

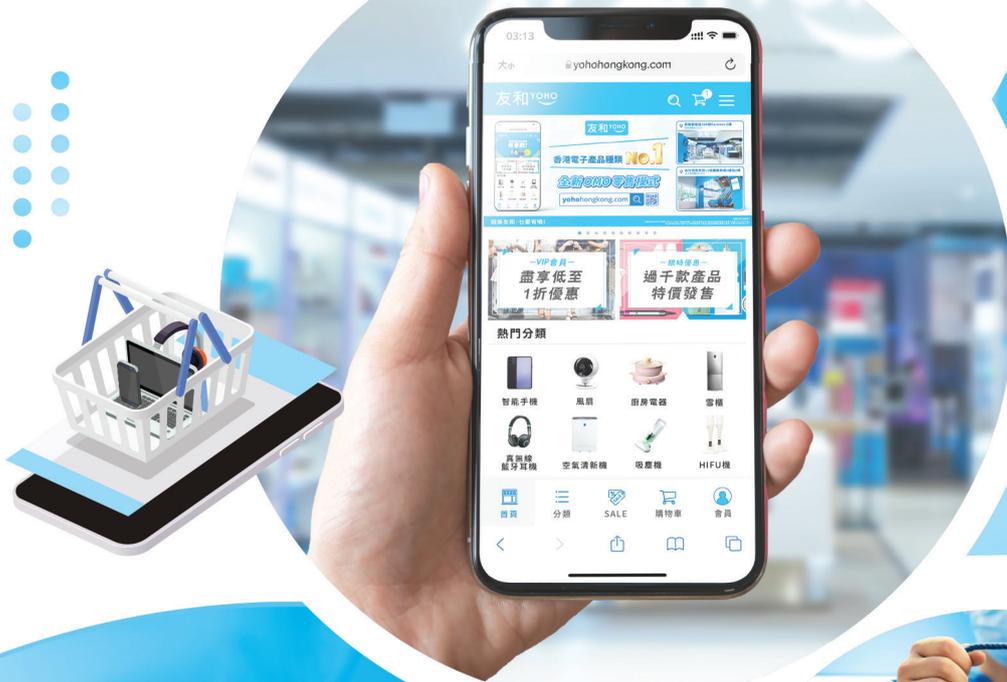
友和YOHO

友和集團控股有限公司

YOHO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2347



就係友和
乜都有啲

hongkong.com

2023/24
Interim Report

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Wu Faat Chi (*Chairman and Chief Executive Officer*)
Ms. Tsui Ka Wing (*Chief Operating Officer*)

NON-EXECUTIVE DIRECTORS

Mr. Man Lap
Mr. Hsieh Wing Hong Sammy
Mr. Adamczyk Alexis Thomas David

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Qian Sam Zhongshan
Mr. Chan Shun (*Resigned on 31 July 2023*)
Mr. Ho Yun Tat
Dr. Leung Shek Ling Olivia (*Appointed on 31 July 2023*)

AUDIT COMMITTEE

Mr. Ho Yun Tat (*Chairman*)
Mr. Chan Shun (*Resigned on 31 July 2023*)
Mr. Adamczyk Alexis Thomas David
Dr. Leung Shek Ling Olivia (*Appointed on 31 July 2023*)

NOMINATION COMMITTEE

Mr. Wu Faat Chi (*Chairman*)
Dr. Qian Sam Zhongshan
Mr. Chan Shun (*Resigned on 31 July 2023*)
Dr. Leung Shek Ling Olivia (*Appointed on 31 July 2023*)

REMUNERATION COMMITTEE

Mr. Chan Shun (*Chairman*) (*Resigned on 31 July 2023*)
Dr. Leung Shek Ling Olivia (*Chairwoman*) (*Appointed on 31 July 2023*)
Ms. Tsui Ka Wing
Mr. Ho Yun Tat

STRATEGY AND INVESTMENT COMMITTEE

Mr. Man Lap (*Chairman*)
Mr. Wu Faat Chi
Ms. Tsui Ka Wing
Mr. Hsieh Wing Hong Sammy

COMPANY SECRETARY

Mr. Lam Wai Chiu (*Resigned on 31 July 2023*)
Ms. Chan Sau Ling (*Appointed on 31 July 2023*)

AUTHORISED REPRESENTATIVES

Mr. Wu Faat Chi
Mr. Lam Wai Chiu (*Resigned on 31 July 2023*)
Ms. Chan Sau Ling (*Appointed on 31 July 2023*)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

9A, Bamboos Centre
52 Hung To Road
Kwun Tong, Kowloon
Hong Kong

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

COMPLIANCE ADVISER

CMBC International Capital Limited
45/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

COMPANY WEBSITE

www.yohohongkong.com

STOCK CODE

2347

FINANCIAL HIGHLIGHTS

	1H23/24 ^(Note 1) (unaudited)	1H22/23 (unaudited)	1H21/22 (unaudited)
Revenue (HK\$'000)	396,278	448,200	344,700
Gross profit (HK\$'000)	58,937	67,841	49,937
Gross profit margin	14.9%	15.1%	14.5%
Profit (loss) for the period (HK\$'000)	10,283	1,007	(18,945)
Adjusted net profit ^(Note 2) (HK\$'000)	10,519	15,751	6,802
Adjusted net profit margin ^(Note 3)	2.7%	3.5%	2.0%

	1H23/24 (unaudited)	FY22/23 ^(Note 6) (audited)	FY21/22 (audited)
Net cash position (HK\$'000)	218,795	211,266	126,256
Total equity (HK\$'000)	263,380	264,861	78,746
Adjusted return on equity ^(Note 4)	4.0%	8.7%	33.2%
Gearing ratio ^(Note 5)	N/A	N/A	N/A

Notes:

- 1H^X/Y refers to the financial period six months ended 30 September of the year X. For example, "1H23/24" refers to the six months ended 30 September 2023.
- Adjusted net profit is defined as non-HKFRS measures as profit for the period adjusted by (i) fair value change in convertible redeemable preferred shares; (ii) expenses relating to our listing of our shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 10 June 2022 (the "Listing Date") (the "Listing"); and (iii) share options grant to the directors and certain of our employees.
- Adjusted net profit margin is calculated as adjusted net profit divided by revenue.
- Adjusted return on equity is calculated as adjusted net profit divided by total equity as at period-ended/year-ended date for the respective financial period/year.
- Gearing ratio is calculated as interest-bearing gross debt (including bank overdraft) divided by total equity at the end of the period/year.
- FY^X/Y refers to the financial year ended on 31 March of the year Y. For example, "FY22/23" refers to the year ended 31 March 2023.

OPERATIONAL HIGHLIGHTS

	1H23/24 (unaudited)	1H22/23 (unaudited)	1H21/22 (unaudited)
Gross merchandise value (the “GMV”) ^(Note 1) (HK\$ million)	434.7	482.9	379.7
Number of registered members ^(Note 2)	1,048,000	876,000	655,000
Number of orders intake ^(Note 3)	235,000	257,000	215,000
Basket value ^(Note 4) (HK\$)	1,849	1,880	1,768

Notes:

- The “GMV” for a particular financial period is equivalent to the total gross sales dollar value of all relevant orders intake for products and services during that financial period, regardless of whether the products and services are delivered, returned or cancelled; before deductions for discounts offered by us and set-offs by virtue of conversion of membership points; and inclusive of shipping and handling charges, duty and taxes.
- An individual may enroll as a “registered member” through our e-commerce platform at www.yohohongkong.com (desktop version) or m.yohohongkong.com (mobile version) (the “Yoho E-commerce Platform”) (as a prerequisite to the placement of any order on the platform), or upon a purchase completed at any of our retail stores (as he/she wishes).
- The “number of orders intake” for a particular financial period consists of orders placed with us, orders made by our customers at our retail stores, and orders from consumers received via online redemption platform(s) of third-party reward scheme(s) and third-party online marketplaces during that financial period.
- The “basket value” for a particular financial period is calculated by dividing our GMV by the number of orders intake during that financial period.

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Yoho Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to present the unaudited condensed consolidated interim results (the “**Interim Results**”) of the Company for the six months ended 30 September 2023 (the “**Reporting Period**”) together with the unaudited comparative figures for the corresponding period in 2022 (“**1H22/23**”).

Business Review

Overall performance

During the Reporting Period, the Hong Kong retail landscape continued to grapple with a multitude of challenges. Notwithstanding the retreat of gloom from the COVID-19 pandemic, the global economic recovery has lagged behind expectations, and the local retail sector has yet to regain its pre-pandemic vitality. Amidst a high-interest rate environment, the performance of Hong Kong’s real estate and stock markets remained lackluster, further clouding the economic outlook and prompting consumers to exercise increased caution towards significant expenditures. Moreover, the revival of outbound tourism by Hong Kong residents coupled with their heightened spending in mainland China and shifts in consumption patterns by mainland visitors have led to a noticeable net outflow of consumption, adding hurdles to the local retail sector’s path to recovery.

Given the persistent economic headwinds and external volatilities, the Group strategically moderated its growth pace during the Reporting Period, emphasizing the steady development of our direct-to-consumer platform (“**1P Business Model**”) and marketplace platform (“**3P Business Model**”) whilst maintaining profitability. Our GMV and revenue reached approximately HK\$434.7 million and HK\$396.3 million, respectively, representing a decrease of approximately 10.0% and 11.6% from HK\$482.9 million and HK\$448.2 million reported for 1H22/23. The decline is primarily attributable to the volatile global economic environment and an overall weakened local consumer sentiment. With our product portfolio being significantly anchored in electronic and electrical products, which are closely tied to discretionary spending, the public has adopted a more conservative approach towards such durable goods amidst economic uncertainties. While the sluggish retail market exerted short-term pressures on our sales, the Group remains unwaveringly focused on the pursuit of long-term and sustainable profitability. By implementing stringent and effective working capital management strategies, we have fortified our operational resilience, ensuring continued profitability and preserving a healthy financial performance against the odds. Despite these turbulent times, our profit for the period stood at approximately HK\$10.3 million, representing a substantial increase of approximately 921.2% from HK\$1.0 million reported for 1H22/23. The increase is primarily attributable to (i) a decrease in expenses relating to the Listing; and (ii) an increase in bank interest income.

MANAGEMENT DISCUSSION AND ANALYSIS

1P Business Model

During the Reporting Period, the business environment in Hong Kong was rife with challenges and marked by high uncertainty. In response, the Group recalibrated its developmental strategy, focusing on further strengthening its core competencies.

Leveraging our position as a leading B2C e-commerce enterprise in Hong Kong, we actively capitalized on our long-standing supply chain advantages to continuously refine our product portfolio to resonate with the ever-evolving needs of consumers and market trends. Moreover, the Group dedicated substantial resources towards enhancing the customer experience across the online shopping journey, including continuous refinements to the user interface design and functionality of the Yoho e-commerce platform ("**Yoho Platform**"), efficiency enhancement of logistics and fulfillment rates, and improvement on the quality of post-sales services and customer support. Our commitment is to facilitate the structural shift of consumers from offline to online shopping through impeccable customer experiences, thereby expanding the Group's customer base. As of 30 September 2023, the number of registered members of the Group reached approximately 1.05 million, representing an increase of 87,000 since 31 March 2023, indicating a continued rise in brand penetration.

3P Business Model

During the Reporting Period, the Group further deepened the development strategy of the 3P Business Model to drive diversification in our product portfolio and revenue streams. Leveraging our strong financial position, we successfully attracted high-quality third-party merchants to the Yoho Platform through a more flexible commission mechanism, enabling them to adopt more competitive pricing strategies for their products.

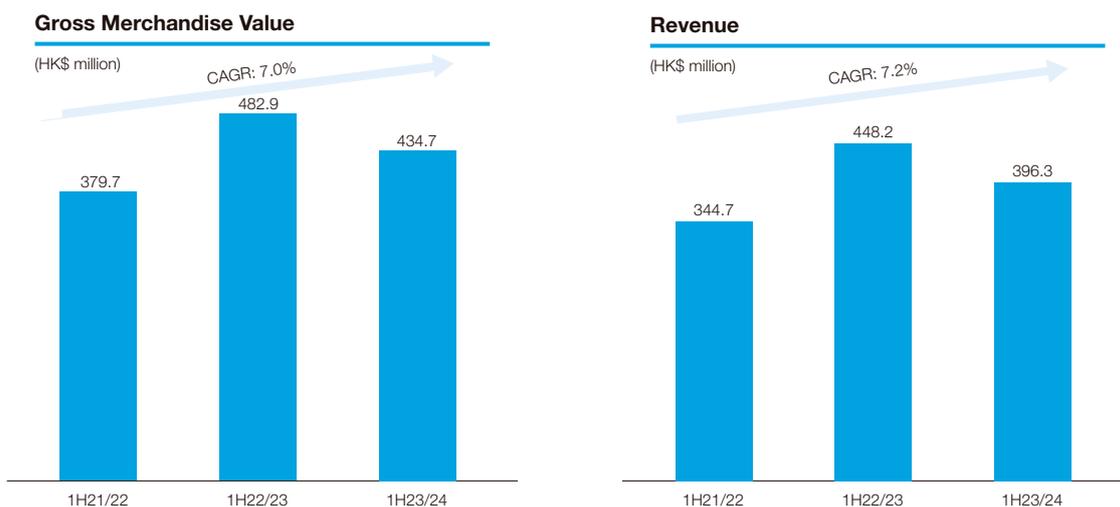
As of 30 September 2023, over 440 registered merchants have been onboarded on the Yoho Platform, introducing approximately 20,000 Stock Keeping Units ("**SKUs**"). We expect to offer a total of 60,000 non-repetitive SKUs through the 1P Business Model and 3P Business Model by the end of the year ended 31 March 2024 ("**FY23/24**"). In a strategic move, we have invited reputable merchants to establish flagship stores on the Yoho Platform. By having these merchants on the Yoho Platform, we provide consumers with the assurance of genuine products and further enhance their shopping confidence. Typically, these merchants have already established a solid customer base with significant market visibility, which helps drive new customer traffic to the Yoho Platform through their flagship stores.

Furthermore, to propel the business growth for the merchants and improve their conversion rates, we conducted multiple festive promotions and flash sale events during the Reporting Period. These marketing endeavors not only stimulate consumers' purchasing desire but also contribute to repositioning the Group as a premium retailer of high-quality merchandise.

MANAGEMENT DISCUSSION AND ANALYSIS

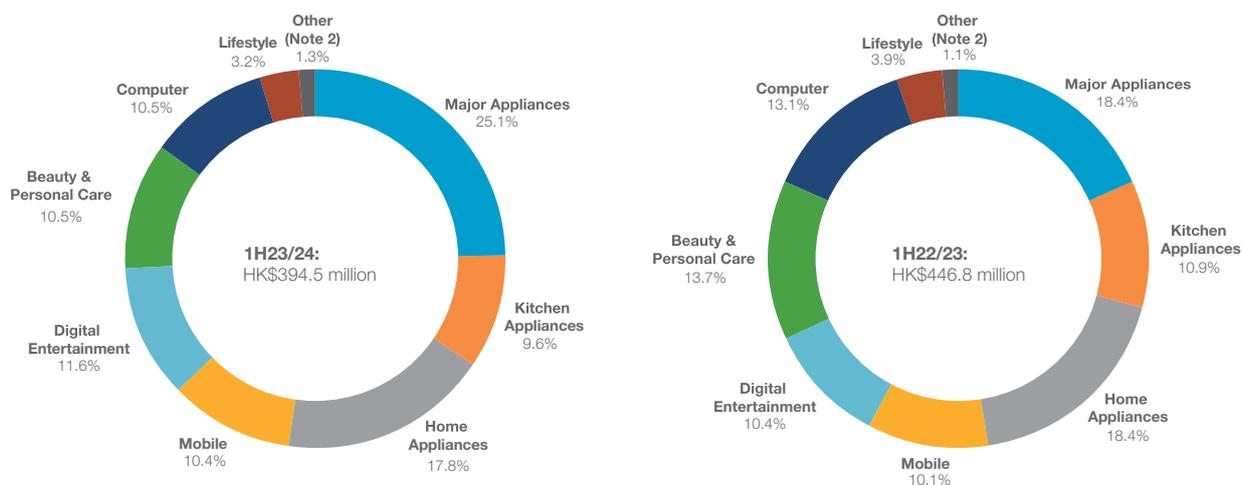
Business performance

As aforementioned, our GMV and revenue decreased by approximately 10.0% and 11.6%, respectively, for 1H23/24 compared to 1H22/23.



In terms of product category, the below graph demonstrated the diversity in our product offering to satisfy customers' demand.

Revenue breakdown by product category *(Note 1)*



Notes:

1. Excluding revenue generated from the provision of advertising services.
2. "Other" refers to Mother & Baby, Toys, Makeup & Skincare, Household, Health & Wellness, Pet Supplies and Wine & Spirits.

MANAGEMENT DISCUSSION AND ANALYSIS

Business highlights

With established presence both online (via the Yoho E-commerce Platform) and offline (via our retail store network, which currently comprises our offline retail stores located in Kwun Tong, Cheung Sha Wan and Causeway Bay) and utilising the power of technologies, we are primed to run our retail business under the Yoho Online-Merge-Offline Business (“**OMO**”). Our customers enjoy a host of benefits resulting from the synergies created through the combination of online and offline retail channels.

OMO business model

We believe our OMO business has enabled us to enhance customer experience, which helped drive the significant increase in our customer base and the scale of operation during the period indicated below:

	1H23/24 (unaudited)	1H22/23 (unaudited)	Movement
GMV (HK\$ million)	434.7	482.9	-10.0%
Number of registered members	1,048,000	876,000	19.6%
Number of orders intake	235,000	257,000	-8.6%
Basket value (HK\$)	1,849	1,880	-1.6%

Growing customer base

We have established a customer base comprising over 1,048,000 registered members as at 30 September 2023.



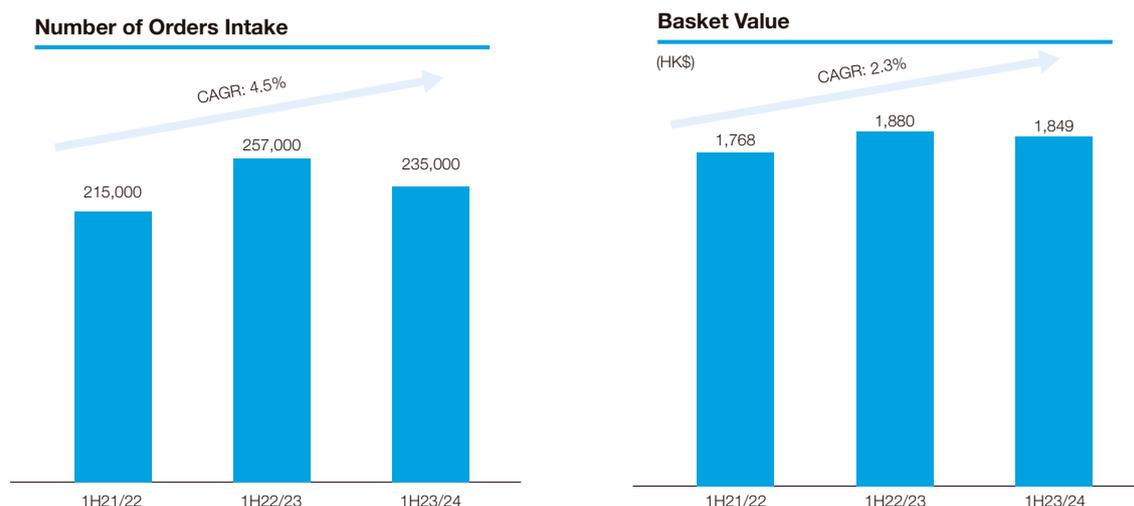
Source: Internal system.

MANAGEMENT DISCUSSION AND ANALYSIS

The above result was facilitated by our membership programme in strengthening customer loyalty and incentivising our customers to make repeat purchases. The growing customer base also echoed with our brand name which encapsulates our ideology to create a one-stop e-commerce platform to cater both online and offline retail market under our OMO business model.

Meeting customer demand

The number of orders intake and the basket value of purchases by our customers, representing a period-on-period decrease of approximately 8.6% and 1.6% in 1H23/24 compared with 1H22/23, respectively.



Disciplined cost efficiency

We have implemented robust cost discipline while growing our business scale and revenue sustainably. We have managed to keep major cost items at a reasonable percentage to our revenue by achieving economies of scale. Total operating expenses, being the total sum of selling and distribution expenses and administrative expenses, for 1H22/23 and 1H23/24 remained relatively stable at approximately 11.8% and 12.9% of our total revenue for the relevant period, respectively.

Total operating expenses (as % of total revenue)



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

Our revenue decreased from approximately HK\$448.2 million for 1H22/23 to approximately HK\$396.3 million for 1H23/24, representing a decrease of approximately 11.6%. The decrease in our revenue was primarily due to the decrease in revenue through online sales and offline retail store sales in the Yoho OMO Business, as a result of the purchasing power of Hong Kong consumers being constrained by the volatile global economic environment and overall weakened local consumer sentiment.

Cost of goods sold

Our cost of goods sold decreased from approximately HK\$380.4 million for 1H22/23 to approximately HK\$337.3 million for 1H23/24, representing a decrease of approximately 11.3%. The decrease in our cost of goods sold was primarily in line with revenue decrease for the same period.

Gross profit

Our gross profit decreased from approximately HK\$67.8 million for 1H22/23 to approximately HK\$58.9 million for 1H23/24, representing a decrease of approximately 13.1%, which was mainly due to revenue decrease mentioned above. Furthermore, our gross profit margin decreased from approximately 15.1% for 1H22/23 to approximately 14.9% for 1H23/24, mainly due to our continuous expansion of product portfolio, a more aggressive position in our pursuit of competitive pricing and launches of promotional campaigns during 1H23/24, which became new dimensions of our proactive market share acquisition strategy. Since January 2021, the gross profit margin of our Group has largely stabilised at around 15.0%. For details, please refer to the section headed “Financial Information” of our prospectus dated 26 May 2022 in relation to the Listing (the “**Prospectus**”).

Other income

Our other income increased from approximately HK\$2.9 million for 1H22/23 to approximately HK\$4.3 million for 1H23/24, which was primarily due to the increase in interest income in the amount of approximately HK\$4.2 million.

Other gains and losses

We recorded other losses of approximately HK\$2.1 million and HK\$29,000 for 1H22/23 and 1H23/24, respectively. The decrease in other losses was primarily due to the decrease in negative fair value change in convertible redeemable preferred shares from approximately HK\$2.3 million for 1H22/23 to nil for 1H23/24.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and distribution expenses

Our selling and distribution expenses decreased from approximately HK\$36.8 million for 1H22/23 to approximately HK\$33.6 million for 1H23/24 primarily due to (i) a decrease in logistics and storage cost; and (ii) a decrease in transaction cost charged by third party service providers which corresponds with the decrease of revenue of our Group of approximately 11.6% from 1H22/23 to 1H23/24.

Administrative expenses

Our administrative expenses increased from approximately HK\$15.9 million for 1H22/23 to approximately HK\$17.5 million for 1H23/24 primarily due to (i) an increase in management fee in respect of leased premises; and (ii) additional operating expenses including legal and professional fees, incurred after the Listing due to the Company being a listed entity.

Finance costs

Our finance costs increased from approximately HK\$279,000 for 1H22/23 to approximately HK\$583,000 for 1H23/24, due to an increase in the interest on lease liabilities attributable to increase of lease liabilities.

Income tax expense

Our income tax expense decreased from approximately HK\$2.2 million for 1H22/23 to approximately HK\$1.2 million for 1H23/24 primarily due to the decrease in accessible profit for the same period.

Notwithstanding we recorded a profit before tax of approximately HK\$11.5 million for 1H23/24 (1H22/23: approximately HK\$3.2 million), the fact that income tax expense in the amount of approximately HK\$1.2 million (1H22/23: approximately HK\$2.2 million) was recognised and hence we recorded an effective tax rate of approximately 10.5% (1H22/23: approximately 69.0%) for 1H23/24. The decrease in effective tax rate is mainly due to the decrease in the expenses which are not deductible for tax purpose including (i) the decrease in fair value change in convertible redeemable preferred shares of the Company from approximately HK\$2.3 million for 1H22/23 to approximately nil for 1H23/24; and (ii) the decrease in expenses relating to the Listing from approximately HK\$12.5 million for 1H22/23 to nil for 1H23/24.

Profit for the period

As a result of the foregoing, we recorded a net profit of approximately HK\$10.3 million for 1H23/24 as compared with a net profit of approximately HK\$1.0 million for 1H22/23. Our net profit margin increased from approximately 0.2% for 1H22/23 to approximately 2.6% for 1H23/24. The increase of net profit was primarily attributable to (i) the decrease in expenses relating to the Listing from approximately HK\$12.5 million for 1H22/23 to nil for 1H23/24; and (ii) increase in bank interest income.

MANAGEMENT DISCUSSION AND ANALYSIS

Trade receivables

Our trade receivables increased from approximately HK\$7.0 million as at 31 March 2023 to approximately HK\$7.4 million as at 30 September 2023. Our days sales outstanding remained stable at 3 days as of 30 September 2023 and 31 March 2023, respectively.

The Group's trade receivables are of high quality. Current and overdue balances of less than 30 days were 78% of gross trade receivables as at 30 September 2023 (compared to 87% as at 31 March 2023).

The following is an ageing analysis of trade receivables, net of allowance for impairment losses, presented based on the invoice dates at the end of each reporting period:

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Within 30 days	5,344	5,709
31 to 60 days	511	623
61 to 90 days	602	348
Over 90 days	912	336
	7,369	7,016

MANAGEMENT DISCUSSION AND ANALYSIS

Trade payables

Our trade payables increased from approximately HK\$31.3 million as at 31 March 2023 to approximately HK\$34.0 million as at 30 September 2023 primarily due to settlement of trade payables to suppliers within 30 days. Our days purchases outstanding remained stable at 18 days as of 30 September 2023 and 31 March 2023, respectively.

The following is an ageing analysis of trade payables of our Group presented based on the invoice dates at the end of each reporting period:

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Within 30 days	28,131	25,241
31 to 60 days	2,762	3,102
61 to 90 days	–	253
Over 90 days	3,079	2,743
	33,972	31,339

MANAGEMENT DISCUSSION AND ANALYSIS

Non-HKFRS measures

In order to supplement our consolidated statements of profit or loss and other comprehensive income, which are presented in accordance with HKFRS, we also use adjusted net profit as non-HKFRS measures as an additional financial measure, which is not required by, or presented in accordance with, HKFRS. We believe that these non-HKFRS measures help identify underlying trends in our business that could otherwise be distorted by the effect of the expenses that we include in income from operations and net profit, and therefore provide useful information to investors and others in understanding and evaluating our results of operation by eliminating potential impacts of such items. We also believe that these non-HKFRS measures provide useful information about our operating results, enhance the overall understanding of our past performance and future prospects, and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

We define adjusted net profit as non-HKFRS measures as profit for the period adjusted by (i) fair value change in convertible redeemable preferred shares; (ii) Listing expenses; and (iii) share options grant to directors and certain employees. Given that (i) fair value change in convertible redeemable shares resulted from the exercise of conversion right to ordinary share granted to the holders of the Series A Preferred Shares upon Listing; and (ii) the Listing expenses were incurred for the purpose of the Listing, these items will no longer exist after the Listing. The use of adjusted net profit as non-HKFRS measures has material limitations as an analytical tool because they do not reflect all items of income and expenses that affect our operations. When assessing our operating and financial performance, you should not consider adjusted net profit as non-HKFRS measures in isolation from or as a substitute for our profit or loss for the period, gross profit or any other financial performance measure that is calculated in accordance with HKFRS. The term “adjusted net profit as non-HKFRS measures” is not defined under HKFRS, and such term may not be comparable to other similarly titled measures used by other companies.

The following table sets forth our adjusted net profit as non-HKFRS measures for the period indicated:

	1H23/24 HK\$'000 (unaudited)	1H22/23 HK\$'000 (unaudited)
Profit for the period	10,283	1,007
Adjusted for:		
Fair value change in convertible redeemable preferred shares	–	2,261
Listing expenses	–	12,483
Share options grant to directors and certain employees	236	–
Adjusted net profit as non-HKFRS measures	10,519	15,751

Pledge of assets

As at 30 September 2023, bank deposits of approximately HK\$1.3 million (31 March 2023: HK\$1.3 million) had been pledged against the bank guarantees letters for a subsidiary of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Capital Resources

Since the Listing, there has been no change in capital structure of the Group. The capital of the Group comprises of issued ordinary share capital and capital reserves. The Group had share capital of approximately HK\$390,000 as at 30 September 2023, representing no change from 31 March 2023.

The Group's sources of funding comprise of its cash and cash equivalents and short-term bank deposits. As at 30 September 2023, the Group's total cash position recorded an increase by 3.6% from approximately HK\$209.9 million (excluding the pledged deposits of approximately HK\$1.3 million) as at 31 March 2023 to HK\$217.5 million (excluding the pledged deposits of approximately HK\$1.3 million), which was mainly due to net of the cash flow generated from operating activities of approximately HK\$19.8 million, and net of the cash flow generated from investing activities of approximately HK\$2.2 million, offset by net cash used in financing activities of approximately HK\$16.4 million, which primarily consists of dividend paid of approximately HK\$12.0 million and repayments of leases liabilities and related finance cost of approximately HK\$4.4 million. The cash and cash equivalents and short-term bank deposits of the Group, mainly denominated in HK\$, are generally deposited with authorised financial institutions.

As at 30 September 2023 and 31 March 2023 respectively, the Group had not utilised any uncommitted banking facilities. Our total cash and cash equivalents consisted of cash at bank and in hand and short-term deposits within three months of maturity. As at 30 September 2023, bank deposits of approximately HK\$1.3 million (31 March 2023: HK\$1.3 million) had been pledged against the bank guarantee letters for a subsidiary of the Company. The Group was in a net cash position as of 30 September 2023 and 31 March 2023 and hence no gearing ratio was presented in our financial statements. The Directors are of the opinion that, after taking into consideration the internal available financial resources, the Group has sufficient funds to finance its operations and to meet the financial obligations as and when they fall due. During 1H23/24, the Group invested approximately HK\$60,000 on capital expenditure as compared to approximately HK\$1.5 million in 1H22/23. For the upcoming capital expenditure requirements, we will remain cautious and it is expected to be funded by internal resources within the Group. Overall, the Group's financial position remains sound for continued business expansion.

Gearing ratio

Gearing ratio (i.e. interest-bearing gross debt divided by total equity) remained stable at nil as at 30 September 2023 and 31 March 2023, respectively.

Use of Net Proceeds from the Global Offering

On 26 May 2022, the Company offered 55,000,000 ordinary shares (the "Shares") for subscription by public in the global offering. The offer price per Share was determined at HK\$2.10 and the Shares were successfully listed on the Main Board of the Stock Exchange on the Listing Date. The net proceeds (after deduction of underwriting fees and commissions and other Listing expense) from the global offering were approximately HK\$74.7 million. The net proceeds has been and would be applied in manners described under the section headed "Future Plans and Use of Proceeds" to the Prospectus.

MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of the utilisation of the net proceeds from the Listing Date up to 30 September 2023 is set out below:

	Percentage	Allocated use of proceeds (HK\$ million)	Utilised as of 30 September 2023 (HK\$ million)	Unutilised balance as of 30 September 2023 (HK\$ million)	Proposed timetable for the use of unutilised net proceeds
Capturing a larger market share through organic growth	20.4%	15.2	12.5	2.7	On or before 31 March 2025
Expanding the product offerings on our e-commerce platform(s) through the launch of online marketplace operations	7.1%	5.3	0.8	4.5	On or before 31 March 2026
Expanding our services to customers in the PRC and, in particular, the Greater Bay Area ("GBA")	8.6%	6.4	–	6.4	On or before 31 March 2026
Strengthening our supply chain capabilities	9.2%	6.9	0.1	6.8	On or before 31 March 2026
Further investing in brand management and marketing to increase mass awareness of our group and the effectiveness of our marketing activities	11.8%	8.8	1.6	7.2	On or before 31 March 2024
Expanding our teams of staff in support of our business strategies	19.2%	14.4	4.4	10.0	On or before 31 March 2026
Acquiring companies in e-commerce-related industries	13.7%	10.2	–	10.2	On or before 31 March 2024
General working capital	10.0%	7.5	5.5	2.0	On or before 31 March 2026
	100.0%	74.7	24.9	49.8	

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 September 2023, the amount of unutilised net proceeds amounted to approximately HK\$49.8 million. The unutilised net proceeds were placed in interest-bearing deposits with authorised financial institutions in Hong Kong.

Up to 30 September 2023, the utilised net proceeds were applied in accordance with the planned use as previously disclosed in the Prospectus and the remaining net proceeds are expected to be used as planned.

Principle Risks and Uncertainties

Our Group's financial condition, results of operations and business prospects may be affected by a number of principal risks and uncertainties directly or indirectly pertaining to our Group's business. The following list is a summary of certain principal risks and uncertainties faced by our Group which are not exhaustive and therefore other risks and uncertainties may also exist:

- we face significant competition in our business and our profitability and prospects for future growth depend on our ability to compete effectively with the other competitors;
- our business depends on our ability to maintain existing and attract new customers;
- incidents of counterfeit products could adversely affect the demand of our products, our brand, reputation and profitability;
- our business and results of operations may be materially and adversely affected if we are unable to maintain daily operations and security of the Yoho E-commerce Platform and systems;
- we are exposed to cybersecurity risks and may be liable for our users' privacy being compromised which may materially and adversely affect our reputation and business;
- the independent warehousing service provider and independent courier service providers engaged by us may increase their service charges and our net profit margin and results of operations may be affected as a result;
- we may not be able to provide electronic appliances to our customers in a timely manner or at all, which may subject us to refund of advances received in relation to the sales of electronic appliances; and
- our business, financial conditions and results of operations could be affected if we fail to attract and retain our key personnel, management team and our employees.

MANAGEMENT DISCUSSION AND ANALYSIS

Prospect

Amidst a confluence of pressures including the global economic deceleration, stringent monetary policies worldwide and a lackluster rebound in local consumer sentiment, the short-term outlook for Hong Kong's retail sector seems poised to endure a continued period of inertia. Despite these complex external challenges, we remain bullish about the long-term resilience and growth potential inherent in Hong Kong's retail landscape. The progressive revival of the labor market, combined with the Hong Kong government's assertive initiatives to bolster a thriving "night-time economy", indicates promising signs of a gradual upturn in the business environment. The Group will remain poised to actively navigate market fluctuations, continuously enhance our products listed on the Yoho Platform and service quality, sharpen our competitive edge, and strategically seize opportunities in the fluid market landscape.

1P Business Model

Our 1P Business Model primarily offers a wide range of electronic products and electrical appliances. Harnessing our OMO retail model, complemented by our substantial membership base and distinct supply chain advantage, we have achieved sustainable growth and remained profitable over the years. Given Hong Kong's modernization and affluence, there is a consistently high demand for electronic goods. According to the retail sales statistics released by the Census and Statistics Department over the last five years, the average annual retail value for electrical goods and other consumer durable goods reached approximately HK\$42 billion, underscoring our expansive growth potential.

For FY23/24, our strategic emphasis will continue to bolster our online presence supplemented by our offline retail outlets, offering consumers an enhanced and seamless OMO shopping journey. On the digital front, we will further refine the Yoho Platform's functionalities, accentuating user-centricity and instituting a more tailored recommendation engine. On the offline front, we have been assessing the feasibility of establishing two additional retail stores in New Territories East and West. However, given the prevailing market ambiguities, we remain committed to diligently monitoring market trends and consumer behavioral shifts to ensure alignment of our operational strategies with evolving market dynamics.

Concurrently, we are actively planning the development of our mobile application ("**Yoho App**"), with an aim to launch in the near future. With the introduction of our 3P Business Model, the total number of SKUs now stands at approximately 46,000. This diverse product array has increased customer engagement, laying a solid foundation for the Yoho App rollout.

Projecting forward, we recognize the challenges in the local retail landscape, with potential repercussions on our organic growth momentum. To mitigate this, we are proactively exploring strategic acquisitions as a conduit to amplify growth. Our acquisition targets include but not limited to e-commerce platforms, vertical entities, or proprietary brands. We aspire to swiftly expand our operational scale, fortify our customer foundation, enhance supply chain efficiency, and actualize synergistic cost optimizations and business integrations through the acquisitions.

MANAGEMENT DISCUSSION AND ANALYSIS

3P Business Model

Our 1P Business Model and 3P Business Model will continue to serve as collaborative pillars, consistently working to expand our product range and deepen brand engagement. This dual-engine approach is primed to drive our growth trajectory forward. We anticipate the 3P Business Model to persist in a ramp up phase of its development over the near term and we are keen to onboard a diverse array of quality merchants, particularly those offering beauty and skincare products, lifestyle goods, health and wellness items, household essentials, and electronic peripherals, to further enrich the diversity of the Yoho Platform. The expansion not only provides consumers with a broader selection of products but also creates additional upsell and cross-sell opportunities for us.

Additionally, we are doubling down on bolstering our merchant support initiatives by increasing product visibility, facilitating cost-efficient customer acquisition, refining our commission structure, and boosting operational efficiency, to motivate merchants to actively engage and invest resources in the Yoho Platform. Currently, we are focusing on promoting our digital advertising solutions to high-potential merchants. Leveraging our robust data analytics capabilities and insights into consumer behavior, we offer precise marketing services, ensuring merchants resonate effectively with their target audience, leading to optimized conversion rates.

Furthermore, we plan to offer comprehensive fulfillment services to key merchants in the near future. By managing storage, packaging, and delivery, we aim to assist merchants in reducing costs and increasing efficiency while allowing us to intricately manage and enhance the overall user experience. We believe such value-driven services will strengthen our rapport with existing merchants while elevating our prowess to attract new partnerships, thereby fueling our sustainable growth and reinforcing our competitive edge.

Cross border

Positioned within the GBA as a highly competitive cosmopolitan hub, Hong Kong's connectivity with mainland cities and international metropolises bestows upon it a strategic edge in cross-border trade. Given the cultural, linguistic, and lifestyle similarities that most cities in the GBA share with Hong Kong, we are optimally positioned to grasp and meet the demands of local consumers. This alignment designates the cities within the GBA as our preferred gateway to venture into the mainland market.

Despite the intense competition in the mainland e-commerce sector, dominated by renowned e-commerce giants, there remains an undeniable allure for premium goods imported from Hong Kong among mainland clientele. As a leading retailer deeply rooted in the Hong Kong market for several years, the Group possesses distinct brand prominence. Moreover, the absence of major Hong Kong e-commerce players in the GBA signals vast developmental potential. Our strategy is to focus on the affluent middle-class segment of Mainland China, harnessing our robust supply chain capabilities by introducing high-quality overseas products and exclusive distributed brands to capture market share through premium offerings.

MANAGEMENT DISCUSSION AND ANALYSIS

In FY23/24, the Group's primary focus will remain on the 1P Business Model and 3P Business Model. We plan to allocate resources in the coming years to establish a dedicated China business team, which will concentrate on understanding local market dynamics, customer preferences, and emerging trends, and localizing marketing strategies. This will enable us to adapt our product range and intensify promotional efforts effectively. We project that the number of unique SKUs on the Yoho Platform will continue to grow exponentially, offering a diverse product selection to comprehensively cater to the multifaceted needs of the GBA consumer base.

Other Information

Talent remuneration

Including the Directors, as at 30 September 2023, our Group had 106 permanent full-time employees in Hong Kong as compared with 105 as at 31 March 2023. Our Group provides remuneration package consisting of basic salary, bonus, and other benefits to them. Bonus payments are discretionary and dependent on both our Group's and individual performances. Our Group also provides comprehensive medical and life insurance coverage, competitive retirement benefits schemes, and staff training programs and operates a share option scheme.

Capital expenditure

During 1H23/24, our Group acquired items of property, plant and equipment of approximately HK\$60,000 (1H22/23: approximately HK\$1.5 million).

Capital commitments and contingent liabilities

As at 30 September 2023, the Group did not have any significant capital commitment nor contingent liability (as at 31 March 2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign exchange exposure

Substantially all of our Group's monetary assets and liabilities are primarily denominated in Hong Kong dollars ("HK\$"), United States dollars ("US\$") and Japanese yen ("JPY"). Given the pegged exchange rate between HK\$ and US\$, the exposure of entities that use HK\$ as their respective functional currencies to the fluctuations in US\$ is minimal. However, exchange rate fluctuations between HK\$ and JPY could affect our Group's performance and asset value. Our Group manages its foreign exchange risk by closely monitoring the movement of the foreign exchange rates and will consider hedging arrangements for significant foreign currency exposure should the need arise.

Treasury policy

Several principal subsidiaries of the Group are exposed to foreign currency risk primarily through sales and purchases which give rise to monetary assets and monetary liabilities that are denominated in HK\$, US\$ and JPY. During the Reporting Period, the Group did not enter into any financial derivatives for hedging purpose. However, the management monitors foreign exchange exposure from time to time. Appropriate measures would be undertaken by the management when the exchange rate fluctuations become significant.

Material acquisitions, disposals, significant investments and future plans of material investments

During the Reporting Period, the Group did not have material acquisition, disposal, significant investments and future plans of material investment.

Events after the Reporting Period

There were no significant events that may affect our Group since the end of the Reporting Period and up to the date of this interim report.

Interim Dividend

The Board does not recommend any payment of interim dividend for the six months ended 30 September 2023.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

To the Board of Directors of Yoho Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Yoho Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 23 to 35, which comprise the condensed consolidated statement of financial position as of 30 September 2023, and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

23 November 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	Notes	Six months ended 30 September 2023 HK\$'000 (unaudited)	Six months ended 30 September 2022 HK\$'000 (unaudited)
Revenue	3	396,278	448,200
Cost of goods sold		(337,341)	(380,359)
		58,937	67,841
Other income		4,280	2,902
Other gains and losses		(29)	(2,081)
Selling and distribution expenses		(33,573)	(36,799)
Administrative expenses		(17,542)	(15,884)
Listing expenses		–	(12,483)
Finance costs		(583)	(279)
Profit before taxation		11,490	3,217
Income tax expense	4	(1,207)	(2,210)
Profit and total comprehensive income for the period	5	10,283	1,007
Earnings per share –			
Basic (HK cents)	7	2.06	0.27
Diluted (HK cents)		2.06	0.27

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	8	9,038	10,814
Right-of-use assets	8	24,299	26,880
Deposits		4,302	5,480
		37,639	43,174
Current assets			
Inventories		70,282	75,140
Trade receivables	9	7,369	7,016
Other receivables, deposits and prepayments		9,432	9,959
Tax recoverable		219	380
Short term bank deposits with over 3 months maturity		82,640	80,709
Pledged bank deposits		1,300	1,323
Cash and cash equivalents		134,855	129,234
		306,097	303,761
Current liabilities			
Trade payables	10	33,972	31,339
Other payables and accruals		7,588	7,582
Contract liabilities		9,807	12,971
Lease liabilities		8,703	7,178
		60,070	59,070
Net current assets		246,027	244,691
Total assets less current liabilities		283,666	287,865

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Note	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Non-current liabilities			
Lease liabilities		20,117	22,835
Deferred tax liabilities		169	169
		20,286	23,004
Net assets			
		263,380	264,861
Capital and reserves			
Share capital	12	390	390
Reserves		262,990	264,471
Total equity		263,380	264,861

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note)	Share- based payments reserve HK\$'000	Retained profits HK\$'000	
At 1 April 2022 (audited)	142	–	49,259	–	29,345	78,746
Profit and total comprehensive income for the period	–	–	–	–	1,007	1,007
Conversion of convertible redeemable preferred shares (note 12)	12	71,036	–	–	–	71,048
Capitalisation issue (note 12)	193	(193)	–	–	–	–
Issue of shares under the initial public offerings (the "IPO") (note 12)	43	115,457	–	–	–	115,500
Transaction costs attributable to the IPO	–	(8,725)	–	–	–	(8,725)
At 30 September 2022 (unaudited)	390	177,575	49,259	–	30,352	257,576
At 1 April 2023 (audited)	390	177,575	51,248	–	35,648	264,861
Profit and total comprehensive income for the period	–	–	–	–	10,283	10,283
Dividend declared (note 6)	–	–	–	–	(12,000)	(12,000)
Recognition of equity-settled share-based payments (note 11)	–	–	–	236	–	236
At 30 September 2023 (unaudited)	390	177,575	51,248	236	33,931	263,380

Note: Other reserve represents the difference between the share capital and share premium of the Company issued, and the combined share capital of certain subsidiary of the Group in connection with the Group reorganisation carried out prior to the IPO of the Company and also the shareholder's contribution in the share-based payment expenses in prior years.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended 30 September 2023 HK\$'000 (unaudited)	Six months ended 30 September 2022 HK\$'000 (unaudited)
OPERATING ACTIVITIES		
Profit before taxation	11,490	3,217
Adjustments for:		
Finance costs	583	279
Bank interest income	(4,206)	(658)
Depreciation of property, plant and equipment	1,836	1,136
Depreciation of right-of-use assets	5,189	4,065
Provision of impairment loss on inventories	822	84
Fair value change in convertible redeemable preferred shares	–	2,261
Share-based payment expense	236	–
Operating cash flows before movements in working capital	15,950	10,384
(Increase) decrease in trade receivables	(353)	2,020
Decrease (increase) in other receivables, deposits and prepayments	1,705	(3,862)
Decrease (increase) in inventories	4,036	(15,518)
Increase in trade payables	2,633	309
Increase (decrease) in other payables and accruals	6	(3,432)
Decrease in contract liabilities	(3,164)	(5,436)
Cash generated from (used in) operations	20,813	(15,535)
Income tax paid	(1,046)	(1,722)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	19,767	(17,257)
INVESTING ACTIVITIES		
Withdrawal of short term bank deposits	180,283	–
Interest received	4,206	658
Withdrawal of pledged bank deposits	2,655	–
Placement of short term bank deposits	(182,214)	–
Placement of pledged bank deposits	(2,632)	(1,306)
Purchase of property, plant and equipment	(60)	(1,463)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	2,238	(2,111)
FINANCING ACTIVITIES		
Dividend paid	(12,000)	–
Repayments of leases liabilities and related finance cost	(4,384)	(4,092)
Proceeds from the IPO	–	115,500
Share issue costs paid	–	(6,698)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(16,384)	104,710
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,621	85,342
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	129,234	126,256
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Represented by bank balances and cash	134,855	211,598

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Yoho Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred as the “**Group**”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2023.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17	Insurance Contracts (including the relevant amendments)
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

3. REVENUE AND SEGMENT INFORMATION

Revenue

Disaggregation of revenue from contracts with customers

	Six months ended 30 September 2023 HK\$'000 (unaudited)	Six months ended 30 September 2022 HK\$'000 (unaudited)
Direct merchant sales		
– Major appliances	99,004	81,986
– Kitchen appliances	37,773	48,563
– Mobile	41,199	45,218
– Digital entertainment	45,875	46,453
– Home appliances	70,014	82,107
– Beauty & personal care	40,981	60,577
– Computer	41,417	58,482
– Others	18,025	23,380
Revenue from direct merchant sales	394,288	446,766
Provision of advertising services	1,799	1,434
Revenue from concessionaire sale	191	–
Total	396,278	448,200
Geographical markets:		
– Hong Kong	391,343	437,217
– The People's Republic of China (other than Hong Kong)	2,946	6,455
– Others	1,989	4,528
	396,278	448,200
Timing of revenue recognition:		
– A point in time	394,479	446,766
– Over time	1,799	1,434
	396,278	448,200

Segment information

For the purposes of resources allocation and performance assessment, the chief operating decision maker (i.e. the executive directors of the Company) reviews the overall results and financial position of the Group as a whole. Accordingly, only entity-wide disclosures and geographic information are presented.

Geographical information

The geographical information of the Group's revenue based on the location of the goods delivered and services rendered is disclosed above.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

4. INCOME TAX EXPENSE

	Six months ended 30 September 2023 HK\$'000 (unaudited)	Six months ended 30 September 2022 HK\$'000 (unaudited)
Current tax:		
– Hong Kong Profits Tax	1,207	2,210

Hong Kong Profits Tax for both periods is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Group and at 16.5% on the estimated assessable profits above HK\$2,000,000. The profits of other subsidiaries not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

5. PROFIT FOR THE PERIOD

	Six months ended 30 September 2023 HK\$'000 (unaudited)	Six months ended 30 September 2022 HK\$'000 (unaudited)
Profit for the period has been arrived at after charging (crediting)		
Staff costs (including the directors' remuneration)		
– Salaries, allowances and other benefits	17,253	16,335
– Retirement benefits schemes contributions	724	675
– Equity-settled share-based payment expense	236	–
Total staff costs	18,213	17,010
Depreciation of property, plant and equipment	1,836	1,136
Depreciation of right-of-use assets	5,189	4,065
Cost of inventories recognised as an expense (including allowance for provision of impairment loss on inventories of HK\$822,000 (six months ended 30 September 2022: HK\$84,000))	337,341	380,359
Government grants	(16)	(2,244)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

6. DIVIDENDS

During the period, a final dividend in respect of the year ended 31 March 2023 of HK\$0.024 (2022: nil) per ordinary share, in an aggregate amount of HK\$12,000,000 (2022: nil), has been declared and settled. Subsequent to the end of the current interim period, the directors have determined that no dividend will be paid in respect of the interim period.

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

	Six months ended 30 September 2023 HK\$'000 (unaudited)	Six months ended 30 September 2022 HK\$'000 (unaudited)
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the period attributable to owners of the Company	10,283	1,007
Number of Shares:		
Weighted average number of shares for the purpose of basic and diluted earnings per share	500,000,000	378,435,293

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share has been adjusted for IPO that took place on 10 June 2022.

During the six months period ended 30 September 2023, the computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for the shares.

During the six months period ended 30 September 2022, the Company had two category of potential ordinary shares – convertible redeemable preferred shares and the over-allotment option. The potential ordinary shares of convertible redeemable preferred shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. The computation of earnings per share did not assume the exercise of the over-allotment option because the exercise price of over-allotment option outstanding were higher than average market price of the shares.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

8. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, total additions to property, plant and equipment were HK\$60,000 (six months ended 30 September 2022: HK\$1,463,000), which mainly included additions to leasehold improvements of nil (six months ended 30 September 2022: HK\$1,157,000), additions to office furniture and equipment of HK\$48,000 (six months ended 30 September 2022: HK\$186,000) and additions to computer equipment of HK\$12,000 (six months ended 30 September 2022: HK\$120,000).

During the current interim period, the Group renewed one lease agreement with lease terms with one year (six months ended 30 September 2022: one to five years). On lease commencement, the Group recognised lease liabilities of HK\$2,608,000 (six months ended 30 September 2022: HK\$14,728,000) and total additions to right-of-use assets were HK\$2,608,000 (six months ended 30 September 2022: HK\$14,878,000).

9. TRADE RECEIVABLES

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Trade receivables	7,369	7,016

The Group generally grants credit terms of 30 days to its wholesale customers from the date of invoices. Sales made through retail stores or internet are settled by cash or credit cards through payment gateways, which will generally settle the amounts with the Group within 2 days after the sales made. An ageing analysis of the trade receivables, net of allowance for impairment losses, presented based on the invoice dates at the end of each reporting period is as follows:

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Within 30 days	5,344	5,709
31 to 60 days	511	623
61 to 90 days	602	348
Over 90 days	912	336
	7,369	7,016

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

10. TRADE PAYABLES

The credit period granted by suppliers ranged from 0 to 30 days. The ageing analysis of the trade payables of the Group presented based on the invoice dates at the end of each reporting period is as follows:

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Within 30 days	28,131	25,241
31 to 60 days	2,762	3,102
61 to 90 days	–	253
Over 90 days	3,079	2,743
	33,972	31,339

11. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 20 May 2022 for the primary purpose of providing incentives to directors and eligible employees. Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The table below discloses movement of the Scheme:

	Number of share options
Outstanding at 1 April 2023	–
Granted during the period	27,304,000
Outstanding at 30 September 2023	27,304,000

In the current interim period, share options were granted on 31 August 2023 and 22 September 2023. The closing prices of the Company's shares immediately before the dates of grant were HK\$0.71 and HK\$0.66, respectively. The fair values of the options determined at the dates of grant were HK\$2,199,000 and HK\$1,186,000, respectively.

The following assumptions were used to calculate the fair values of share options:

	31 August 2023	22 September 2023
Weighted average share price	HK\$0.17 Ranges from HK\$1.0 to HK\$4.0	HK\$0.08 Ranges from HK\$1.0 to HK\$4.0
Exercise price	9.9 years	10 years
Expected life	55%	55%
Expected volatility	3.38%	3.64%
Expected dividend yield	3.81%	4.16%
Risk-free interest rate		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

11. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

During the six months ended 30 September 2023, the Group recognised the total expense of HK\$236,000 (2022: nil) in relation to share options granted by the Company.

12. SHARE CAPITAL

Authorised:

	Number of shares	Nominal value of ordinary shares US\$'000
At 1 April 2022, 30 September 2022, 1 April 2023 and 30 September 2023	500,000,000	50

Issued:

	Number of ordinary shares	Number of series A preferred shares	Equivalent nominal value of ordinary shares US\$'000	Equivalent nominal value of ordinary shares HK\$'000
At 1 April 2022	146,000,000	36,195,122	18	142
Conversion of series A preferred shares (Note)	36,195,122	(36,195,122)	–	–
Conversion of convertible redeemable preferred shares (Note)	15,031,101	–	2	12
Capitalisation issue (Note)	247,773,777	–	24	193
Issuance of shares under the IPO (Note)	55,000,000	–	6	43
At 30 September 2022, 1 April 2023 and 30 September 2023	500,000,000	–	50	390

Note:

On 10 June 2022, 36,195,122 series A preferred shares and 15,031,101 convertible redeemable preferred shares, were converted into 36,195,122 and 15,031,101 ordinary shares, respectively. On the same date, 247,773,777 new shares of the Company of US\$0.0001 each were issued through capitalisation of HK\$193,264 and such amount is credited to share premium. Also, 55,000,000 new shares of the Company of par value US\$0.0001 each were issued at an offer price of HK\$2.1 per share. The difference of HK\$115,457,100 between offer price and the par value of the shares have been credited to share premium.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

13. RELATED PARTY DISCLOSURES

Other than disclosed elsewhere in the condensed consolidated financial statements, the Group had the following related party transactions during the period:

Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	2023 HK\$'000	2022 HK\$'000
Short-term benefits	1,602	2,162
Post-employment benefits	46	44
Share-based payments	223	–
	1,871	2,206

14. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

BORROWINGS

The Group had no outstanding borrowings as at 31 March 2023 and 30 September 2023, respectively.

LOAN AND GUARANTEE

During the Reporting Period, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the controlling Shareholders or their respective connected persons.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this interim report, based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2023, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Ch. 571 of the laws of Hong Kong) (the "SFO")) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Name of Director/chief executive of the Company	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Wu Faat Chi ("Mr. Wu") <i>(Notes 1,3)</i>	Interest in a controlled corporation	168,003,522 (Long position)	33.6%
	Interest of spouse	145,938,186 (Long position)	29.2%
	Beneficial interest	8,014,000 (Long position)	1.6%
Ms. Tsui Ka Wing ("Ms. Tsui") <i>(Notes 2,3)</i>	Interest in a controlled corporation	140,938,186 (Long position)	28.2%
	Interest of spouse	176,017,522 (Long position)	35.2%
	Beneficial interest	5,000,000 (Long position)	1.0%
Mr. Man Lap ("Mr. Man") <i>(Note 4)</i>	Beneficial interest	4,454,160 (Long position)	0.89%
Mr. Hsieh Wing Hong Sammy ("Mr. Hsieh") <i>(Note 5)</i>	Interest in controlled corporation	2,877,598 (Long position)	0.58%
	Beneficial interest	560,000 (Long position)	0.11%

OTHER INFORMATION

Name of Director/chief executive of the Company	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Adamczyk Alexis Thomas David <i>(Note 6)</i>	Beneficial interest	1,587,714 (Long position)	0.32%
Mr. Ho Yun Tat <i>(Note 7)</i>	Beneficial interest	560,000 (Long position)	0.11%
Dr. Qian Sam Zhongshan <i>(Note 7)</i>	Beneficial interest	560,000 (Long position)	0.11%
Dr. Leung Shek Ling Olivia <i>(Note 7)</i>	Beneficial interest	448,000 (Long position)	0.09%

Notes:

- The Mearas Venture Limited (the "**Mearas Venture**"), which is wholly-owned by Mr. Wu, is interested in 168,003,522 Shares. Under the SFO, Mr. Wu is deemed to be interested in the 168,003,522 Shares held by the Mearas Venture. Mr. Wu is also beneficially interested in 8,014,000 Shares (including the 5,000,000 share options granted to Mr. Wu by the Company on 21 July 2023).
- The Wings Venture Limited (the "**Wings Venture**"), which is wholly-owned by Ms. Tsui, is interested in 140,938,186 Shares. Under the SFO, Ms. Tsui is deemed to be interested in the 140,938,186 Shares held by the Wings Venture. Ms. Tsui is also beneficially interested in 5,000,000 Shares (representing the share options granted to Mr. Tsui by the Company on 21 July 2023).
- Mr. Wu is the spouse of Ms. Tsui, and therefore Mr. Wu is deemed to be interested in 145,938,186 Shares held by Ms. Tsui, representing the aggregate of Ms. Tsui's interests via the Wings Venture (i.e. 140,938,186 Shares) and her personal beneficial interests (i.e. 5,000,000 Shares) in the Company.

Similarly, Ms. Tsui is deemed to be interested in 176,017,522 Shares held by Mr. Wu, representing the aggregate of Mr. Wu's interests via the Mearas Venture (i.e. 168,003,522 Shares) and his personal beneficial interests (i.e. 8,014,000 Shares) in the Company. As a result, each of Mr. Wu and Ms. Tsui is deemed to be interested in a total of 321,955,708 Shares, representing approximately 64.4% interest of the total issued share capital of our Company.
- In addition to his direct interests in our Company, Mr. Man is indirectly interested in the issued share capital of our Company via Beyond Ventures Vehicle, which is interested in 35,676,935 Shares. 3 Musketeers Limited, which is owned by Mr. Man and his spouse, Ms. Ma Siu Yan Sandra, as to 50% and 50%, respectively, is (i) one of the shareholders of Beyond I Capital Limited (being the general partner of Beyond Ventures) as to approximately 14.3%, (ii) one of the limited partners and strategic partners of Beyond Ventures which directly owned a total of approximately 8.34% partnership interest (comprising approximately 3.69% partnership interest as limited partner and approximately 4.65% partnership interest as strategic partner, among which approximately 2.18% strategic partnership interest was in respect of our Group and approximately 2.47% strategic partnership interest was in respect of other investment projects invested by Beyond Ventures), and (iii) one of the shareholders of Beyond I Special Capital Limited (being a limited partner of Beyond Ventures which owned approximately 5.35% of limited partnership interest of Beyond Ventures) as to 14.29%. For further details, please see the section headed "History, Reorganisation and Corporate Structure – Pre-IPO Investment – Public Float" in the Prospectus. Mr. Man's beneficial interests include 560,000 share options granted under the Share Option Scheme.
- Triple Gold Enterprise Limited, which is ultimately and wholly beneficially owned by Mr. Hsieh, is interested in 2,877,598 Shares. Under the SFO, Mr. Hsieh is deemed to be interested in the 2,877,598 Shares held by Triple Gold Enterprise Limited. Mr. Hsieh's beneficial interests relate to 560,000 share options granted under the Share Option Scheme.
- Mr. Adamczyk's beneficial interests relate to 560,000 share options granted under the Share Option Scheme.
- These personal interests represented the share options granted to the respective directors under the Share Option Scheme.
- For details of the share options granted to the Directors, please refer to the section headed "Other information — Share Option Scheme" of this report.

Save as disclosed above, as at 30 September 2023, none of the Directors or chief executives of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short position which they were taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

To the best knowledge and information of the Directors after having made all reasonable enquiries, as at 30 September 2023, the following persons (other than the Directors and chief executives of the Company) had interests in 5% or more of the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which fall to be disclosed to the Company 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 substantial Shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding
The Mearas Venture	Beneficial Interest	168,003,522 (Long position)	33.6%
The Wings Venture	Beneficial Interest	140,938,186 (Long position)	28.2%
Beyond Ventures Vehicle ^(Note 1)	Beneficial Interest	35,676,935 (Long position)	7.1%
Beyond Ventures I Fund L.P. ("Beyond Ventures") ^(Note 1)	Interest in controlled corporation	35,676,935 (Long position)	7.1%
Beyond I Capital Limited ^(Note 1)	Interest in controlled corporation	35,676,935 (Long position)	7.1%

Note:

- Beyond Ventures Vehicle is wholly-owned by Beyond Ventures, which is an exempted limited partnership registered in the Cayman Islands with (i) Beyond I Capital Limited as its general partner, which is in turn owned by Expand Ocean Limited as to approximately 28.6%, Mr. Fang Yan Zau Alexander as to approximately 28.6%, 3 Musketeers Limited as to approximately 14.3%, Billion Eggs Limited as to approximately 14.2% and Decent Global Limited as to approximately 14.3%, and (ii) various high net worth individuals and institutional and corporate investors as its limited partners and strategic partners. No limited partner or strategic partner has contributed more than one third of the capital to Beyond Ventures. Under the SFO, Beyond Ventures (as the sole shareholder of Beyond Ventures Vehicle) and Beyond I Capital Limited (as the general partner of Beyond Ventures) are deemed to be interested in the 35,676,935 Shares held by Beyond Ventures Vehicle.

Save as disclosed above, as at 30 September 2023, the Directors and chief executives of the Company were not aware of any other persons (other than the Directors and chief executives of the Company) who had an interest in 5% or more of the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

OTHER INFORMATION

SHARE OPTION SCHEME

On 20 May 2022, the Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) and the Share Option Scheme became unconditional on the Listing Date and shall be valid and effective for a period of ten years commencing therefrom, subject to the early termination provisions contained in the Share Option Scheme. All options granted and accepted and remaining unexercised immediately prior to the expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme. The details of the Share Option Scheme are set out in the section headed “Statutory and General Information – D. Share Option Scheme” in Appendix IV of the Prospectus.

On 21 July 2023, the Company granted share options under the Share Option Scheme under which the option holders are entitled to acquire an aggregate of 12,800,000 shares of the Company. Pursuant to the terms of the Share Option Scheme, the options granted are not subject to performance targets nor clawback mechanism. Among the total 12,800,000 share options, 12,800,000 share options are subject to shareholders’ approval. For details, please see the Company’s announcement dated 21 July 2023.

On 22 September 2023, the Company granted share options under the Share Option Scheme under which the option holders are entitled to acquire an aggregate of 14,504,000 shares of the Company. Pursuant to the terms of the Share Option Scheme, the options granted are not subject to performance targets nor clawback mechanism. For details, please see the Company’s announcement dated 22 September 2023.

The remuneration committee of the Board (the “**Remuneration Committee**”) considered that the performance targets are not necessary for the options granted during the Reporting Period as (i) the value of the options is subject to the future market price of the shares of the Company, which, in turn, depends on the business performance of the Group, to which the grantees would directly contribute, and the grantees will benefit more from the options if the share price increases; and (ii) the options are subject to the vesting periods as stated below and may lapse where the grantee cease to qualify as an eligible participant under the Share Option Scheme, and that such mechanisms would motivate the grantees to be retained for continued contribution to the Group’s development.

In addition, the Remuneration Committee considered that a clawback mechanism is not necessary for the options granted during the Reporting Period, having considered that the lapse and cancellation of options under various scenarios has already been provided for under the Share Option Scheme, which could adequately safeguard the Company’s interests. The Remuneration Committee believed that, even without additional performance target and clawback mechanism, the grant of the options could align the interests of the grantees with that of the Company and its Shareholders as a whole (in particular, it would serve to incentivise and reinforce the long-term commitment and devotion of the grantees towards the future development, results of operation and growth of the Group) which is in line with the purpose of the Share Option Scheme.

Save as disclosed above, there were no other material matters relating to the Share Option Scheme that were required to be reviewed for approval by the Remuneration Committee during the Reporting Period in accordance with Rule 17.07A of the Listing Rules.

OTHER INFORMATION

The following table discloses movements in the share options under the Share Option Scheme of the Company during the Reporting Period.

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2023)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted ^(a) (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period ^(b)	Number of outstanding options as at end of Reporting Period (i.e. 30 September 2023)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Mr. Wu Faat Chi (Chairman, Chief Executive Officer, Executive Director and Substantial Shareholder of the Company)	21 July 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.00
	21 July 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.50
	21 July 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.00
	21 July 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.50
	21 July 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	4.00
Ms. Tsui Ka Wing (Executive Director, Chief Operating Officer and Substantial Shareholder of the Company)	21 July 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.00
	21 July 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.50
	21 July 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.00
	21 July 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.50
	21 July 2023	-	1,000,000	0.77	180,830	-	-	1,000,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	4.00

OTHER INFORMATION

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2023)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted ⁽⁹⁾ (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period ⁽⁶⁾	Number of outstanding options as at end of Reporting Period (i.e. 30 September 2023)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Mr. Man Lap (Non-executive Director of the Company)	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	1.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	1.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	4.00
Mr. Hsieh Wing Hong Sammy (Non-executive Director of the Company)	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	1.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	1.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	4.00

OTHER INFORMATION

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2023)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted ⁽⁹⁾ (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period ⁽⁶⁾	Number of outstanding options as at end of Reporting Period (i.e. 30 September 2023)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Mr. Adamczyk Alexis Thomas David (Non-executive Director of the Company)	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	1.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	1.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	4.00
Dr. Qian Sam Zhongshan (Independent Non-executive Director of the Company)	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	1.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	1.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	4.00

OTHER INFORMATION

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2023)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted ⁽⁹⁾ (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period ⁽⁶⁾	Number of outstanding options as at end of Reporting Period (i.e. 30 September 2023)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Mr. Ho Yun Tat (Independent Non-executive Director of the Company)	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	1.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	1.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	2.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.00
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	3.50
	21 July 2023	-	80,000	0.77	11,154	-	-	80,000	21 July 2023 to 21 July 2027	21 July 2023 to 20 July 2033	4.00
Dr. Leung Shek Ling Olivia (Independent Non-executive Director of the Company)	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	1.00
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	1.50
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	2.00
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	2.50
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	3.00

OTHER INFORMATION

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2023)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted ⁽⁹⁾ (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period ⁽⁸⁾	Number of outstanding options as at end of Reporting Period (i.e. 30 September 2023)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	3.50
	22 September 2023	-	64,000	0.68	7,914	-	-	64,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	4.00
Other grantees (being other employees of the Group)	22 September 2023	-	2,008,000	0.68	161,515	-	16,000	1,992,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	1.00
	22 September 2023	-	2,008,000	0.68	161,515	-	16,000	1,992,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	1.50
	22 September 2023	-	2,008,000	0.68	161,515	-	16,000	1,992,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	2.00
	22 September 2023	-	2,008,000	0.68	161,515	-	16,000	1,992,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	2.50
	22 September 2023	-	2,008,000	0.68	161,515	-	16,000	1,992,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	3.00
	22 September 2023	-	2,008,000	0.68	161,515	-	16,000	1,992,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	3.50
	22 September 2023	-	2,008,000	0.68	161,515	-	16,000	1,992,000	22 September 2023 to 22 September 2027	22 September 2023 to 21 September 2033	4.00
Total		-	27,304,000		3,384,693	-	112,000	27,192,000			

OTHER INFORMATION

Notes:

- Save as disclosed above, no share option was granted to (i) the associates of the directors, substantial shareholders and chief executives of the Group; (ii) participants with options granted and to be granted in excess of 1% of the ordinary shares of the Company in issue; (iii) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company; and (iv) service providers of the Group (including the suppliers of goods and services of the Group) under the Share Option Scheme. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of Listing Rules.
- Except for the vesting period, there is no minimum holding period before exercise of the option.
- During the Reporting Period, share options were granted on 21 July 2023, the grant of Share Options approved by the independent Shareholders of the Company at the annual general meeting of the Company on 31 August 2023, and 22 September 2023. The closing prices of the Company's shares immediately before the dates of grant were HK\$0.77 and HK\$0.68, respectively. The fair values of the options determined at the dates of grant were approximately HK\$2,199,000 and approximately HK\$1,186,000, respectively.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

During 1H23/24, the Group recognised the total expense of approximately HK\$236,000 (1H22/23: nil) in relation to share options granted by the Company.

For the details, please refer to the note 11 of the condensed consolidated financial statements in this report.

- The share option, being granted to such grantee(s) on 21 July 2023 shall be vested according to the following schedule:

Percentage of Post-IPO Option to be vested	Vesting Date
25%	21 July 2024
25%	21 July 2025
25%	21 July 2026
25%	21 July 2027

- The share option, being granted to such grantee(s) on 22 September 2023 shall be vested according to the following schedule:

Percentage of Post-IPO Option to be vested	Vesting Date
25%	22 September 2024
25%	22 September 2025
25%	22 September 2026
25%	22 September 2027

- During the Reporting Period, a total of 112,000 share option was lapsed.
- As at the date of the interim report, the total number of shares of the Company available for issue under the Share Option Scheme (including the above options outstanding not yet exercised) was 50,000,000, representing approximately 10.0% of the issued share capital of the Company as of the date thereof.

As of 1 April 2023, the number of options available for grant under the Share Option Scheme was 50,000,000. After the grant of options of an aggregate of 27,304,000 during the Reporting Period, the number of options available for grant as of 30 September 2023 was 22,696,000. The number of shares to be issued pursuant to the options granted (i.e. 27,304,000) under the Share Option Scheme of the Company during the Reporting Period divided by the weighted average number of shares issued during the Reporting Period is 5.5%.

OTHER INFORMATION

COMPETING AND CONFLICT OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling Shareholder nor any of their respective associates (as defined in the Listing Rules) that compete or may compete with the business of the Company and any other conflicts of interest which any such person has or may have with the Group during the Reporting Period.

None of the Directors, the controlling Shareholders or substantial Shareholders or any of its respective close associates had engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, or had any other conflict of interests with the Group during the Reporting Period, and none of them was engaged in any business which directly or indirectly, competes or is likely to compete with the business of the Company and any of its subsidiaries or has interest in such business.

COMPLIANCE WITH THE CORPORATE GOVERNANCE PRACTICES

The Board has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) throughout the Reporting Period.

In the opinion of the Directors, save for the deviation from the code provision C.2.1 of the CG Code, the Company has complied with all applicable code provisions set out in the CG Code throughout the Reporting Period.

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual.

The positions of chairman and chief executive officer are held by Mr. Wu. While this will constitute a deviation from code provision C.2.1 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decisions to be made by the Board require approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of eight Directors, and the Company believes there is sufficient check and balance on the Board; (ii) Mr. Wu and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he/she acts for the benefit and in the best interests of the Company and will make decisions of our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of our Group.

Moreover, the overall strategic and other key business, financial and operational policies of our Group are made collectively after thorough discussion at both the Board and senior management levels.

Finally, as Mr. Wu is one of the founders of the Yoho OMO Business, the Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

OTHER INFORMATION

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own securities dealing code regarding the code of conduct of Directors and employees (who are likely to be in possession of inside information of the Company) on dealings in the Company's securities (the "**Securities Handling Policy**") on terms no less exacting than the Model Code as set out in Appendix 10 to the Listing Rules.

Having made specific enquiry with the Directors, all of them have confirmed that they had fully complied with the required standard set out in the Model Code and the Securities Handling Policy throughout the Reporting Period.

CHANGES OF DIRECTORS' INFORMATION

There is no change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

REVIEW BY THE AUDIT COMMITTEE AND EXTERNAL AUDITOR

According to the Rule 3.21 of the Listing Rules, every listed issuer must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The majority of the audit committee members must be independent non-executive directors of the listed issuer. The audit committee must be chaired by an independent non-executive director. The audit committee of the Company (the "**Audit Committee**") comprises two independent non-executive Directors and one non-executive Director, namely, Mr. Ho Yun Tat (Chairman of the Audit Committee), Mr. Adamczyk Alexis Thomas David and Dr. Leung Shek Ling Olivia. The Audit Committee is accountable to the Board and the main duties of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls. The Audit Committee is provided with other resources enabling it to discharge its duties fully.

OTHER INFORMATION

The Interim Results and the unaudited condensed consolidated interim financial information of the Group for the Reporting Period have been reviewed by the Audit Committee. The Audit Committee has reviewed, and discussed with the management of the Company, the accounting principles and practices adopted by the Group and has discussed internal controls and financial reporting matters including the review of the unaudited interim report for the Reporting Period. There is no disagreement by the Audit Committee on the accounting treatment adopted by the Group. The unaudited condensed consolidated interim financial information has also been reviewed by Deloitte Touche Tohmatsu, the Company's external auditor, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

On behalf of the Board

Wu Faat Chi

Chairman and Executive Director

Hong Kong,
23 November 2023