



中国百汇零售集团有限公司

ZHONGMIN BAIHUI RETAIL GROUP LTD. Co. Reg: 200411929C

(Incorporated in the Republic of Singapore)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AND DIVIDEND ANNOUNCEMENT**

**FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024**

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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**A. Condensed Consolidated Statement of Comprehensive Income**

	Note	Group		
		6 Months Ended	6 Months Ended	Change
		31-12-2024 RMB'000	31-12-2023 RMB'000	+ / (-) %
<b>Revenue</b>	6	452,446	489,127	(7.5)
Cost of sales		(340,568)	(375,996)	(9.4)
<b>Gross profit</b>		<b>111,878</b>	<b>113,131</b>	<b>(1.1)</b>
Other income		59,946	43,266	38.6
Interest income		1,937	2,129	(9.0)
Selling and distribution expenses		(96,767)	(103,489)	(6.5)
Administrative expenses		(48,447)	(55,097)	(12.1)
Finance costs		(10,337)	(9,719)	6.4
<b>Profit / (loss) before tax and share of results of joint ventures and associates</b>		<b>18,210</b>	<b>(9,779)</b>	<b>N.M.</b>
<b>Share of results of joint ventures and associates</b>				
Share of results of joint ventures		1	1	-
Share of results of associates		13,918	11,011	26.4
<b>Profit before taxation</b>		<b>32,129</b>	<b>1,233</b>	<b>N.M.</b>
Income tax (expense) / credit	8	(4,960)	396	N.M.
<b>Profit after taxation</b>	7	<b>27,169</b>	<b>1,629</b>	<b>N.M.</b>
<b>Other comprehensive income :</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation loss		(549)	(18)	N.M.
Other comprehensive loss, net of tax		(549)	(18)	N.M.
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<b>26,620</b>	<b>1,611</b>	<b>N.M.</b>

N.M. - Not meaningful

## B. Condensed Consolidated Statement of Financial Position

		Group		Company	
		31-12-2024	30-06-2024	31-12-2024	30-06-2024
		RMB'000	RMB'000	RMB'000	RMB'000
	Note				
Non-current assets					
Property, plant and equipment	9	108,921	114,896	466	47
Right-of-use assets	10	289,171	350,368	4,855	133
Intangible assets		3,810	3,810	-	-
Investment in subsidiaries		-	-	58,988	58,988
Investment in joint ventures		1,485	1,484	-	-
Investment in associates		99,452	85,534	-	-
Other receivables		9,891	9,823	-	-
Deferred tax assets		11,305	15,498	-	-
		524,035	581,413	64,309	59,168
Current assets					
Inventories		206,076	194,604	-	-
Trade and other receivables		30,868	30,938	9	279
Prepayments		7,984	7,113	49	62
Amount due from a subsidiary		-	-	28,544	28,148
Amount due from related parties		2,086	3,184	-	-
Amount due from joint ventures		207,523	216,523	-	-
Amount due from associates		52,500	51,900	-	-
Cash and bank balances		42,160	91,878	2,169	13,410
Fixed deposits		13,978	-	10,778	-
Restricted cash		100,100	100,100	-	-
		663,275	696,240	41,549	41,899
Less: Current liabilities					
Loans and borrowings	12	183,076	175,123	4,076	6,935
Trade and other payables		390,184	430,354	2,871	2,308
Lease liabilities	10	61,515	58,511	-	133
Other liabilities		34,917	32,305	1,580	2,856
Amount due to related parties		4,274	4,554	-	-
Income tax payable		2,446	2,762	-	-
		676,412	703,609	8,527	12,232
Net current liabilities		(13,137)	(7,369)	33,022	29,667
Non-current Liabilities					
Loans and borrowings	12	42,262	42,635	42,262	42,635
Lease liabilities	10	241,186	318,991	-	-
Other liabilities		508	508	-	-
Deferred tax liabilities		18,243	19,441	7,504	10,006
		302,199	381,575	49,766	52,641
Net assets		208,699	192,469	47,565	36,194
Equity attributable to the holders of the Company					
Share capital	11	67,148	67,148	67,148	67,148
Treasury shares		(25,466)	(25,395)	(25,466)	(25,395)
Statutory common reserve		45,262	40,984	-	-
Currency translation reserve		(4,551)	(4,002)	(4,551)	(4,002)
Revenue reserve		126,306	113,734	10,434	(1,557)
Total equity		208,699	192,469	47,565	36,194

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

C. Condensed Consolidated Statement of Cash Flows

	GROUP	
	31-12-2024 RMB'000	31-12-2023 RMB'000
<b>Cash flow from operating activities</b>		
<b>Profit before taxation</b>	32,129	1,233
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	6,839	7,166
Depreciation of right-of-use assets	29,214	28,041
Unwinding on discounts of bond	236	-
Write-back of impairment loss on property, plant and equipment	(49)	(22)
Inventories written off / (back)	97	(10)
Property, plant and equipment written off	35	-
Net (gain) / loss on disposal of property, plant and equipment	(21)	2,396
Net gain on derecognition of right-of-use assets	(19,847)	(1,919)
Provision for termination of lease	-	964
Interest income	(1,935)	(2,129)
Finance costs	10,337	9,719
Share of results of joint ventures	(1)	(1)
Share of results of associates	(13,918)	(11,011)
Unrealised exchange difference	-	107
<b>Operating cash flows before changes in working capital</b>	<b>43,116</b>	<b>34,534</b>
(Increase) / decrease in inventories	(11,569)	79
Increase in prepayments	(5,439)	(4,295)
Decrease in trade and other receivables	1,688	2,190
Decrease in trade and other payables	(25,076)	(10,688)
<b>Cash flows generated from operation</b>	<b>2,720</b>	<b>21,820</b>
Interest received	347	3,926
Tax paid	(2,292)	(3,927)
<b>Net cash flows generated from operating activities</b>	<b>775</b>	<b>21,819</b>
<b>Cash flows from investing activities</b>		
Dividend received	-	9,517
Purchase of property, plant and equipment	(903)	(2,679)
Acquisition of right-of-use asset - leasehold property	(4,891)	-
Proceeds from disposal of property, plant and equipment	70	40
Repayment of advances from / (advances to) related parties	1,002	(459)
Repayment of advances from joint ventures	9,000	-
Advances to associates	(600)	(6,000)
Placements of fixed deposits	(13,978)	(19,701)
<b>Net cash flows used in investing activities</b>	<b>(10,300)</b>	<b>(19,282)</b>

C. Condensed Consolidated Statement of Cash Flows (continued)

	GROUP	
	31-12-2024	31-12-2023
	RMB'000	RMB'000
<b>Cash flows from financing activities</b>		
Dividend paid	(10,319)	(10,264)
Purchase of treasury shares	(71)	(302)
Proceeds from loans and borrowing	164,412	114,800
Interest on loans and borrowings	(2,782)	(3,598)
Interest on lease liabilities	(5,138)	(5,436)
Repayment of loans and borrowing	(157,067)	(89,152)
Repayment of lease liabilities	(28,188)	(30,193)
Repayment of advances from related parties	(518)	(15,841)
<b>Net cash flows used in financing activities</b>	<b>(39,671)</b>	<b>(39,986)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(49,196)</b>	<b>(37,449)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(522)</b>	<b>(334)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>91,878</b>	<b>152,237</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>42,160</b>	<b>114,454</b>
For the purpose of the consolidated statement of cash flows, the cash and cash equivalents comprise of the following:		
<b>Cash on hand</b>	<b>3,322</b>	<b>8,423</b>
<b>Bank balances</b>	<b>38,838</b>	<b>106,031</b>
<b>Cash and bank balances</b>	<b>42,160</b>	<b>114,454</b>
<b>Fixed deposits</b>	<b>13,978</b>	<b>60,000</b>
	<b>56,138</b>	<b>174,454</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**D. Condensed Consolidated Statement of Changes in Equity**

	Attributable to equity holders of the Company					Total equity
	Share capital	Treasury shares	Currency translation reserve	Revenue reserve	Statutory common reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group</b>						
<b>Balance at 01 July 2024</b>	67,148	(25,395)	(4,002)	113,734	40,984	192,469
Exchange difference arising from the translation from functional currency to presentation currency representing other comprehensive income for the period	-	-	(549)	-	-	(549)
Profit for the period	-	-	-	27,169	-	27,169
Transfer to capital reserve	-	-	-	(4,278)	4,278	-
Total comprehensive income for the period	-	-	(549)	22,891	4,278	26,620
Purchase of treasury shares	-	(71)	-	-	-	(71)
Dividends paid	-	-	-	(10,319)	-	(10,319)
<b>Balance at 31 December 2024</b>	67,148	(25,466)	(4,551)	126,306	45,262	208,699

<b>Balance at 01 July 2023</b>	67,148	(25,093)	(3,984)	100,194	40,984	179,249
Exchange difference arising from the translation from functional currency to presentation currency representing other comprehensive income for the period	-	-	(18)	-	-	(18)
Profit for the period	-	-	-	1,629	-	1,629
Total comprehensive income for the period	-	-	(18)	1,629	-	1,611
Purchase of treasury shares	-	(302)	-	-	-	(302)
Dividends paid	-	-	-	(10,264)	-	(10,264)
<b>Balance at 31 December 2023</b>	67,148	(25,395)	(4,002)	91,559	40,984	170,294

	Attributable to equity holders of the Company				Total equity
	Share capital	Treasury shares	Currency translation reserve	Revenue reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Company</b>					
<b>Balance at 01 July 2024</b>	67,148	(25,395)	(4,002)	(1,557)	36,194
Exchange difference arising from the translation from functional currency to presentation currency representing other comprehensive income for the period	-	-	(549)	-	(549)
Profit for the period	-	-	-	22,310	22,310
Total comprehensive income for the period	-	-	(549)	22,310	21,761
Purchase of treasury shares	-	(71)	-	-	(71)
Dividends paid	-	-	-	(10,319)	(10,319)
<b>Balance at 31 December 2024</b>	67,148	(25,466)	(4,551)	10,434	47,565

<b>Balance at 01 July 2023</b>	67,148	(25,093)	(3,997)	(17,287)	20,771
Exchange difference arising from the translation from functional currency to presentation currency representing other comprehensive income for the period	-	-	(18)	-	(18)
Profit for the period	-	-	-	31,324	31,324
Total comprehensive income for the period	-	-	(18)	31,324	31,306
Purchase of treasury shares	-	(302)	-	-	(302)
Dividends paid	-	-	-	(10,264)	(10,264)
<b>Balance at 31 December 2023</b>	67,148	(25,395)	(4,015)	3,773	41,511

**E. Notes to the Condensed Consolidated Interim Financial Statements**

**1 Corporate information**

Zhongmin Baihui Retail Group Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office of the Company is located at 81 Ubi Avenue 4, UB. One, #03-31, Singapore 408830.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are ownership, operation and management of a chain of department stores and retail stores.

**2 Basis of preparation**

The condensed interim financial statements of the Group do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the period ended 30 June 2024.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period, except for the adoption of SFRS(I)s that are mandatory for the financial year beginning on 1 July 2024. The adoption of these SFRS(I)s did not have any material effect on the financial performance or position of the Group.

The financial statements are presented in Chinese Renminbi (RMB).

**3 Use of estimates and judgements**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual financial statements for the period ended 30 June 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**4 Seasonal operations**

The Group's operations are not affected significantly by seasonal or cyclical factors during the financial period.

**5 Segment information**

No segment reporting is reported as the business operations of the Group are solely in the retail industry in China.

**Revenue**

The Group's revenue represents the net amount received and receivables for goods sold by direct sales, commission from concessionaire sales, rental income and income from managed rental. An analysis of the Group's revenue for the financial period is as follows:

	<b>Group</b>		
	<b>6 Months Ended</b>	<b>6 Months Ended</b>	<b>Change</b>
	<b>31-12-2024</b>	<b>31-12-2023</b>	<b>+ / (-)</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
<b>Revenue</b>			
Direct sales	398,457	427,425	(6.8)
Concessionaire sales	32,990	40,140	(17.8)
Rental income	16,655	16,819	(1.0)
Managed rental	4,344	4,743	(8.4)
	<u>452,446</u>	<u>489,127</u>	(7.5)
Gross revenue from concessionaires sales	<u>198,014</u>	<u>223,498</u>	(11.4)
Gross sales proceeds*	<u>617,470</u>	<u>672,485</u>	(8.2)

\*Gross sales proceeds represent the aggregate sum of revenue received and receivable for goods sold by direct sales, gross revenue from concessionaire sales, rental income and income from managed rental.

**Profit before taxation**

Profit before tax is arrived at after (charging) / crediting the followings:-

	<b>Group</b>		
	<b>6 Months Ended</b>	<b>6 Months Ended</b>	<b>Change</b>
	<b>31-12-2024</b>	<b>31-12-2023</b>	<b>+ / (-)</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
<b>Cost of sales:</b>			
Inventories written (off) / back	(97)	10	N.M.
<b>Other income:</b>			
Management fees	2,476	2,476	-
Advertisement and promotion fees	29,573	33,298	(11.2)
Leisure facilities charges	478	520	(8.1)
Net gain on derecognition of right-of-use assets	19,847	1,919	934.2
Exchange gain	-	2	(100.0)
<b>Selling and distribution expenses:</b>			
Employee benefit expenses			
Defined contribution plans	(5,877)	(5,775)	1.8
Salaries, wages, bonuses and other costs	(31,063)	(35,205)	(11.8)
Advertisement and promotion fees	(3,615)	(5,215)	(30.7)
Business taxes and surcharges	(1,926)	(2,981)	(35.4)
Depreciation of right-of-use assets	(29,214)	(28,041)	4.2
<b>Administrative expenses:</b>			
Employee benefit expenses			
Defined contribution plans	(4,071)	(3,628)	12.2
Salaries, wages, bonuses and other costs	(30,518)	(33,094)	(7.8)
Director fees	(380)	(377)	0.8
Depreciation of property, plant and equipment	(6,839)	(7,166)	(4.6)
Provision for termination of leases	-	(964)	(100.0)
Net gain / (loss) on disposal of property, plant and equipment	21	(2,396)	N.M.

N.M. - Not meaningful



## 8 Income tax expense

The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group		
	6 Months Ended	6 Months Ended	Change
	31-12-2024	31-12-2023	+ / (-)
	RMB'000	RMB'000	%
Current income tax	705	1,342	(47.50)
Deferred tax expense / (income) relating to origination and reversal of temporary differences	4,255	(1,738)	N.M.
Income tax expense / (credit)	<u>4,960</u>	<u>(396)</u>	

## 9 Property, plant and equipment ("PPE")

HY2025 depreciation of PPE is about RMB 6.8 million. During the period, the total acquired PPE amounted to RMB 1.0 million. The Group wrote off and disposed of about net book value RMB 0.1 million of PPE.

## 10 Right-of-use assets / lease liabilities

During HY2025, the Group has depreciated about RMB 29.2 million of its right-of-use assets, which relates to the long term leases for the stores. Due to early termination of a few leases, the right-of-use assets at total net book value of RMB 42.2 million was derecognised with corresponding lease liabilities of RMB 62.0 million. During the current financial period, the lease of an existing store was renewed, resulting in an increase of right-of-use asset and lease liabilities by RMB 5.3 million. In addition, a leasehold property of RMB 4.9 million was acquired in August 2024 and classified under right-of-use asset.

## 11 Share capital

	As at 31-12-2024		As at 30-06-2024	
	No. of ordinary shares	Paid up share capital	No. of ordinary shares	Paid up share capital
	'000	RMB'000	'000	RMB'000
At beginning and end of interim period	<u>196,320</u>	<u>67,148</u>	<u>196,320</u>	<u>67,148</u>

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

## 12 Loan and borrowings

Amount repayable in one year or less, or on demand

As at 31-12-2024		As at 30-06-2024	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
179,000	4,076	168,188	6,935

Amount repayable after one year

As at 31-12-2024		As at 30-06-2024	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	42,262	-	42,635

As at 31 December 2024, total bank borrowings of RMB 179.0 million were interest bearing and secured by fixed deposits, a store owned by the Group and the guarantee from a director.

The Group's unsecured interest bearing borrowings consists of RMB 42.3 million of bonds issued by the Company and a bank borrowing of RMB 4.0 million.

## 13 Related party transactions

Other than the related party information disclosed elsewhere in the condensed interim financial statements, the following are significant related party transactions entered into by the Group with related parties:

	Group	
	6 Months Ended	6 Months Ended
	31-12-2024	31-12-2023
	RMB'000	RMB'000
Concessionaire income from companies in which Directors have an interest	408	613
Advertisement income received from companies in which Directors have an interest	3	12
Rental income from a company in which Directors have an interest	36	-
Management fees from a company in which Directors have an interest	2,476	2,476
Other income from a company in which Directors have an interest	52	-
Sales commission charged by companies in which Directors have an interest	107	206
Depreciation of right to use lease properties owned by a company in which Directors have an interest	2,004	2,356
Interest on payment of lease liabilities for use of lease properties owned by a company in which Directors have an interest	234	195

## 14 Subsequent events

(1) Subsequent to the end of reporting period, an associate had declared dividend of RMB 28,150,431.34 and the amount was received in late January 2025; and

(2) In December 2024, the Group had given notice of termination for the lease of Zhangzhou Port store, which had been underperforming, and the store had ceased operations in end January 2025.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary shares held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the share capital of the Company in HY2025.

There were no outstanding convertibles issued or subsidiary holdings as at 31 December 2024 and 31 December 2023.

The number of treasury shares held by the Company were 4,676,600 as at 31 December 2024 (31 December 2023: 4,656,300).

As at 31 December 2024, the number of treasury shares held by the Company constituted 2.4% (31 December 2023: 2.4%) of the total number of ordinary shares outstanding.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at 31 December 2024 were 191,643,400 (31 December 2023: 191,663,700).

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	<u>6 Months Ended</u> 31-12-2024	<u>6 Months Ended</u> 31-12-2023
Balance at beginning of financial period	4,656,300	4,572,300
Purchase of treasury shares	20,300	84,000
Balance at end of financial period	<u>4,676,600</u>	<u>4,656,300</u>

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

**3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) **Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

(b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation as in the financial statements for the current financial period compared with those of the audited financial statements as at 30 June 2024.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the new/revised SFRS(I) and Interpretations of SFRS(I) ("SFRS(I) INT") that are effective for annual periods beginning on 1 July 2024. The adoption of the new/revised SFRS(I) and SFRS(I) INT did not have any significant impact on the financial statements of the Group.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

(a) **Based on weighted average number of ordinary shares on issue; and**

(b) **On a fully diluted basis (detailing any adjustments made to the earnings).**

Group	
<u>6 Months Ended</u>	<u>6 Months Ended</u>
31-12-2024	31-12-2023
RMB	RMB
Cents	Cents
(a) Based on weighted average number of ordinary shares	14.18 0.85
(b) Based on a fully diluted basis	14.18 0.85
Weighted average number of shares applicable to basic earning per share	191,644,283 191,679,537
Weighted average number of shares based on fully diluted basis	191,644,283 191,679,537

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

(a) **current financial period reported on; and**

(b) **immediately preceding financial year.**

	Group		Company	
	Cents		Cents	
	31-12-2024	30-06-2024	31-12-2024	30-06-2024
	RMB	RMB	RMB	RMB
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	108.90	100.42	24.82	18.88

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### Statement of Comprehensive Income

The review of the statement of comprehensive income for the six-month ended 31 December 2024 ("HY2025") and 31 December 2023 ("HY2024") is as follows:-

The Group's total revenue for HY2025 declined by 7.5% to RMB 452.4 million, compared to RMB 489.1 million in the prior corresponding period. Revenue from all revenue segments has declined, with concessionaire sales declining the most by 17.8% and the reduction of the rest by not more than 10%. The decrease in direct sales is mainly attributed to reductions in sales of gold and the market conditions. The decrease in the overall revenue is largely due to fewer stores in operation for this current period as compared to the prior corresponding period.

Gross profit for HY2025 was about RMB 111.9 million, a 1.1% decrease from RMB 113.1 million in the prior corresponding period. The decrease in gross profit was mainly due to the decrease in overall revenue. However, the overall gross profit margin has increased from 23.1% to 24.7%. The improvement in gross profit margin was mainly due to contribution from sales of gold. The gold inventory were purchased when gold prices were lower and the price of gold had increased over the past six months.

The Group's cost of sales relates solely to its direct sales activities. The gross profit margin for these direct sales activities recorded for HY2025 is 14.5% (HY2024: 12.0%). The Group's gross profit and gross profit margin in respect to the direct sales activities are set out as per below:-

	Group		Change + / (-) %
	6 Months Ended	6 Months Ended	
	31-12-2024 RMB'000	31-12-2023 RMB'000	
Revenue from direct sales activities	398,457	427,425	(6.8)
Cost of sales	(340,568)	(375,996)	(9.4)
Gross profit from direct sales activities	<u>57,889</u>	<u>51,429</u>	12.6
Gross profit margin on direct sales activities	<u>14.5%</u>	<u>12.0%</u>	2.5%

The Group's other income increased by 38.6% to RMB 59.9 million as compared to RMB 43.3 million in the same period last year. The increase of RMB 16.6 million is mainly due to an increase in gain in derecognition of right-of-use assets of RMB 17.9 million, pertaining to the leases of Jinfeng and Zhangzhou Port stores. This increase coupled with an increase in other operating income were offset by the decrease in advertisement and promotion income of RMB 3.7 million.

Interest income, consisting mainly of interest received from fixed deposits has declined moderately from RMB 2.1 million to the current period of RMB 1.9 million.

The Group's selling expenses for HY 2025 decreased by 6.5% (RMB 6.7 million) from RMB 103.5 million to the current period of RMB 96.8 million. This decline was primarily driven by lower salaries and related expenses (RMB 4.0 million), reduced advertising and promotion expenses (RMB 1.6 million), a decrease in business surcharges (RMB 1.1 million), and lower repairs and maintenance costs (RMB 0.8 million) and a decrease in other expenses (RMB 0.4 million). These decreases were offset against the increase in depreciation of right-of-use assets of RMB 1.2 million.

Administrative expenses for HY 2025 decreased by 12.1% (RMB 6.7 million) to RMB 48.4 million, compared to RMB 55.1 million of the last corresponding period. The decline was mainly due to lower salaries and related expenses (RMB 2.1 million), a lower depreciation of property, plant and equipment (RMB 0.3 million), a reduction in loss on disposal of property, plant and equipment (RMB 2.4 million), reduced office expenses (RMB 0.3 million), a reduction in other non-operating expenses and a provision for termination of leases of RMB 1.0 million in HY 2024 in correspondent with none during the current period.

Finance costs for the half year ended 31 December 2024 increased slightly by RMB 0.6 million compared to the prior corresponding period due to higher borrowings.

The aggregated share of the results of joint ventures and associates increased by about RMB 2.9 million, from RMB 11.0 million in the last corresponding period to RMB 13.9 million. The reasons for the increase between the two corresponding periods are set out as follows: -

- (1) There was no share of results recorded for Wuxi Shi Yueshang Outlets Co., Ltd. ("YSO"), a joint venture of the Group for both periods as the profits for both periods were used to offset the accumulated unrecognised losses. The attributable profit of RMB 4.2 million from YSO earned during this period was used to offset the balance of accumulated unrecognised losses, reducing the balance to about RMB 0.3 million as of 31 December 2024.
- (2) The share of profit of Changsha Sasseur Zhongmin Baihui Outlets Commercial Management Co., Ltd. ("CSO"), an associate of the Group increased by RMB 1.5 million from RMB 13.4 million to RMB 14.9 million in the current period; and
- (3) Attributable total share of losses from the other two associates, Xiamen Citi-Base Commerce Co., Ltd. and Citi-Base Commercial Logistics (Xiamen) Co., Ltd decreased by RMB 1.4 million in this period as compared to the same period of last year.

The Group recorded an income tax expense of RMB 5.0 million in the current period as compared to an income tax credit of RMB 0.4 million in the prior corresponding period. The income tax credit of the prior period is mainly due to the reversal of tax provisions of prior years.

In summary, with good performance from our outlet mall in CSO, coupled with better cost controls, the Group achieved a significantly higher profit after taxation of RMB 27.2 million, compared to a profit after taxation of RMB 1.6 million in the prior corresponding period.

## **Statements of Financial Position**

Below is the review of the Statements of Financial Position as at 31 December 2024 ("HY2025") compared with 30 June 2024 ("FY2024").

### **Non-current assets**

The book value of property, plant, and equipment declined by RMB 6.0 million. Apart from RMB 6.8 million of depreciation expenses, there were disposals and written-off assets at a total net book value of RMB 0.1 million. During the year, the Group acquired about RMB 1.0 million of assets.

The right-of-use assets were recorded at RMB 289.2 million, a decrease of RMB 61.2 million. This is a result of the derecognition of leases for the Jinfeng and Zhangzhou Port stores at a total net book value of RMB 42.2 million, the depreciation expenses of RMB 29.2 million, a renewal of store lease of RMB 5.3 million and the acquisition of a leasehold office of about RMB 4.9 million.

Investment in associates and joint ventures increased by RMB 13.9 million due to the aggregated share of profits from joint ventures and associates.

Other receivables, comprising lease deposits placed with landlords, remained at RMB 9.8 million.

### **Current assets**

Inventories increased by RMB 11.5 million as the Group increased stock levels in anticipation of higher demand due to the forthcoming Chinese New Year.

Trade and other receivables decreased by RMB 0.1 million, mainly a result of a decrease in trade receivables, which is in line with a decrease in sales.

Prepayments increased moderately by RMB 0.9 million, mainly due to advance payments made to suppliers.

The amount due from related parties decreased by RMB 1.1 million during the current period.

The amount due from joint ventures decreased from RMB 216.5 million to RMB 207.5 million, there was a repayment of RMB 9 million in the current period.

An additional shareholder loan of RMB 0.6 million to the Group's associates during the period resulted in the amount due from associates increasing from RMB 51.9 million to RMB 52.5 million.

### **Current liabilities**

Trade and other payables decreased by RMB 40.2 million, mainly a result of offsetting against the advance payment made to suppliers.

The amount due to related parties decreased by RMB 0.3 million during this period.

The increase in other liabilities of RMB 2.6 million is attributed mainly to accrued bonuses.

The income tax payable has been reduced slightly by RMB 0.3 million.

### **Loans and borrowings (current and non-current)**

Total loans and borrowings amounted to RMB 225.3 million, an increase of RMB 7.6 million. This is due to loan repayments of RMB 157.1 million, set off by (i) RMB 164.4 million of new loans and (ii) RMB 0.3 million of unrealised foreign exchange loss incurred.

### **Lease liabilities (current and non-current)**

Lease liabilities decreased by RMB 74.8 million due to repayments (net of interest expenses) of RMB 28.2 million and a derecognition of lease liabilities arising from early termination amounting to RMB 62.0 million, offset by a renewed lease of RMB 5.3 million and other lease-related payables and prepayments of RMB 10.1 million.

The Group reported a net current liabilities position of RMB 13.1 million as at 31 December 2024.

## **Cash flow statement**

The Group reported net cash and cash equivalents of RMB 42.2 million (excludes fixed deposits) as at 31 December 2024.

### **Cash generated from operating activities**

Net cash generated from operating activities was about RMB 0.8 million as compared to net cash generated in the prior corresponding period of RMB 21.8 million. This was attributable to profit before taxation of RMB 32.1 million, with adjustments for non-cash items such as amortisation and depreciation expenses of RMB 36.1 million, unwinding on discount of bond of RMB 0.2 million, gain on derecognition of right-of-use assets of RMB 19.8 million, finance costs of RMB 10.3 million, interest income of RMB 1.9 million, and aggregated share of profits of joint ventures and associates of RMB 13.9 million to arrive at the operating cash flows before changes in working capital of RMB 43.1 million.

After adjusting for working capital changes which include increase in inventories of RMB 11.6 million, increase in prepayments of RMB 5.4 million, lower trade and other receivables of RMB 1.7 million, lower trade and other payables of RMB 25.1 million, as well as adjustments for the receipt of interest of RMB 0.3 million and tax payment of RMB 2.2 million, the Group's net cash generated from operating activities amounted to RMB 0.8 million.

### **Cash used in investing activities**

Net cash used in investing activities was about RMB 10.3 million. The cash outflows include the purchase of property, plant, and equipment of about RMB 1.0 million, the acquisition of a right-of-use leasehold office asset at RMB 4.9 million, a further loan of RMB 0.6 million extended to an associate, and the placement of fixed deposits of RMB 13.9 million. These cash outflows offset the repayment of advances from related parties and joint venture of RMB 1.0 million and 9.0 million respectively.

### **Cash used in financing activities**

Net cash used in financing activities was about RMB 39.7 million, of which RMB 10.3 million was dividends paid to shareholders of the Group, purchase of treasury shares at RMB 0.1 million and RMB 0.5 million of advances repaid to related parties. During the period, the repayment of Group's principal and interest expense of loans as well as the repayment of principal and the interest expense of lease liabilities were at RMB 159.9 million and RMB 33.3 million respectively. These cash outflows offset new loans of RMB 164.4 million obtained during the period.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

There has not been any forecast or prospect statement in relation to the Group's results previously disclosed to shareholders.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

According to the National Bureau of Statistics of China, real GDP in China grew 5.0% year-on-year in 2024 versus 5.2% in 2023. Retail sales of consumer goods excluding automobiles increased by 3.8% in 2024, at a lower rate versus the 7.2% growth rate in 2023. The Chinese economy continues to expand but at a more moderate pace. The Chinese government has introduced various measures to boost growth, such as giving subsidies for purchasing home appliances and reducing VAT for property purchases.

The Group remains focused on managing our retail presence in this challenging economic environment. The operating performances of our outlet malls in Wuxi and Changsha continued to improve in the six months ending 31 December 2024, which saw the Changsha outlet exhibiting healthy revenue and net profit growth while the Wuxi outlet was profitable, leading to an almost complete elimination of accumulated unrecognised losses for the JV. As for our operations in Fujian Province, we continue to make adjustments to improve our operating performance by closing underperforming stores. The 1,400 sqm Jinfeng Store in Zhangzhou City ceased operations on 31 August 2024 while the 15,152 sqm Zhangzhou Port Store, also located in Zhangzhou City, ceased operations on 28 January 2025. The Group maintains a significant presence in Fujian Province with 15 stores (12 self-owned and 3 managed stores).

**11 If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended);**

No interim dividend has been declared or recommended for HY2025.

**(b) (i) Amount per share;**

Not applicable.

**(b) (ii) Previous corresponding period;**

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated);**

Not applicable.

**(d) The date the dividend is payable; and**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect and reason(s) for the decision.

No interim dividend has been declared or recommended as the board of Directors deems it appropriate to conserve adequate resources for the Group's business activities.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under reivew (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 820)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	(RMB'000)	(RMB'000)
Management fees charged to a related party: Quanzhou Zhongmin Baihui Shopping Co., Ltd	2,476	-

The Group has not obtained a general mandate from Shareholders for interested person transactions.

14 Negative confirmation pursuant to the Rule 705(5).

The Board of Directors confirms that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the financial results for the half year ended 31 December 2024 of the Group and the Company to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

ZHONGMIN BAIHUI RETAIL GROUP LIMITED  
LEE SWEE KENG  
EXECUTIVE CHAIRMAN

13 February 2025