

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

嘉士利集團有限公司
Jiashili Group Limited



(incorporated in the Cayman Islands with limited liability)

(Stock code: 1285)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

FINANCIAL HIGHLIGHTS

- The unaudited consolidated revenue of the Group for the six months ended June 30, 2024 amounted to approximately RMB806.0 million, increase by 3.1% as compared with the same period last year.
- For the six months ended June 30, 2024, the unaudited profit attributable to owners of the Company amounted to approximately RMB21.6 million, drop by 25.1% as compared with the same period last year.
- For the six months ended June 30, 2024, the net cash inflow generated from operation was amounted to approximately RMB44.2 million representing an increase of approximately RMB44.9 million from the corresponding period of last year.
- The earnings before interest, tax, depreciation and amortisation (EBITDA)* from continuing operations for the six months ended June 30, 2024 amounted to approximately RMB97.8 million (six months ended June 30, 2023: approximately RMB117.6 million), representing a decline of 16.8% as compared with the same period last year.
- The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2024 (six months ended June 30, 2023: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Jiashili Group Limited (the “**Company**” or “**Jiashili**”) is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**” or “**our**”) for the six months ended June 30, 2024 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2023.

* include profit/loss before tax but excluding finance costs and total depreciation and amortisation

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2024

	NOTES	Six months ended June 30, 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited) (restated)
Continuing operations			
Revenue	3	806,010	781,955
Cost of sales		<u>(593,292)</u>	<u>(542,759)</u>
Gross profit		212,718	239,196
Other income	5	26,246	22,630
Selling and distribution expenses		(97,234)	(97,356)
Administrative expenses		(53,598)	(45,690)
Other expenses	6	(39,004)	(29,689)
Impairment losses recognised under expected credit loss (“ECL”) model, net		(5,960)	(10,188)
Other gains and losses	7	2,285	2,398
Share of results of associates		(519)	(791)
Share of results of a joint venture		—	(3,073)
Finance costs		<u>(18,293)</u>	<u>(16,866)</u>
Profit before tax		26,641	60,571
Income tax expense	8	<u>(10,260)</u>	<u>(13,345)</u>
Profit for the period from continuing operations		16,381	47,226
Discontinued operations			
Loss for the period from discontinued operations	10	<u>(501)</u>	<u>(22,944)</u>
Profit for the period		<u>15,880</u>	<u>24,282</u>
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		<u>(1,007)</u>	<u>—</u>
Total comprehensive income for the period		<u>14,873</u>	<u>24,282</u>

		Six months ended June 30,	
	<i>NOTES</i>	2024	2023
		RMB'000	RMB'000
		(unaudited)	(unaudited) (restated)
Profit (loss) for the period attributable to owners of the Company:			
— from continuing operations		22,065	51,743
— from discontinued operations		(501)	(22,944)
		21,564	28,799
Loss for the period attributable to non-controlling interests:			
— from continuing operations		(5,684)	(4,517)
		15,880	24,282
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		20,557	28,799
Non-controlling interests		(5,684)	(4,517)
		14,873	24,282
Total comprehensive income (expense) for the period attributable to owners of the Company:			
— from continuing operations		21,058	51,743
— from discontinued operations		(501)	(22,944)
		20,557	28,799
Earnings per share			
From continuing and discontinued operations			
— Basic (RMB cents)	<i>12</i>	5.20	6.94
From continuing operations			
— Basic (RMB cents)	<i>12</i>	5.32	12.47

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	<i>NOTES</i>	June 30, 2024 <i>RMB'000</i> (unaudited)	December 31, 2023 <i>RMB'000</i> (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	<i>13</i>	698,790	696,891
Right-of-use assets	<i>13</i>	252,816	257,328
Investment properties	<i>13</i>	29,128	30,083
Intangible assets	<i>13</i>	90,896	97,288
Goodwill		54,197	65,085
Interests in associates		20,266	20,775
Financial assets at fair value through profit or loss ("FVTPL")	<i>14</i>	124,309	93,666
Loan receivables		76,356	789
Amount due from an associate		7,000	—
Deferred tax assets		4,254	4,276
Other receivables and deposits	<i>15</i>	2,467	2,899
Deposits paid for acquisition of right-of-use assets and property, plant and equipment		1,974	2,156
		1,362,453	1,271,236
CURRENT ASSETS			
Inventories		149,550	172,779
Trade, bills and other receivables	<i>15</i>	208,723	226,680
Loan receivables		57,978	151,622
Amounts due from associates		40,078	46,137
Amounts due from non-controlling shareholders of subsidiaries		8,565	6,909
Amounts due from related parties		56	45
Loans to non-controlling shareholders of subsidiaries		5,300	6,879
Income tax recoverable		5,700	5,269
Pledged/restricted bank deposits		2,098	3,150
Cash and cash equivalents		276,183	290,086
		754,231	909,556
Assets classified as held for sale	<i>10</i>	23,253	—
		777,484	909,556

	<i>NOTES</i>	June 30, 2024 <i>RMB'000</i> (unaudited)	December 31, 2023 <i>RMB'000</i> (audited)
CURRENT LIABILITIES			
Trade, bills and other payables	16	218,589	262,062
Contract liabilities		69,210	90,264
Income tax payables		13,936	18,765
Bank borrowings	17	555,368	503,248
Other borrowing		995	934
Amount due to a non-controlling shareholder of a subsidiary		9	9
Amounts due to related parties		38	63
Amounts due to associates		23	127
Deferred income		2,071	2,071
Lease liabilities		3,425	3,599
		<u>863,664</u>	<u>881,142</u>
Liabilities associated with assets classified as held for sale	10	<u>6,699</u>	<u>—</u>
		<u>870,363</u>	<u>881,142</u>
NET CURRENT (LIABILITIES) ASSETS		<u>(92,879)</u>	<u>28,414</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,269,574</u>	<u>1,299,650</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		4,489	8,410
Deferred income		43,811	44,846
Bank borrowings	17	191,210	192,912
Other borrowing		1,128	1,640
Lease liabilities		47,152	47,829
		<u>287,790</u>	<u>295,637</u>
NET ASSETS		<u>981,784</u>	<u>1,004,013</u>
CAPITAL AND RESERVES			
Share capital		3,285	3,285
Reserves		946,849	964,094
		<u>950,134</u>	<u>967,379</u>
Equity attributable to owners of the Company		950,134	967,379
Non-controlling interests		31,650	36,634
		<u>981,784</u>	<u>1,004,013</u>
TOTAL EQUITY		<u>981,784</u>	<u>1,004,013</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2024

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“**IAS 34**”) *Interim Financial Reporting* issued by the International Accounting Standards Board (“**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In preparing the condensed consolidation financial statements, the directors of the Company have given careful consideration to the future liquidity of the Company in light of the fact that the Group’s current liabilities exceeded its current assets by approximately RMB92,879,000 as at June 30, 2024.

In view of the above circumstances, the directors of the Company have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Company have sufficient financial resources to continue as going concern. Certain plans and measures have been taken to mitigate the liquidity position and improve the financial position which include, but not limited to, the followings:

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future after considering below:

- As at June 30, 2024, the Group has undrawn bank facilities of approximately RMB82,823,000 available to the Group;
- The Group estimates to generate adequate cash inflow from operating activities in expected timeline;
- The Group assesses the cash sufficiency for coming twelve months from the date of this report; and
- The Group expects the short-term revolving bank borrowings of RMB426,900,000 would be refinanced upon maturity based on previous experience.

The directors of the Company are of the opinion that, taken into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operation and to meet its financial obligations for at least twelve months from the date of approval of these condensed consolidated financial statements. Accordingly, these condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2023.

Application of Amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatory effective for the annual period beginning on January 1, 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

An analysis of the Group's revenue from major products and service are set out in note 4 as such analysis form part of the segment information reported to the management of the Group. The Group's food products revenue and hotel service revenue are recognised at a point in time and over time, respectively.

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
		(restated)
Sales channels		
Distributors	771,139	779,762
Supermarkets	1,475	2,193
Retail customers	33,396	—
	<u>806,010</u>	<u>781,955</u>
Total	<u>806,010</u>	<u>781,955</u>
Timing of revenue recognition		
A point in time	796,951	781,955
Over time (<i>note a</i>)	9,059	—
	<u>806,010</u>	<u>781,955</u>
Total	<u>806,010</u>	<u>781,955</u>
Geographical markets		
The PRC (country of domicile)	804,849	780,337
Others (<i>note b</i>)	1,161	1,618
	<u>806,010</u>	<u>781,955</u>
Total	<u>806,010</u>	<u>781,955</u>

Notes:

- (a) The Group provides hotel services to retail customers in Kaiping City, Guangdong Province. Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests. Revenue from other ancillary services is generally recognised at the point in time when the services are rendered.
- (b) Others represent export sales to locations other than the PRC.

4. OPERATING SEGMENTS

Information reported to the executive directors of the Group, being the chief operating decision maker (“**CODM**”), for the purpose of resource allocation and assessment of segment performance focuses on types of products or service delivered or provided.

The CODM reviews operating results and financial information on a product or service category by product or service category basis. For operating segments that exhibit similar long-term financial performance as they have similar economic characteristics, and are using similar production processes to produce goods and distribute or sell to similar classes of customers, their segment results are aggregated into one reportable segment. The CODM assesses the performance of the operating segments based on a measure of segment profit or loss which represents the gross profit of each operation segment.

Specifically, the Group’s reportable segments under IFRS 8 Operating Segments are as follows:

1. Biscuit products
2. Pasta products
3. Flour products

In addition to the above reportable segments, none of the other operating segments, such as bread products, mooncake products, candies products and hotel service, met the quantitative thresholds for the reportable segments in both current and prior periods. Accordingly, they were grouped in “Others”.

Segment revenue and results

Continuing operations

The following is an analysis of the Group's revenue and results by reportable segments.

Six months ended June 30, 2024

	Biscuit products RMB'000 (unaudited)	Pasta products RMB'000 (unaudited)	Flour products RMB'000 (unaudited)	Others RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue					
External sales	621,581	68,089	92,178	24,162	806,010
Inter-segment sales	2,037	43	53,296	417	55,793
	<u>623,618</u>	<u>68,132</u>	<u>145,474</u>	<u>24,579</u>	<u>861,803</u>
Segment results	<u>188,872</u>	<u>14,858</u>	<u>8,079</u>	<u>909</u>	<u>212,718</u>
Other income					26,246
Selling and distribution expenses					(97,234)
Administrative expenses					(53,598)
Other expenses					(39,004)
Impairment losses recognised under ECL model, net					(5,960)
Other gains and losses					2,285
Share of results of associates					(519)
Finance costs					<u>(18,293)</u>
Profit before tax from continuing operations					<u><u>26,641</u></u>

Six months ended June 30, 2023

	Biscuit products <i>RMB'000</i> (unaudited)	Pasta products <i>RMB'000</i> (unaudited)	Others <i>RMB'000</i> (unaudited) (restated)	Total <i>RMB'000</i> (unaudited) (restated)
Segment revenue				
External sales	699,485	59,050	23,420	781,955
Inter-segment sales	1,507	1,195	1,288	3,990
	<u>700,992</u>	<u>60,245</u>	<u>24,708</u>	<u>785,945</u>
Segment results	<u>227,018</u>	<u>9,577</u>	<u>2,601</u>	<u>239,196</u>
Other income				22,630
Selling and distribution expenses				(97,356)
Administrative expenses				(45,690)
Other expenses				(29,689)
Impairment losses recognised under ECL model, net				(10,188)
Other gains and losses				2,398
Share of results of associates				(791)
Share of results of a joint venture				(3,073)
Finance costs				<u>(16,866)</u>
Profit before tax from continuing operations				<u><u>60,571</u></u>

Segment assets and liabilities

The consolidated assets and consolidated liabilities of the Group are regularly reviewed by CODM as a whole. Therefore, the measure of total segment assets and total segment liabilities by operating and reportable segments is not presented.

Revenue from major products

The following is an analysis of the Group's revenue from its major products and service.

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited) (restated)
Continuing operations		
Revenue by products		
Biscuit		
— Sweet single piece biscuits	245,758	263,637
— Salty single piece biscuits	22,702	25,420
— Sandwich biscuits	191,769	217,023
— Wafers	69,501	86,353
— Coarse grain biscuits	26,219	27,684
— Other biscuits	65,632	79,368
	<u>621,581</u>	<u>699,485</u>
Pasta	68,089	59,050
Flour	92,178	—
Others (<i>note</i>)	15,103	23,420
	<u>796,951</u>	<u>781,955</u>
Revenue by services		
Hotel services	9,059	—
	<u>9,059</u>	<u>—</u>
Total	<u><u>806,010</u></u>	<u><u>781,955</u></u>

Note: Others represent miscellaneous products other than biscuits, pastas, flour, such as bread, mooncake and candies.

5. OTHER INCOME

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Government grants <i>(note)</i>	6,528	6,365
Interest income on:		
— bank deposits	1,621	1,938
— loan receivables	4,890	1,143
— loan to a joint venture	—	3,509
— loans to non-controlling shareholders of subsidiaries	203	201
— advance to immediate holding company	—	4,739
— advance to third parties	233	—
Sales of scrap and packaging materials	10,301	2,366
Rental income	2,294	2,255
Other non-operating income	176	114
	<u>26,246</u>	<u>22,630</u>

Note: Government grants represents incentive subsidies received from local government for improvement of working capital and compensation for research and development expenses incurred as well as government subsidies for the compensation of capital expenditures on plant and machinery and right-of-use assets which are deferred and amortised to profit or loss over the estimated useful lives of the respective assets when they are ready to use.

6. OTHER EXPENSES

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Research expenses	25,939	24,978
Donation expenses	4,578	1,660
Cost of scrap and packaging materials sold	5,850	1,116
Building lease expenses	1,472	873
Other non-operating expenses	1,165	1,062
	<u>39,004</u>	<u>29,689</u>

7. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Continuing operations		
Net foreign exchange losses	(16)	(843)
(Losses) gains on disposal of property, plant and equipment	(1,542)	90
Fair value gain on financial assets at FVTPL	3,843	3,151
	<u>2,285</u>	<u>3,398</u>

8. INCOME TAX EXPENSE

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Continuing operations		
PRC Enterprise Income Tax (“EIT”)		
— Current tax	14,159	13,083
Deferred tax	(3,899)	262
	<u>10,260</u>	<u>13,345</u>

No provision for Hong Kong Profits Tax has been made for the six months ended June 30, 2024 and 2023 as the Group has no assessable profits arising in Hong Kong.

Guangdong Jiashili Food Group Company Limited* (廣東嘉士利食品集團有限公司) (“**Guangdong Jiashili**”) was accredited as a High-New Technology Enterprise by the Science and Technology Bureau of Guangdong Province (廣東省科學技術廳) and relevant authorities in the PRC with effect from January 2022 for a term of three years. Guangdong Jiashili was registered with the local tax authority to be eligible to the reduced 15% EIT rate for three years from 2022 to 2024.

Guangdong Kailan Flour Co. Limited* 廣東開蘭麵粉有限公司 (“**Kailan Flour**”) engages in manufacture and sale of flour. According to Cai Shui 2008 No. 149, a joint circular of Ministry of Finance and State Administration of Taxation, wheat preliminary processing for flour is in the scope of EIT exemption. Kailan Flour is registered with Kaiping Administration for Market Regulation to be eligible to grain processing.

For other group entities in the PRC, under the Law of the PRC on EIT (the “**EIT Law**”) and Implementation Regulations of the EIT Law, the EIT rate was 25% for both periods.

According to Cai Shui 2008 No. 1, a joint circular of Ministry of Finance and State Administration of Taxation, dividend distributed out of the profits generated since January 1, 2008 by a PRC entity to a non-PRC tax resident shall be subject to withholding EIT pursuant to Articles 3 and 19 of the EIT Law.

The Company’s subsidiaries that are PRC tax resident are required to withhold the PRC withholding EIT of 10% on dividend payment to their non-PRC resident immediate holding company.

* *English name for identification purpose only.*

9. PROFIT FOR THE PERIOD — CONTINUING OPERATIONS

	Six months ended June 30,	
	2024	2023
	RMB’000	RMB’000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Profit for the period from continuing operations has been arrived at after charging the following items:		
Directors’ and chief executive’s remuneration	2,706	1,320
Other employee benefits expenses:		
— Salaries and allowances	116,538	114,263
— Contributions to retirement benefits scheme	12,159	11,456
Total employee benefits expenses	131,403	127,039
Depreciation of property, plant and equipment	39,465	31,764
Depreciation of right-of-use assets	5,888	4,829
Depreciation of investment properties	955	617
Amortisation of intangible assets (included in cost of sales)	6,584	2,937
Total depreciation and amortisation	52,892	40,147
Expenses relating to short-term leases	1,403	787
Cost of inventories recognised as expenses with no impairment of inventories recognised	587,945	542,759

10. DISCONTINUED OPERATION HELD FOR SALE

In February 2024, according to the civil mediation document issued by the court in the PRC, the Group entered into a settlement agreement with several third parties to dispose of its 100% equity interest in Guangdong Quancheng Great Healthy Beverage Co. Limited* 廣東全成大健康飲品有限公司 (“**Quancheng**”) for a consideration of approximately RMB44,000,000. Quancheng is engaged in manufacturing and selling of soymilk in the PRC. The assets and liabilities attributable to Quancheng, which are expected to be sold within twelve months, have been classified as a discontinued operation held for sale and are presented separately in the condensed consolidated statement of financial position. The disposal is still in process as at the report date.

The net proceeds of disposal are expected to exceed the net carrying amount of the disposal company and accordingly, no impairment loss has been recognised.

The loss for the period from the discontinued operation is set out below. The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated to re-present the soymilk operation as a discontinued operation.

* *English name for identification purpose only.*

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	10,991	14,047
Cost of sales	(8,896)	(11,111)
	<hr/>	<hr/>
Gross profit	2,095	2,936
Other income	280	246
Selling and distribution expenses	(2,000)	(2,742)
Administrative expenses	(382)	(255)
Other expenses	(103)	(120)
Impairment losses recognised under ECL model, net	(391)	(23,009)
	<hr/>	<hr/>
Loss before tax	(501)	(22,944)
Income tax expense	—	—
	<hr/>	<hr/>
Loss for the period	(501)	(22,944)
	<hr/> <hr/>	<hr/> <hr/>

Cash flows from discontinued operation:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash (outflow) inflow from operating activities	(1,536)	434
Net cash inflow from investing activities	340	220
Net cash inflow from financing activities	—	—

The major classes of assets and liabilities of the discontinued operation classified as held for sale are as follows:

	June 30,
	2024
	RMB'000
	(unaudited)
Property, plant and equipment	1,185
Inventories	4,465
Goodwill	10,888
Trade, bills and other receivables	4,052
Loan receivables	1,549
Cash and cash equivalents	1,114
Total assets classified as held for sale	23,253
Trade, bills and other payables	6,410
Contract liabilities	289
Total liabilities classified as held for sale	6,699

11. DIVIDENDS

During the six months ended June 30, 2024, a final dividend of HK10 cents per share in respect of the year ended December 31, 2023, amounting to HK\$41,500,000 (equivalent to approximately RMB37,802,000) (six months ended June 30, 2023: a final dividend of HK5 cents per share in respect of the year ended December 31, 2022, amounting to HK\$20,750,000 (equivalent to approximately RMB18,210,000)) was recognised as distribution to the owners of the Company.

Subsequent to the end of both interim periods, the directors of the Company do not recommend the payment of an interim dividend for the six months ended June 30, 2024 and 2023.

12. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of basic earnings per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purposes of basic earnings per share	<u>21,564</u>	<u>28,799</u>
	2024	2023
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>415,000</u>	<u>415,000</u>

No diluted earnings per share for both six months ended June 30, 2024 and 2023 were presented as there were no potential ordinary shares in issue for both periods.

From continuing operations

The calculation of basic earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings figures are calculated as follow:		
Profit for the period attributable to owners of the Company	21,564	28,799
Add: loss for the period from discontinued operations	<u>501</u>	<u>22,944</u>
Profit for the purpose of calculating basic earnings per share from continuing operations	<u>22,065</u>	<u>51,743</u>

The denominators used are the same as those detailed above for both basic earnings per share.

From discontinued operations

Basic loss per share from discontinued operations is RMB0.12 cents per share (six months ended June 30, 2023: RMB5.53 cents per share), based on the loss for the period from discontinued operations of RMB501,000 (six months ended June 30, 2023: RMB22,944,000) and the denominators detailed above for basic loss per share.

13. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS

During the six months ended June 30, 2024, the Group had addition of approximately RMB45,090,000 (six months ended June 30, 2023: RMB39,176,000) on property, plant and equipment in order to upgrade its operating capacities.

During the six months ended June 30, 2024, the Group disposed of certain plant and equipment with an aggregate carrying amount of RMB2,499,000 (six months ended June 30, 2023: RMB177,000) for cash consideration of RMB957,000 (six months ended June 30, 2023: RMB267,000), resulting in a loss on disposal of RMB1,542,000 (six months ended June 30, 2023: gain on disposal of RMB90,000).

During the six months ended June 30, 2024, the Group had no addition on investment properties. During the six months ended June 30, 2023, the Group entered into an agreement to lease out a building with a carrying amount of RMB1,194,000 to an independent third party for two years. The building was reclassified from the property, plant and equipment to investment property upon the commencement of the lease.

During the six months ended June 30, 2024, the Group entered into several new lease agreements with lease terms ranged from two to three years (six months ended June 30, 2023: six to 50 years). On the date of lease commencement, the Group recognised right-of-use assets of RMB1,390,000 (six months ended June 30, 2023: RMB28,103,000) and lease liabilities of RMB1,058,000 (six months ended June 30, 2023: RMB1,035,000).

During the six months ended June 30, 2024, the Group had addition of RMB192,000 (six months ended June 30, 2023: RMB3,000,000) on intangible assets in order to obtain a licence for operating online sale (six months ended June 30, 2023: planting a new rice species).

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024 <i>RMB'000</i> (unaudited)	December 31, 2023 <i>RMB'000</i> (audited)
Financial assets designated at FVTPL:		
— unlisted equity investment in the PRC (<i>note a</i>)	28,668	—
— unlisted equity investment fund in the PRC (<i>note b</i>)	95,641	93,666
	<u>124,309</u>	<u>93,666</u>

Notes:

- (a) On March 15, 2024, the Group entered into a capital increase agreement with other two independent third parties to invest in 佛山市三水區運發有限公司 Foshan Sanshui Yunfa Co., Limited* (“**Yunfa**”), which engages in transportation services in the PRC. The unlisted equity investment is classified as a non-current asset and accounted for as a financial asset at FVTPL.

As at June 30, 2024, the fair value of Yunfa is amounting to RMB28,668,000 with fair value gain recognised in profit or loss of RMB1,868,000 for the current period.

- (b) The Group entered into a limited partnership agreement for setting up an unlisted equity investment fund, 青島嘉匯股權投資基金合夥企業(有限合夥) Tsingtao Jia Hui Equity Investment Fund (Limited Partnership)* (“**Jia Hui LLP**”), with three independent third parties. The unlisted equity investment fund is classified as a non-current asset and accounted for as a financial asset at FVTPL.

As at June 30, 2024, the fair value of the unlisted equity investment fund is amounting to RMB95,641,000 (December 31, 2023: RMB93,666,000) with fair value gain recognised in profit or loss of RMB1,975,000 for the current period (six months ended June 30, 2023: RMB3,151,000).

The fair value of the financial assets at FVTPL at June 30, 2024 and December 31, 2023 have been arrived at on the basis of valuation carried out by Asset Appraisal Limited (“**Asset Appraisal**”), an independent qualified professional valuer not connected with the Group. Asset Appraisal is a registered firm of the Hong Kong Institute of Surveyors, and has appropriate qualifications and experience.

* *English name for identification purpose only.*

15. TRADE, BILLS AND OTHER RECEIVABLES AND OTHER RECEIVABLES AND DEPOSITS

	June 30, 2024	December 31, 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Trade and bills receivables	42,372	63,124
Less: allowance for ECL	(11,427)	(7,884)
	<hr/>	<hr/>
Total trade and bills receivables, net	30,945	55,240
Prepayments for purchase of raw materials (<i>note a</i>)	55,569	55,323
Other tax recoverable (<i>note b</i>)	37,908	37,290
Other receivables, net of allowance (<i>note c</i>)	56,456	25,385
Other prepayments (<i>note d</i>)	18,948	46,050
Temporary payment on behalf of bakery stores	10,147	8,642
Rental and utility deposits	1,217	1,649
	<hr/>	<hr/>
	211,190	229,579
Less: amount shown under current assets	(208,723)	(226,680)
	<hr/>	<hr/>
Amount shown under non-current assets as other receivables and deposits (<i>note e</i>)	2,467	2,899
	<hr/> <hr/>	<hr/> <hr/>

Trade and bills receivables

The following is an analysis of trade and bills receivables by age, net of allowance for ECL, presented based on the date of delivery of goods, which approximated the respective revenue recognition, at the end of the reporting period:

	June 30, 2024	December 31, 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Within 2 months	23,711	40,199
Over 2 months but within 3 months	2,569	11,143
Over 3 months but within 6 months	4,665	3,898
	<hr/>	<hr/>
	30,945	55,240
	<hr/> <hr/>	<hr/> <hr/>

As at June 30, 2024, total bills receivables amounting to RMB807,000 (December 31, 2023: RMB230,000) are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills receivables held by the Group are with a maturity period of less than one year.

Prepayment, other receivables and deposits

Notes:

- (a) Prepayments for purchase of raw materials mainly comprised of prepayments for sugar, palm oil, flour, wheat and packaging materials.
- (b) The amount mainly comprised of value added tax deductible to be certified.
- (c) Other receivables net of allowance represent logistic deposits, advances to staff and other miscellaneous deposits, which are unsecured and non-interest bearing.

During the six months ended June 30, 2024, the Group terminated the cooperation with two logistics suppliers. Included in the other receivables balances at June 30, 2024 are approximately RMB28,000,000 prepayments to be refunded from these suppliers.

During the six months ended June 30, 2024, the Group has reversed an impairment loss of RMB285,000 (six months ended June 30, 2023: recognised an impairment loss of RMB830,000) on other receivables in the profit or loss.

- (d) Other prepayments represent prepaid logistic fee and fuel, water, electricity charges and other miscellaneous fee for production.
- (e) The amount represents i) rental and utility deposits due after one year and ii) advances to other company due after one year and therefore, classified as non-current.

16. TRADE, BILLS AND OTHER PAYABLES

	June 30, 2024	December 31, 2023
	RMB'000	RMB'000
	(unaudited)	(audited)
Trade payables	89,456	138,677
Bills payables	60,000	32,000
Total trade and bills payables	149,456	170,677
Accrued expenses	18,430	23,312
Transportation fee payables	12,098	20,303
Payroll and welfare payables	24,614	32,504
Other tax payables	8,305	7,217
Other payables	5,686	8,049
	218,589	262,062

Trade and bills payables

The following is an analysis of trade and bills payables by age, presented based on the invoice date at the end of each reporting period:

	June 30, 2024	December 31, 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Within 3 months	88,162	166,206
Over 3 months but within 6 months	30,369	651
Over 6 months but within 1 year	30,173	2,326
Over 1 year	752	1,494
	<u>149,456</u>	<u>170,677</u>

All bills payables are due within one year. The following is an analysis of bills payables by maturity date at the end of each reporting period:

	June 30, 2024	December 31, 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Within 3 months	—	2,000
Over 3 months but within 6 months	60,000	—
Over 6 months but within 1 year	—	30,000
	<u>60,000</u>	<u>32,000</u>

17. BANK BORROWINGS

During the six months ended June 30, 2024, the Group obtained new bank borrowings amounting to RMB360,200,000 (six months ended June 30, 2023: RMB494,490,000) and repaid bank borrowings amounted to RMB309,782,000 (six months ended June 30, 2023: RMB309,322,000). At June 30, 2024, the borrowings carry interest at fixed rates ranging from 2.70% to 4.15% (December 31, 2023: 3.15% to 3.70%) per annum or variable rates ranging from 2.44% to 3.70% (December 31, 2023: 3.25% to 4.90%) per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY ENVIRONMENT

In the first half of 2024, the gross domestic product (“GDP”) of the People’s Republic of China (the “PRC” or “China”) recorded a year-on-year increase of 5.0% and total retail sales of consumer goods increased by 3.7% year-on-year. The government has launched a series of policies to promote consumption, which aims to boost market demand and consumer confidence, providing strong market support for the Group. With the continuous active demand for cultural tourism consumption and festive consumption, the continuous innovation and expansion for consumption scenarios and the further boost of the consumer market, new growth opportunities have been brought to enterprises and brands. Regarding the consumption sector, consumption concepts have been extended from functionality to enjoyment and healing, with consumers focusing on self-fulfillment and seeking emotional value through more diversified experiences and explorations, while at the same time becoming more prudent and foresightful in their consumption decisions. Enterprises with the ability to provide high quality and a strong brand image will capture larger market shares. On the other hand, diversification of demand has prompted the segmentation of product category and channel and urged businesses to extend to multiple categories and pipelines from single ones, thereby accelerating industry upgrade and increasing concentration. Advantages of leading enterprises in aspects of product research and development, brand promotion, channel coverage and client development are further highlighted, while the iterative evolution in the consumer goods industry and the trend of “the strong gets stronger” will become more prominent.

REVIEW OF THE CONTINUING OPERATION FOR THE FIRST HALF OF 2024

Business Review

Jiashili’s biscuits have been brand lasted for more than 68 years since 1956. Our products are distributed to 31 Provinces and Municipalities and 310 prefecture-level cities with more than 660 stock keeping units offered to market in the country. It is also a household name and has won the love of all ethnic groups. Apart from distributing domestically, the Group also exports its products to other countries.

The products produced and distributed by the Group can be summarized into the following product ranges:

- I. Biscuits: Sweet and salty single piece, sandwich, wafers and other biscuits series.
- II. Pasta: Spaghetti and macaroni.

III. Flour: Wheat flour.

IV. Others: Other famous products: such as crackers, cookies, candies, bread, mooncakes and other products.

Disposal of business

In the first quarter of 2024, the Group entered into an agreement to dispose of 100% equity interest of our indirect wholly-owned subsidiary Quancheng for a consideration of approximately RMB44,000,000, thus accordingly the assets and liabilities attributable to Quancheng are classified as a discontinued operation held for sale and are presented separately in the condensed consolidated financial statement. Please refer note 10 in this announcement for more details.

Operation Review

During the Reporting Period, the Group recorded a revenue of approximately RMB806.0 million (first half of 2023: approximately RMB782.0 million), representing an increase of 3.1% as compared with the corresponding period of last year. Gross profit of the Group decreased from approximately RMB239.2 million to approximately RMB212.7 million in the first half of 2024, representing a drop of 11.1% from the corresponding period of last year. The gross profit margin of the Group has decreased to 26.4% in the first half of 2024, representing a decrease of 4.2 percentage points from the same period last year, which was mainly due to the increase in the cost of certain raw materials. The profit attributable to owners of the Company amounted to approximately RMB21.6 million (first half of 2023: approximately RMB28.8 million), representing a decline of 25.1% as compared with the corresponding period of last year. The Group's net cash inflow generated from operation for the first half of 2024 was amounted to approximately RMB44.2 million representing an increase of 6,337.5% as compared with the corresponding period of last year.

During the long and successful history of Jiashili, we have mastered many crises and once again we have proven that our Group is up to the local challenges. Our objectives are to produce quality, popular and preferred biscuits and leisure snack products where you can share anytime, anywhere. Over the year, we have been adhering to the business philosophy of “Jiashili, benefit the nation and benefit to all people 嘉士利、利國家、利大家” to provide delicious and high quality biscuits to the customers in China.

Our business model

With rising income levels and increasingly divergent consumption habits, the trend of consumption upgrade is positive, imposing higher demands on the innovation capabilities of enterprises. The Group attaches great importance to innovation, focusing on brand, product and marketing innovation to consolidate its core competitiveness as a leader in the industry. During the first half of 2024, the Group accelerated the research and development of new products, product upgrade and digital marketing to seize the opportunities brought by new traffic and new scenarios. In terms of digital marketing, the Group has increased its online investment, leveraging the appeal of its spokesperson to expand traffic, and through big data analysis, the Group has been able to precipitate the brand's own fan base, optimize its product portfolio and increase the conversion rate of transactions. The Group has drawn the attention of young consumers with stereoscopic marketing, such as achieving deeper communication with consumers and expanding word-of-mouth promotion through TikTok, Xiaohongshu and other social media. The Group's online business is committed to enriching customers' purchasing channels and creating a convenient, safe and efficient business model that continuously brings more convenience to consumers. While maintaining the traditional e-commerce business foundation, we have strategically deployed our resources into the field of universal interest-based e-commerce, which is represented by platforms like Douyin Shop (抖音商城) and Kuaishou (快手). In terms of operation, the Group continued to strengthen its channel advantages to adapt to the market trends, and improved channel efficiency to the fullest by upgrading channel quality and expanding emerging channels. In terms of channel quality, the Group enhanced the operational efficiency of our sales team in a comprehensive manner through a number of measures such as team structural optimization, distributor reorganization and incentive policy optimization. In terms of channel expansion, we proactively deployed traditional channel, modern channel and new retail channel by means of rational matching of products, teams and channels. On the traditional channel side, our leading position in the industry was consolidated thanks to our in-depth and delicate efforts and the precise and targeted sales plans formulated. On the modern channel side, we expanded the coverage of our outlets and increased high-end product promotions, resulting in further improvement in our penetration rate. On the emerging channel side, we delved into new platforms and strengthened resource allocation.

Financial Review

During the Reporting Period, Group's revenue from continuing operations recorded an increase by 3.1% year-on-year to RMB806.0 million. Breakdown of the revenue by product category for the Reporting Period and the comparative figures for the same period last year are as follows:

Continuing operations Revenue by products	For the six months ended		% of changes in revenue
	June 30, 2024 RMB (million)	2023 RMB (million)	2024 vs 2023 (increase/ decrease) +/-
Sweet Single piece biscuits	245.8	263.6	-6.8%
Salty Single piece biscuits	22.7	25.4	-10.6%
Sandwich biscuits	191.8	217.0	-11.6%
Wafers	69.5	86.4	-19.6%
Coarse grain biscuits	26.2	27.7	-5.4%
Other biscuits	65.6	79.4	-17.4%
Biscuits series	<u>621.6</u>	<u>699.5</u>	<u>-11.1%</u>
Pasta	68.1	59.1	+15.2%
Flour	92.2	—	—
Others	15.1	23.4	-35.5%
Total	<u>797.0</u>	<u>782.0</u>	<u>+1.9%</u>

Revenue from the biscuits business amounted to approximately RMB621.6 million, representing a decrease of 11.1% as compared with the corresponding period of last year, which accounted for 77.1% of the Group's total revenue. Revenue from the pasta business amounted to approximately RMB68.1 million, representing an increase of 15.2% as compared with the corresponding period of last year, which accounted for 8.4% of the Group's total revenue. Revenue from the flour business amounted to approximately RMB92.2 million which accounted for 11.4% of the Group's total revenue.

Cost of sales and gross profit

In the first half of 2024, The Group's overall gross profit decreased from approximately RMB239.2 million to approximately RMB212.7 million compared with the same period last year. Accordingly, gross profit margin dropped by 4.2 percentage points as compared with the corresponding period in 2023. The drop in gross profit and decline in gross profit margin year-on-year was mainly due to the unfavorable impacts on costs of certain raw materials and drop in sales volume of biscuits business. The gross profit of biscuits segments was amounted to approximately RMB188.9 million in the Reporting Period representing a decrease of 16.8% as compared with the corresponding period of last year, while the gross

profit margin of biscuits segments was dropped by 2.1 percentage points to 30.4% in the Reporting Period (first half of 2023: 32.5%). The gross profit of pasta segments in the Reporting Period was amounted to approximately RMB14.9 million representing a surge of 55.1% as compared with the corresponding period of last year, while the gross profit margin of pasta segments was also increased by 5.6 percentage points to 21.8% in the Reporting Period (first half of 2023: 16.2%).

Other income

During the Reporting Period other income has increased by 16.0% to approximately RMB26.2 million from approximately RMB22.6 million as compared with the same period last year. The increase was primarily due to increase in interest received from loan receivables and sale of scrap and packaging materials.

Selling and distribution expenses

Selling and distribution expenses primarily composed of advertising and promotion expenses, delivery and transportation expenses and selling administration expenses. During the Reporting Period, the selling and distribution expenses was amounted to approximately RMB97.2 million or decreased by 0.1% year-on-year thanks to the efficient control on our logistic and distribution network and effective implementation of our advertising and promotions programmes.

Administrative expenses

During the Reporting Period, the amounts of administrative expenses was approximately RMB53.6 million, representing an increase of approximately RMB7.9 million or 17.3 % over the same period last year. Such increase was primarily attributable to the expansion of production facilities to meet customer demand.

Inventories

The Group's inventories consist mainly of raw materials (consists of palm oil, sugar and flour), packaging materials and finished goods. The inventories balance as at June 30, 2024 decreased by approximately RMB23.2 million to approximately RMB149.6 million (December 31, 2023: approximately RMB172.8 million) as compared to the beginning of the Reporting Period, which was attributable to the early preparation of products for the Lunar Chinese New Year sales. Accordingly, the inventory turnover days¹ for the Reporting Period was 50 days, increased by 6 days as compared with that as at December 31, 2023.

¹ Inventory turnover days were calculated based on the average of inventory balances as at the beginning and the end of the year or period divided by cost of sales multiplied by the number of days in the year or period.

Trade, bills and other receivables

The Group's trade, bills and other receivables refer to the Group's trade receivable balance from its customers, primarily including channel distributors and supermarkets together with bills receivables and other deposits and prepayments. The Group's trade, bills and other receivables as at June 30, 2024 was approximately RMB208.7 million, decreased by 7.9% from approximately RMB226.7 million as at December 31, 2023. Accordingly, the trade, bills and other receivables turnover days² for the Reporting Period was 50 days, increased by 8 days as compared with that as at December 31, 2023.

² Trade, bills and other receivables turnover days were calculated based on the average of trade, bills and other receivables balances as at the beginning and the end of the year or period divided by revenue multiplied by the number of days in the year or period.

Financial and liquidity position

We finance our operations and capital expenditure primarily by internally generated cash flows as well as banking facilities provided by our principal bankers. As at June 30, 2024, the Group had bank balances and cash amounted to approximately RMB276.2 million (as at December 31, 2023: approximately RMB290.1 million). Total bank borrowings as at June 30, 2024 amounted to approximately RMB746.6 million, an increase of 7.2% from December 31, 2023 as to finance our expansion and investment in the Reporting Period. As at June 30, 2024 the gross gearing ratio (defined as total bank borrowings over total equity) was 76.0% (as at December 31, 2023: 69.3%). As at June 30, 2024 the net gearing ratio (defined as total bank borrowings minus bank balances and cash over total equity) was 47.9% (as at December 31, 2023: 40.4%). The Group will from time to time adopt prudent financial management policy to address changing financial conditions.

As at June 30, 2024, the Group's net current liabilities was approximately RMB92.9 million (as at December 31, 2023: net current assets approximately RMB28.4 million). The current ratio of the Group as at June 30, 2024 was 0.89 (as at December 31, 2023: 1.03). As at June 30, 2024, the net cash inflow generated from operation was amounted to approximately RMB44.2 million representing an increase of approximately RMB44.9 million or 6,337.5% from the corresponding period of last year. The Board believed that we are in a strong and healthy position and has sufficient resources to support our working capital requirements and meet our foreseeable capital expenditure.

PROSPECT

After years of development, the biscuit market has become more mature. Product upgrading will become an important driver for market development, and companies with high-end advantages will reap more market share. As a household name in China's market, Jiashili has great brand awareness, with a comprehensive product portfolio covering a variety of consumption scenarios and consumption groups. In terms of channels, Jiashili focused on the main channels for young consumers, expanding the retail store chain coverage and broadening consumer groups through channel coverage. In terms of terminal management, it standardized the shelf image and introduced smaller-sized packaging suitable for sales in the convenience channel to drive rapid expansion of channel penetration. The Group's first half performance was facing many difficulties and challenges but we should remain focus, in view of the highly competitive nature of the industry. The Group will continue to remain vigilant and adaptable to market shifts. Nevertheless, the Group will focus on streamlining the operations and enhancing brand awareness as well as to continue to maintain and improve product quality. The Group will leverage operational efficiencies and cost saving initiative to ensure that a better performance is achieved. The Group is cautiously optimistic that the business operations for the second half of this year to be satisfactory.

OTHER INFORMATION

Human resources and remuneration of employees

As at June 30, 2024 the Group had total of 2,684 full-time employees (excluding part-time and short term labour) (June 30, 2023: 2,184). The Group's employees are remunerated with reference to their positions, performance, experience and prevailing salary trends in the market. The remuneration package of our employees includes fixed salary, commissions and allowances (where applicable), and performance based year-end bonuses having regard to the performance of the Group and individual. For the six months ended June 30, 2024, the total employee benefits expenses (including Directors' and chief executive's remuneration) were approximately RMB131.4 million (for the six months ended June 30, 2023: approximately RMB127.0 million).

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining and ensuring high standards of corporate governance practices. In the opinion of the Directors, the Company has adopted the principles and applicable code provisions of Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (the "**Listing Rules**") as its own code of corporate governance. Since the date of its listing and up to the date of this announcement, the Company has complied with the code provisions under the CG Code except for deviation during the Reporting Period which is summarised as below.

Code Provision C.2.1

As stipulated in the Code provision C.2.1 of the Code, the role of chairman and chief executive should be separated and should not be performed by the same individual. As the duties of chairman and chief executive of the Company are performed by Mr. Huang Xianming (“**Mr. Huang**”), the Company has deviated from the Code provision C.2.1 of the CG Code. As all major decisions are made in consultation with all members of the Board, and currently there are four independent non-executive Directors on the Board offering independent advises and providing fresh perspectives to the Company. In regard of this, the Board is of the view that it is appropriate this management structure is effective for the Group’s operations and sufficient checks and balances are in place and in the best interests of the Company for Mr. Huang to hold both positions as it helps to maintain the continuity of the policies and the stability of the operations of the Company. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

COMPLIANCE WITH MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries of all Directors, all Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Reporting Period.

AUDIT COMMITTEE

The audit committee comprises four independent non-executive Directors, namely Mr. Kam Robert, Mr. Wan Ngar Yin, David, Mr. Ma Xiaoqiang and Mr. Zhang Ziwen. The audit committee together with the management, has reviewed constantly the accounting principles and practices adopted by the Group, discussed auditing, internal control and financial reporting matters and reviewed the financial results of the Group. The audit committee has reviewed and discussed the interim results of the Group for the six months ended June 30, 2024. The audit committee has no disagreement with the accounting treatment adopted by the Company.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the first half of 2024.

INTERIM DIVIDEND

The Board has decided not to declare an interim dividend. The Directors consider that this is prudent given the focus on managing the Group's cashflow positions in the second half of this financial year. We will consider the declaration of a dividend at the year end in the light of operating for the full financial year and the financial circumstances at that time.

PUBLICATION OF INTERIM RESULTS

This interim results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (<http://www.gdjsl.com>).

By Order of the Board
Jiashili Group Limited
Huang Xianming
Chairman and Executive Director

Hong Kong, August 30, 2024

As at the date of this announcement, the Board comprises Mr. Huang Xianming, Mr. Tan Chaojun, Mr. Chen Songhuan, Mr. Li Fuliang, Mr. Lu Jianxiong, Mr. Huang Zekun, Ms. Huang Rujiao and Dr. Zhao Gang as executive directors; Mr. Kam Robert, Mr. Ma Xiaoqiang, Mr. Wan Ngar Yin, David and Mr. Zhang Ziwen as independent non-executive directors.