 December 2024 Ç ʘ ʘʰ K ʢ ʘ¯ ʤ ʢ ʑ RMB'000 ʙ M
Non-current liabilities	¢ t À		
Lease liabilities		96,391	105,048
Dividend payables	ẃ ♦	1,393	
Deferred tax liabilities		493	1,850
		98,277	106,898
NET ASSETS	*	740,022	768,244
CAPITAL AND RESERVES	p I ¿ · ê		
Share capital	p I	93,100	93,100
Reserves	· ê	625,163	652,642
Total equity attributable to equity shareholders of the Company	I ® ! Æ B p Ð & < Æ B	718,263	745,742
Non-controlling interests	¢ › p Æ B	21,759	22,502
TOTAL EQUITY	< Æ B	740,022	768,244

Approved and authorised for issue by the board of directors on 29 August 2025.

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Huang Jian
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Chairman and Executive Director
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Zheng Wenbin
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Vice Chairman and Executive Director
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The notes on pages 57 to 92 form part of this interim financial report.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 – unaudited

(Expressed in Renminbi)

	Note	Share capital RMB'000	Share premium RMB'000 (Note 16(b)(i))	Shares held for employee incentive scheme RMB'000 (Note 16(b)(ii))	Statutory reserve RMB'000 (Note 16(b)(iii))	Fair value reserve (non-recycling) RMB'000 (Note 16(b)(iv))	Exchange reserve RMB'000 (Note 16(b)(v))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		Attributable to equity shareholders of the Company									
Balance at 1 January 2024		93,100	433,389		75,869			167,313	769,671	27,256	796,927
Changes in equity for the six months ended 30 June 2024:											
Profit and total comprehensive income for the period								58,080	58,080	1,965	60,045
Purchase of own shares under employee incentive scheme				(7,675)					(7,675)		(7,675)
Appropriation to statutory reserve	16(b)(iii)				1,370			(1,370)			
Dividends approved and paid to the shareholders in respect of the previous year	16(a)							(100,077)	(100,077)		(100,077)
Dividends to non-controlling interests										(8,640)	(8,640)
Balance at 30 June 2024 and 1 July 2024		93,100	433,389	(7,675)	77,239			123,946	719,999	20,581	740,580
Changes in equity for the six months ended 31 December 2024:											
Profit for the period								98,215	98,215	2,170	100,385
Other comprehensive income						13,933	(7)		13,926	(6)	13,920
Total comprehensive income						13,933	(7)	98,215	112,141	2,164	114,305
Capital injection from non-controlling interests										485	485
Purchase of own shares under employee incentive scheme				(86,398)					(86,398)		(86,398)
Appropriation to statutory reserve	16(b)(iii)				5,228			(5,228)			
Dividends to non-controlling interests										(728)	(728)
Balance at 31 December 2024		93,100	433,389	(94,073)	82,467	13,933	(7)	216,933	745,742	22,502	768,244

For the six months ended 30 June 2025 – unaudited

(Expressed in Renminbi)

	Note	Share capital	Share premium	Shares held for employee incentive scheme	Share-based payment reserve	Statutory reserve	Fair value reserve (non-recycling)	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		Attributable to equity shareholders of the Company										
				(Note 16(b)(i))	(Note 16(b)(ii))	(Note 16(b)(vi))	(Note 16(b)(iii))	(Note 16(b)(iv))	(Note 16(b)(v))			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025		93,100	433,389	(94,073)	–	82,467	13,933	(7)	216,933	745,742	22,502	768,244
Changes in equity for the six months ended 30 June 2025:												
Profit for the period		–	–	–	–	–	–	–	75,261	75,261	2,190	77,451
Other comprehensive income		–	–	–	–	–	(7,078)	28	–	(7,050)	23	(7,027)
Total comprehensive income		–	–	–	–	–	(7,078)	28	75,261	68,211	2,213	70,424
Capital injection from non-controlling interests		–	–	–	–	–	–	–	–	–	1,499	1,499
Equity-settled share-based transactions	15	–	–	–	3,942	–	–	–	–	3,942	–	3,942
Deregistration of a subsidiary		–	–	–	–	(500)	–	–	500	–	–	–
Dividends approved to the shareholders in respect of the previous year	16(a)	–	–	–	–	–	–	–	(99,632)	(99,632)	–	(99,632)
Dividends to non-controlling interests		–	–	–	–	–	–	–	–	–	(4,455)	(4,455)
Balance at 30 June 2025		93,100	433,389	(94,073)	3,942	81,967	6,855	21	193,062	718,263	21,759	740,022

The notes on pages 57 to 92 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Operating activities		
Cash generated from operations	287,650	130,032
Income tax paid	(58,015)	(26,411)
Net cash generated from operating activities	229,635	103,621
Investing activities		
Payment for purchase of property, plant and equipment and intangible assets	(18,833)	(97,623)
Proceeds from disposal of property, plant and equipment	8	17
Payment for acquisition of financial assets measured at FVPL	(784,424)	(434,928)
Proceeds from disposal of financial assets measured at FVPL	786,668	435,836
Payment for acquisition of equity securities designated at FVOCI	(1,363)	
Net cash used in investing activities	(17,944)	(96,698)
Financing activities		
Capital element of lease rentals paid	(15,983)	(15,049)
Interest element of lease rentals paid	(3,206)	(3,532)
Payment of listing expenses	–	(725)
Payment of shares repurchased for employee incentive scheme	–	(7,675)
Dividends paid to the shareholders	(91,811)	(100,077)
Dividends to non-controlling interests	(4,455)	(8,640)
Capital injection from non-controlling interests	1,499	
Net cash used in financing activities	(113,956)	(135,698)
Net increase/(decrease) in cash and cash equivalents	97,735	(128,775)
Cash and cash equivalents at 1 January	420,508	537,093
Effect of foreign exchange rate changes	51	1,276
Cash and cash equivalents at 30 June	518,294	409,594

The notes on pages 57 to 92 form part of this interim financial report.

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (IAS) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (IASB). It was authorised for issue on 29 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains 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 Company and its subsidiaries (the Group) since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

1 BASIS OF PREPARATION (continued)

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). KPMG s independent review report to the Board of Directors is included on pages 48 to 49.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates Lack of exchangeability* issued by the IASB to this interim financial
by he Board of IASB s Ñ

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (continued)

(a) Revenue (continued)

The Group has applied the practical expedient in paragraph 121(a) of IFRS15 to its sales contracts for edible bird s nest products that had an original expected duration of one year or less and does not disclose the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations.

Seasonality of operations

The Group typically experience lower sales for the first half of the year, compared to the second half of the year, due to the increased demand for its products before and during the holiday seasons and festivals, most of which happen during the second half of the year. As a result, the Group typically reports lower revenues for the first half of the year, than the second half.

(b) Segment reporting

The Group manages its businesses by sales channel categories. In a manner consistent with the way in which information is reported internally to the Group s most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Direct sales to online customers: this segment engaged in sales of edible bird s nest products to retail customers through online platform.
- Direct sales to offline customers: this segment engaged in sales of edible bird s nest products to retail customers in brick-and-mortar stores.
- Sales to offline distributors: this segment engaged in sales of edible bird s nest products to offline distributors.

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

Direct sales to E-commerce platforms: this segment engaged in sales of edible bird s nest products to online platforms.

Sales to online distributors: this segment engaged in sales of edible bird s nest products to online distributors.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group s most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and direct expenses incurred by those segments respectively. The measure used for reporting segment result is gross profit which is calculated based on revenue less cost of sales for the relevant segment. No inter-segment sales have occurred during the interim period. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group s other operating income and expenses, such as other net income, selling and distribution expenses, administrative expenses, research and development expenses, impairment loss on goodwill, finance costs and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, other operating income and expenses is presented.

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(i) Segment results (continued)

Information regarding the Group s reportable segments as provided to the Group s most senior executive management

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(ii) Reconciliation of reportable segment profit or loss

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

(ii)

(iii)

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(iii) Geographic information (continued)

	Revenues from external customers Six months ended 30 June 2025 RMB'000	 2024 RMB'000	Specified non-current assets At 30 June 2025 RMB'000	 At 31 December 2024 RMB'000
Chinese Mainland	1,014,182	1,059,304	341,372	361,568
Hong Kong	106		–	
Other countries	293		2,900	
	1,014,581	1,059,304	344,272	361,568

4 OTHER NET INCOME

	Six months ended 30 June 2025 RMB'000	 2024 RMB'000
Net fair value changes on financial assets measured at FVPL	2,244	908
Interest income	1,021	3,327
Government grants (note (i))	2,226	2,486
Net gain on disposal of property, plant and equipment	20	254
Foreign exchange gain	9	1,545
Others	799	(547)
	6,319	7,973

(i) Government grants were received or receivable from several local government authorities as a recognition of the Group's contribution towards the local economic development.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
(a) Finance costs		
Interest on lease liabilities	3,206	3,532

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
(b) Staff costs#		
Salaries, wages and other benefits	135,598	139,695
Contributions to defined contribution retirement plan	9,235	7,779
Equity-settled share-based payment expenses	3,942	
	148,775	147,474
(c) Other items		
Amortisation of intangible assets	483	234
Depreciation charge#		
owned property, plant and equipment	13,794	10,944
right-of-use assets	16,665	11,496
(Reversal of impairment loss) / impairment loss on trade receivables	(504)	68
Impairment loss on other receivables	419	706
Cost of inventories# (note 11(a))	436,299	492,280

Cost of inventories includes RMB53,635,000 (six months ended 30 June 2024: RMB55,525,000) relating to staff costs and depreciation, which amount is also included in the respective total amounts disclosed separately above or note 5(b) for each of these types of expenses.

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Current tax		
PRC Corporate Income Tax ("CIT")	40,945	34,883
Under-provision in respect of prior years	2,429	143
	43,374	35,026
Deferred tax		
Origination and reversal of temporary differences	(10,776)	(17,065)
	32,598	17,961

According to the PRC Corporate Income Tax Law and its implementation regulations, certain subsidiaries of the Group were qualified as "Small Low-profit Enterprise" and enjoyed a reduced corporate income tax rate of 20% and a 75% deduction of annual assessable profits for the six months ended 30 June 2025 and 2024. All of the other Chinese Mainland subsidiaries of the Group and the Company are subject to CIT at a statutory rate of 25% for the six months ended 30 June 2025 and 2024.

According to the relevant tax rules in Chinese Mainland, qualified research and development expenses are allowed for bonus deduction for income tax purpose, as a result, an additional 100% of the qualified research and development expenses could be deemed as deductible expenses for the six months ended 30 June 2025 and 2024.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the interim period.

(i) Weighted average number of ordinary shares

	Six months ended 30 June 2025 '000	Six months ended 30 June 2024 '000
Ordinary shares in issue at 1 January	465,500	465,500
Effect of shares held for H Share Incentive Scheme (note 15)	(9,294)	(25)
Weighted average number of ordinary shares at 30 June	456,206	465,475

(b) Diluted earnings per share

For the six months ended 30 June 2025, the effects of unvested shares held for H Share Incentive Scheme were not included in the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. The Company did not have other potential ordinary shares and therefore the amounts of diluted earnings per share were the same as basic earnings per share for the six months ended 30 June 2025.

For the six months ended 30 June 2024, there are no dilutive potential ordinary shares, and therefore, the amounts of diluted earnings per share are the same as basic earnings per share for the period.

8 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2025, the Group entered into a number of lease agreements for use of retail stores and administrative offices, and therefore recognised the additions to right-of-use assets of RMB12,189,000 (six months ended 30 June 2024: RMB21,137,000).

The Group leased a number of retail stores which contain variable lease payment terms that are based on sales generated from the retail stores and minimum annual lease payment terms that are fixed. These payment terms are common in retail stores in Chinese Mainland where the Group operates. The amount of fixed and variable lease payments for the six months ended 30 June 2025 and 2024 is summarised below:

	Six months ended 30 June 2025		
	Fixed payments RMB000	Variable payments RMB000	Total payments RMB000
Retail stores	6,974	757	7,731
Manufacturing facilities and administrative offices	12,215	–	12,215
	19,189	757	19,946

8 PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Right-of-use assets (continued)

	Six months ended 30 June 2024		
	Fixed payments RMB'000	Variable payments RMB'000	Total payments RMB'000
Retail stores	5,263	2	5,265
Manufacturing facilities and administrative offices	13,614		13,614
	18,877	2	18,879

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment which mainly include leasehold improvement, machinery and office and other equipment with a cost of RMB8,762,000 (six months ended 30 June 2024: RMB100,663,000). Items of property, plant and equipment with a net book value of RMB7,000 were disposed during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB27,000), resulting in a gain on disposal of RMB1,000 (six months ended 30 June 2024: loss on disposal of RMB10,000).

9 GOODWILL 9 ‘

		RMB'000
		ʙ M ɿ ɫ
Cost:	Ó I j	
At 1 January 2024	Ḉ ʘ ʘʰ K ʑ̄ ʑ˛	75,165
Addition through business combination	ء ₂ ϴ ᴛ ڃ	2,000
At 31 December 2024 and 30 June 2025	Ḉ ʘ ʘʰ K ʕ ʘ̄ ʣ ʕ ʑ˛ ␣ ʘ ʘ ˜ K ʟ̄ ʣ ʕ˛	77,165
Accumulated impairment losses:	] ¯ = f & j	
At 1 January 2024, 31 December 2024 and 1 January 2025	Ḉ ʘ ʘʰ K ʑ̄ ʑ˛ £ ʘ ʘʰ K ʕ ʘ̄ ʣ ʕ ʑ˛ ␣ ʘ ʘ ˜ K ʑ̄ ʑ˛	
Impairment loss recognised	' ني ⅓	(9,179)
At 30 June 2025	Ḉ ʘ ʘ ˜ K ʟ̄ ʣ ʕ˛	(9,179)
Carrying amount:	* & = j	
At 30 June 2025	Ḉ ʘ ʘ ˜ K ʟ̄ ʣ ʕ˛	67,986
At 31 December 2024	Ḉ ʘ ʘʰ K ʕ ʘ̄ ʣ ʕ ʑ˛	77,165

9 GOODWILL (continued)

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to city of operation and operating segment as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Beijing Tianfeiyan Trading Co., Ltd. ("Beijing Tianfeiyan") – offline retail	22,430	31,609
Harbin Jinyanhui Trading Co., Ltd. ("Harbin Jinyanhui") – offline retail	17,301	17,301
Changchun Jinyanhui Trading Co., Ltd. ("Changchun Jinyanhui") – offline retail	15,245	15,245
Taiyuan Jixiangyan Trading Co., Ltd. ("Taiyuan Jixiangyan") – offline retail	11,010	11,010
Nanning Jinyanli Trading Co., Ltd. ("Nanning Jinyanli") – offline retail	2,000	2,000
	67,986	77,165

9 GOODWILL (continued)

Beijing Tianfeiyan – offline retail

The recoverable amount of the CGU Beijing Tianfeiyan is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in estimating the recoverable amount are as follows:

Annual growth rate of revenue during five-year forecast period	0% - 2%
Estimated weighted average growth rate beyond the five-year period	2%
Pre-tax discount rate	9.69% - 12.07%

The financial performance of Beijing Tianfeiyan has been lowered than expectation in the first half of 2025. As a result, the impairment loss of RMB9,179,000 related to the CGU Beijing Tianfeiyan was recognised during the six months ended 30 June 2025 as it has been reduced to

10 EQUITY SECURITIES DESIGNATED AT FVOCI

	At 30 June 2025 RMB'000	At 31 December 2024 RMB 000
Investments in listed equity securities PT. ESTA INDONESIA (PT. ESTA)	27,874	35,948

PT. ESTA is incorporated in Republic of Indonesia and listed on Indonesia Stock Exchange, and engaged in edible bird s nests trading and industrial business. The Group held 5.00% of equity interest in PT. ESTA as at 30 June 2025 (31 December 2024: 4.8%). The Group designated its investment in PT. ESTA at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the six months ended 30 June 2025.

11 INVENTORIES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB 000
Raw materials	125,717	197,742
Work in progress	21,251	40,561
Finished goods	31,844	79,096
Goods in transit	7,059	20,639
Packaging	12,191	15,540
Right to recover returned goods	137	237
	198,199	353,815
Less: Write-down of inventories	(601)	(617)
	197,598	353,198

11 INVENTORIES (Continued)

(a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June 2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	435,309	489,451
Carrying amount of inventories recognised as research and development expenses	265	1,599
Write-down of inventories	725	1,230
	436,299	492,280

12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables, net of loss allowance		
third parties	68,268	92,367
Deposits	5,035	4,102
Amounts due from related parties (note 19(c))	1,900	1,900
VAT recoverable	18,696	36,496
Government grants receivables	–	27,026
Other receivables	1,999	1,765
	95,898	163,656

12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (continued)

(a) Trade and other receivables (continued)

As at 30 June 2025 and 31 December 2024, all of the trade and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivable (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Current (not past due)	68,232	92,070
Over 3 months past due	36	297
	68,268	92,367

Trade debtors are due within 30 to 90 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted.

12 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (continued)

(b) Prepayments

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Prepayments for:		
advertising expenses	53,370	58,076
purchase of raw materials	3,737	2,455
others	18,606	15,465
	75,713	75,996

13 CASH AND CASH EQUIVALENTS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Cash at bank and on hand (note (i))	503,424	410,724
Cash balances with payment platforms (note (ii))	14,870	9,784
Cash and cash equivalents	518,294	420,508

(i) As at 30 June 2025, HK$3,107,000 (equivalent to approximately RMB2,833,000) (31 December 2024: HK$1,205,000, equivalent to approximately RMB1,116,000) and RMB329,000 (31 December 2024: RMB984,000) were placed with a bank in designated accounts in relation to Share Scheme Trust under the H Share Incentive Scheme as disclosed in note 15.

(ii) The amount represents cash balances kept with third party payment platforms, which can be withdrawn on demand.

13 CASH AND CASH EQUIVALENTS (continued)

As at 30 June 2025, cash and cash equivalents situated in Chinese Mainland amounted to RMB473,727,000 (31 December 2024: RMB375,257,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

14 TRADE AND OTHER PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables	34,897	66,895
Receipts in advance	46,567	47,404
Salary and welfare payables	34,142	51,579
Other payables and accruals	36,055	42,086
Financial liabilities measured at amortised cost	151,661	207,964
Other tax payables	21,863	9,061
Refund liabilities:		
arising from right of return	226	428
arising from sales rebates	25,573	53,597
	199,323	271,050

All trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

14 TRADE AND OTHER PAYABLES (continued)

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 3 months	31,557	65,191
Over 3 months but within 6 months	1,703	790
Over 6 months but within 9 months	1,349	914
Over 9 months but within 1 year	288	
	34,897	66,895

15 EQUITY SETTLED SHARE BASED TRANSACTIONS

H Share Incentive Scheme

On 25 March 2024, the H share employee incentive scheme (the H Share Incentive Scheme) was approved by the extraordinary general meeting of the Company. The purpose of H Share Incentive Scheme is mainly to provide incentives and rewards to eligible participants for their contribution or potential contribution to continue leading the future success of the Group.

Following the implementation of the H Share Incentive Scheme, the Company has appointed a third-party trustee (Trustee) to constitute a trust plan under the trust management agreement (Share Scheme Trust) for repurchasing, holding, and administrating the Company s shares under H Share Incentive Scheme. The directors of the Company consider that it is appropriate to consolidate Share Scheme Trust as the Company has power to govern the relevant activities of Share Scheme Trust and can derive benefits from the contributions of the eligible participants who are awarded with the shares under the H Share Incentive Scheme.

15 EQUITY SETTLED SHARE BASED TRANSACTIONS (continued)

H Share Incentive Scheme (continued)

Eligible participants as approved by the Company would be granted the trust units (Trust Units) which give the eligible participants the right to pay the subscription price when the Trust Units are vested. After the Trust Units are duly vested, the Trustee shall allocate and dispose the corresponding H shares of the Company underlying the H Share Incentive Scheme (Restricted H Shares) in accordance with the instruction of the eligible participants. The eligible participants shall not have any rights (such as voting rights, allotment rights or right issues,

(Expressed in Renminbi unless otherwise indicated)

15 EQUITY SETTLED SHARE BASED TRANSACTIONS (continued)

H Share Incentive Scheme (continued)

Subject to meeting the service and appraised conditions in respect of the Company's revenue and profits in the financial year prior to a given vesting date, the Trust Units will be vested in the following manner:

	Vesting dates	Proportion of vesting
First batch	July 2026	40.00%
Second batch	July 2027	30.00%
Third batch	July 2028	30.00%

Movements in the number of Trust Units granted to directors and employees are as follows:

	2025		2024	
	Number of Trust Units	Equivalent of number of Restricted H Shares	Number of Trust Units	Equivalent of number of Restricted H Shares
As at 1 January	66,984,618	6,284,500		
Granted during the period	9,752,712	915,000		
Granted but not yet vested as at 30 June	76,737,330	7,199,500		

15 EQUITY SETTLED SHARE BASED TRANSACTIONS (continued)

H Share Incentive Scheme (continued)

The fair value of services received in return for the Trust Units granted is measured by reference to the fair value of Trust Units granted. The estimate of the fair value of the Trust Units granted is measured based on a binomial lattice model. The fair value of the first batch of Trust Units has been measured on 30 June 2025, being the date when the Group has specified the related performance targets, and the Group and the grantees have a shared understanding of the terms and conditions of the arrangement for the first batch Trust Units. Accordingly, the first batch Trust Units have been valued at HK$2.66~HK$3.11 (equivalent to approximately RMB2.43~RMB2.84) per share.

The Group has not specified the performance targets related to the second batch and the third batch Trust Units. The Group has estimated the fair value of the second batch and the third batch Trust Units on 30 June 2025, for the purposes of recognising the services received. Accordingly, the second batch and the third batch Trust Units have been valued at HK$2.78~HK$3.13 and HK$2.90~HK$3.15 (equivalent to approximately RMB2.53~RMB2.85 and RMB2.64~RMB2.87 respectively) per share respectively.

(Expressed in Renminbi unless otherwise indicated)

15 EQUITY SETTLED SHARE BASED TRANSACTIONS (continued)

H Share Incentive Scheme (continued)

Fair value of share options and assumption

	The first batch Trust Units	The second batch Trust Units	The third batch Trust Units
Share price	HK$6.30	HK$6.30	HK$6.30
Exercise price	HK$4.85	HK$4.85	HK$4.85
Time to maturity	1 year	2 year	3 year
Exercise multiple	2.2-2.8	2.2-2.8	2.2-2.8
Volatility	30.14%-31.68%	30.14%-31.68%	30.14%-31.68%
Risk free rate	2.79%-2.87%	2.79%-2.87%	2.79%-2.87%
Post-vesting exit rate	0%-8.07%	0%-8.07%	0%-8.07%

The volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Changes in the subjective input assumptions could materially affect the fair value estimate.

16 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period

The directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2025 and 2024.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved during the following interim period, of RMB21.5 cents per ordinary share (six months ended 30 June 2024: RMB21.5 cents per ordinary share)	100,083	100,077
Less: dividend for ungranted shares under H Share Incentive Scheme	(451)	
	99,632	100,077
Less: dividend for unvested shares under H Share Incentive Scheme	(1,548)	
Unpaid withholding tax	(6,273)	
Final dividend in respect of the previous financial year paid	91,811	100,077

16 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Nature and purpose of reserves

(i) Share premium

The share premium represents the difference between the par value of the shares of the Company and consideration for the shares issued.

(ii) Shares held for employee incentive scheme

The shares held for employee incentive scheme comprises the cost of the Company s shares held by the Group. At 30 June 2025, the Group held 9,294,400 of the Company s shares (31 December 2024: 9,294,400) included 7,199,500 (31 December 2024: 6,284,500) shares granted pursuant to the H Share Incentive Scheme (see note 15).

(iii) Statutory reserve

Pursuant to the Articles of Association of the Group s Chinese Mainland companies and relevant statutory regulations, appropriations to the statutory reserve fund were made at 10% of profit after tax determined in accordance with accounting rules and regulations of Chinese Mainland until the reserve balance reaches 50% of the registered capital. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the Chinese Mainland companies provided that the balance after such conversion is not less than 25% of their registered capital, and is non-distributable other than in liquidation.

(iv) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period.

16 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Nature and purpose of reserves (continued)

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(vi) Share-based payment reserve

The share-based payment reserve comprises the grant date fair value of unexercised share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments.

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as lease liabilities and adjusted capital comprises all components of equity. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

	Fair value at 30 June 2025	Fair value measurements as at 30 June 2025 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements				
Assets:				
Trust industry protection fund	991	–	991	–
Non-trading listed equity securities	27,874	27,874	–	–

	Fair value at 31 December 2024	Fair value measurements as at 31 December 2024 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements				
Assets:				
Trust industry protection fund	991		991	
Non-trading listed equity securities	35,948	35,948		

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

During the six months ended 30 June 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of trust industry protection fund in Level 2 is determined by discounting the estimated future cash flows at risky rate, which is the benchmark interest rate plus the risk premium as at the end of the reporting period.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2024 and 30 June 2025.

19 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(a) Key management personnel remuneration

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Salaries, wages and other benefits	6,151	6,286
Contributions to defined contribution retirement plan	215	188
Equity-settled share-based payment expenses	1,689	
	8,055	6,474

Total remuneration is included in staff costs (see note 5(b)).

(b) Other transactions with related parties

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Trade in nature:		
Advertising services received		
Entities controlled by a director of the Group		

(Expressed in Renminbi unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Balances with related parties

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade in nature:		
Prepayments		
Entities controlled by a director of the Group	5,977	4,458
Other receivables included in trade and other receivables		
Entities controlled by a director of the Group	1,900	1,900
Receipts in advance included in trade and other payables		
Entity significantly influenced by one of the Controlling Shareholders	1,461	
Other payables included in trade and other payables		
Entity significantly influenced by one of the Controlling Shareholders	927	3,471
Contract liabilities		
Entity significantly influenced by one of the Controlling Shareholders	3,102	4,198

20 NON ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 29 July 2025, 501,200 H shares were repurchased on the Stock Exchange by the Company at a total consideration of approximately HK$4,262,000.

Articles of Association or Articles	the articles of association of the Company, as amended from time to time
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Audit Committee	the audit committee of the Board
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Award Letter	a letter issued by the Company to each grantee in such form as the Board and/or the Delegatee may from time to time determine, specifying the name of the grantee, the number of Trust Units granted, the vesting criteria and conditions, the vesting date and such other terms and conditions to be determined by the Board and/or the Delegatee that are not inconsistent with the H Share Incentive Scheme
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Board of Directors or Board	the board of directors of our Company
Ö ĸ ×	Z ˛__ ĸ
CG Code	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
Ö ɸ Ṇ Б Ờ ×	ʦ ´ ȿ Ờ ẳ C1 ʃ Ț ɸ Ṇ Б Ờ
China, Mainland China or PRC	People s Republic of China, excluding, for the purposes of this interim report and for geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
Ö ‹ ℵ ×£Ö ‹ ℵ ˩ Ͻ ×ᴺÖ ‹ ʙ M ꟳ ŋ ℵ ×	‹ ʙ M ꟳ ŋ ℵ ¢ Z ‹ Ḩ э ˥ ˽ ∩ Ͻ ȷ̈ ь э ˥ ¢ › ῳ ₴ £ ‹ ʙ M ꟳ ŋ ℵ Ằ ω̈Ω ŋ ᵒ ¢ ᾰ Ẹ' _ Э ʃ ώ
Company, our Company, Group, our Group, we, us or Yan Palace	Xiamen Yan Palace Bird s Nest Industry Co., Ltd. (Ằ ˖ ῄ ẃ Ÿ Э ₦ ˛__) (formerly known as Xiamen Yan Palace Bioengineering Co., Ltd. (Ằ ˖ ῄ Ω ȓ ˆ ẃ Ÿ Э ₦ ˛__)), a joint stock company established in the PRC with limited liability on December 23, 2020, or, where the context requires (as the case may be), its predecessor, Xiamen Yan Palace Biological Engineering Development Co., Ltd. (Ằ ˖ ῄ Ω ȓ ˆ ○ Э ₦ ˛__), a company established in the PRC with limited liability on October 31, 2014
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Controlling Shareholders	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Huang, Mr. Zheng, Mr. Li, Ms. Xue, Xiamen Suntama and Jinyan Tengfei LP
CSRC	the China Securities Regulatory Commission
Delegatee(s)	the Board committee(s) and/or person(s) delegated by the Board
Director(s)	the director(s) of our Company
EBN+ products	ready-to-serve EBN products (with an EBN feed rate of 1% or above and up to 5%) enhanced with other ingredients and/or nutrients, such as ginseng and gamma-aminobutyric acid
edible bird's nests or EBN	nests created by swiftlets with their saliva. EBN is highly valued in Chinese culture and has been a renowned delicacy in Chinese cuisine for over 400 years. It is known for its nutritional profile, which includes, among others, sialic acid, amino acid, collagen, glycoprotein, antioxidants, calcium, potassium, iron, magnesium and hormones. Traditional Chinese medicine attributes various health benefits to EBN, such as promoting overall wellness, boosting the immune system, enhancing focus and concentration, increasing energy and metabolism and regulating circulation. Modern scientific studies conducted by authoritative sources have further validated the perceived health benefits of EBN products

Hong Kong Ö ₴ مح ×	the Hong Kong Special Administrative Region of the PRC ، ﺘﻣ B M F ŋ ﬡ ₴ مح ΩΏ₉
Hongyan Investment LP Ö Ή ك Э ₦ Ө ×	Beijing Hongyan Equity Investment Center (Limited Partnership) (o Ή ẃ ك ، " (Э ₦ Ө)), a limited partnership established in the PRC on October 20, 2014 o Ή ẃ ك ، " ¾ Э ₦ Ө ¿¢ ƶ ▫ Ç ʘ ƶʰ K Ç ʘ Ç C ، ﬡ T λ Ţ Э ₦ Ө ɸ
IFRS Accounting Standards Ö ﬡ ʌ₂ ک Ḩ ⁵ Ơ ×	includes all applicable individual IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by the International Accounting Standards Board (IASB) ῶ ﬡ ⁵ Ơ J̌ ĸ ³⁄Ö ﬡ ⁵ Ơ J̌ ĸ ×¿ Ç Ţ ʃ Э Ï ﬡ ʌ₂ ک Ḩ ⁵ Ơ £ ﬡ ⁵ Ơ ﬡ ʌ₂ ک Ḩ Ơ φ ╓
Jinjun Hongyan LP Ö Ậ Э ₦ Ө ×	Pingtan Jinjun Hongyan Investment Partnership LP (Ά Ậ ك Ө ɸ (Э ₦ Ө)), a limited partnership established in the PRC on April 20, 2018 Ά Ậ ك Ө ɸ ¾ Э ₦ Ө ¿¢ ƶ ▫ Ç ʘ ƶ ʜ Kʰ ʘ Ç C ، ﬡ T λ Ţ Э ₦ Ө ɸ
Jinyan Tengfei LP Ö Ậ ₱ Э ₦ Ө ×	Xiamen Jinyan Tengfei Equity Investment Partnership (Limited Partnership) (Ǻ Ậ ₱ ẃ ك Ө ɸ (Э ₦ Ө)), a limited partnership established in the PRC on December 14, 2020 and an employee incentive platform of our Group and one of our Controlling Shareholders Ǻ Ậ ₱ ẃ ك Ө ɸ ¾ Э ₦ Ө ¿¢ Ç ʘ ʘ K Ç ʘ Çʰ C ، ﬡ T λ Ţ Э ₦ Ө ɸ ¢ ɑ Z ╓ ˆ Άº Ѷ ẃ ẃ Ḛ ƶ
Listing Ö ʦ ´ ×	the listing of the H Shares on the Main Board of the Stock Exchange H ẃ Ç ς ʃ ḣ ʦ ´
Listing Date Ö ʦ ´ ضح ×	December 12, 2023, being the date on which the H Shares were listed on the Main Board of the Stock Exchange ʘ ʘ ʣ K Ç ʘ Ç ʘ ¢ H ẃ C ς ʃ ḣ ʦ ´ ضح
Listing Rules Ö ʦ ´ Ś Ơ ×	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time ₴ مح Ө ς ď ʃ Э ₦ ᴮ ʦ ´ Ś Ơ¾ ! ∂ ⁶ ᴺ ¿

Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
Ö Б Ờ ×	ʦ ´ Ŝ Ờ ǻ C3 ʃ Ṭ ʦ ´ ﻬ Ꞷ ʙ κ ﺴﺨ Ꞷ ᴮ ς ḋ Ṭ Б Ờ
Mr. Huang	Mr. HUANG Jian (ﻘﻤ ΰ), our chairman of the Board of Directors, executive Director and one of our Controlling Shareholders
Ö ﻘﻤ ʕ Ω ×	ﻘﻤ ΰ ʕ Ω ¢ ÿ ⅝ Ṭ κ ậ £ n Ꞷ κ ˽ ᶭ ẃ ẃ Ḛ ˖ ʑ
Mr. Li	Mr. LI Youquan (G Э ῭Ḥ), our general manager, executive Director and one of our Controlling Shareholders
Ö G ʕ Ω ×	G Э ῭Ḥ ʕ Ω ¢ ÿ ⅝ Ṭ J̌ £ n Ꞷ κ ˽ ᶭ ẃ ẃ Ḛ ˖ ʑ
Mr. Zheng	Mr. ZHENG Wenbin ('), our vice chairman of the Board of Directors, executive Director and one of our Controlling Shareholders
Ö ʕ Ω ×	' ʕ Ω ¢ ÿ ⅝ Ṭₒ κ ậ £ n Ꞷ κ ˽ ᶭ ẃ ẃ Ḛ ˖ ʑ
Ms. Xue	Ms. XUE Fengying ( ), one of our Controlling Shareholders and the spouse of Mr. Zheng
Ö ' ' ×	' ' ¢ ÿ ⅝ Ṭ ᶭ ẃ ẃ Ḛ ˖ ʑ ˽ ʕ Ω Ṭ ⅄ ΰ
Nomination Committee	the nomination committee of the Board
Ö ﺞ j φ ╓ ×	κ ﺞ j φ ╓
Prospectus	the prospectus of the Company dated November 30, 2023
Ö ᶻ ẃ ﺝ ﺠ ×	Z ˯ ﺻﺢ ɖ ʘ ʘ ʣ K ʕ ʑ ˥ ʣ ʕ Ṭ ᶻ ẃ ﺝ ﺠ
Remuneration and Appraisal Committee	the remuneration and appraisal committee of the Board
Ö ь˘ φ ╓ ×	κ ь˘ φ ╓
Renminbi or RMB	Renminbi, the lawful currency of the PRC
Ö ʙ M ×	˓ ℵ ḿ ɨ ˔ ʙ M
Reporting Period	six months from January 1, 2025 to June 30, 2025
Ö ᓘ Ḩ ﺻﺢ ×	s ʘ ʘ ˜ K ʑ ˥ ʑ ͶɨʘʘˆKʟ˥ ʣ ʕ ʟ ↔˥

SFO	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
Ö ᴮ ˽ ضج ᵻ ⋆ ᴗ ×	₴ مج ḿ ᴗ ؟ 571 ج ᴮ ˽ ضج ᵻ ⋆ ᴗ¾ ˒ ! ∂ ⁶ £ ` ᴺ— ᴾ˽ ˏ Л ∂ Ʒ ¿
Share(s)	ordinary share(s) in the share capital of the Company with a par value of RMB0.20 each
Ö ẃ Ÿ ×	Z ˯__ ẃ Z ˓ ˇ ẃ ₪ ⅓ в M 0.20 ˧ Ṭ مج ˍ ẃ
Shareholder(s)	holder(s) of our Share(s)
Ö ẃ Ḙ ×	ẃ Ÿ ̈Y Э в
Stock Exchange	The Stock Exchange of Hong Kong Limited
Ö ς ʃ ×	₴ مج Ɵ ς ď ʃ Э ₦ ˯__
Strategy Committee	the strategy committee of the Board
Ö ٽ φ ╔ ×	κ ٽ φ ╔
subsidiary(ies)	has the meaning ascribed thereto under the Listing Rules
Ö ˈ ˯__ ×	п Э ʦ ˊ ʆ̈ Ờ ʃ ˘ Ṭ ږ
Substantial Shareholder(s)	has the meaning ascribed to it under the Listing Rules
Ö_ † ẃ Ḙ ×	п Э ʦ ˊ ʆ̈ Ờ ʃ ˘ Ṭ ږ
Supervisor(s)	the supervisor(s) of our Company
Ö κ ×	Z ˯__ κ
Target Share(s)	the H Share(s) of the Company underlying the H Share Incentive Scheme
Ö δ ẃ Ÿ ×	H ẃ ⁵ ΰ Ṭ Z ˯__ H ẃ
Treasury Shares	has the meaning ascribed to it under the Listing Rules
Ö ☻ Џ ẃ Ÿ ×	п Э ʦ ˊ ʆ̈ Ờ ʃ ˘ Ṭ ږ

Trustee	the trustee to be appointed by the Company for the purpose of the trust constituted under the trust management agreement to be entered into pursuant to the H Share Incentive Scheme
Ö ᵁ ᖭ ʙ ×	Z ‿ ي ד Hẃ ⁵ ⁶ λ Ṭ Ẽ ᖭ J̌ ᴸ ۊ λ Ṭ Ẽ ᖭ э ᵩ ϑ Ṭ ᵁ ᖭ ʙ
Trust Unit(s)	unit(s) of beneficial rights under the Trust as granted to the grantees by the Board and/or the Delegatee(s) and as divided by the trustee to be appointed by the Company for the purpose of the H Share Incentive Scheme
Ö Ẽ ᖭ ᵁ̣ Ÿ ×	ᴋ ␣ ƈ ᴺ ت ʙ ' ت ˘ ݜ ვ έ Z ‿ ᶐ Hẃ ⁵ δ Ṭ Ⴑ ᵩ ϑ Ṭ ᵁ ᖭ ʙ ˛ Ṭ Ẽ ᖭ ᵁ̣ Ÿ
United States	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
Ö ℵ ×	Ӥ Ѳ ۴ ℵ ¢ ᴘ ʸ £ Ↄ ␣ ᵁ ᴘ Ṭ ᶴ Э Ↄ₉
USD or US$	US dollars, the lawful currency of the United States
Ö ꟷ ×	ℵ ḿ ᵻ ᴥ ꟷ
Xiamen Jinyanlai LP	Xiamen Jinyanlai Investment Partnership (Limited Partnership) (ﷲ Ǻ Ậ ᴘ ڻ Ѳ ɸ (Э ₦ Ѳ)), a limited partnership established in the PRC on July 17, 2015
Ö ﷲ Ǻ Ậ ᴘ Э ₦ Ѳ ×	ﷲ Ǻ Ậ ᴘ ڻ Ѳ ɸ ¾ Э ₦ Ѳ ¿¢ ƶ ▫ Ḉ ʘ ƶ ˜ K ʔ ̚ ʕ ʔ̡ Ͼ ˛ ℵ T λ Ṭ Э ₦ Ѳ ɸ
Xiamen Suntama	Xiamen Shuangdanma Industrial Development Co., Ltd. (ﷲ Ǻ ˊ ˬ ᾶ ﻼ ○ Э ₦ ‿), a limited liability company established in the PRC on November 11, 1997 and one of our Controlling Shareholders
Ö ﷲ Ǻ ˬ ᾶ ×	ﷲ Ǻ ˊ ˬ ᾶ ﻼ ○ Э ₦ ‿ ¢ ƶ ▫ Ḉ ƶ ʖ ʖ ʔ K ʕ ƶ ̚ ʕ ƶ̡ Ͼ ˛ ℵ T λ Ṭ Э ₦ ‿ ¢ ᶐ ӱ ⅝ Ṭ Ѷ ẃ ẃ Ḛ ˖ ƶ

Yangming Kangyi LP	Fujian Yangming Kangyi Biopharmaceutical Venture Capital LP (ĭ ܨ d̠ ˜ ᴸ Ω ṝ ݭ ݜ ɸ (Э ₦ Ɵ)), a limited partnership established in the PRC on November 17, 2014
Ö ܨ d̠ ˜ ᴸ Э ₦ Ɵ ×	ĭ ܨ d̠ ˜ ᴸ Ω ṝ ݭ ݜ ɸ ¾ Э ₦ Ɵ ¿¢ ȥ ▫ Ḉ ʘ ȥʰ K Ģ ȥ¬ Ģ ʔ C ˓ א T λ Ṭ Э ₦ Ɵ ɸ
+EBN products	include certain food and skincare products that contain EBN or EBN extracts as an enhancement for elevated nutrition or other benefits. +EBN food products are products that use EBN (with an EBN feed rate of less than 1%) and other food ingredients as raw materials, such as EBN porridge. +EBN skincare products are products that contain EBN or EBN extracts, such as EBN facial masks and EBN essence
Ö+ ټ Ỳ ×	ῳ ţ Э ڄ ⅓ ᴺ ´ ᴘ ᴘ. ݣ Ṭ ᴺ ڄ ᴿ ṝ Ṭ ₲ Ỳ ټ Ỳ ¤ + ₲ Ỳ ټ Ỳ ἐ– ¾ ݜ <1% ¿ ᵑ ᴘ ₲ Ỳ ɑ ⌡ Ṭ ټ Ỳ ¢ ᴗ Ḱ ݾ ¤ + ټ Ỳ ἐ ţ Э ᴺ ڄ ᴿ ṝ Ṭ ټ Ỳ ¢ ᴗ Ḱ ₪ ᵑ ݼ ݗ
%	per cent
Ö% ×	ф ˬ