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嘉士利集團有限公司
Jiashili Group Limited



(incorporated in the Cayman Islands with limited liability)

(Stock code: 1285)

**ANNOUNCEMENT OF ANNUAL RESULTS FOR
 THE YEAR ENDED DECEMBER 31, 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Jiashili Group Limited (the “**Company**” or “**Jiashili**”) is hereby to announce the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**” or “**our**”) for the year ended December 31, 2024, together with the comparative figures for the year 2023 as agreed with Messrs. Deloitte Touche Tohmatsu as follows:

FINANCIAL HIGHLIGHTS

	Year ended December 31,		
	2024 (RMB'000)	2023 (RMB'000)	Increase/Decrease
Revenue	1,802,587	1,686,182	↑16.9%
Gross profit	513,233	502,883	↑12.1%
Gross profit margin	28.5%	29.8%	↓1.3 percentage points
Profit for the year	48,285	61,130	↓21.0%
Profit attributable to owners of the Company	54,461	63,918	↓14.8%
Earnings before interest, tax, depreciation and amortisation (EBITDA) ¹	203,108	209,072	↓2.9%
Operating profit (EBIT) ²	106,029	119,318	↓11.1%
Earnings per share	13.12	15.40	↓14.8%
— Basic and diluted (RMB cents)			
Net profit margin	2.7%	3.6%	↓0.9 percentage point
Proposed final dividend per share (HKD)	0.1	0.1	—

Notes:

- include profit before tax but excluding finance costs and total depreciation and amortisation
- include profit before tax but excluding finance costs

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED DECEMBER 31, 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	4&5	1,802,587	1,686,182
Cost of sales		<u>(1,289,354)</u>	<u>(1,183,299)</u>
Gross profit		513,233	502,883
Other income	6	73,532	62,816
Other gains and losses	7	(14,525)	(2,102)
Selling and distribution expenses		(242,475)	(212,007)
Administrative expenses		(111,376)	(102,241)
Other expenses	8	(77,999)	(80,399)
Impairment losses recognised under expected credit loss (“ECL”) model, net	9	(33,202)	(45,138)
Share of results of associates		(1,159)	(1,032)
Share of results of a joint venture		—	(3,462)
Finance costs	10	<u>(28,634)</u>	<u>(29,153)</u>
Profit before tax		77,395	90,165
Income tax expense	11	<u>(29,110)</u>	<u>(29,035)</u>
Profit for the year	12	<u><u>48,285</u></u>	<u><u>61,130</u></u>
Other comprehensive expense			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on the translation of foreign operations		<u>(674)</u>	<u>(898)</u>
Total comprehensive income for the year		<u><u>47,611</u></u>	<u><u>60,232</u></u>
Profit (loss) for the year attributable to:			
Owners of the Company		54,461	63,918
Non-controlling interests		<u>(6,176)</u>	<u>(2,788)</u>
		<u><u>48,285</u></u>	<u><u>61,130</u></u>
Total comprehensive income (expense) attributable to:			
Owners of the Company		53,787	63,020
Non-controlling interests		<u>(6,176)</u>	<u>(2,788)</u>
		<u><u>47,611</u></u>	<u><u>60,232</u></u>
Earnings per share	14		
— Basic (RMB cents)		<u><u>13.12</u></u>	<u><u>15.40</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2024

	<i>NOTES</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		697,709	696,891
Right-of-use assets		247,277	257,328
Investment properties		20,465	30,083
Intangible assets		86,573	97,288
Goodwill		56,118	65,085
Interests in associates		20,145	20,775
Loan receivables	17	93,972	789
Amount due from an associate		7,000	—
Financial assets at fair value through profit or loss (“FVTPL”)	15	154,806	93,666
Deferred tax assets		4,340	4,276
Other receivables and deposits	16	1,007	2,899
Deposits paid for acquisition of right-of-use assets and property, plant and equipment		544	2,156
		1,389,956	1,271,236
CURRENT ASSETS			
Inventories		220,483	172,779
Trade, bills and other receivables	16	170,168	226,680
Loan receivables	17	22,900	151,622
Amounts due from associates		39,455	46,137
Amounts due from non-controlling shareholders of subsidiaries		11,358	6,909
Amounts due from related parties		36	45
Loans to non-controlling shareholders of subsidiaries		2,300	6,879
Income tax recoverable		6,751	5,269
Pledged/restricted bank deposits		3,718	3,150
Cash and cash equivalents		379,129	290,086
		856,298	909,556
Assets classified as held for sale		21,750	—
		878,048	909,556

	<i>NOTES</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
CURRENT LIABILITIES			
Trade, bills and other payables	18	343,839	262,062
Contract liabilities	19	101,728	90,264
Income tax payables		19,874	18,765
Bank borrowings		578,938	503,248
Other borrowing		1,059	934
Amount due to a non-controlling shareholder of a subsidiary		16	9
Amounts due to related parties		117	63
Amounts due to associates		1,053	127
Deferred income		1,994	2,071
Lease liabilities		4,476	3,599
		1,053,094	881,142
Liabilities associated with assets classified as held for sale		463	—
		1,053,557	881,142
NET CURRENT (LIABILITIES) ASSETS		(175,509)	28,414
TOTAL ASSETS LESS CURRENT LIABILITIES		1,214,447	1,299,650
NON-CURRENT LIABILITIES			
Deferred tax liabilities		4,530	8,410
Deferred income		42,796	44,846
Bank borrowings		106,134	192,912
Other borrowing		581	1,640
Lease liabilities		46,484	47,829
		200,525	295,637
NET ASSETS		1,013,922	1,004,013
CAPITAL AND RESERVES			
Share capital		3,285	3,285
Reserves		980,332	964,094
Equity attributable to owners of the Company		983,617	967,379
Non-controlling interests		30,305	36,634
TOTAL EQUITY		1,013,922	1,004,013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. GENERAL INFORMATION

Jiashili Group Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on December 19, 2013. Its ultimate and immediate holding company is Great Logistics Global Limited and Kaiyuan Investments Limited, respectively. Its ultimate controlling shareholder is Mr. Huang Xianming and his family. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the principal place of business of the Company is Room 1001, 10 Floor, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the “**Group**”) are manufacturing and sales of biscuit and other products in Mainland China.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Amendments to International Financial Reporting Standards (“IFRSs”) Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs Accounting Standards issued by International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2024 for the preparation of the 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

Except as described below, the application of the amendments to IFRSs Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

In preparing the 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 RMB175,509,000 as at December 31, 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 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 December 31, 2024, the Group has undrawn bank facilities of approximately RMB140,000,000 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 RMB266,000,000 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 consolidated financial statements. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

4. REVENUE

(i) Disaggregation of revenue from contracts with customers

An analysis of the Group's revenue from major products and service and revenue by geographical locations is set out in note 6 as such analysis form part of the segment information reported to the management of the Group. The Group's food products revenue and service revenue are recognised at a point in time and over time, respectively.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Sales channels		
Distributors	1,623,055	1,658,676
Supermarkets	111,252	3,310
Retail customers	68,280	24,196
	<u>1,802,587</u>	<u>1,686,182</u>
Timing of revenue recognition		
A point in time	1,782,189	1,680,654
Over time	20,398	5,528
	<u>1,802,587</u>	<u>1,686,182</u>

(ii) Performance obligations for contracts with customers and revenue recognition policies

Sales of food products

The Group sells biscuit and other products to distributors, supermarkets and retail customers in the Mainland China and also export biscuit and other products to locations other than the Mainland China.

For offline sales of biscuit and other products to customers, revenue is recognised at a point in time when control of the biscuit and other products is transferred, being when the goods have been shipped to the customers' specific location (delivery). Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Following delivery, the customers have primary responsibility to resell the goods in the designated region and bear the risks of obsolescence and loss in relation to the goods.

For online sales of biscuit and other products to customers in e-commerce platform, the Group generally offers customers an unconditional right of returning products purchased for a period of seven days upon receipt of products via platforms online. The associated revenue is recognised when the customers confirm receipt of the products or the return period expires.

For distributors and retail customers, the Group normally receives an advance from customer before the good is delivered. For supermarkets, the normal credit term is from 30 to 180 days upon delivery.

Certain distributors would be offered discount or rebate if sales target is achieved in a specific period. The Group uses its accumulated historical experience to estimate the amount of discount or rebate using the expected value method. Amounts of such discount or rebate are included in transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the specific period expired.

Hotel services

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.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts for sale of biscuit and other products and hotel service of room rental are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. SEGMENT INFORMATION

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 goods or services delivered or provided.

The CODM reviews operating results and financial information on a product category by product 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 met the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these were grouped in “Others”.

Segment revenue and results

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

For the year ended December 31, 2024

	Biscuit products <i>RMB'000</i>	Pasta products <i>RMB'000</i>	Flour products <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue					
External sales	1,360,780	162,277	176,227	103,303	1,802,587
Inter-segment sales	26,796	97	122,546	3,215	152,654
	<u>1,387,576</u>	<u>162,374</u>	<u>298,773</u>	<u>106,518</u>	<u>1,955,241</u>
Segment results	<u>429,367</u>	<u>38,689</u>	<u>26,119</u>	<u>19,058</u>	<u>513,233</u>
Other income					73,532
Other gains and losses					(14,525)
Selling and distribution expenses					(242,475)
Administrative expenses					(111,376)
Other expenses					(77,999)
Impairment losses recognised under ECL model, net					(33,202)
Share of results of associates					(1,159)
Finance costs					(28,634)
Profit before tax					<u>77,395</u>

For the year ended December 31, 2023

	Biscuit products <i>RMB'000</i>	Pasta products <i>RMB'000</i>	Flour products <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue					
External sales	1,372,622	128,063	81,160	104,337	1,686,182
Inter-segment sales	<u>2,798</u>	<u>1,820</u>	<u>38,327</u>	<u>2,873</u>	<u>45,818</u>
	<u>1,375,420</u>	<u>129,883</u>	<u>119,487</u>	<u>107,210</u>	<u>1,732,000</u>
Segment results	<u>448,411</u>	<u>22,962</u>	<u>7,240</u>	<u>24,270</u>	<u>502,883</u>
Other income					62,816
Other gains and losses					(2,102)
Selling and distribution expenses					(212,007)
Administrative expenses					(102,241)
Other expenses					(80,399)
Impairment losses recognised under ECL model, net					(45,138)
Share of results of associates					(1,032)
Share of results of a joint venture					(3,462)
Finance costs					<u>(29,153)</u>
Profit before tax					<u>90,165</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.

Other segment information

Amounts included in the measurement of segment results:

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue by products		
Biscuit		
— Sweet single piece biscuits	523,004	514,034
— Salty single piece biscuits	41,381	48,456
— Sandwich biscuits	412,090	415,602
— Wafers	152,244	159,346
— Coarse grain biscuits	59,072	55,341
— Other biscuits	172,989	179,843
	<u>1,360,780</u>	<u>1,372,622</u>
Pasta	162,277	128,063
Flour	176,227	81,160
Others (<i>note</i>)	82,905	98,809
	<u>1,782,189</u>	<u>1,680,654</u>
Revenue by service		
Hotel services	20,398	5,528
	<u>20,398</u>	<u>5,528</u>
Total	<u><u>1,802,587</u></u>	<u><u>1,686,182</u></u>

Note: Others represents miscellaneous products other than biscuits, pasta and flour, such as bread, mooncake, candies and soymilk.

Geographical information

All of the Group's operations are located in the PRC. Information about the Group's revenue from external customers by location of the relevant customers and non-current assets by location of assets is presented below:

	Revenue from external customers		Non-current assets (note a)	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Mainland China (country of domicile)	1,798,574	1,683,322	1,128,831	1,169,606
Others (note b)	4,013	2,860	781	—
	<u>1,802,587</u>	<u>1,686,182</u>	<u>1,129,612</u>	<u>1,169,606</u>

Notes:

- (a) Non-current assets excluded financial instruments and deferred tax assets.
- (b) Others represent export sales to locations other than the Mainland China.

No single customer contributed over 10% of the total revenue of the Group during both years.

6. OTHER INCOME

	2024 RMB'000	2023 RMB'000
Government grants	33,017	12,420
Interest income on:		
— bank balances and deposits	2,910	3,920
— loan receivables	8,848	9,931
— loan to an associate	24	—
— loan to a joint venture	—	4,717
— loans to non-controlling shareholders of subsidiaries	400	406
— advance to immediate holding company	—	4,739
— advance to third parties	438	—
Sales of scrap and packaging materials	20,771	22,081
Rental income	5,622	4,102
Others	1,502	500
	<u>73,532</u>	<u>62,816</u>

7. OTHER GAINS AND LOSSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Fair value losses on financial assets at FVTPL	(160)	(13,465)
Net foreign exchange gains	39	12
(Losses) gains on disposal of property, plant and equipment	(1,653)	84
Gain on deemed disposal of a joint venture	—	12,840
Impairment loss recognised in respect of property, plant and equipment	(1,091)	—
Impairment loss recognised in respect of goodwill	(8,967)	—
Allowance recognised on inventories	(2,693)	(1,573)
	<u>(14,525)</u>	<u>(2,102)</u>

8. OTHER EXPENSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Research expenses	53,424	57,057
Donation expenses	4,982	2,012
Cost of scrap and packaging materials sold	15,731	18,029
Building lease expenses	2,401	2,175
Other non-operating expenses	1,461	1,126
	<u>77,999</u>	<u>80,399</u>

9. IMPAIRMENT LOSSES RECOGNISED UNDER ECL MODEL, NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Impairment losses recognised on:		
— loan receivables	21,863	28,313
— loans to non-controlling shareholders of subsidiaries	1,579	7,676
— loan to a joint venture	—	4,759
— amounts due from non-controlling shareholders of subsidiaries	323	1,645
— trade receivables	2,831	1,414
— other receivables	6,606	1,331
	<u>33,202</u>	<u>45,138</u>

10. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest expenses on		
— bank borrowings	28,583	26,463
— other borrowing	288	189
— lease liabilities	2,355	2,501
	<u>31,226</u>	<u>29,153</u>
Total borrowing costs		
Less: amounts capitalised in the cost of qualifying assets	(2,592)	—
	<u>28,634</u>	<u>29,153</u>

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 3.39% (2023: not applicable) per annum to expenditure on qualifying assets.

11. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)		
— Current year	33,544	30,073
— (Overprovision) underprovision in prior years	(490)	781
	<u>33,054</u>	<u>30,854</u>
Deferred tax	(3,944)	(1,819)
	<u>29,110</u>	<u>29,035</u>

No provision for Hong Kong Profits Tax has been made for both years as the Group has no assessable profits arising in Hong Kong.

Guangdong Jiashili Food Group Co. 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 Department of Science and Technology 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.

* *English name for identification purpose only.*

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 years.

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.

The Group is operating in certain jurisdictions where the Global Anti-base Erosion Rules (“**Pillar Two Rules**”) are enacted but not effective. However, as the Group’s consolidated annual revenue is expected to be less than Euro 750 million, the management of the Group has not made relevant disclosures of qualitative and quantitative information about the Group’s exposure to the Pillar Two income taxes.

12. DIVIDENDS

	2024	2023
	<i>RMB’000</i>	<i>RMB’000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2023 Final — HK10 cents		
(2023: 2022 Final — HK5 cents) per share	<u>37,802</u>	<u>18,210</u>

Subsequent to the end of the reporting period, a final dividend of HK10 cents (2023: HK10 cents) per share, amounting to approximately HK\$41,500,000 (equivalent to approximately RMB38,316,000) (2023: approximately HK\$41,500,000 (equivalent to approximately RMB37,802,000)), has been proposed by the directors of the Company and is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company.

13. EARNINGS PER SHARE

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	<u>54,461</u>	<u>63,918</u>
	2024 <i>'000</i>	2023 <i>'000</i>
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	<u>415,000</u>	<u>415,000</u>

No diluted earnings per share for both 2024 and 2023 were presented as there were no potential ordinary shares in issue for both 2024 and 2023.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Financial assets designated at FVTPL:		
— unlisted equity investment fund in the PRC (note a)	128,806	93,666
— unlisted equity investment in the PRC (note b)	<u>26,000</u>	<u>—</u>
	<u>154,806</u>	<u>93,666</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade and bills receivables	56,341	63,124
Less: allowance for ECL	<u>(10,700)</u>	<u>(7,884)</u>
Total trade and bills receivables, net	45,641	55,240
Prepayments for purchase of raw materials	17,643	55,323
Other tax recoverable	35,368	37,290
Other receivables, net of allowance	32,120	25,385
Other prepayments	30,687	46,050
Temporary payment on behalf of bakery stores	7,649	8,642
Rental and utility deposits	<u>2,067</u>	<u>1,649</u>
	171,175	229,579
Less: amount shown under current assets	<u>(170,168)</u>	<u>(226,680)</u>
Amount shown under non-current assets as other receivables and deposits	<u><u>1,007</u></u>	<u><u>2,899</u></u>

Trade and bills receivables

As at January 1, 2023, trade and bills receivables from contracts with customers amounted to RMB39,607,000.

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.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 2 months	29,020	40,199
Over 2 months but within 3 months	9,754	11,143
Over 3 months but within 6 months	5,374	3,898
Over 6 months but within 1 year	1,276	—
Over 1 year	217	—
	45,641	55,240

16. LOAN RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Fixed-rate loan receivables	177,018	190,694
Less: allowance for ECL	(60,146)	(38,283)
	116,872	152,411
Analysed as		
Current	22,900	151,622
Non-current	93,972	789
	116,872	152,411

The effective interest rate of the loan receivables is ranged from 0.0% to 18.0% (2023: 0.0% to 18.0%) per annum.

17. TRADE, BILLS AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	191,020	138,677
Bills payables	—	32,000
	<hr/>	<hr/>
Total trade and bills payables	191,020	170,677
Transportation fee payables	19,427	20,303
Payroll and welfare payables	39,354	32,504
Accrued expenses	49,497	23,312
Other payables	31,707	8,049
Other tax payables	12,834	7,217
	<hr/>	<hr/>
	343,839	262,062
	<hr/> <hr/>	<hr/> <hr/>

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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	182,381	166,206
Over 3 months but within 6 months	6,697	651
Over 6 months but within 1 year	468	2,326
Over 1 year	1,474	1,494
	<hr/>	<hr/>
	191,020	170,677
	<hr/> <hr/>	<hr/> <hr/>

18. CONTRACT LIABILITIES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Sales of biscuit and other products	100,936	89,890
Hotel services	792	374
	<hr/>	<hr/>
	101,728	90,264
	<hr/> <hr/>	<hr/> <hr/>

As at January 1, 2023, contract liabilities amount to RMB100,070,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Commitment to our core business

Jiashili is one of the largest producer of quality biscuits and crackers in China more than 68 years since 1956, we market, sell and distribute our products under more than 12 brand names in approximately 31 Provinces and Municipalities and 310 prefecture-level cities with more than 660 stock keeping units offered to market in China. At Jiashili, serving customers means more than selling food. It means acting as a responsible and sustainable business for all our stakeholders — customers, colleagues, suppliers and shareholders — and providing safe, nutritious and affordable biscuits, that is great value for money. With experienced and our focus management team, robust profit-making model and strong brand name attractiveness, the Group progressed steadily in the complex and ever-changing economic environment and set another record for revenue in 2024, the Group achieved a record-high revenue of approximately RMB1.8 billion in 2024 on the premise of effective operation. Since 2020, the Group's revenue has been growing at a compound annual growth rate of 4.4%. The business has demonstrated incredible resilience, as we stepped up to support customers, colleagues, suppliers and communities through the impact of rising cost pressures. At the same time, we have made further progress towards achieving our strategic priorities. Further recovery of China's economy and new characters and trends of the consumption market represent both challenges and opportunities to us, and it is a major theme to which we have been devoted for so long to provide consumers with more valuable consumption experience. In 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 grew by 3.7% year-on-year, demonstrating the resilience and vitality of China's economy as well as the emergence of consumption as a major driver of economic growth. The Group continues to face considerable headwinds from volatile and uncertain business environment and pressure on consumer discretionary spending. However, we remain confident that the Group has the business model necessary to deliver a year of resilient performance with further growth in sales.

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

- I. Biscuits: Sweet and Salty single piece, Sandwich, Wafers and other biscuits.
- II. Pasta: Spaghetti and Macaroni.
- III. Other grocery products: Crackers, Cookies, Candies, Bread, Mooncakes and other products.
- IV. Flour

Performance Review

In 2024, the Group adhered to its core philosophy of concentration on upholding the strategy of brand building and value-based marketing and strived to achieve steady and sustainable development. Our financial performance this year more than ever demonstrates the resilience of the Group. This comes from the strength of our brands, the diversity of our products and markets,

our geographic spread, conservative financing and an organisation design that permits fast and flexible decision-taking. The Group's revenue has increased by approximately RMB116.4 million or 6.9% year-on-year to approximately RMB1,802.6 million in 2024. Gross profit increased by approximately RMB10.3 million to approximately RMB513.2 million from approximately RMB502.9 million in the same period of last year, representing a year-on-year surge of 2.1%, the increase was mainly due to the increase of our sales volume and our efficient selling and distribution strategy. However, the gross profit margin has slightly declined by 1.3 percentage points to 28.5% as compared of 29.8% with that of 2023 due to the increasing costs on raw materials particularly the increasing price of palm oil.

The Group's profit after tax for the year decreased by 21.0% or approximately RMB12.8 million in 2024 to approximately RMB48.3 million from approximately RMB61.1 million of 2023. The net profit margin was 2.7% in 2024 compared to 3.6% of 2023, representing a drop of 0.9% year-on-year. The decrease of profit after tax was mainly attributable to the followings: (i) an increase in the cost of production as a result of increasing purchasing cost of raw materials (especially the purchasing cost of palm oil has increased by approximately 9.3%) in 2024; (ii) the selling, distribution and administrative expenses were approximately RMB353.8 million in 2024 compared to approximately RMB314.2 million in 2023, an increase of approximately RMB\$39.6 million, or 12.6%. the increase was driven by increased corporate expenses and total advertising and related consumer marketing expenses; and (iii) the increase in provisions on certain receivables under expected credit loss model in 2024 amounted approximately RMB33.2 million. Profit attributable to owners of the Company in 2024 was approximately RMB54.5 million dropped by approximately RMB9.5 million, representing a drop by 14.8% year-on-year. Enhancement of product quality and raw material supplies are our Group strives for best quality with competitive prices, and zero customers complaints. This could be achieved by improved quality and supplies management and production and packaging processes. Through straight and stringent control on product safety, quality check and review will be implemented on each stages of production leads to costs reduction and enhancement of production efficiency. We have continued to support our customers and delivered a strong performance, responding with speed and agility to the new and ongoing challenges we faced during the year. It is testament to our resilience as a business, our careful planning, and our flexibility that we have been able to do so with such success.

During the long and successful history of Jiashili, we have mastered many crises and once again we have proven that our company 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.

Marketing and Promotion

Innovation has always been a strong tradition at Jiashili. Today, our pace of innovation is faster than ever, and every year we bring new creations on to the market. To cater for constantly changing consumer demands, our product specialists work day after day to ensure that every new product has the potential to become a classic one day. In 2024, our Group has more than 2,500 distributors in China, Jiashili is a consumer-led and market-driven organization. Our business model, structures and strategies continue to evolve, centred around a deep understanding of diverse local consumer preference. Jiashili continues to meet a wide range of rapidly evolving consumer preferences. Across different consumer landscape, today's most pronounced preferences include clean and cleaner label,

convenience, nutrition & wellness, authenticity and premiumisation. These distinct preferences can mean different things to consumers in different market segment of the industry. Central to Jiashili's approach is the fundamental understanding of how to address these needs and support customers as they seek to innovate to win in today's marketplace. These everevolving consumer preferences are redefining consumption occasions right across end use markets and channels. Our customers is at the centre everything we do, we aims to adding value by offering so much more to distributors and our end customers. Our Group is undergoing consolidation in different distributor channels, aligning with different distributors through various channels such as supermarkets, shops, convenience stores and key accounts (KA) to fulfil our customers' needs. Some differentiated products are sold exclusive through specific channel to avoid possible conflicts among channels. We also strived for product differentiation in packaging and specifications among different channels and regions.

To promote our products our Group has a policy and control on promoting our products and brand names through discounts, promotion events and others. Selling and distribution expenses accounted for 13.5% of revenue of 2024. (2023: 12.6%) which in line with product sales. Jiashili is a highly diversified group with a wide range of biscuits and leisure snack products, comprises of more than 12 well-known grocery brands, and our flagship retail brand, "Jiashili". We have a strong social purpose: to provide safe, nutritious and affordable food that is great value for money.

Research and Development

The Group's policy on research activities adhered to the philosophy of satisfying consumer needs and insisted on value innovation. In terms of plans, it continued to empower its featured products by securing supply; on the other hand, it captured the trend, grasped the competitive landscape of the industry, and developed new products to facilitate steady growth of the Company's revenue. The Group's top priority in research and development throughout 2024 was to empower the existing featured products, focusing on major flavours. The Group maintained its competitiveness in the market by continuously refining its product strengths with to bring better consumption experience to consumers. In 2024, research expenses amounted to approximately RMB53.4 million slightly decreased by 6.4% year-on-year. Research expenses accounted for approximately 3.0% of the total revenue in 2024 (2023: 3.4%). Looking forward to 2025, the Group's business research philosophy will continue to build and maintain consumers' satisfaction for company's product strengths with continuous innovation and progress to satisfy consumers' needs and create products with good value for money for consumers.

Electronic Commerce (e-commerce)

The Group captured the selling opportunities in various scenarios offline and expanded the sales in e-commerce and O2O platforms online. The diversified sales channel penetration and marketing strategies continuously improved the brand awareness and reputation. Meanwhile, the Group will further expand its presence in multiple scenarios by enhancing development and resources investments in family, catering, O2O and other channels. While maintaining sales growth and improving resilience, the Group will actively capture market trends, and discover and embrace new opportunities.

FINANCIAL REVIEW

This year we have focused on our operational efficiency, continued to invest in different business and technology, made progress on our competitiveness and accelerated our sustainability agenda.

During the year ended December 31, 2024 Group's total revenue has increased by 6.9% year-on-year to approximately RMB1,802.6 million. Revenue from biscuits, pasta and flour business amounted to approximately RMB1,782.2 million, representing an increase of 6.0% as compared with the corresponding period of last year, which accounted for 98.9% of the Group's total revenue, and revenue from the hotel services amounted to approximately RMB20.4 million, which accounted for 1.1% of the Group's total revenue. Breakdown of revenue by products in 2024 and the comparative figures for the same period last year are set forth as follows:

	2024		2023		Increase/(Decrease)	
	RMB (million)	Revenue contribution	RMB (million)	Revenue contribution	RMB (million)	%
Sweet Single piece biscuits	523.0	29.3%	514.0	30.6%	9.00	1.8%
Salty Single piece biscuits	41.4	2.3%	48.5	2.9%	-7.10	-14.6%
Sandwich biscuits	412.1	23.1%	415.6	24.7%	-3.50	-0.8%
Wafers	152.2	8.5%	159.3	9.5%	-7.10	-4.5%
Coarse grain biscuits	59.1	3.3%	55.3	3.3%	3.80	6.9%
Other biscuits	173.0	9.7%	179.8	10.7%	-6.8	-3.8%
Pasta	162.3	9.1%	128.1	7.6%	34.2	26.7%
Flour	176.2	9.9%	81.2	4.8%	95.0	117.0%
Others	82.9	4.8%	98.8	5.9%	-15.9	-16.1%
Total	<u>1,782.2</u>	<u>100.0%</u>	<u>1,680.6</u>	<u>100.0%</u>	<u>101.6</u>	<u>6.0%</u>

Breakdown of revenue by products

Sweet single piece biscuits

For the year ended December 31, 2024, revenue from sweet single piece biscuits recorded a slight increase of 1.8% or approximately RMB9.0 million to approximately RMB523.0 million as compared with the same period last year attributable to efficient promotion strategy.

Salty single piece biscuits

In 2024, the revenue generated from salty single piece biscuits decreased by approximately RMB7.1 million representing a decrease of 14.6% year-on-year to approximately RMB41.4 million. It was due to intense competition among domestic and international brands, and a shift of customers' preference. The industry landscape was driven by innovation in product formats, flavors and health-focused ingredients playing a pivotal role.

Sandwiches biscuits

The sandwich biscuit appealed strongly to children, young adults, and gift buyers. The market saw heightened innovation in flavors, textures, and health-oriented formulations, with brands competing to balance taste and perceived nutritional value.

In 2024, the revenue generated from sandwich biscuits has slightly declined by approximately RMB3.5 million representing a drop of 0.8% year-on-year to approximately RMB412.1 million. The market share of Jiashili sandwich biscuits has been maintained in these years mainly due to our successful strategy on premiumization and flavor innovation and focus on health-conscious reformulations. In addition, e-commerce and social commerce, say livestreaming promotions on Douyin (TikTok) coupled with seasonal campaigns, boosted impulse purchases among Gen Z shoppers.

Wafers

In 2024, the revenue generated from wafers amounted to approximately RMB152.2 million, representing a decrease of 4.5% or approximately RMB7.1 million decrease of corresponding period last year. The Group's wafers series were highly regarded as high value-for-money biscuits in China consumer markets. The market was challenged by shifting consumer preferences toward other snacks, rising input costs and intensified competition from alternatives.

Coarse grain biscuits

Coarse grain biscuit segment (粗糧餅乾) has emerged as one of the fastest-growing categories in China's snack market, driven by shifting consumer preferences toward health-conscious eating. Coarse grains are increasingly used in biscuits to cater to demand for nutrient-dense, high-fiber, and low-sugar products. Benefitted from health & wellness trend in China have pushed consumers toward low-GI, high-fiber snacks. In addition, China's "Healthy China 2030 (健康中國2030)" initiative promotes whole grains, with policies incentivising R&D in nutritious foods. Our product innovation and premiumization meets consumers prioritize "clean" ingredients (no additives, low sugar), strengthening our products natural positioning. In 2024, the revenue of coarse grain biscuit amounted to approximately RMB59.1 million, representing a surge of 6.9% or approximately RMB3.8 million as compared with the same period last year.

Other biscuits

It is the Group's policy of actively seeking to expand different mix of products with different brands and flavors to meet customer's demands. Other biscuits products include mainly Jiuzhou cookie (九州曲奇), cream crackers, Ruishiyue products series (瑞士樂系列) and others. The other biscuits business recorded revenue of approximately RMB173.0 million in 2024, representing a drop of 3.8% over last year.

Pasta

In the second quarter of 2023, the Group completed the acquisition of pasta business from our controlling shareholders, the pasta and macaroni business recorded a revenue of approximately RMB162.3 million, increase of 26.7% ahead of the corresponding period of last year, which maintained a strong growth momentum. Our brand name of pasta and macaroni i.e. "Kangli 康力" and "OPSMYPASTA 來一頓" has received much wider market acceptance in China and Hong Kong.

The pasta and macaroni segment in China has experienced steady growth in recent years, driven by urbanisation, evolving dietary habits, and a growing appetite for international cuisines. Pasta products including spaghetti, macaroni, penne, and instant pasta are gaining traction, particularly among younger, health conscious and cosmopolitan consumers.

Flour

In the third quarter of 2023, the Group completed the acquisition of flour business from third party, the flour business recorded a revenue of approximately RMB176.2 million in 2024, representing a big increase of 117.0% over last year.

Others

It is the Group's policy of actively seeking to expand different mix of products with different brands and flavors to meet customer's demands. Others represents miscellaneous products other than biscuits, such as bread, mooncake, candies and soymilk but excluding hotel service business. For the year ended December 31, 2024, total revenue from others was decreased by 16.1% to approximately RMB82.9 million as compared with the same period last year. In which revenue from short shelf-life bread amounted to approximately RMB23.4 million (2023: approximately RMB27.3 million). Mooncakes business recorded revenue of approximately RMB32.1 million in 2024 drop by 23.9% from the corresponding period of last year (2023: approximately RMB42.2 million).

Gross profit and Gross profit margin

In 2024, the Group's gross profit amounted to approximately RMB513.2million (2023: approximately RMB502.9 million), representing a year-on-year increase of 2.1%. Overall gross profit margin slightly decreased to 28.5% (2022: 29.8%) in 2024, representing a drop of 1.3 percentage points from last year. The increased marketing and selling efforts results in increased sales volume which led to an increase in sales revenue. However the overall gross profit margin has decreased mainly due to the escalating costs of raw materials particularly the rise in purchasing cost of palm oil. In 2024, the average purchasing costs of palm oil have increased by approximately 9.3% from preceding year. The Group will further imposed stringent measures and controls to keep our production and manufacturing cost remain competitive.

Other income

Other income for the year of 2024 has increased by approximately 17.1% to approximately RMB73.5 million compared with 2023. The increase was primarily due to receipt of government grants in 2024 which is higher than that of the corresponding period of last year.

Selling and distribution expenses

Selling and distribution expenses comprise mainly the advertising and promotion expenses, delivery and transportation expenses and selling administration expenses. The total selling and distribution expenses has increased by 14.4% from approximately RMB212.0 million in 2023 to approximately RMB242.5 million in 2024. In 2024 the selling administration and advertising and promotion expenses were approximately RMB172.4 million (2023: approximately RMB139.8 million). Selling administration and advertising and promotion expenses as a percentage of revenue was 9.6% (2023: 8.3%) which was in line with Group's policy to expand and broaden our consumer base. Delivery

and transportation expenses in 2024 were approximately RMB70.1 million (2023: approximately RMB72.2 million). Delivery and transportation expenses as a percentage of revenue is 3.9% in 2024 (2023: 4.3%), The Company strive for efficient distribution strategy to save cost while at the same time meet customer demand in quicker delivery.

Administrative expenses

Administrative expenses are mainly consists of staff costs and welfare, office expenses and entertainment expenses, legal and professional fees, tax expenses and rental expenses. For the year ended December 31, 2024, administrative expenses amounted to approximately RMB111.4 million, representing an increase of approximately RMB9.1 million or 8.9% year-on-year. The increase was mainly attributable to increase in staff costs expenses and corresponding increase in amortisation expenses.

Analysis of operating efficiency

The Group stringently controls and manages the levels of trade receivables, trade payables and inventories. Sales to most customers are made on a delivery on advance payment basis. Trade receivables are generated from credit sales to credit customers from distribution channels and others.

The Group's inventories consist mainly of raw materials, packaging materials and finished goods. As at December 31, 2024 the inventories balance increased by approximately RMB47.7 million to approximately RMB220.5 million (December 31, 2023: approximately RMB172.8 million) as compared to the beginning of the year, which was attributable to the early preparation of products for the Lunar Chinese New Year sales. Accordingly, the inventory turnover days¹ has increased from 44 days in 2023 to 56 days in 2024.

The Group's trade, bills and other receivables refer to the Group's trade receivable balance from its customers, together with other deposits and prepayments. The amounts of trade, bills and other receivables has decreased by 24.9% from approximately RMB226.7 million in 2023 to approximately RMB170.2 million in 2024. Thus, the trade, bills and other receivables turnover days² has decreased from 42 days in 2023 to 40 days in 2024.

The Group's trade, bills and other payables refer to the Group's trade and bills payables to suppliers, together with accrued expenses and other payables. The amounts of trade, bills and other payables has increased by 31.2% from approximately RMB262.0 million in 2023 to approximately RMB343.8 million in 2024. Thus, the trade, bills and other payables turnover days³ has increased from 83 days in 2023 to 86 days in 2024.

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

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

³ Trade, bills and other payables turnover days were calculated based on the average of trade, bills and other payables balances as at the beginning and the end of the year divided by cost of sales multiplied by the number of days in the year.

The following table sets out the major turnover days for the past two years ended December 31.

	Year ended December 31	
	2024	2023
Inventory turnover days	56	44
Trade, bills and other receivables turnover days	40	42
Trade, bills and other payables turnover days	86	83

The Group reckoned that trade bills and other receivables turnover days, inventory turnover days and trade bills and other payables turnover days in the distribution channel helped the Group in understanding the efficiency of inventory liquidity and the sales and cash conversion cycle. Through reviewing and improving the turnover days, the Group could further improve its revenue, profit and the ability of on-going growth for the sake of enhancing operational efficiency.

Working capital position

To preserve and maintain a stable cash flow is very important. Measures to mitigate the cash outflow included cutting back on discretionary spending and non-essential capital expenditure across the Group was implemented. As at December 31, 2024, the Group's net current liabilities were approximately RMB175.5 million (2023: net current assets were approximately RMB28.4 million). Current ratio of the Group as at December 31, 2024 was 0.83 (2023: 1.03). We believed our Group is in the healthy state of operating situation with adequate source of resources to meet our short-term debt.

Financial position and liquidity

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 December 31, 2024, the Group had bank balances and cash amounted to approximately RMB379.1 million (2023: approximately RMB290.0 million). We are from time to time adopt prudent financial management policy to maintain sufficient cash to meet our cash flow needs. Total bank borrowings as at December 31, 2024 amounted to approximately RMB685.1 million, decreased by approximately RMB11.1 million, or 1.6% from corresponding period of last year. All of our bank borrowings are unsecured. As at December 31, 2024, the Group was in a net debt position (defined as bank balances and cash less total bank borrowings, but exclude lease liability) of approximately RMB305.9 million (2023: net debt position of approximately RMB406.1 million). As at December 31, 2024, the gross gearing ratio (defined as total liabilities over total assets) was 55.3% (2023: 54.0%). Total equity as at December 31, 2024 was approximately RMB1,013.9 million, an increase of 0.99% from approximately RMB1,004.0 million as at December 31, 2023. We assess our liquidity in terms of our ability to generate cash to fund our operating, investing and financing activities. Significant factors affecting liquidity include cash flows generated from operating activities, future capital expenditures, acquisitions, dividends, the adequacy of available bank loans, and the ability to attract long-term capital with satisfactory terms. The Directors believed that the Group is in a strong and healthy financial position generate substantial amounts of cash from operations with sufficient liquidity available for its working capital requirements, foreseeable capital expenditures and the payment of dividends.

Contingent liabilities and guarantees

As at December 31, 2024, the Group did not provide any guarantees for any third party and had no significant contingent liabilities.

OUTLOOK

Whilst we remain cautious about our current market and wider economic and geopolitical conditions, following the strong volume growth delivered in current financial year 2024. The year 2025 is bound to be a very challenging year, and the Group envisages that the operating environment is expected to remain highly competitive. The Group will focus on maintaining the market share and product competitiveness in order to increase the popularity of Jiashili biscuits and food in the industry. The Group will leverage operational efficiencies and cost saving initiative to ensure that a better performance is achieved in the coming year. The Board remains confident that continued focus on the strengths of the Company, which include its long standing customer relationships, breadth and quality of products and industry leading asset infrastructure, will support the further successful development of the Group over the longer term.

OTHER INFORMATION

Human resources and remuneration of employees

As at December 31, 2024 the Group had a total of 3,262 employees. (December 31, 2023: 3,442) 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 year ended December 31, 2024, the total employee benefits expenses (including Directors' and executive's remuneration) were approximately RMB289.9 million (2023: approximately RMB258.1 million).

CORPORATE GOVERNANCE PRACTICES

The Group's long-term success depends on our commitment to exceptional corporate governance standards, which underpin the confident delivery of our business. We do not see governance as something we do because we have to. We see it as something that should be ingrained in the way we behave, how we make decisions, how we run our business and, ultimately, how we build trust. 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 year 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 officer should be separated and should not be performed by the same individual. As the duties of chairman and chief executive officer 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 Group. 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 year ended December 31, 2024.

AUDIT COMMITTEE

The audit committee comprises four independent non-executive Directors, namely Mr. Kam Robert, Mr. Ma Xiaoqiang, Mr. Wan Ngar Yin, David 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 annual results of the Group for the year ended December 31, 2024. The audit committee has no disagreement with the accounting treatment adopted by the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 21, 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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 year ended December 31, 2024.

ANNUAL GENERAL MEETING

The annual general meeting ("2025 AGM") of the Company will be held on Friday, May 30, 2025 and a notice convening the 2025 AGM will be published and despatched to shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, May 26, 2025 to Friday, May 30, 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2025 AGM, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, May 23, 2025. For determining the entitlement to receive the proposed final dividend, the register of members of the Company will be closed from Thursday, June 12, 2025 to Friday, June 13, 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to receive the proposed final dividend, all transfer of shares of the Company accompanied by the relevant share certificate(s) and appropriate transfer form(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than Hong Kong time 4:30 p.m. on Wednesday, June 11, 2025.

PROPOSED FINAL DIVIDEND

The Board has resolved to recommended the payment of a final dividend of HK10.00 cents per ordinary share for the year ended December 31, 2024 (2023: HK10.00 cents), to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at Friday, June 13, 2025. Subject to the approval by the shareholders of the Company, the payment date of the proposed final dividend is expected to be on Wednesday, June 25, 2025. The dividend per ordinary share for the year ended December 31, 2024 is HK\$10.00 cents. (2023: HK\$10.00 cents)

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This preliminary results announcement is published on the Company's website (www.gdjsl.com) and the Stock Exchange's website (<http://www.hkexnews.hk>). The annual report for the year ended December 31, 2024 will be despatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange in due course in accordance with the Listing Rules.

ACKNOWLEDGEMENT

The Directors would like to take this opportunity to express their sincere thanks to our shareholders and to our staff for their commitment and diligence during the year.

By Order of the Board
Jiashili Group Limited
Huang Xianming
Chairman

Hong Kong, March 21, 2025

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.