

# EEKA



2023  
INTERIM  
REPORT

 EEKA  
FASHION  
贏家時尚

EEKA Fashion Holdings Limited  
贏家時尚控股有限公司  
*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 3709)

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# Corporate Profile

## ABOUT EEKA FASHION

We are one of the leading and fast-growing middle to high-end womenswear companies in the People's Republic of China (the "PRC"). We have a unique brand culture concept, advanced research and development design center, sound marketing service system, efficient logistics and distribution and network management system. As at 30 June 2023, our brand portfolio comprises eight brands: our own high-end brands – (i) Koradior (ii) La Koradior (iii) ELSEWHERE and (iv) FUUNNY FEELLN, and acquired brands – (i) CADIDL (ii) NAERSI (iii) NAERSILING and (iv) NEXY.CO.

Our business was established in 2007 by Mr. Jin Ming, our chief executive officer, chairman and executive director. Our "Koradior" brand is positioned to offer our customers feminine, stylish and young-looking designs. "La Koradior" brand was launched in September 2012 which is positioned to offer perceptual, elegant and romantic designs. "ELSEWHERE" brand was launched in September 2014, which is positioned to offer comfortable, tactile and relaxed aesthetic designs. We launched a new brand named "FUUNNY FEELLN" (referred to as "FF" brand) in January 2019, which is positioned to promote freedom and unrestraint, to achieve a youthful and unique women's lifestyle.

Shenzhen Mondial Industrial Co., Limited ("Mondial") became our wholly-owned subsidiary after the acquisition of 65% and 35% of its equity interest by the Group in July 2016 and November 2021 respectively, and with it the "CADIDL" brand, which is positioned to offer simple, elegant and quality clothing for urban women. We acquired Keen Reach Holdings Limited ("Keen Reach") in July 2019, which has three self-owned brands in the PRC, namely "NAERSI", "NEXY.CO" and "NAERSILING", all targeting affluent ladies between the ages of 30 and 45. "NAERSI" creates high-end clothing for professional women with both fashion and quality, highlighting the elegant spirit of "ease and comfort". "NEXY.CO" is dedicated to urban, chic women with a sophisticated, charismatic and refined image. "NAERSILING" embodies a free and artistic brand style, both business-like and unrestrained dress code.

Over the years, we have attached great importance to the brand's international influence, our brands have been invited to Milan Fashion Week and New York Fashion Week to showcase the charm of Chinese brands. We always emphasise that the brand is the root and creativity is the soul to customer lifestyle research, with brand culture as the foundation based on customer needs and the "Synthesizing fashionable aesthetics, savoring a life of elevated quality" mission, focusing on product innovation and development and brand communication promotion, and continuing to lead womenswear fashion and life culture.

We have started to sell our products through the third-party e-commerce platform Tmall since 2011 in our flagship store and authorized merchants VIP.com and Douyin. We launched the EEKA Fashion Mall based on WeChat ecological social e-commerce platform on 13 January 2020. EEKA Fashion Mall has opened up the sharing mechanism such as inventory, membership, marketing resources and other key elements to achieve a comprehensive upgrade of customer experience.

Our products, which include dresses, skirts, trousers, shirts, knitwear, vests, jackets, overcoats, scarves and accessories, are sold across a nationwide sales network, majority of which consist of self-operated retail stores, covering 31 provinces, autonomous regions and municipalities in the PRC.

# Corporate Information

## EXECUTIVE DIRECTORS

Mr. JIN Ming (*Chairman and Chief Executive Officer*)  
Ms. HE Hongmei  
Mr. JIN Rui

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. ZHOU Xiaoyu  
Mr. ZHONG Ming  
Mr. ZHANG Guodong

## REGISTERED OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111 Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

26/F, B Block, Terra Licheng Building  
Terra 4th Road  
Futian District  
Shenzhen, Guangdong Province  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 812, 8th Floor, Tower 1,  
The Gateway, Harbour City,  
25 Canton Road, Tsim Sha Tsui,  
Kowloon, Hong Kong

## COMPANY SECRETARY

Ms. WONG Wai Kiu *FCCA, FCG, HKFCG(PE)*

## JOINT COMPANY SECRETARY

Mr. LEUNG Ka Wai

## AUTHORISED REPRESENTATIVES

Mr. JIN Ming  
Mr. LEUNG Ka Wai

## AUDIT COMMITTEE

Mr. ZHANG Guodong (*Chairman*)  
Mr. ZHOU Xiaoyu  
Mr. ZHONG Ming

## REMUNERATION COMMITTEE

Mr. ZHOU Xiaoyu (*Chairman*)  
Mr. ZHANG Guodong  
Mr. JIN Ming

## NOMINATION COMMITTEE

Mr. JIN Ming (*Chairman*)  
Mr. ZHOU Xiaoyu  
Mr. ZHANG Guodong

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Pingan Bank

Shenzhen branch, Jinsha sub-branch

China Merchants Bank

Shenzhen branch, Tairan Jingu sub-branch

## COMPANY WEBSITE

[www.eekagroup.com](http://www.eekagroup.com)

## STOCK CODE

3709

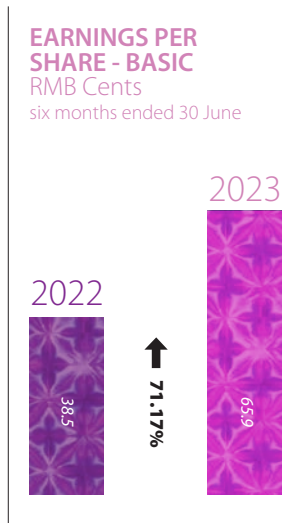
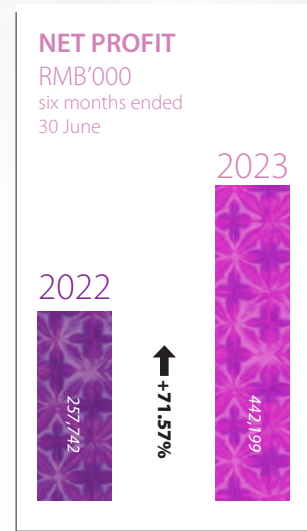
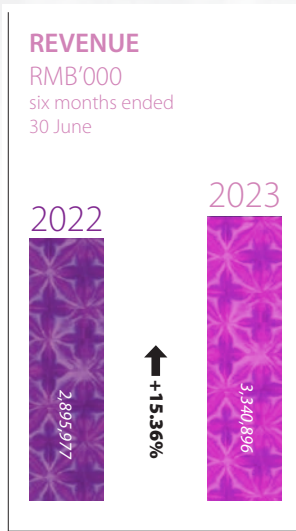
# Financial Highlights

	Six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Revenue	3,340,896	2,895,977
Gross profit	2,514,285	2,167,467
Net profit	442,199	257,742
Net cash flows from operating activities	914,610	980,819
Earnings per share <sup>1</sup>		
– Basic (RMB cents)	65.9	38.5
– Diluted (RMB cents)	64.8	37.8
<b>Profitability Ratio</b>		
Gross margin	75.26%	74.84%
Net margin	13.24%	8.90%
	At 30 June 2023	At 31 December 2022
<b>Liquidity Ratio</b>		
Current ratio <sup>2</sup> (times)	1.64	1.60
Trade and bills receivables turnover days <sup>3</sup>	28.20	34.52
Trade and bills payables turnover days <sup>4</sup>	96.61	86.60
Inventory turnover days <sup>5</sup>	210.55	255.88
<b>Capital Ratio</b>		
Gearing ratio <sup>6</sup>	10.67%	10.79%
Interest coverage ratio <sup>7</sup> (times)	22.65	9.25

## Notes:

- 1 Basic earnings per share = Profit attributable to owners of the Company/Weighted average number of ordinary shares (the weighted average number of shares in the first six months of 2023 was 675,466,314 versus 676,209,152 in the same period of last year)  
Diluted earnings per share = Profit attributable to owners of the Company/Weighted average number of ordinary shares after effect of deemed issue of shares under no consideration (the weighted average number of shares after the deemed issue in the first six months of 2023 was 687,331,444 versus 689,664,390 in the same period of last year)
- 2 Current ratio = Current assets/Current liabilities
- 3 Trade and bills receivables turnover days = Average of opening and closing balances on trade and bills receivables/Revenue for the period x 180 days
- 4 Trade and bills payables turnover days = Average of opening and closing balances on trade and bills payables/Cost of sales for the period x 180 days
- 5 Inventory turnover days = Average of opening and closing balances on inventory/Cost of sales x 180 days
- 6 Gearing ratio = Total bank borrowings/Total equity x 100%
- 7 Interest coverage ratio = Profit before interest and tax/Interest expenses

# Financial Highlights



# CHAIRMAN'S STATEMENT



**Koradior**

# Chairman's Statement

Dear shareholders of EEKA Fashion Holdings Limited,

On behalf of the board of directors (the "Board") of EEKA Fashion Holdings Limited (the "Company" or "EEKA Fashion", stock code: 3709), I am pleased to present the interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2023 (the "Reporting Period").

In the first half of the year, China's GDP growth rate was 5.5%, with a total retail sales of consumer goods reaching RMB22,758.8 billion, representing a year-on-year increase of 8.2%. In particular, the clothing, footwear, and textile categories saw a significant growth of 12.8% compared to the previous year. However, at the same time, private investment and exports experienced a rapid decline. China's economy and society are displaying increasingly evident developmental characteristics, with the era of stock-based competition accelerating.

Leveraging its strong systemic capabilities and unwavering focus on methodology, the Company has successfully advanced various reforms, initiating five major upgrades. In the first half of the year, the Company achieved operating results that far surpassed its peers, with a new record-high revenue and net profit.

During the Reporting Period, the Group's revenue reached RMB3,340.90 million, representing an increase of 15.36% with a net profit of RMB442.20 million, representing a sharp increase of 71.57% compared with the first half of 2022. The three main brands Koradior, NAERSI and NEXY.CO returned to high-quality growth, with each achieved growth rate of 11.14%, 8.91% and 24.71% respectively; CADIDL, ELSEWHERE, La Koradior, and NAERSILING have continued their strong growth momentum from 2022, achieving positive growth rates of 17.67%, 16.62%, 30.04% and 22.76% respectively; FUUNNY FEELN has experienced a 18.09% year-on-year growth, with accelerated adjustments and upgrades in channel layout and product iteration. The Company continues to promote the rapid implementation of an excellent product system, accelerating comprehensive product upgrades and unleashing the dividends of product reform.



## NAERSI



## Chairman's Statement

Revenue from self-operated retail stores reached RMB2,722.99 million in the Reporting Period, representing a year-on-year increase of 19.44% due to iterative operational system improvements, strengthened establishment of know-how in shopping center operations, and expanded and optimized store locations to create super flagship stores. As at 30 June 2023, the Group had 1,980 retail stores of which 1,543 were operated by the Group and 437 were operated by our distributors.

Revenue from e-commerce platforms reached RMB463.72 million in the Reporting Period, representing a year-on-year increase of 4.58% due to improved efficiency of product output, increased proportion of new product sales online, expanded member sales, improved member repurchase rates, enhanced efficiency of live streaming, and the achievement of a 50% growth in live streaming penetration rate.

The Company adheres to the long-term strategy of "multi-brand, omni-channel, comprehensive platform, merging upstream and downstream", and constantly iterates the core management system, optimizes the platform operation and management capabilities and consolidates the core competitive advantage to make impressive achievements regarding quantities of brands and the quality improvement of supply chains.

On 5 January 2023, the 2022 (6th Edition) Boao Enterprise Forum and China Brand Boao Summit were grandly held in Sanya, Hainan. During the awards ceremony, Koradior, a brand under the Group, was honored with the title of "2022 Fashion Exemplary Brand," while La Koradior received the title of "2022 Top 10 Influential Brands." These prestigious accolades were presented at the ceremony, recognizing the remarkable achievements and influence of both brands in the fashion industry during 2022. In February 2023, the Group was awarded "2022 China's Best Learning Enterprise" in the "2022 (10th Edition) China's Best Learning Enterprise" selection organized by Xu Daojia Academy which emphasizes unique learning methodology to demonstrate effective practical exploration in learning, focusing on strategic innovation and transformation. The Company has established a three-pillar talent development



## Chairman's Statement

ELSEWHERE



framework: Leadership System, Excellent Product Power System, and Sales Power System to explore and establish a talent development model that aligns with the Company's unique needs and requirements.

The Group actively assumed corporate social responsibility such as the collaboration of ELSEWHERE and "New Paradise" magazine launched an online art exhibition that brought together three marine artists to explore ocean conservation through art on World Oceans Day to raise awareness about the importance of protecting our oceans, highlighting the potential for sustainable fashion to contribute to ocean conservation efforts.

Overall, the Group believes that with the global COVID-19 pandemic having been brought under control, and the Company's comprehensive upgrade strategy has begun to show positive operational results, the Company has transformed from being a "leading company in China's mid-to-high-end women's clothing industry" to a magnificent rise as a more powerful and confident "China's affordable luxury brand management group".

Last but not least, I would like to take the opportunity on behalf of the Board to offer my heartfelt thanks to all shareholders, customers, business partners and our staff for their committed support and trust.

**Jin Ming**  
Chairman of Board

25 August 2023

MANAGEMENT  
DISCUSSION  
AND  
ANALYSIS



# Management Discussion and Analysis

## REVENUE

The principal activities of the Group are design, promotion, marketing and sales of self-owned branded womenswear products in the PRC. Revenue represents the sales value of goods sold less returns, discounts and value-added tax. Total revenue increased from RMB2,895.98 million for the first half of 2022 to RMB3,340.90 million for the Reporting Period, representing an increase of 15.36% or RMB444.92 million. Total number of retail stores decreased from 2,006 as at 1 January 2023 to 1,980 as at 30 June 2023\*. The revenue from the self-operated retail stores increased by 19.44% from RMB2,279.81 million for the first half of 2022 to RMB2,722.99 million for the Reporting Period. Total revenue from distributors decreased by 11.97% from RMB162.23 million for the first half of 2022 to RMB142.81 million for the Reporting Period. Total revenue from e-commerce platforms increased by 4.58% from RMB443.40 million for the first half of 2022 to RMB463.72 million for the Reporting Period in which: (i) the revenue from e-commerce generated from Tmall increased from RMB106.91 million for the first half of 2022 to RMB115.29 million for the Reporting Period, representing an increase of 7.84% or RMB8.38 million; (ii) the revenue from e-commerce generated from VIP.com increased from RMB196.12 million for the first half of 2022 to RMB208.79 million for the Reporting Period, representing an increase of 6.46% or RMB12.67 million; (iii) the revenue from e-commerce generated from EEKA Fashion Mall decreased from RMB80.46 million for the first half of 2022 to RMB36.70 million for the Reporting Period, representing a decrease of 54.39% or RMB43.76 million; and (iv) the revenue from e-commerce generated from Douyin increased from RMB58.51 million for the first half of 2022 to RMB97.48 million for the Reporting Period, representing an increase of 66.60% or RMB38.97 million. The increase in revenue for the Reporting Period is primarily attributable to the global COVID-19 pandemic having been brought under control, and the Company's comprehensive upgrade strategy has begun to show positive operational results.

\* The following table shows a breakdown of retail stores of our brands in the PRC as at 1 January 2023 and 30 June 2023 respectively including both self-operated retail stores and retail stores operated by our distributors by geographical region and brand:

Region	Number of retail stores			As at 30 June 2023
	As at 1 January 2023	Opened during the Reporting Period	Closed during the Reporting Period	
Central PRC <sup>1</sup>	210	11	(12)	209
Eastern PRC <sup>2</sup>	651	24	(40)	635
North Eastern PRC <sup>3</sup>	132	4	(4)	132
North Western PRC <sup>4</sup>	219	15	(14)	220
Northern PRC <sup>5</sup>	235	6	(6)	235
South Western PRC <sup>6</sup>	330	7	(12)	325
Southern PRC <sup>7</sup>	229	3	(8)	224
<b>Total</b>	<b>2,006</b>	<b>70</b>	<b>(96)</b>	<b>1,980</b>

Notes:

- 1 Central PRC includes Henan, Hubei and Hunan.
- 2 Eastern PRC includes Shandong, Jiangsu, Zhejiang, Anhui, Shanghai, Jiangxi and Fujian.
- 3 North Eastern PRC includes Jilin, Heilongjiang and Liaoning.
- 4 North Western PRC includes Shaanxi, Ningxia, Qinghai, Gansu and Xinjiang.
- 5 Northern PRC includes Tianjin, Beijing, Inner Mongolia, Hebei and Shanxi.
- 6 South Western PRC includes Guizhou, Chongqing, Yunnan, Tibet and Sichuan.
- 7 Southern PRC includes Guangxi, Hainan and Guangdong.

# Management Discussion and Analysis

## REVENUE *(Continued)*

Brand	Number of retail stores	
	As at 1 January 2023	As at 30 June 2023
Koradior	738	726
La Koradior	43	44
ELSEWHERE	187	182
CADIDL	151	158
FUUNNY FEELN	111	104
NAERSI	478	460
NAERSILING	97	95
NEXY.CO	201	211
<b>Total</b>	<b>2,006</b>	<b>1,980</b>



# Management Discussion and Analysis

## Revenue analysis by brands

	For the six months ended 30 June					
	2023		2022		Increase	
	RMB'000	%	RMB'000	%	RMB'000	%
Koradior	1,126,736	33.73%	1,013,756	35.01%	112,980	11.14%
La Koradior	217,049	6.50%	166,908	5.76%	50,141	30.04%
ELSEWHERE	273,118	8.17%	234,191	8.09%	38,927	16.62%
CADIDL	215,497	6.45%	183,134	6.32%	32,363	17.67%
FUUNNY FEELLN	71,996	2.15%	60,967	2.11%	11,029	18.09%
NAERSI	704,565	21.09%	646,901	22.34%	57,664	8.91%
NAERSILING	252,221	7.55%	205,462	7.09%	46,759	22.76%
NEXY.CO	479,714	14.36%	384,658	13.28%	95,056	24.71%
<b>Total</b>	<b>3,340,896</b>	<b>100%</b>	<b>2,895,977</b>	<b>100%</b>	<b>444,919</b>	<b>15.36%</b>

The revenue generated from the sales of products under the main brands Koradior and NAERSI showed an increase of 11.14% and 8.91% or RMB112.98 million and RMB57.66 million for the Reporting Period respectively. La Koradior, NAERSILING and NEXY.CO brands' performance is outstanding, with the revenue generated from sales of products increased to RMB217.05 million, RMB252.22 million and RMB479.71 million, representing an increase of 30.04%, 22.76% and 24.71% as compared to the first half of 2022 respectively. The revenue generated from sales of products of ELSEWHERE, CADIDL and FUUNNY FEELLN increased to RMB273.12 million, RMB215.50 million and RMB72.00 million respectively, representing an increase of 16.62%, 17.67% and 18.09% respectively as compared to the first half of 2022.

## COST OF SALES

Cost of sales increased from RMB728.51 million for the six months ended 30 June 2022 to RMB826.61 million for the Reporting Period, representing an increase of 13.47% or RMB98.10 million, primarily due to the increase in the cost of inventories sold as a result of the increase of the Group's revenue.

## GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit increased from RMB2,167.47 million for the six months ended 30 June 2022 to RMB2,514.29 million for the Reporting Period, representing an increase of 16.00% or RMB346.82 million. Overall gross profit margin slightly increased from 74.84% for the first half of 2022 to 75.26% for the Reporting Period.

## OPERATING EXPENSES

Operating expenses increased from RMB1,902.53 million for the six months ended 30 June 2022 to RMB2,081.93 million for the Reporting Period, representing an increase of 9.43% or RMB179.40 million. Operating expenses include selling and distribution expenses, administrative and other operating expenses, and details of them are listed below:

## Management Discussion and Analysis



NAERSIING

### Selling and distribution expenses

Selling and distribution expenses increased by 9.08% to RMB1,792.03 million for the Reporting Period from RMB1,642.93 million for the six months ended 30 June 2022, primarily due to the increase in (a) salaries and staff benefits and (b) the store concession fees as a result of increase in sales.

### Administrative and other operating expenses

Administrative and other operating expenses increased by 11.67% to RMB289.90 million for the Reporting Period from RMB259.60 million for the corresponding period in 2022 primarily due to the increase in (a) salaries and benefits and (b) the research and development fee expenses for all brands to improve products design.

### FINANCE COSTS

Finance costs decreased by 13.32% to RMB23.37 million for the Reporting Period from RMB26.96 million for the corresponding period in 2022, mainly due to the fading effect of the International Financial Reporting Standard 16.

### INCOME TAX EXPENSES

Income tax expenses increased from RMB36.01 million for the first half of 2022 to RMB63.81 million for the Reporting Period mainly due to the increase in operating profit.

# Management Discussion and Analysis

## THE NET PROFIT AND NET PROFIT MARGIN

As the result of the foregoing reasons, the net profit for the Reporting Period was RMB442.20 million, representing an increase of 71.57% or RMB184.46 million as compared to RMB257.74 million for the first half of 2022. Net profit margin sharply increased from 8.90% for the first half of 2022 to 13.24% for the Reporting Period.

## CAPITAL STRUCTURE

The Group requires working capital to support its design and development, retail and other business operations. As at 30 June 2023, the Group had total current assets of RMB2,931.11 million (31 December 2022: RMB2,634.55 million) and total current liabilities of RMB1,786.85 million (31 December 2022: RMB1,648.88 million) with a current ratio of 1.64. The Board believes that this healthy capital structure and the net cash inflow from operating activities are sufficient to support the operating activities of the Group.

As at 30 June 2023, the Group's interest bearing bank loans were denominated in Hong Kong dollars and Renminbi, comprising a HK\$45 million term loan repayable within one year, with variable interest rates, and a RMB403 million loan with fixed interest rate, repayable within one year.

## FINANCIAL POSITION, LIQUIDITY AND GEARING RATIO

The Group generally finances its operations with internally generated cash flow as well as banking facilities provided by its bankers.





## Management Discussion and Analysis

As at 30 June 2023, the Group had cash and cash equivalents of RMB392.72 million (31 December 2022: RMB361.46 million), denominated as to 97.89% in RMB, 1.96% in Hong Kong dollar, 0.01% in United States dollar and 0.14% in Euro. The net cash inflow from operating activities generated was RMB914.61 million during the Reporting Period, decreased by 6.75% from RMB980.82 million for the six months ended 30 June 2022. As at 30 June 2023, the Group's gearing ratio, i.e. the total outstanding bank loans divided by total equity, was 10.67% (31 December 2022: 10.79%).

### CHARGES ON ASSETS

As at 30 June 2023, the Group's buildings with carrying value of approximately RMB89.40 million (31 December 2022: RMB92.79 million) were pledged to banks in respect of the banking facilities granted to the Group.

### TREASURY POLICIES

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

### EXPOSURES TO FLUCTUATION IN FOREIGN EXCHANGE

The Group mainly operates in the PRC with most of its transactions settled in RMB. Hence, the Board considers that the risk exposure to foreign exchange rate fluctuation is not significant and no financial instrument of hedging has been employed to hedge against the currency risks.

# CADIDL



# Management Discussion and Analysis

## HUMAN RESOURCES

The Group's number of employees has increased to 10,137 as at 30 June 2023 (30 June 2022: 10,058). The total staff costs for the Reporting Period (including basic wages and salaries, commissions, bonuses, retirement benefits scheme contributions and share award expenses) amounted to RMB703.78 million (six months ended 30 June 2022: RMB612.48 million), representing 21.07% of our revenue (six months ended 30 June 2022: 21.15%).

The Group has a share option scheme in place for selected participants as incentive and reward for their contribution to the Group. The Company has also adopted a share award scheme in December 2019 to recognise the contributions for selected participants and to provide incentive to retain them for continual development of the Group. A mandatory provident fund scheme and local retirement benefit schemes are also in effect. The Group encourages employees to seek training to strengthen their work skills and for personal development. The Group also provides workshops for staff at different levels to enhance their knowledge of work safety and to build team spirit. Staffs are rewarded based on performance of the Group as well as on individual performance and contribution.

## CONTINGENT LIABILITIES

As at 30 June 2023, the Group had no significant contingent liabilities.

F U U N N Y  F E E L L N



# Management Discussion and Analysis

## MATERIAL ACQUISITION AND DISPOSAL

As announced on 28 March 2023, the Company's subsidiaries had subscribed for various wealth management products offered by Minmetals International Trust Co., Ltd (五礦國際信託有限公司) during the 12-month period up to 28 March 2023, the aggregated subscription amounts of which as at 28 March 2023 amounted to approximately RMB327 million (equivalent to about HK\$370 million). Details of the subscriptions are set out in the announcement of the Company dated 28 March 2023.

Save as disclosed above, the Group had no material acquisition or disposal of any subsidiaries, associates or joint ventures during the Reporting Period.

## SIGNIFICANT INVESTMENT

As at 30 June 2023, the Group had no significant investment with a value of 5% or more of the Group's total assets.

## ISSUE FOR CASH OF EQUITY SECURITIES

There was no equity fund raising activity by the Company during the Reporting Period and there were no proceeds brought forward from any issue of equity securities made in previous financial years.

## OUTLOOK

From the perspective of external environment, the uncertainty in the economic environment has not completely disappeared, and we must still be prepared to face unexpected difficulties in the second half of the year. However, the positive effects of proactive fiscal and monetary policies along with the pandemic scars will continue to appear and to be gradually repaired, and the stock game is favorable to the leading enterprises, etc., the Company is more optimistic, believing that the business goals set can be fully achieved.

From the perspective of internal operation, in the second half of the year, we must continue to adhere to the comprehensive "quality improvement" strategy and drive the overall enhancement of quality effectiveness, store effectiveness, and personnel effectiveness. In terms of brand building, a wider integrated marketing system should be utilized to continuously enhance brand strength; acceleration of the standardization and streamlining of the excellent product system reform project should be expedited; the integration and construction of a high-quality supply chain should be strengthened; the combination of product research and development and supply chain should be deepened, and the release of product strength across all brands should be accelerated; emphasis should be placed on advancing the construction and operation of single-brand flagship stores. We will strengthen the quality of online commodity supply and improve the quality-price ratio; more platforms should be covered by the brand and product lines, with exploration of opportunities on platforms like Xiaohongshu (Little Red Book) in the second half of the year, and increase investment in digital stores; increase investment in the same products on Tmall and JD.com, and, expand the number of stores on these platforms.

After three years of the pandemic, the Company has transformed from being a "leading company in China's mid-to-high-end women's clothing industry" to a magnificent rise as a more powerful and confident "China's affordable luxury brand management group." 2023 will be a new starting point for our even greater prospects as the Company believes that "if you do persist, there will be an echo". As long as we maintain strategic determination, adhere to brand positioning and core principles, respect rules, customers, products, the market, and talents, and continue to cultivate a solid foundation for multi-brand operations, strengthen platform-based operations and systematic management capabilities, combined with the unwavering efforts of all employees, we can achieve our ambitious future goals.

# Other Information

## INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2022: Nil).

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices and the implementation of effective corporate governance commitments. The Company has met the relevant code provisions set out in the Corporate Governance Code based on the principles set out in Part 2 of Appendix 14 to the Listing Rules during the Reporting Period, except for code provision C.2.1 of the Corporate Governance Code which requires that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. Mr. Jin Ming currently performs both roles in our Company. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. Jin Ming has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired considering the background and experience of our Directors and the number of independent non-executive Directors on the Board and this structure will enable our Company to make and implement decisions promptly and effectively.

The Board will continue to review and consider splitting the roles of chairman of our Board and chief executive officer of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

## MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings. Having made specific enquiry with all Directors, all Directors have confirmed with the Company that they have complied with the required standard set out in the Model Code and its code of conduct regarding any Directors' securities transactions during the Reporting Period.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") pursuant to the resolutions of the shareholders of the Company passed on 6 June 2014 for selected participants as incentive and reward for their contribution to the Group. No share option was granted during the Reporting Period and there was no share option outstanding under the Scheme as at 1 January 2023 and 30 June 2023.

The number of options available for grant under the scheme mandate is 40,500,000 as at both 1 January 2023 and 30 June 2023.

## Other Information

### SHARE AWARD SCHEME

The Company has adopted a share award scheme to recognise and motivate the contribution of the eligible participants, to provide incentives and help the Company in retaining its existing participants and recruiting additional participants and to provide them with a direct economic interest incentives in attaining the long-term business objectives of the Company. The share award scheme (the "Share Award Scheme") was adopted by the Board on 2 December 2019 and shall be valid until the 10th anniversary of the adoption date. The Company has granted an aggregate of 40,973,000 awarded shares pursuant to the Share Award Scheme to certain grantees including directors, senior management and employees of the Group. The awarded shares shall, subject to fulfilment of vesting conditions, be vested in five equal tranches annually.

On 15 May 2020, the first tranche totalling 8,058,200 awarded Shares have vested which in aggregate represent approximately 1.18% of the total number of issued Shares and 136,400 awarded Shares have lapsed.

On 15 May 2021, the second tranche totalling 7,918,200 awarded Shares have vested which in aggregate represent approximately 1.12% of the total number of issued Shares and 276,400 awarded Shares have lapsed.

On 15 May 2022, the third tranche totalling 7,507,160 awarded Shares have vested and 687,440 awarded Shares have lapsed.

On 30 August 2023, the fourth tranche totalling 7,154,000 awarded Shares have vested and 1,040,600 awarded Shares have lapsed.

The fair value of the awarded Shares granted was HK\$282,070,000 (equivalent to RMB237,390,000), of which the Group recognized an awarded share expense of HK\$12,555,000 (equivalent to RMB11,165,000) during the Reporting Period.

### DISCLOSURE OF INTERESTS

#### (a) Director's and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at 30 June 2023, the following Directors or the chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (ii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

Name of Director	Nature of interest	No. of Shares/ underlying shares held	Position	Approximate percentage of issued share capital
Mr. Jin Ming	Founder of a discretionary trust (note 1)	247,715,000	Long	35.18%
Ms. He Hongmei	Beneficial owner (note 2)	925,493	Long	0.13%
Mr. Jin Rui	Founder of a discretionary trust (note 3)	198,713,195	Long	28.22%

### DISCLOSURE OF INTERESTS *(Continued)*

#### (a) Director's and chief executive's interests and short positions in the securities of the Company and its associated corporations *(Continued)*

Note 1: These shares are held by Koradior Investments Limited, which is wholly-owned by Mayberry Marketing Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Fiona Trust. The Fiona Trust is a discretionary trust set up by Mr. Jin Ming as settlor. The beneficiaries of Fiona Trust are Mr. Jin Ming, his spouse and his children. Mr. Jin Ming as founder of Fiona Trust is taken to be interested in the 247,715,000 Shares held by Koradior Investments Limited by virtue of Part XV of the SFO.

Note 2: These represent the underlying awarded shares of the share awards granted to Ms. He Hongmei.

Note 3: These shares are held by Apex Noble Holdings Limited, which is wholly-owned by Heritage Holdings Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Jin's Heritage Trust. The Jin's Heritage Trust is a discretionary trust set up by Mr. Jin Rui as settlor. The beneficiaries of the Jin's Heritage Trust are Mr. Jin Rui, his spouse and his children. Mr. Jin Rui as founder of the Jin's Heritage Trust is taken to be interested in the 198,713,195 Shares held by Apex Noble Holdings Limited by virtue of Part XV of the SFO.

Save as disclosed above, as at 30 June 2023, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

#### (b) Substantial shareholders' interests and/or short position in share and underlying shares of the Company

So far as is known to the Directors and the chief executive of the Company, as at 30 June 2023, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity	Number of		Approximate percentage of issued share capital
		Shares held	Position	
Koradior Investments Limited (note 1)	Beneficial owner	247,715,000	Long	35.18%
Mayberry Marketing Limited (note 1)	Interest in a controlled corporation	247,715,000	Long	35.18%
Apex Noble Holdings Limited (note 2)	Beneficial owner	198,713,195	Long	28.22%
Heritage Holdings Limited (note 2)	Interest in a controlled corporation	198,713,195	Long	28.22%
BOS Trustee Limited (note 3)	Trustee	446,428,195	Long	63.41%

## Other Information

### DISCLOSURE OF INTERESTS *(Continued)*

#### (b) Substantial shareholders' interests and/or short position in share and underlying shares of the Company *(Continued)*

Notes:

1. The entire issued share capital of Koradior Investments Limited is wholly-owned by Mayberry Marketing Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Fiona Trust. The Fiona Trust is a discretionary trust set up by Mr. Jin Ming as settlor. The beneficiaries of Fiona Trust are Mr. Jin Ming, his spouse and his children. Mr. Jin Ming as founder of Fiona Trust is taken to be interested in the 247,715,000 Shares held by Koradior Investments Limited by virtue of Part XV of the SFO.
2. The entire issued share capital of Apex Noble Holdings Limited is wholly-owned by Heritage Holdings Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Jin's Heritage Trust. The Jin's Heritage Trust is a discretionary trust set up by Mr. Jin Rui as settlor. The beneficiaries of Jin's Heritage Trust are Mr. Jin Rui, his spouse and his children. Mr. Jin Rui as founder of Jin's Heritage Trust is taken to be interested in the 198,713,195 Shares held by Apex Noble Holdings Limited by virtue of Part XV of the SFO.
3. BOS Trustee Limited is the trustee of: (i) Fiona Trust, which was established by Mr. Jin Ming as settlor in favour of the beneficiaries of Fiona Trust, held 100% of the issued share capital of Mayberry Marketing Limited, which in turn held 100% of the issued share capital of Koradior Investments Limited; and (ii) Jin's Heritage Trust, which was established by Mr. Jin Rui as settlor in favour of the beneficiaries of Jin's Heritage Trust, held 100% of the issued share capital of Heritage Holdings Limited, which in turn held 100% of the issued share capital of Apex Noble Holdings Limited.

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

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

### AUDIT COMMITTEE

The Audit Committee of the Company, comprising all the three independent non-executive Directors, namely Mr. Zhang Guodong (as Chairman), Mr. Zhou Xiaoyu and Mr. Zhong Ming, is primarily responsible for reviewing and supervising the financial reporting, the internal control and risk management of the Group. The Audit Committee has discussed with management the accounting policies adopted by the Group and reviewed the unaudited interim financial statements of the Group for the Reporting Period.

# Consolidated Statement of Profit or Loss

for the six months ended 30 June 2023 (Expressed in Renminbi)

	Notes	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
<b>Revenue</b>	5	3,340,896	2,895,977
Cost of sales		(826,611)	(728,510)
<b>Gross profit</b>		2,514,285	2,167,467
Other income and gains	6	105,947	69,594
Other net loss		(8,919)	(13,824)
Selling and distribution expenses		(1,792,031)	(1,642,929)
Administrative and other operating expenses		(289,902)	(259,598)
Finance costs		(23,370)	(26,956)
<b>Profit before tax</b>	7	506,010	293,754
Income tax expense	8	(63,811)	(36,012)
<b>Profit for the period</b>		442,199	257,742
<b>Attributable to:</b>			
Owners of the parent		445,227	260,552
Non-controlling interests		(3,028)	(2,810)
<b>Profit for the period</b>		442,199	257,742
<b>Earnings per share attributable to ordinary equity holders of the parent</b>			
Basic	10(a)	RMB65.9 cents	RMB38.5 cents
Diluted	10(a)	RMB64.8 cents	RMB37.8 cents



# Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2023 (Expressed in Renminbi)

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
<b>Profit for the period</b>	442,199	257,742
<b>Other comprehensive income</b>		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
– Exchange differences on translation of foreign operations	(31,073)	4,515
Net other comprehensive (loss)/income that may be reclassified to profit and loss in subsequent periods	(31,073)	4,515
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
– Equity investments designed at fair value through other comprehensive income:		
Changes in fair value	6,061	(4,635)
Income tax effect	(909)	695
Net other comprehensive income/(loss) that will not be reclassified to profit and loss in subsequent periods	5,152	(3,940)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	(25,921)	575
<b>Total comprehensive income for the period</b>	416,278	258,317
<b>Attributable to:</b>		
Owners of the parent	419,306	261,127
Non-controlling interests	(3,028)	(2,810)
	416,278	258,317

# Consolidated Statement of Financial Position

at 30 June 2023 (Expressed in Renminbi)

	Notes	At 30 June 2023 (Unaudited) RMB'000	At 31 December 2022 (Audited) RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		654,841	684,454
Right-of-use assets		797,035	817,197
Goodwill		1,253,540	1,253,540
Other intangible assets		619,917	618,922
Investments in associates		1,800	1,200
Prepayments, other receivables and other assets	14	44,634	45,223
Equity investments designated at fair value through other comprehensive income		31,883	25,822
Financial assets at fair value and through profit and loss		61,165	59,674
Time deposits		–	53,330
Deferred tax assets		66,911	63,771
<b>Total non-current assets</b>		<b>3,531,726</b>	<b>3,623,133</b>
<b>Current assets</b>			
Inventories	12	909,887	1,023,962
Trade and bills receivables	13	574,469	472,233
Prepayments, other receivables and other assets	14	181,552	167,351
Financial assets at fair value through profit or loss		767,176	427,376
Time deposits		105,307	182,165
Cash and cash equivalents		392,715	361,463
<b>Total current assets</b>		<b>2,931,106</b>	<b>2,634,550</b>
<b>Current liabilities</b>			
Interest-bearing bank borrowings	17	444,490	390,149
Trade and bills payables	15	423,065	464,238
Other payables and accruals	16	381,954	328,586
Lease liabilities		420,959	377,543
Tax payable		116,381	88,360
<b>Total current liabilities</b>		<b>1,786,849</b>	<b>1,648,876</b>
<b>Net current assets</b>		<b>1,144,257</b>	<b>985,674</b>
<b>Total assets less current liabilities</b>		<b>4,675,983</b>	<b>4,608,807</b>

# Consolidated Statement of Financial Position

at 30 June 2023 (Expressed in Renminbi)

	Notes	At 30 June 2023 (Unaudited) RMB'000	At 31 December 2022 (Audited) RMB'000
<b>Non-current liabilities</b>			
Interest-bearing bank borrowings	17	–	40,199
Lease liabilities		333,275	379,956
Deferred government grants		22,173	31,676
Deferred tax liabilities		151,704	166,476
Other long-term liabilities		3,000	3,000
<b>Total non-current liabilities</b>		<b>510,152</b>	<b>621,307</b>
<b>Net assets</b>		<b>4,165,831</b>	<b>3,987,500</b>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	18	5,766	5,766
Reserves	18	4,173,042	3,991,683
		<b>4,178,808</b>	<b>3,997,449</b>
<b>Non-controlling interests</b>		<b>(12,977)</b>	<b>(9,949)</b>
<b>Total equity</b>		<b>4,165,831</b>	<b>3,987,500</b>

# Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023 – unaudited (Expressed in Renminbi)

	Attributable to owners of the parent												
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Awarded share reserve	Statutory reserve	Shares held for Share Award Scheme	Fair value reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2023</b>	5,766	2,039,004	196	90,414	74,422	132,222	(264,416)	(3,552)	50,385	1,873,008	3,997,449	(9,949)	3,987,500
Profit for the period	-	-	-	-	-	-	-	-	-	445,227	445,227	(3,028)	442,199
Other comprehensive income for the period													
Change in fair value of equity investments through other comprehensive income, net of tax	-	-	-	-	-	-	-	5,152	-	-	5,152	-	5,152
Exchange differences on translation of financial statements of subsidiaries outside the Mainland China	-	-	-	-	-	-	-	-	(31,073)	-	(31,073)	-	(31,073)
Total comprehensive income	-	-	-	-	-	-	-	5,152	(31,073)	445,227	419,306	(3,028)	416,278
Share Award Scheme arrangements	-	-	-	-	11,165	-	-	-	-	-	11,165	-	11,165
Tax deductions for share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-	-
Vesting share under the Share Award Scheme	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Final 2022 dividend declared	-	-	-	-	-	-	-	-	-	(249,112)	(249,112)	-	(249,112)
<b>As at 30 June 2023</b>	<b>5,766</b>	<b>2,039,004</b>	<b>196</b>	<b>90,414</b>	<b>85,587</b>	<b>132,222</b>	<b>(264,416)</b>	<b>1,600</b>	<b>19,312</b>	<b>2,069,123</b>	<b>4,178,808</b>	<b>(12,977)</b>	<b>4,165,831</b>

# Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023 – unaudited (Expressed in Renminbi)

	Attributable to owners of the parent												
	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Capital reserve RMB'000	Awarded share reserve RMB'000	Statutory reserve RMB'000	Shares held for Share Award Scheme RMB'000	Fair value reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>As at 1 January 2022</b>	5,766	2,031,261	196	103,466	93,962	129,211	(245,196)	63	47,657	1,773,091	3,939,477	(5,999)	3,933,478
Profit for the period	-	-	-	-	-	-	-	-	-	260,552	260,552	(2,810)	257,742
Other comprehensive income for the period													
Change in fair value of equity investments through other comprehensive income, net of tax	-	-	-	-	-	-	-	(3,940)	-	-	(3,940)	-	(3,940)
Exchange differences on translation of financial statements of subsidiaries outside the Mainland China	-	-	-	-	-	-	-	-	4,515	-	4,515	-	4,515
Total comprehensive income	-	-	-	-	-	-	-	(3,940)	4,515	260,552	261,127	(2,810)	258,317
Share Award Scheme arrangements	-	-	-	-	20,706	-	-	-	-	-	20,706	-	20,706
Tax deductions for share-based payment transactions	-	-	-	-	(101)	-	-	-	-	-	(101)	-	(101)
Vesting share under the Share Award Scheme	-	(12,116)	-	-	(49,205)	-	49,549	-	-	-	(11,772)	-	(11,772)
Acquisition of additional interests in a subsidiary	-	-	-	(13,051)	-	-	-	-	-	-	(13,051)	3,051	(10,000)
Final 2021 dividend declared	-	-	-	-	-	-	-	-	-	(279,499)	(279,499)	-	(279,499)
<b>As at 30 June 2022</b>	<b>5,766</b>	<b>2,019,145</b>	<b>196</b>	<b>90,415</b>	<b>65,362</b>	<b>129,211</b>	<b>(195,647)</b>	<b>(3,877)</b>	<b>52,172</b>	<b>1,754,144</b>	<b>3,916,887</b>	<b>(5,758)</b>	<b>3,911,129</b>

# Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2023 – unaudited (Expressed in Renminbi)

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	969,222	1,075,543
Income tax paid	(54,612)	(94,724)
<b>Net cash generated from operating activities</b>	<b>914,610</b>	<b>980,819</b>
<b>Cash flows from investing activities</b>		
Payment for the purchase of property, plant and equipment	(36,771)	(65,864)
Other cash flows used in investing activities	(200,175)	(250,979)
<b>Net cash flows used in investing activities</b>	<b>(236,946)</b>	<b>(316,843)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to equity shareholders of the Company	(248,910)	(274,535)
Proceeds from bank loans	373,000	190,000
Repayment of bank loans	(360,149)	(286,792)
Interest expense paid	(5,957)	(9,042)
Other cash flows arising from financing activities	–	(162,589)
Principal lease payment	(404,811)	(381,906)
<b>Net cash used in financing activities</b>	<b>(646,827)</b>	<b>(924,864)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>30,837</b>	<b>(260,888)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>361,463</b>	<b>509,326</b>
<b>Effect of foreign exchange rate changes</b>	<b>415</b>	<b>3,558</b>
<b>Cash and cash equivalents at 30 June</b>	<b>392,715</b>	<b>251,996</b>

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 1 CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 23 March 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is Suite 812, 8th Floor, Tower 1, The Gateway, Harbour City, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

## 2 BASIS OF PREPARATION

This interim financial statements of the Group have been prepared in accordance with the applicable disclosure provisions of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 25 August 2023.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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

## 3 CHANGES IN ACCOUNTING POLICIES

The Group has adopted the following new and revised International Financial Reporting Standards ("IFRSs") or amendments to IFRS which would take effect from financial periods beginning on or after 1 January 2023:

IFRS 17	<i>Insurance contracts</i>
Amendments to IAS 8	<i>Accounting policies, changes in accounting estimates and errors:</i> <i>– Definition of accounting estimates</i>
Amendments to IAS 12	<i>Income taxes: Deferred tax related to assets and liabilities arising</i> <i>– from a single transaction</i>
Annual Improvements to IAS 12	<i>Income taxes: International tax reform – Pillar Two model rules</i>
Annual Improvements to IAS 12	<i>Income taxes: Deferred tax related to assets and liabilities</i> <i>arising from a single transaction</i>

The application of the new and revised standards in the current interim period has had no material impact on the amounts reported in these condensed consolidated financial statements and/or disclosures set in these condensed consolidated financial statements.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 4 SEGMENT REPORTING

Operating segments and the amounts of each segment item reported in the financial statement are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and similar in respect of the nature of products and services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group operates in a single business, i.e. retailing and wholesaling of ladies' wear in the PRC. Accordingly, no segmental analysis is presented.

## 5 REVENUE

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Self-operated retail stores	2,722,989	2,279,809
Wholesales to distributors	142,813	162,225
E-commerce platforms	463,715	443,399
Others	11,379	10,544
	<b>3,340,896</b>	<b>2,895,977</b>

## 6 OTHER INCOME AND GAINS

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Bank interest income	1,746	736
Subsidy income (note)	43,076	48,118
Other interest income from financial assets at fair value through profit or loss	12,704	9,588
Rental income	5,575	6,073
Exchange gain, net	34,665	920
Others	8,181	4,159
	<b>105,947</b>	<b>69,594</b>

Note: Subsidy income represents various government grants received from the relevant government authorities to support the development of the Group in Mainland China. In the opinion of management, there are no unfulfilled conditions or contingencies relating to these grants.



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 7 PROFIT BEFORE TAX

Profit before tax is arrived at after charging or (crediting):

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Cost of inventories sold	826,611	728,510
Depreciation of property, plant and equipment	66,354	77,167
Depreciation of right-of-use assets	404,371	390,486
Amortisation of other intangible assets	3,770	3,659
Lease payments not included in the measurement of lease liabilities	356,452	319,045
Employee benefit expense (including directors' remuneration):		
Wages and salaries	653,841	555,134
Equity-settled share award expense	11,165	20,706
Pension scheme contributions	38,773	36,636
	703,779	612,476
Exchange gains, net <sup>#</sup>	(34,665)	(920)
Impairment of trade receivables <sup>^</sup>	5,425	1,657
(Reversal)/write-down of inventories to net realisable value <sup>*</sup>	(1,988)	4,704

<sup>#</sup> Exchange gains are included in "Other income and gains" in the consolidated statement of profit or loss.

<sup>\*</sup> (Reversal)/write-down of inventories to net realisable value are included in "Cost of sales" in the consolidated statement of profit or loss.

<sup>^</sup> Impairment of trade receivables are included in "Other net loss" in the consolidated statement of profit or loss.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
<b>Current tax</b>		
PRC Corporate Income Tax ("CIT")	81,723	47,739
<b>Deferred tax</b>		
Origination of temporary differences	(17,912)	(11,727)
	<b>63,811</b>	<b>36,012</b>

Notes:

- (i) The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.
- (ii) The Company incorporated in the Cayman Islands is exempted from taxation.
- (iii) The profit tax in Hong Kong has been provided at the rate of 16.5% on the taxable income for the six months ended 30 June 2023 and 2022. The reduction granted by the Hong Kong Special Administrative Region Government of 100% of the tax payable for the year of assessment 2022-23 is subject to a maximum of HK\$6,000 for each company.
- (iv) Dongfang Susu Creativity and Design (Shenzhen) Co, Ltd. and Jianmo Idea Design Consulting (Shenzhen) Co., Ltd were entitled to a reduced CIT rate of 15% under the preferential tax policy of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone.
- (v) Shenzhen Koradior Fashion Co., Ltd. ("Shenzhen Koradior") obtained an approval from Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau, Shenzhen Tax Service State Administration of Taxation in 2017 to be taxed as a High and New-Technology Enterprise, and the approval was renewed in 2022. Pursuant to the approval, Shenzhen Koradior was entitled to a preferential PRC CIT rate of 15% for a period of three years from December 2022 to December 2025.
- (vi) Shenzhen Naersi Fashion Co., Ltd. ("Naersi") obtained an approval from Shenzhen Science and Technology Innovation Committee, Shenzhen Finance Bureau, Shenzhen Tax Service State Administration of Taxation in 2020 to be taxed as a High and New-Technology Enterprise. Pursuant to the approval, Naersi was entitled to a preferential PRC CIT rate of 15% for a period of three years from 2020 to 2023.
- (vii) Shenzhen De Kora Technology Development Limited was a certified Software Enterprise by China Software Industry Association, and was entitled to an exemption from PRC CIT for two years commencing from 1 January 2020 to 31 December 2021 and thereafter was entitled to a 50% reduction in PRC CIT for the subsequent three years from 1 January 2022 to 31 December 2024.

## 9 DIVIDEND

The Board has resolved not to declare any interim dividend to the shareholders of the Company in respect of the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 10 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB445,227,000 (30 June 2022: RMB260,552,000) and the weighted average number of 675,466,314 ordinary shares in issue less shares held for the Share Award Scheme for the six months ended 30 June 2023 (30 June 2022: 676,209,152 shares).

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Weighted average number of ordinary shares in issue less shares held for the Share Award Scheme during the period	675,466,314	676,209,152
Basic earnings per share (RMB cents)	<u>65.9</u>	<u>38.5</u>

### (b) Diluted earnings per share

The calculation of the diluted earnings per share amounts is based on the profits for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares is assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
Weighted average number of ordinary shares in issue less shares held for the Share Award Scheme during the period used in the basic earnings per share calculation	675,466,314	676,209,152
Effect of dilution – weighted average number of ordinary shares:		
Share option	–	4,020,749
Awarded shares	<u>11,865,130</u>	<u>9,434,489</u>
	687,331,444	689,664,390
Diluted earnings per share (RMB cents)	<u>64.8</u>	<u>37.8</u>

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired items of plant and machinery with a cost of RMB36,771,000 (six months ended 30 June 2022: RMB65,864,000).

## 12 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Raw materials	148,179	164,842
Work in progress	9,124	8,309
Finished goods	752,584	850,811
	<b>909,887</b>	<b>1,023,962</b>

The analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss is as follows:

	For the six months ended 30 June 2023 RMB'000	For the six months ended 30 June 2022 RMB'000
Cost of inventories sold	828,599	723,806
(Reversal)/write-down of inventories	(1,988)	4,704
	<b>826,611</b>	<b>728,510</b>

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 13 TRADE AND BILLS RECEIVABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade and bills receivables	597,129	489,468
Impairment	(22,660)	(17,235)
	<u>574,469</u>	<u>472,233</u>

### (a) Ageing analysis

Majority of the trade receivables are related to sales made through the Group's self-operated stores. The Group leased a number of retail stores within department stores and shopping malls in the Mainland China. Proceeds from the Group's sales made in these leased retail stores are mainly collected by the department stores and the shopping malls on the Group's behalf. Following the completion of the reconciliation of the sales in the past month with the department store and shopping mall, the Group then issues invoices, which generally fall within 30 days from the date of revenue recognition. Settlement in respect of these concession sales is made net of the lease rental payable to the department stores and the shopping malls and is generally expected within 60 days from the date of revenue recognition.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the revenue recognition date and net of loss allowance, is as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade receivables		
Within 1 month	336,948	208,942
1 to 2 months	152,050	138,582
2 to 3 months	40,263	72,453
Over 3 months	45,158	52,100
	<u>574,419</u>	<u>472,077</u>
Bill receivables	50	156
	<u>574,469</u>	<u>472,233</u>

As at 30 June 2023, the allowance for credit losses is related to individually impaired receivables amounting to RMB22,660,000 (31 December 2022: RMB17,235,000). Management considers that such receivables are not recoverable since the customers are in severe financial liabilities. As a consequence, allowance for expected credit losses of RMB22,660,000 (31 December 2022: RMB17,235,000) has been recognised in respect of such receivables.

As at 30 June 2023, trade receivables that were not individually impaired related to a large number of independent customers including owners of department stores and shopping malls in Mainland China with no recent history of material defaults, the probability of default and the loss given defaults were estimated to be minimal.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 13 TRADE AND BILLS RECEIVABLES *(Continued)*

### (a) Ageing analysis *(Continued)*

The movement in the loss allowance for impairment of trade receivables is as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
At beginning of period/year	17,235	16,146
Impairment losses, net	5,425	1,089
At end of period/year	<u>22,660</u>	<u>17,235</u>

## 14 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>Current</b>		
Prepayments	87,275	73,579
Deposits and other receivables	90,719	91,178
Right-of-return-assets	3,141	2,018
Loans to employees	417	576
	<u>181,552</u>	<u>167,351</u>
<b>Non-current</b>		
Prepayments	4,889	4,888
Deposit and other receivables	36,750	36,763
Loans to employees	2,995	3,572
	<u>44,634</u>	<u>45,223</u>

Note:

Deposits and other receivables mainly represent deposits paid for promotion activity, deposits paid to the department stores and shopping malls for leases and loans to employees.

The expected credit losses are estimated with reference to the historical loss record of the Group. The financial assets included in the above balances that were not individually impaired relate to receivables for which there was no recent history of default.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 15 TRADE AND BILLS PAYABLES

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

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade payables		
Within 1 month	152,481	131,130
1 to 2 months	10,026	4,324
2 to 3 months	1	8
Over 3 months	57	776
	162,565	136,238
Bills payables	260,500	328,000
	423,065	464,238

The trade payables are non-interest-bearing and are normally settled on terms of one month. All the bills payable have maturity dates within a year.

## 16 OTHER PAYABLES AND ACCRUALS

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
	Note	
Contract liabilities	(a)	69,008
Refund liabilities		9,423
Salaries and welfare payables		82,226
Tax payables other than current income tax liabilities		107,133
Other payables	(b)	113,504
Dividend payables		660
		381,954
		328,586

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 16 OTHER PAYABLES AND ACCRUALS (Continued)

Note:

(a) Details of contract liabilities are as follow:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Short-term advances received from customers		
Sales of goods	69,008	64,020
	<b>69,008</b>	<b>64,020</b>

(b) Other payables are non-interest-bearing and have an average term within a year.

## 17 INTEREST-BEARING BANK BORROWINGS

As at 31 December 2022 and 30 June 2023, bank loans are repayable as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Bank loans due for repayment within 1 year	444,490	390,149
Bank loan due for repayment after 1 year but within 4 years	–	40,199
	<b>444,490</b>	<b>430,348</b>

As at 30 June 2023, the Group's interest bearing bank borrowings were denominated in Hong Kong dollars and Renminbi, with HK\$45 million term loan maturing within one year, and were with variable interest rates, such as a bank loan of RMB403 million with fixed interest rate, and were repayable with one year.



# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 18 CAPITAL, RESERVE AND DIVIDEND

			No. of shares	
			('000)	HK\$'000
<b>(i) Authorised share capital</b>				
Ordinary shares of HK\$0.01 each				
As at 31 December 2022 and 30 June 2023				
			1,500,000	15,000
	2023		2022	
	Number of shares in issue	RMB'000	Number of shares in issue	RMB'000
<b>(ii) Issued share capital</b>				
Ordinary shares, issued and fully paid				
At 1 January	704,050,195	5,766	704,050,195	5,766
Share issued	–	–	–	–
Outstanding at the end of the period/year	704,050,195	5,766	704,050,195	5,766

### (a) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

On 30 April 2021, the Company entered into the placing and subscriptions agreement (the "Placing and Subscription Agreement") to place through the placing agent up to 19,000,000 placing shares to not less than six places who and whose ultimate beneficial owners shall be independent third parties at a price of HK\$10.50 per share to be placed. All the conditions precedent under the Placing and Subscription Agreement have been fulfilled and completion took place on 11 May 2021.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 18 CAPITAL, RESERVE AND DIVIDEND *(Continued)*

### (b) Capital reserve

- (i) On 15 November 2012, La Kordi Fashion (Shenzhen) Co., Ltd. ("La Kordi Fashion") acquired 100% equity interest in Shenzhen Koradior Fashion Co., Ltd. from Shenzhen Jinhexin Investment Development Co., Ltd., a company under the control of a controlling shareholder for a consideration of RMB40,155,000. The difference of RMB25,155,000 between the consideration and the paid up capital of Shenzhen Koradior was recorded as a capital reserve.
- (ii) The Company has no portion of the grant date fair value of unexercised share options granted to employees that has been recognised during six months ended 30 June 2023 in accordance with the accounting policy adopted for share-based payments (31 December 2022: nil).
- (iii) On 27 April 2020, Koradior Investments Limited, the immediate holding company of the Company transferred a total of 20,735,500 shares with fair value of RMB144,839,000, to the Trustee until it is instructed by the Broad to distribute them as awarded shares to any selected grantees in accordance with the terms of the share award scheme of the Company.
- (iv) On 31 May 2021, Shenzhen Koradior acquired 10% equity interest in Shanghai Kody Brand Management Limited from Shanghai Shen Yuan Brand Management Limited, for a consideration of RMB5,000,000. The difference of RMB3,927,000 between the consideration and the fair value of net asset was recorded as a capital reserve.
- (v) In November 2021, La Kordi Fashion acquired 35% equity interest in Mondial for a consideration of RMB42,000,000. The difference between the consideration and the fair value of the net assets of RMB16,849,000 was recorded as a capital reserve.
- (vi) In June 2022, Shenzhen Koradior acquired 9.09% equity interest in Shenzhen Fangfu at a consideration of RMB10,000,000. The difference between the consideration and the fair value of the net assets of RMB13,051,000 was recorded as a capital reserve.

### (c) Capital redemption reserve

Capital redemption reserve represents the nominal amount of the shares repurchased and cancelled.

### (d) Statutory reserve

As stipulated by regulations in the PRC, the Company's subsidiaries established and operated in the Mainland China are required to appropriate 10% of their after-tax-profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of profits to parent companies.

The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 18 CAPITAL, RESERVE AND DIVIDEND *(Continued)*

### (e) Exchange reserve

Exchange reserve comprises all foreign exchange differences arising from the translation of financial statements of operations outside Mainland China which are dealt with in accordance with the accounting policies.

### (f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's gearing ratio, as at 31 December 2022 and 30 June 2023 was 10.79% and 10.67% respectively. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 19 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in this interim financial report, the Group entered into the following material related party transactions:

### (a) Transactions with related parties

	Six months ended	
	30 June 2023	30 June 2022
	RMB'000	RMB'000
Processing fees	160,858	133,272
	160,858	133,272

Note: Shenzhen Yingjia Fashion Co., Ltd. ("Yingjia Fashion") (深圳市赢家服饰有限公司) is 53% and 47% owned by Ms. Chen Lingmei and Mr. Jin Jingquan respectively.

During the six months ended 30 June 2023, the Group entered into a processing agreement with Yingjia Fashion and two of its subsidiaries (collectively referred to as the "Yingjia Fashion Group"), pursuant to which the Yingjia Fashion Group provided processing and manufacturing services to the Group. The VAT-inclusive processing fees incurred to the Yingjia Fashion Group amounted to RMB160,858,000 (30 June 2022: RMB133,272,000) for the six months ended 30 June 2023.

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 19 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (b) Outstanding balances with related parties

	Note	Due to related parties		Due from related parties	
		At 30 June 2023 RMB'000	At 31 December 2022 RMB'000	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Current					
Yingjia Fashion Group	(1)	100,038	81,296	9,928	–
Non-controlling shareholder	(2)	–	–	–	–
		<b>100,038</b>	<b>81,296</b>	<b>9,928</b>	<b>–</b>

(1) The Group had an outstanding balance due to the Yingjia Fashion Group of RMB100,038,000 (31 December 2022: RMB81,296,000), and an amount due from the Yingjia Fashion Group of RMB9,928,000 (31 December 2022: nil) as at the end of the Reporting Period. This balance is unsecured, interest-free and repayable on demand.

(2) The Group had no outstanding balance due to Apex Noble Holdings Limited, which is directly fully owned by Mr. Jin Rui, the brother of Mr. Jin Ming, the chairman and an executive director of the Group (31 December 2022: nil).

### (c) Commitments with related parties

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Lease liabilities – current	380	752
	<b>380</b>	<b>752</b>

Under such rental contracts, the minimum lease payment during the Reporting Period was RMB384,000 (30 June 2022: RMB384,000).

As at 30 June 2023, the Group's right-of-use assets relating to such rental contracts amounted to RMB380,000 (31 December 2022: RMB752,000).

# Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

## 20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### Fair value hierarchy

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

Level 1: Quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2: Observable inputs which fail to meet Level 1, and not using significant unobservable inputs which are inputs for which market data are not available

Level 3: Fair value measured using significant unobservable inputs

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities for which fair values are disclosed:

	Fair value measurement as at 30 June 2023 using			
	Quoted price in active market (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Equity Investment designated at fair value through other comprehensive income	31,883	–	–	31,883
Financial asset at fair value through profit or loss	207,211	621,130	–	828,341
	<u>239,094</u>	<u>621,130</u>	<u>–</u>	<u>860,224</u>

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of unlisted equity investments are based on a recent market transaction.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

## 21 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

There is no non-adjusting event after Reporting Period.