

MAOGEPING

BEAUTY

毛戈平化妝品股份有限公司

Mao Geping Cosmetics Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 1318



2025

Interim Report

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. MAO Geping (毛戈平) (*Chairman of the Board*)
Ms. WANG Liquan (汪立群)
Ms. MAO Niping (毛霓萍)
Ms. MAO Huiping (毛慧萍)
Mr. WANG Lihua (汪立華)
Ms. SONG Hongquan (宋虹全)

Independent Non-executive Directors

Mr. GU Jiong (顧炯)
Mr. HUANG Hui (黃輝)
Mr. LI Hailong (李海龍)

Audit Committee

Mr. GU Jiong (顧炯) (*Chairperson*)
Mr. HUANG Hui (黃輝)
Mr. LI Hailong (李海龍)

Nomination Committee

Mr. MAO Geping (毛戈平)
Ms. MAO Niping (毛霓萍)
Mr. GU Jiong (顧炯)
Mr. HUANG Hui (黃輝)
Mr. LI Hailong (李海龍) (*Chairperson*)

Remuneration Committee

Mr. MAO Geping (毛戈平)
Ms. MAO Huiping (毛慧萍)
Mr. GU Jiong (顧炯)
Mr. HUANG Hui (黃輝)
Mr. LI Hailong (李海龍) (*Chairperson*)

Joint Company Secretaries

Mr. DONG Leqin (董樂勤)
Ms. ZHANG Xiao (張瀟) (*an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*)

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
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Hong Kong

Authorized Representatives

Ms. MAO Niping (毛霓萍)
Ms. ZHANG Xiao (張瀟)

Principal Bank

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Hangzhou, Zhejiang
PRC

Registered Office

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Shangcheng District
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PRC



CORPORATE INFORMATION

Headquarters and Principal Place of Business in the PRC

Room 1001, Wanyin Building
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Principal Place of Business in Hong Kong

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Legal Advisor as to Hong Kong Law

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Company's Website

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Stock Code

01318

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Principal Activities

We are committed to offering consumers a comprehensive beauty experience characterized by high-quality beauty products, professional makeup artistry training, and experiential and personalized customer service.

Drawing upon the aesthetic philosophy of our founder, we have created beauty products that capture the essence of light and shadow makeup artistry and oriental aesthetics to bring out the best makeup effects. Our beauty brands include MAOGEPING and Love Keeps, offering a selective portfolio of color cosmetics and skincare products to meet the needs of different consumer demographics. As our flagship brand, the MAOGEPING brand contributed the major portion of revenue from sales of products of the Group for the six months ended June 30, 2025. During the Reporting Period, we continuously advanced product innovation and category expansion by introducing two new high-end perfume lines, namely “Guoyun Ningxiang (國蘊凝香)” and “Eastern Whisper Enlightenment (聞道東方)”. This expansion successfully enters the fragrance and perfume market within our beauty portfolio. Both lines embody our profound philosophical interpretation of Eastern aesthetics. Featuring meticulously selected premium ingredients and craftsmanship, they deliver a distinctive aesthetic experience that evokes the spirit of the East for our consumers. On the channel front, we persistently pursued the upgrade of our brand image and the enhancement of store performance. These initiatives further reinforced the premium positioning of our beauty brands and solidified their standing within the industry.

During the Reporting Period, we achieved revenue of RMB2,588.2 million, representing a period-over-period increase of 31.3%, and net profit of RMB670.4 million, representing a period-over-period increase of 36.1%.

Cosmetics Businesses

Upholding a premium brand positioning, we offer color cosmetics products inspired by Mr. Mao Geping's foundational philosophy in light and shadow makeup artistry and oriental aesthetics, as well as skincare and fragrance lines that integrate high-quality formulas with select ingredients. Our color cosmetics primarily include makeup products for foundation, highlighting and contouring, lips and eyes. Our skincare products primarily include face creams, eye care, facial masks, serums and cleansers, while our fragrance portfolio includes the “Guoyun Ningxiang (國蘊凝香)” perfume collection launched this year to commemorate the 60th anniversary of Sino-French diplomatic relations, the “Eastern Whisper Enlightenment (聞道東方)” perfume collection co-branded with the Cultural and Creative Institute of the Palace Museum, and home fragrance products. Moreover, we have launched limited editions of color cosmetics, such as Eastern Aura Elegance (氣蘊東方), which encapsulate industry trends, celebrate traditional cultures, and incorporate advanced technology for enhanced application and wear. As of June 30, 2025, our product portfolio encompasses over 400 SKUs covering color cosmetics, skincare and fragrances.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the total sales volume and average selling prices of our products by product category for the periods indicated:

	Six Months ended June 30,			
	2025		2024	
	Sales Volume Unit in thousands	Average Selling Price RMB per unit	Sales Volume Unit in thousands	Average Selling Price RMB per unit
Color cosmetics	9,059.8	157.0	6,622.7	163.8
Skincare	3,094.7	351.3	2,351.0	346.6
Fragrance	35.4	322.3	—	—

Note:

- (1) The average selling price refers to the prices of products sold through all sales channels, including direct sales to consumers, as well as sales made to retailers and distributors.

The average selling prices are generally lower than the high end of the listed price range primarily because (i) we offer discounts for bulk purchases, the prices of products sold to retailers and distributors are lower than those sold to consumers, which is in line with typical industry practice; and (ii) the calculation of average selling prices excludes value added tax but includes adjustments for sales discounts, membership points, and other promotional activities that affect the final selling prices.

Color cosmetics

Our color cosmetics range includes a wide variety of products such as foundation, highlighter and contour, eye makeup, and lip products. Each of these products has been meticulously designed to cater to the unique skin conditions, facial structures and aesthetic preferences of Chinese consumers. By incorporating elements of light and shadow and traditional Chinese cultural elements into our product design, we create visually appealing and culturally relevant product collections that capture the essence of oriental beauty. During the Reporting Period, our foundation products continued their strong performance. Our two SKUs, namely the Luxury Caviar Cushion and the Luminous Light Veiling Pressed Powder, each generated retail sales exceeding RMB200 million. At the same time, we continued to refine and expand our full-spectrum product portfolio within the color cosmetics category. A new online-exclusive product launched in March this year, namely the Crystal Starry Sky Eyeshadow, achieved retail sales of over RMB4 million during the Reporting Period. For the six months ended June 30, 2025, revenue from our color cosmetics products reached RMB1,422.3 million, representing a period-over-period increase of 31.1%. According to the official rankings on the Douyin platform, we secured the top position in the colour cosmetics category during both the 3·8 Shopping Festival (3·8好物節) and the 6·18 Shopping Festival (6·18好物節) on Douyin Mall.

MANAGEMENT DISCUSSION AND ANALYSIS

Skincare products

Drawing on our extensive experience in product design, development, distribution and branding, coupled with a loyal consumer base established in the color cosmetics sector, we have expanded our portfolio to include skincare products. Our skincare offerings comprehensively span face creams, eye care, facial masks, serums and cleansers, designed to meet the diverse skin types and skin care requirements of consumers. We firmly believe that maintaining superior skin condition is the foundation for achieving optimal makeup results. Some of our best-selling products are widely recognised in the market. For the six months ended June 30, 2025, the retail sales of our two star SKUs, the Luxury Caviar Facial Mask and the Luxury Regenerating Black Cream, exceeded RMB600 million and RMB200 million, respectively. The retail sales of the Premium Nutritive Revitalizing Lotion, a high-end skin care product launched by us this year, exceeded RMB16 million during the Reporting Period. For the six months ended June 30, 2025, our revenue generated from the sales of skincare products was RMB1,087.2 million, representing a period-over-period increase of 33.4%.

Fragrance

Cosmetics represent an experience of emotional self-caring, as well as an expression of sentiment and individuality. Within the interplay of the “visible visage” and the “invisible aura”, we use fragrance as a medium to sculpt a complete aesthetic persona. Carrying forward Mr. Mao Geping’s contemporary interpretation of Eastern philosophy, we dedicatedly launched the “Guoyun Ningxiang (國蘊凝香)” and the “Eastern Whisper Enlightenment (聞道東方)” perfume collections during the Reporting Period. These launches not only enriched our product portfolio but also significantly enhanced our brand’s appeal and competitive positioning within the broader cosmetics market.

Inspired by the 60th anniversary of Sino-French diplomatic relations, the “Guoyun Ningxiang (國蘊凝香)” collection draws upon centuries of cultural exchange between the two nations and the Chinese vase, an enduring “Oriental Emblem” of the Silk Road. It embodies modern craftsmanship in form capturing the ethereal spirit of Eastern aesthetics. The collection artfully crafts three exclusive, limited-edition fragrances by harnessing the essences of the Chinese national flower, the peony; the French national flower, the iris; and the rose, symbolizing Sino-French friendship. Thus, the “Majestic Peony”, the “Beloved Rose”, and the “Noble Iris” were born. In the embrace of a world-enchanting scent, we pay tribute to the enduring and profound friendship between China and France.

MANAGEMENT DISCUSSION AND ANALYSIS

Our Guoyun Ningxiang (國蘊凝香) perfume series is set forth below:



Majestic Peony Perfume



Beloved Rose Perfume



Noble Iris Perfume

The "Eastern Whisper Enlightenment (聞道東方)" is a fragrance collection co-created with the Palace Museum Cultural and Creative team. The series features a total of 13 SKUs under three thematic pillars: Natural Realm, Humanistic Realm, and Philosophical Realm. Rooted in Eastern philosophy the collection draws inspiration from the "Theory of Realms" articulated by modern Chinese scholar Wang Guowei, the series deconstructs the philosophy of oriental perfumery through three dimensions of crafted ambience: the Realm of Matter, the Realm of Emotion, and the Realm of Conception. Each dimension selects representative elements from China's natural landscapes, cultural heritage, and philosophical thought:

In the Natural Realm (Realm of Matter), emptiness reveals all things. It is the fresh and breathing greenery of "Sublime Summit" freely flourishing in solitude, the breathtaking beauty of "Dewy Dawn Rose" piercing the night in the wondrous state between sleep and waking, the lingering fragrance of "Tranquil Midnight Iris" within the cool embrace of the night, and the surging blossoms and interwoven aromas of "Flourishing Floral" in its full celebration.

In the Humanistic Realm (Realm of Emotion), serenity is amidst the bustle. "Magnolia Majesty" embodies the feminine strength expressed in the "Ballad of Mulan" – "Step forward without hesitation when duty calls, and your brilliance will shine". Inspired by the "Ode to the Goddess of the Luo River", "Fleeting Glimpse" captures the fleeting, stunning imagery intrinsic to Eastern aesthetics. "Blooming Bliss", drawing inspiration from the "Ode to the Lotus", reflects a spiritual realm transcendent above worldly clamor.

In the Philosophical Realm (Realm of Conception), infinity was born from emptiness. With each breath, "Ambergris Aura" outlines a state of "unfettered freedom between heaven and earth". "Flickering Beam" implies dispelling darkness to herald renewal; where light reaches, it illuminates the nascent life of all things. Interpreting the dual philosophy from the "Tao Te Ching", "Whispers of Water" embodies water's supreme softness yielding unparalleled strength. "Celestial Creation" metaphorizes the principle of balance expressed in the "I Ching (Book of Changes)": "The harmonious interplay of Yin and Yang culminates in cosmic unity".

MANAGEMENT DISCUSSION AND ANALYSIS

Our Eastern Whisper Enlightenment (聞道東方) perfume series is set forth below:



MANAGEMENT DISCUSSION AND ANALYSIS

Makeup Artistry Training

We are committed to raising the standard of makeup artistry and aesthetic literacy in the PRC. As of the end of the Reporting Period, we have opened nine Institutes of Makeup Artistry nationwide, with preparation underway for our tenth institute in Guangzhou. We offer comprehensive in-person makeup training programs at these institutes to disseminate our deep-rooted knowledge in makeup artistry and our founder's aesthetic philosophy, cultivating makeup artists and beauty enthusiasts. During the Reporting Period, we invested in improving campus hardware, successively upgraded the environment and teaching facilities of our Chongqing, Chengdu, and Hangzhou campuses. Our investment in makeup artistry training not only bolsters our brand image and reputation, but also synergizes with our product development and sales. This approach ensures a comprehensive and enriching beauty experience that resonates with consumers and industry professionals alike. Below is a glimpse of the environment of our Chongqing campus:



MANAGEMENT DISCUSSION AND ANALYSIS

We offer a wide range of training programs designed to meet the diverse needs and aspirations of our program participants, from basic makeup techniques to advanced aesthetic concepts. For the six months ended June 30, 2025, our nine training institutions enrolled more than 3,800 students, representing a period-over-period increase of 0.77%. The growth rate of enrollment slowed down, mainly due to the fact that in 2025, MAOGEPING Beauty Education Institute focused on improving service quality and student experience, strictly controlled classroom space efficiency and class occupancy rates, and enhanced the service awareness of the teaching staff. In addition to conventional labor skills training, we have further expanded our training programs to include makeup training services in the workplace and daily life. During the Reporting Period, we launched small-class lessons by appointment for women who are interested in makeup. The aim is to popularise basic makeup skills among more women and enhance their personal image and aesthetic sense. For the six months ended June 30, 2025, our revenue from makeup artistry training and related sales was RMB67.3 million.

Product Design and Development

Our success is underpinned by our strong product design and development capabilities, which are driven by our product development team's comprehensive expertise and thorough approach to creating high-quality beauty products.

Our Product Development Team. Our product design and development efforts are led by Mr. MAO Geping's deep understanding of light and shadow makeup artistry, oriental aesthetics and the design and development of beauty products. We have established a product development team consisting of a core product design and development team responsible for the whole process of product design and development and an art committee comprised of makeup artists from our makeup artistry training institutes who oversee the craftsmanship of our products. The two teams work closely together to guide product design and development, while collaborating with ODM providers to translate our core aesthetic concepts and market insights into product solutions. In addition, our makeup artistry training programs provide a valuable source of new talents for our product development team, supporting the continuity and growth of our creative capabilities. By cultivating a pool of skilled professionals who understand our brand philosophy and aesthetic principles, we maintain a strong foundation for future product development.

Our Comprehensive Expertise. Our comprehensive expertise is the driving force behind our ability to create products of exceptional functionality and performance. In particular, our knowledge of product ingredients, formulas and design allows us to create products with good functionality and performance. We adopt a research and development model co-created with top international laboratories, and select quality raw materials globally and apply advanced formulation techniques to develop products that cater to the specific needs and preferences of our target consumers, particularly those with Asian skin types and beauty standards. Our aesthetic philosophies in light and shadow makeup artistry and oriental aesthetics differentiate us from other premium international cosmetics brands. By incorporating elements of light and shadow, traditional Chinese cultural elements, and the philosophical reflections of the East into our product design, we create visually appealing and culturally relevant product collections that capture the essence of oriental makeup.



MANAGEMENT DISCUSSION AND ANALYSIS

Strategic Cooperation with ODM Providers. To enhance our product design and development capabilities, we have established strategic partnerships with reliable ODM providers, leveraging their technical expertise, manufacturing facilities, and quality control processes to support our product design and development initiatives. Our product development team provides overall direction when ODM providers are engaged to perform specific R&D and product design efforts, communicates design and development requirements, and collectively develops product formulas with these suppliers. We also maintain oversight and involvement throughout the product development cycle, from initial concept to final production. Our product development team works closely with our ODM providers, providing specifications, conducting quality checks, testing product protocols, and making necessary adjustments to ensure that the final products meet our standards and align with our brand vision. Our collaboration with ODM providers allows us to focus on our core competencies in product conceptualization, design, and branding while ensuring that our products are manufactured to high standards of quality and consistency.

Aesthetics- and Functionality-Driven Product Design. Recognizing the dual function of aesthetics and utility in product appearance design, we emphasize the importance of both visual appeal and practicality in our product presentations. Our commitment to creating a unique brand identity is reflected in our product aesthetics and packaging designs. These designs have developed through generations of proprietary molds, incorporating elements of Chinese traditional architecture and artworks to deepen cultural resonance. As of June 30, 2025, this packaging methodology has earned us 48 design patents and a Platinum Muse Design Award, evidencing our brand's distinctiveness and sophistication.

Our Product Design and Development Achievements. Our commitment to product design and development has yielded positive results. For example, based on our light and shadow makeup artistry, we pioneered the development of the highlighting and contouring products in China, notably with the Light and Shadow Collection that was specifically designed to suit Chinese skin tones among all domestic beauty brands, according to Frost & Sullivan. During the six months ended June 30, 2025, we developed and upgraded approximately 70 new SKUs.

Sales Network

We sell our products through an extensive sales network integrating offline and online channels. Our offline channels comprise (i) direct sales primarily via our self-operated counters; (ii) sales to a premium multinational beauty retailer; and (iii) sales to offline distributors. Our self-operated counters are strategically located in department stores which we select specifically to reinforce the image and value of our brand. Adhering to an experiential marketing strategy, our counters are designed to feature a designated makeup station, supported by well-trained beauty advisors skilled in makeup knowledge and techniques to offer consumers professional makeup trials that augment the effects of our products. Our online channels cover e-commerce platforms such as Tmall, Douyin, Xiaohongshu, JD.com and Taobao through (i) direct sales via online stores; and (ii) sales to online distributors. Both of our offline and online channels expanded rapidly during the Reporting Period.

Our counter network consists of self-operated counters and distributor-operated counters, which collectively form a comprehensive retail ecosystem operated under a consistent set of standards. As of June 30, 2025, our brand counters were located in over 120 cities across the country, including 405 self-operated counters and 32 distributor-operated counters. Such a counter network enables us to expand our product coverage, foster direct consumer relationships and enhance brand visibility. As of June 30, 2025, we had over 3,100 beauty advisors staffed at our counters, which constituted one of the largest counter-based service teams among all domestic and international beauty brands in China, committed to delivering an experiential consumer experience with high-quality customer services.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, as our main brand continued to gain influence among consumers and we increased our sales and marketing efforts, the average performance of our individual counters further improved. For the six months ended June 30, 2025 and the six months ended June 30, 2024, the average revenue of the same comparable counters was as follows:

	Six months ended June 30,	
	2025 RMB in millions	2024 RMB in millions
Number of the same comparable counters ⁽¹⁾	329	329
Total revenue of the same comparable counters	942.8	799.7
Average revenue of the same comparable counters	2.9	2.4

(1) Refers to the number of counters that have been continuously operated throughout the current year/period and the previous year/period.

Our counters are carefully designed to offer customized consultations and professional makeup trial services, creating an experiential and personalized shopping experience for consumers. During the Reporting Period, we opened our first brand image flagship store in the core commercial district of Hubin Pedestrian Street in Hangzhou. The flagship store draws inspiration from the red walls of the capital of the ancient Southern Song Dynasty. The three-dimensional Osmanthus carvings on the facade resemble the city flower of Hangzhou adorning the eaves, with subtle fragrances wafting in the breeze. As night falls and neon lights illuminate the store, the carvings transform into magical fairies, weaving the poetic charm of Jiangnan into the modern space. Inside, the flagship store showcases our full range of products, including makeup, skincare, and perfumes, and offers an immersive makeup experience to allow guests to feel the unique charm of Eastern beauty and reinterpret the aesthetic genes rooted in the East. Below are some images showcasing the design of our flagship store:



MANAGEMENT DISCUSSION AND ANALYSIS

In addition, during the Reporting Period, we newly opened stores in high-end department stores such as SKP in Beijing and Starlight 68 Plaza in Chongqing, and have continuously upgraded the locations and designs of our counters in these stores. For example, our counter at Wulin Yintai F1 in Hangzhou, on the occasion of its 20th anniversary, has been relocated to the core area on the first floor of the mall, adjacent to international luxury brands, serving as the sole representative of the East, competing alongside numerous international brands. Meanwhile, we have also added a beauty boudoir at Wulin Yintai, providing our brand customers with comprehensive skin diagnosis and care services. Below are some images showcasing our counters at Wulin Yintai in Hangzhou and Starlight 68 Plaza in Chongqing:



We sell our products through online channels in two ways: (i) through direct online stores and (ii) by selling to online distributors. Our direct online stores cover e-commerce platforms such as Tmall, Douyin, and Xiaohongshu, which contribute to the main source of our online sales revenue. Through the strong brand image and product advantages established through offline channels, as well as our online marketing strategies based on content sharing, we have gained significant brand reputation and consumer goodwill. During the six months ended June 30, 2025, revenue from our offline and online cosmetic sales was RMB1,224.2 million and RMB1,296.7 million, respectively, representing a period-over-period growth of 26.6% and 39.0%, respectively.

Branding and Marketing

Brand reputation is at the core of our competitiveness. Our brand-building activities consistently adhere to the principles of oriental aesthetics and the aesthetics of light and shadow, conveying master-level expertise in artistic craftsmanship. We employ a content-driven marketing strategy to build our brand reputation. The Eastern Aura Elegance (氣蘊東方) series, our joint brand with the Palace Museum, has now reached its sixth iteration. In addition to annual new product launches, we also regularly host makeup artistry shows to interpret the new trends of oriental aesthetics. Furthermore, we connect our brand with an active lifestyle through collaborations with athletes and sporting events. Below are some of the brand and product marketing activities we organized during the Reporting Period:

MANAGEMENT DISCUSSION AND ANALYSIS

Eastern Aura Elegance (氣蘊東方) Season 6

In May 2025, coinciding with the 100th anniversary of the establishment of the Palace Museum, the new “Eastern Whisper Enlightenment (聞道東方)” fragrance series launch event of the Cultural and Creative Institute of the Palace Museum × MAOGEPING Eastern Aura Elegance Season 6 was grandly inaugurated in Beijing at the Palace Museum. During the “Le Lin Quan: Exhibition of Landscape and Culture in Chinese and Foreign Gardens” held by the Palace Museum, the space of the Cultural and Creative Institute of the Palace Museum, with the theme of “Flower and Bird Paintings by Lang Shining and the Oriental Aesthetic Realm”, collaborated with MAOGEPING Cosmetics to create an immersive experience of Eastern aesthetics. Through the art of scent, the event conveyed the profound concept of Eastern aesthetics, inviting enthusiasts of aesthetics to experience the inner state of mind and the profound artistic conception of Eastern aesthetics, to feel oriental elegance through fragrance, and to recreate the poetic imagination of the spirit.



During the activity, we engaged celebrities Luo Yutong and Ming Dao, who served as co-creators of the oriental aesthetic realm, to collaborate with our brands' social media channels. This partnership aims to expand influence and generate momentum for the brands, achieving over tens of millions of exposures. We have also partnered with fashion influencers and perfume niche bloggers, among other online influencers, to effectively reach and engage target demographics through product seeding and promotion. Additionally, we have collaborated with multi-channel media platforms to ensure comprehensive coverage across multiple cities and demographics. By utilising e-commerce platforms for personalized off-site advertising and optimising on-site exposure, we have successfully implemented a multi-faceted marketing strategy to achieve a successful balance between brand awareness and sales performance.

MANAGEMENT DISCUSSION AND ANALYSIS

Makeup Artistry Show

In June 2025, we hosted the “Eastern Aura Elegance (氣蘊東方) · MAOGEPING Makeup Artistry Show” during the 2025 Tianjin Fashion Week. This series was meticulously crafted by our founder, Mr. Mao Geping, along with the experts of the Art Committee and the Styling Team of MAOGEPING Beauty Education Institute. At the closing event of this Tianjin Fashion Week, Mr. Mao Geping once again took the lead, with the Art Committee and makeup artists from the Beijing Campus creating a fusion of classical imagery and contemporary makeup artistry through the art of makeup. With craftsmanship and dedication to ultimate perfection, they drew inspiration from flowers to depict a new wave of oriental fashion, sparking renewed appreciation and enthusiasm for Chinese traditional culture.



MAOGEPING Foundation Festival

In April 2025, we hosted the Foundation Festival in Sanya, Hainan, innovatively integrating professional courses with scene-based testing. By leveraging the influence of the brand founder and professional instructors, we leveraged top-tier influencers resources and utilized Sanya's unique climate as a natural laboratory. We invited key opinion leaders (KOLs) and guests to participate in immersive experiences of professional summer foundation makeup, further strengthening the brand's reputation for expertise in base makeup.

MANAGEMENT DISCUSSION AND ANALYSIS

The core highlights of this offline event featured two innovative formats:

Exclusive Master Class: The event was led by Mr. Mao, the brand founder, who delivered an in-depth analysis of three signature product categories, foundation, cushion, and foundation liquids, alongside the expert team from MAOGEPING Beauty Education Institute. Combining theoretical insights with practical demonstrations, the class reinforced the professional credentials of the products.

Outdoor Foundation Challenge: In the extreme heat of Sanya, over 30 top influencers participated in on-site product testing, directly verifying the sweat-resistant, long-lasting performance, and stable makeup effects of the three product categories under challenging conditions. Multiple influencers leveraged the Sanya setting to live-stream the event, translating the technical insights from the master class into livestream content. By integrating the live context of the outdoor challenge into their broadcasts, they strengthened consumer trust and achieved outstanding sales performance. This success demonstrated the synergistic effectiveness of “professional content + scenario-based marketing” in driving brand impact and sales.



Membership

We have established both online and offline membership loyalty programs catering to the diverse preferences and engagement styles of our customers. Each system provides tailored benefits and privileges that enhance the shopping and brand experience for our members.

MANAGEMENT DISCUSSION AND ANALYSIS

Our online membership system, available through our self-operated online stores on Douyin and Tmall, offers a tiered structure for VIP levels. Members benefit from interchangeable points and levels across platforms, which fosters a seamless integration of shopping experiences. These points can be earned and used across various interactions, including purchases, which enhance customer engagement and encourage brand loyalty. The online membership system is designed not only to reward purchases but also to increase interaction through exclusive member benefits such as product trials, special promotions, and birthday gifts. The privacy of member data is stringently protected, adhering to our comprehensive privacy policy.

In addition, our offline membership system supports registration at offline counters or through linking WeChat public accounts to cater to customers who prefer in-person interactions. This system offers benefits such as birthday gifts and personalized makeup services based on members' VIP levels. Offline membership benefits and tiers are dynamically adjusted based on cumulative spending over a 12-month period, with detailed rules provided in store and via our platforms to ensure transparency.

Our consumers can join both of our online and offline membership loyalty programs to enjoy membership benefits. As of June 30, 2025, we had a total of approximately 13.4 million and 5.6 million registered members, respectively, across both our online and offline membership loyalty programs. Both systems are aligned in their goal to offer tailored experiences and rewards but are differentiated by the manner of interaction and the specific nature of rewards and benefits. By maintaining both online and offline systems, we effectively address the varied preferences of our diverse customer base, ensuring accessibility and satisfaction whether shopping online or at a physical location. Through our branding efforts and targeted marketing initiatives, we aim to elevate our brand's profile, strengthen consumer loyalty, and drive sustainable growth. Our content-oriented brand promotion approach, combined with our marketing strategies, has yielded positive results. Our overall repurchase rate further increased from 24.8% for the six months ended June 30, 2024, to 26.8% for the six months ended June 30, 2025, representing an increase of two percentage points. According to the list released by the Douyin platform, our main brand MAOGEPING won the first place in the repurchase rate for the beauty and cosmetics category of the 3·8 Shopping Festival (3·8好物節) on Douyin Mall.

The following table sets forth our registered members' repurchase rate by sales channel for the periods indicated:

	Six months ended June 30,	
	2025	2024
Online channels	24.1%	21.5%
Offline channels	30.3%	28.7%
Overall	26.8%	24.8%

Note: We calculate the repurchase rate of our registered members by dividing the number of registered members who purchased our products for two or more times during each year by the number of registered members who made at least one purchase during the same period of time. The repurchase rate for the six months ended June 30 is generally lower than that for the full year. This is mainly due to (i) the usage period of our products, which extends the repurchase cycle; and (ii) seasonal factors, which typically result in peak sales during shopping festivals and public holidays in the fourth quarter. In the full year of 2024, our online and offline repurchase rates were 27.5% and 34.9%, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Achievements

As the leader among China's domestic premium beauty brands, we continued to maintain rapid growth during the Reporting Period. Our total revenue increased from RMB1,971.5 million for the six months ended June 30, 2024 to RMB2,588.2 million for the six months ended June 30, 2025, representing a growth of 31.3%. In addition, our net profit increased from RMB492.5 million for the six months ended June 30, 2024 to RMB670.4 million for the six months ended June 30, 2025, representing a growth of 36.1%. With outstanding sales performance, we constantly solidify our market leadership and brand equity within the premium beauty industry.

FUTURE PROSPECTS

We believe the following strategies pave the way for our sustained success in the future.

Enhancing Sales Network Coverage to Promote Consumer Engagement

We are committed to augmenting the coverage of our offline sales channels by establishing brand stores in cities with existing presence and penetrating surrounding cities, thereby consolidating our offline presence and extending our offline retail reach. We aim to elevate our brands' visibility and influence through establishing counters in high-end department stores, as well as establishing stores under our flagship brand MAOGEPING nationwide. Counters in department stores offer a focused, brand-dedicated space within a larger retail environment, allowing for personalized customer service and demonstrations in a high-traffic setting. Additionally, stores under the MAOGEPING brand provide a holistic brand experience, featuring a broader range of products and the brand's aesthetic, enabling deeper engagement with the brand's identity and values. Furthermore, we plan to implement a comprehensive upgrade of our department store counters. This refurbishment plan is designed to enhance the artistic and visual presentation of our counters, enrich the consumer experience with an elevated sensory journey, and further bolster our brand's prestigious image.

Our strategy for online expansion focuses on both establishing our proprietary official online store and expanding our online presence on third-party e-commerce platforms. This strategy is geared towards optimizing our online presence, widening our product accessibility to consumers and appealing to a broader demographic. Key to this strategy is our strengthened efforts in online marketing activities. We plan to amplify our online footprint through increased promotional activities, strategic KOL collaborations, and a foray into burgeoning online platforms. These targeted efforts are aimed to utilize diverse advertising techniques to unlock new avenues for online growth. In parallel, we plan to upgrade our membership system to foster deeper member engagement and brand loyalty, and drive higher repurchase rates. Through these approaches, we aim to seamlessly integrate and maximize the synergies between our online and offline channels.

Continue Focusing on Color Cosmetics, Skincare, and Fragrance and Exploring New Product Categories

Our product development strategy is centered on color cosmetics, skincare, and fragrances to introduce distinctive products. This strategy is characterized by a commitment to continuously optimize our product offerings, leveraging insights from product development, market trends and professional makeup standards. We also plan to develop a new product development agenda that aims to broaden our portfolio across different categories, functionalities, application settings and target audiences.



MANAGEMENT DISCUSSION AND ANALYSIS

For color cosmetics, we plan to develop specialized products that cater to diverse skin tones and types, aiming to retain and expand our market share and prominence within the color cosmetics industry. For skincare, we aim to continuously enrich our skincare product offering. This involves the adoption of effective ingredients and technologies to launch more popular skincare products. In the field of fragrance, we insist on product design based on traditional Eastern culture and aesthetic concepts, carefully selecting the finest ingredients from around the world and modern perfumery techniques to enable consumers to experience a diverse range of fragrances that reflect their inner feelings and recreate poetic imaginings of the spirit.

Strategically Upgrading and Expanding Brand Portfolio with MAOGEPING as the Anchor

Our brand development strategy is centered on the refinement of our existing brands alongside the strategic expansion of new premium brands. This strategy will set the stage for us to become a diversified multi-brand conglomerate anchored by MAOGEPING brand. Through these initiatives, we aim to bolster the prestige of the MAOGEPING brand, and to enrich our brand portfolio, catering to a wider consumer base and capturing diverse market opportunities.

We also plan to explore and pursue investment and acquisition opportunities in brands with potential for growth and offer synergies that complement our existing product range. We primarily target brands that already captured a respected market position and market share, possess proprietary technology, product formula and patents, and position within the mid- to high-end segments of the beauty industry. As of the date of this report, we had not identified any potential investment or acquisition targets or entered into any agreements in this regard.

Strengthening Global Brand Presence and Overseas Market Penetration

We aim to elevate our market position as a distinguished cosmetics group globally, advancing our brand's reputation and influence through an overseas expansion strategy. This effort is intended to position us prominently within the global beauty industry.

We are poised to strategically penetrate overseas markets with a dual-channel approach that encompasses both counters in department stores and online stores in overseas markets. This expansion strategy is designed to amplify our brand's exposure among global consumers. Integral to our approach is forging partnerships with high-end department stores worldwide, a move that will serve to solidify our brand image and embed our presence in the consciousness of overseas consumers. Moreover, to compete effectively with international brands in overseas markets such as Europe, America and Asia-Pacific region, we are enhancing our competitive strategies by focusing on different product and branding strategies that cater to regional beauty trends and consumer preferences. We are committed to assembling local teams dedicated to product development, marketing and sales in overseas markets. This localization strategy ensures our product offerings are tailored to the distinct characteristics and needs of local consumers, fostering product relevance and appeal.



MANAGEMENT DISCUSSION AND ANALYSIS

Additionally, we are exploring strategic investment and acquisition opportunities, such as those with business focus on beauty brands that are aligned with our premium market position and with products that could be complementary to our product offerings, and those along our supply chain with production capabilities, to develop products that align with the specific climatic conditions and consumer characteristics of each region.

Building on our current arrangements, we plan to collaborate with industry partners who have complementary resources. Such collaboration aims to incentivize them to develop, operate and leverage our brand assets in additional sales channels, and to increase our international competitiveness in marketing, supply chain and talent acquisition. These efforts aim to enhance our brand image and expand our reach into untapped markets.

We plan to establish our business through both online and offline channels, including a proprietary official online store which will serve as the cornerstone of our brand experience. Our marketing and branding efforts will be centered on the oriental aesthetics, and we will seize opportunities to establish makeup artistry training institutes overseas, engaging with customers through the lens of oriental artistry to convey our brand story. In addition, we aim to leverage sales channels through third parties, including multinational beauty retailers and premium department stores, to reach the local consumers. By combining the allure of oriental-inspired products with insights of local markets, we aim to establish our presence in these overseas markets.

Embarking on this journey towards overseas expansion, we are confident in significantly bolstering our competitive edge, aiming to become a leader in the global premium beauty industry.

Upholding Brand Positioning Founded on Makeup Artistry, Advancing Product Development and Makeup Artistry Training

Product development and makeup artistry training programs are fundamental to our continued success. As such, as of the date of this report, we are in the progress of constructing the Hangzhou R&D Center to strengthen our product design and development capabilities, with completion and commencement of operations anticipated by the end of 2026.

To enhance our in-house R&D capabilities, we have developed a comprehensive strategy. This strategy involves increasing our involvement in key R&D steps by identifying critical areas where we can enhance our direct participation, including formula design, production process optimization, and product testing. We are also prioritizing high-potential product lines, focusing our R&D efforts on offerings with the greatest potential return on investment, such as skincare products, which aligns with market trends and our existing strengths. Additionally, as we develop in-house manufacturing capabilities, we plan to integrate our R&D efforts with production processes, creating synergies that enhance both innovation and operational efficiency.

Looking ahead, we plan to further establish R&D centers at our headquarters and overseas to develop proprietary product formula, foster collaboration with overseas research institutes, and enhance product efficacy. We recognize the significant potential of overseas markets and value advanced technologies and product formulas from abroad. Establishing overseas R&D centers will facilitate collaboration with local laboratories, keep pace with the latest product formulations and technologies, and develop products tailored to local markets, thereby driving product sales. These overseas R&D centers will also attract and employ local professional talents, enriching our product development with global insights and directions. Such a strategic approach is aimed at continuously sharpening our products' competitive edge, fortifying our position as a premium beauty brand founded on professional artisanship.

MANAGEMENT DISCUSSION AND ANALYSIS

In line with our dedication to professional makeup artistry training, we plan to upgrade and expand our existing training facilities. This includes the expansion of existing institutes as well as the establishment of additional institutes to extend the reach of our makeup artistry training programs. Our goal is to meet the growing demand for professional makeup training among a wider customer base. We are also focused on upgrading our online training platforms, actively introducing programs that advocate our aesthetic philosophy and further elevate MAOGEPING's stature. We are committed to strengthening our training personnel, ensuring a high standard of training quality and continuous improvement.

FINANCIAL REVIEW

Revenue

The following table sets forth our revenue breakdown by business line and product category for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	Amount RMB'000	%	Amount RMB'000	%
Product sales				
– Color cosmetics	1,422,304	55.0	1,085,050	55.1
– Skincare	1,087,188	42.0	814,972	41.3
– Fragrance	11,413	0.4		
Subtotal	2,520,905	97.4	1,900,022	96.4
Makeup artistry training and related sales	67,312	2.6	71,504	3.6
Total	2,588,217	100.0	1,971,526	100.0

Analysis of Changes:

Our revenue increased by 31.3% from RMB1,971.5 million for the six months ended June 30, 2024 to RMB2,588.2 million for the six months ended June 30, 2025, primarily due to an increase of 32.7% in product sales from RMB1,900.0 million for the six months ended June 30, 2024 to RMB2,520.9 million for the six months ended June 30, 2025. Our revenue attributable to makeup artistry training and related sales decreased by 5.9% from RMB71.5 million for the six months ended June 30, 2024 to RMB67.3 million for the six months ended June 30, 2025, primarily due to that we strictly control enrollment numbers and class occupancy rates to enhance training service quality and trainee satisfaction under existing venue conditions, and with the discontinuation of charging students for pre-examination training fee starting from 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the breakdown of our revenue from product sales by sales channel for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	Amount RMB'000	%	Amount RMB'000	%
Offline channels				
Offline direct sales	1,093,962	43.4	875,282	46.1
Sales to offline distributors	51,628	2.1	40,440	2.1
Sales to a premium multinational beauty retailer	78,581	3.1	51,093	2.7
Subtotal	1,224,171	48.6	966,815	50.9
Online channels				
Online direct sales	1,023,532	40.6	736,567	38.8
Sales to online distributors	273,202	10.8	196,640	10.3
Subtotal	1,296,734	51.4	933,207	49.1
Total	2,520,905	100.0	1,900,022	100.0

Analysis of Changes:

Our revenue from product sales through our offline channels increased by 26.6% from RMB966.8 million for the six months ended June 30, 2024 to RMB1,224.2 million for the six months ended June 30, 2025, primarily due to an increase in offline direct sales from RMB875.3 million for the six months ended June 30, 2024 to RMB1,094.0 million for the six months ended June 30, 2025. This was mainly attributable to an increase in the average sales per counter, resulting from our enhanced sales and marketing efforts, and the fact that the revenue from our sales to a premium multinational beauty retailer returned to growth in 2025.

Our revenue from product sales through our online channels increased by 39.0% from RMB933.2 million for the six months ended June 30, 2024 to RMB1,296.7 million for the six months ended June 30, 2025, primarily due to an increase in online direct sales from RMB736.6 million for the six months ended June 30, 2024 to RMB1,023.5 million for the six months ended June 30, 2025, and an increase in sales to online distributors from RMB196.6 million for the six months ended June 30, 2024 to RMB273.2 million for the six months ended June 30, 2025. This was mainly attributable to our enhanced sales and marketing activities on e-commerce platforms.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the breakdown of our revenue from product sales by domestic and overseas markets for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	Amount RMB'000	%	Amount RMB'000	%
Product sales				
– Domestic	2,519,753	99.95	1,899,831	99.99
– Overseas	1,152	0.05	191	0.01
Total	2,520,905	100.0	1,900,022	100.0

Analysis of Changes:

Our revenue from the product sales in overseas markets increased by 503.1% from RMB0.2 million for the six months ended June 30, 2024 to RMB1.2 million for the six months ended June 30, 2025, mainly because we cooperated with overseas distributors in June 2024.

Cost of Sales

	Six months ended June 30,			
	2025		2024	
	Amount RMB'000	%	Amount RMB'000	%
Cost of inventories sold	338,649	82.7	243,178	81.6
Employee benefit expenses	14,021	3.4	11,259	3.8
Logistics and transportation costs	45,702	11.2	35,048	11.8
Depreciation and amortization	4,114	1.0	4,661	1.6
Others	6,812	1.7	3,827	1.2
Total	409,298	100.0	297,973	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of Changes:

Our cost of sales increased by 37.4% from RMB298.0 million for the six months ended June 30, 2024 to RMB409.3 million for the six months ended June 30, 2025, which was mainly due to the fact that the cost of inventories sold increased from RMB243.2 million for the six months ended June 30, 2024 to RMB338.6 million for the six months ended June 30, 2025 as a result of our revenue growth.

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margin by business line and product category for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	Gross Profit		Gross Profit	
	Gross Profit	Margin	Gross profit	Margin
	RMB'000	(%)	RMB'000	(%)
Product sales				
– Color cosmetics	1,175,956	82.7	906,716	83.6
– Skincare	951,743	87.5	715,080	87.7
– Fragrance	8,854	77.6	–	–
Subtotal	2,136,553	84.8	1,621,796	85.4
Makeup artistry training and related sales	42,366	62.9	51,757	72.4
Total	2,178,919	84.2	1,673,553	84.9

Analysis of Changes:

Our gross profit margin for makeup artistry training and related sales decreased by 9.5 percentage points from 72.4% for the six months ended June 30, 2024 to 62.9% for the six months ended June 30, 2025, which was mainly due to higher staff costs as we expanded our faculty team to enhance student support services.

Our overall gross profit margin remained relatively stable at 84.9% and 84.2% for the six months ended June 30, 2024 and 2025, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth our gross profit and gross profit margin of product sales by sales channel for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	Gross Profit RMB'000	Gross Profit Margin (%)	Gross profit RMB'000	Gross Profit Margin (%)
Offline channels				
Offline direct sales	955,420	87.3	769,786	87.9
Sales to offline distributors	39,661	76.8	30,296	74.9
Sales to a premium multinational beauty retailer	53,619	68.2	34,266	67.1
Subtotal	1,048,700	85.7	834,348	86.3
Online channels				
Online direct sales	860,754	84.1	622,406	84.5
Sales to online distributors	227,099	83.1	165,042	83.9
Subtotal	1,087,853	83.9	787,448	84.4
Total	2,136,553	84.8	1,621,796	85.4

Analysis of Changes:

Our gross profit for product sales increased by 31.7% from RMB1,621.8 million for the six months ended June 30, 2024 to RMB2,136.6 million for the six months ended June 30, 2025, which was in line with the growth in sales revenue. Our gross profit margin of product sales remained relatively stable at 85.4% and 84.8% for the six months ended June 30, 2024 and 2025, respectively.

Other Income and Gains

Our other income and gains were RMB56.1 million and RMB48.5 million for the six months ended June 30, 2024 and June 30, 2025, respectively, which was mainly due to a decrease in the amount of government grants.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended June 30, 2025 were RMB1,169.3 million, representing an increase of 24.8% from RMB937.2 million for the six months ended June 30, 2024. The selling and distribution expenses for the six months ended June 30, 2025 accounted for 45.2% of the Group's revenue, representing a decrease of 2.3 percentage points from 47.5% for the six months ended June 30, 2024. Among them, marketing and promotion expenses increased from RMB435.6 million for the six months ended June 30, 2024 to RMB539.8 million for the six months ended June 30, 2025, mainly due to increased investment in brand promotion and channel construction to enhance brand exposure. The employee benefit expenses included in selling expenses increased from RMB280.0 million for the six months ended June 30, 2024 to RMB357.2 million for the six months ended June 30, 2025, primarily due to an increase in the number of sales employees in 2025 to support the Group's business expansion.

Administrative Expenses

Our administrative expenses increased by 2.3% from RMB133.3 million for the six months ended June 30, 2024 to RMB136.4 million for the six months ended June 30, 2025, which was primarily due to an increase in employee benefit expenses and an increase in sales tax and surcharges in line with the increase in our revenue.

(Impairment Losses)/Reversal of Impairment Losses on Financial Assets, Net

Our reversal of impairment losses on financial assets was RMB0.8 million for the six months ended June 30, 2024 compared to the impairment losses on financial assets of RMB1.1 million for the six months ended June 30, 2025, which was primarily due to the increase in trade receivables attributable to the increase in our sales income, with the allowance increased accordingly taking into account the risk of bad debts.

Other Expenses

Our other expenses were RMB0.3 million and RMB25.6 million for the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively, mainly due to an increase in foreign exchange losses.

Finance Costs

Our financial costs were RMB2.6 million and RMB1.0 million for the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively, mainly due to the repayment of bank acceptance bills during the current period.

Income Tax Expense

With the increase in profit before tax, our income tax expense increased from RMB165.1 million for the six months ended June 30, 2024 to RMB228.2 million for the six months ended June 30, 2025.

Profit for the Period

As a result of the foregoing, our profit for the period was RMB492.5 million and RMB670.4 million for the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Non-HKFRS Measure

To supplement our consolidated financial statements presented in accordance with HKFRS Accounting Standards, we also use adjusted net profit as an additional financial measure which is not required by or presented in accordance with HKFRS Accounting Standards. We believe this non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as it helps our management. However, such non-HKFRS financial measure may not be directly comparable to similar measures presented by other companies. The use of this non-HKFRS measure should not be considered as a substitute for analysis of our business performance or financial condition as reported under HKFRS Accounting Standards.

Adjusted Profit for the Period

We define adjusted profit for the period (non-HKFRS measure) as profit for the period adjusted by adding back listing expenses (net of tax) and equity-settled share award expense. The following table reconciles our adjusted profit for the period (non-HKFRS measure) with profit for the period presented in accordance with HKFRS Accounting Standards:

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
Profit for the period	670,419	492,546
Add:		
Listing expenses (net of tax) ⁽¹⁾	0	11,669
Equity-settled share award expense ⁽²⁾	1,827	5,008
Adjusted profit for the period (non-HKFRS measure)	672,246	509,223

Notes:

- (1) Listing expenses represent professional fees incurred in connection with the Global Offering.
- (2) Equity-settled share award expense mainly represents the arrangement that we receive services from employees as consideration for our equity instruments. Equity-settled share award expense is not expected to result in future cash payments.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Capital Resources

We mainly financed our capital requirements through cash generated from our business operations and the net proceeds from the Global Offering. For the six months ended June 30, 2025, net cash generated from operating activities was approximately RMB830.6 million, as compared to net cash generated from operating activities of RMB619.1 million for the six months ended June 30, 2024. As of June 30, 2025, the Group had cash and cash equivalents of approximately RMB3,135.5 million, while as at December 31, 2024, the Group had cash and cash equivalents of approximately RMB2,796.5 million. The Group's gearing ratio, defined as total liabilities divided by total assets, was 21.7% and 17.6% as at December 31, 2024 and June 30, 2025, respectively. As at December 31, 2024 and June 30, 2025, the Group's current ratio (defined as current assets divided by current liabilities) was 3.6 times and 4.6 times, respectively. The Group's net gearing ratio, defined as total liabilities divided by total equity, was 27.7% and 21.3% as at December 31, 2024 and June 30, 2025, respectively. With the cash and bank deposits in hand, the Group's liquidity position remains strong to meet its working capital requirements.

Cash Flow

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Cash generated from operations	1,047,119	768,940
Income tax paid	(216,532)	(149,870)
Net cash flows from operating activities	830,587	619,070
Net cash flows used in investing activities	(81,966)	(249,288)
Net cash flows used in financing activities	(380,642)	(954,776)
Net increase/(decrease) in cash and cash equivalents	367,979	(584,994)
Cash and cash equivalents at beginning of period	2,791,719	1,137,894
Effect of foreign exchange rate changes, net	(24,156)	0
Cash and cash equivalents at end of period	3,135,542	552,900

Analysis of Changes:

The Group's net cash flows from operating activities increased from a cash inflow of RMB619.1 million for the six months ended June 30, 2024 to a cash inflow of RMB830.6 million for the six months ended June 30, 2025, mainly due to the increase in the amount of cash inflow generated from sales growth. The Group's net cash flows from investing activities decreased from a cash outflow of RMB249.3 million for the six months ended June 30, 2024 to a cash outflow of RMB82.0 million for the six months ended June 30, 2025, mainly due to the purchase of leasehold land in February 2024 for the construction of the headquarter building generating a cash outflow of RMB177.8 million. The Group's net cash flow from financing activities was a cash outflow of RMB954.8 million for the six months ended June 30, 2024, mainly due to a cash outflow of RMB1,025.0 million arising from the distribution of dividends. For the six months ended June 30, 2025, the net cash flow from financing activities was a cash outflow of RMB380.6 million, mainly due to a cash outflow of RMB352.9 million arising from the distribution of dividends, a cash outflow of RMB320.0 million arising from repayment of borrowings at maturity, and a cash inflow of RMB311.1 million arising from the proceeds from the listing.

MANAGEMENT DISCUSSION AND ANALYSIS

In conclusion, the net decrease in the Group's cash and cash equivalents was RMB585.0 million for the six months ended June 30, 2024 and the net increase in the Group's cash and cash equivalents was RMB368.0 million for the six months ended June 30, 2025.

Interest Rate Risk and Exchange Rate Risk

The Group's operations are mainly carried out in the PRC, with most transactions settled in Renminbi. The reporting currency of the Group is Renminbi. In Hong Kong, China, the Group uses local currency as its functional currency, involving HK dollars. A portion of the Group's cash and bank deposits are denominated in HK dollars and US dollars. The Group continues to adopt a prudent policy on foreign exchange risk management. For the six months ended June 30, 2025, the Group does not have a foreign currency hedging policy for foreign currency transactions, assets, and liabilities. The Group reviews its foreign exchange risks periodically and uses derivative financial instruments to hedge against such risks when necessary.

Capital Expenditure and Commitments

For the six months ended June 30, 2024 and the six months ended June 30, 2025, our capital expenditures primarily consisted of the prepayments for leasehold land and the purchase of items of property, plant and equipment. The table below sets forth our capital expenditure for the periods indicated:

	Six months ended June 30,	
	2025 RMB'000	2024 RMB'000
Prepayments for leasehold land	0	177,805
Purchase of items of property, plant and equipment	108,805	55,590
Additions of other intangible assets	121	435
Prepayments for property, plant and equipment	5,287	–
Total	114,213	233,830

Our contractual commitments primarily relate to construction in progress and leasehold land for the six months ended June 30, 2024 and the six months ended June 30, 2025. Our Group had the following contractual commitments as of the indicated dates:

	As of June 30,	
	2025 RMB'000	2024 RMB'000
Leasehold land	0	296,345
Construction in progress	222,988	112,647
Total	222,988	408,992



MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments, Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

For the six months ended June 30, 2025, we had no material acquisitions or disposals of subsidiaries, associates, and joint ventures. As at June 30, 2025, we did not hold any significant investments, including any investment in an investee company, with a value of 5% or more of the Group's total assets.

Charges on the Group's Assets

As of June 30, 2025, we did not pledge any of our assets.

Future Plans for Material Investments or Purchase of Capital Assets

As of the date of this report, we had no plans for significant investments or purchase of capital assets.

Contingent Liabilities

We did not have any material contingent liabilities as of June 30, 2025.

Subsequent Events after the Reporting Period

Save as disclosed herein and as at the date of this report, the Group has no significant events occurred after the Reporting Period.



CORPORATE GOVERNANCE AND OTHER BUSINESS

The Board of Directors is committed to maintaining high corporate governance standards. The Board of Directors believes that high corporate governance standards are essential to provide a framework for the Group to protect the interests of the Shareholders of the Company, enhance the corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

COMPLIANCE WITH THE CODE ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Upon specific enquiry by the Company, all Directors confirmed that they had complied with the requirements of the Model Code in relation to the relevant Directors' share dealings during the Reporting Period.

The Company's employees, who are likely to be in possession of inside information of the Company, are also subject to the Model Code. All such employees confirmed that they had complied with the requirements of the Model Code in relation to the relevant share dealings during the Reporting Period.

COMPLIANCE WITH THE CG CODE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. During the Reporting Period, the Company has adopted the code provisions set out in the CG Code as its own code to govern its corporate governance practices and has complied with all applicable code provisions set out in the CG Code. The Company recognizes that the Board of Directors should be composed of a balanced combination of executive Directors and independent non-executive Directors, so that the Board of Directors can have a strong independent element and make independent judgments effectively.

CHANGES IN THE POSITION AND INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Gu Jiong, an independent non-executive Director, resigned as an independent non-executive director of Howkingtech International Holding Limited (whose shares are listed on the Stock Exchange, stock code: 2440 and currently know as MemeStrategy) in April 2025 and resigned as an independent non-executive director of Vesync Co., Ltd. (whose shares were listed on the Stock Exchange, stock code: 2148, and delisted on May 7, 2025) in May 2025. Since March 2025, Mr. Gu has been an executive director of Shaw Brothers Holdings Limited (whose shares are listed on the Stock Exchange, stock code: 953). Other than the above, there were no changes in the position and information of the Directors and senior management during the Reporting Period and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER BUSINESS

EMPLOYEES AND REMUNERATION POLICIES

The Group is committed to promoting gender diversity. As at June 30, 2025, the Group had a total of 4,332 employees, of which 596 were male and 3,736 were female. The Group integrates its human resources strategy with remuneration plans based on different job sequences to provide competitive salaries and incentives based on performance contributions to all employees. The Group also contributes to social security and provident funds for all employees in accordance with the law, and provides a comprehensive benefit plan including retirement schemes, supplementary medical insurance, accident insurance, annual health check and various subsidies.

EMPLOYEE TRAINING

The Group provides trainings to employees at different departments according to their specific needs. Staff training provided by the Group includes induction training, business skills training, professional aptitude training, compliance training, etc. Training programmes will be arranged for new employees upon their induction according to their job positions, and instructors will be assigned to provide supervision. In-service staff may take part in trainings and sharing activities organised by the Group based on their job requirements and capabilities, or conduct online and offline self-learning based on their personal career planning.

INCENTIVE SCHEME

The Company has adopted the Employee Incentive Scheme (the “**Employee Incentive Scheme**”) to effectively align the interests of Shareholders, the Company and employees, for long-term development of the Company. The Employee Incentive Scheme was adopted by a resolution of our Shareholders on April 1, 2024. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards by our Company or any issuance of new Shares by our Company after the Listing.

For the six months ended June 30, 2025, the Company did not grant any awards under the Employee Incentive Scheme.

DIVIDENDS

The 2024 annual general meeting of the Company was held on May 13, 2025, at which a final cash dividend of RMB0.72 per share (including tax, totaling approximately RMB352.93 million) for the year ended December 31, 2024 was approved, which was paid on June 20, 2025 to the Shareholders of the Company whose names appeared on the register of members of the Company on Wednesday, May 21, 2025.

The board of directors has resolved not to declare an interim dividend for the six months ended June 30, 2025.



CORPORATE GOVERNANCE AND OTHER BUSINESS

ISSUED SHARE CAPITAL

As of June 30, 2025, the total share capital of the Company was RMB245,093,450 divided into 228,344,600 Unlisted Shares with a nominal value of RMB0.50 each and 261,842,300 H Shares with a nominal value of RMB0.5 each. Details of the movements in the share capital of the Company during the Reporting Period are set out in Note 14 to the interim condensed consolidated financial information.

AUDIT COMMITTEE AND REVIEW OF INTERIM REPORT

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee of the Company comprises Mr. GU Jiong (Chairperson), Mr. HUANG Hui and Mr. LI Hailong. The Audit Committee of the Company has reviewed and confirmed the Group's 2025 interim report and the unaudited interim financial statements for the six months ended June 30, 2025, which have been prepared in accordance with the HKFRS Accounting Standards.

The Audit Committee has reviewed and agreed with the accounting principles and practices adopted by the Group and discussed matters in relation to internal controls and financial reporting with the management, including the review of the unaudited consolidated financial statements of the Group for the six months ended June 30, 2025. The Audit Committee considers that the financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations, and appropriate disclosures have been duly made.

In addition, the independent auditor of the Company, Ernst & Young, has performed an independent review of the Group's interim financial information for the six months ended June 30, 2025 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.

CORPORATE GOVERNANCE AND OTHER BUSINESS

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On December 10, 2024, the H Shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering (including the full exercise of the over-allotment option as disclosed in the Company's announcement dated January 6, 2025) were approximately HK\$2,523.76 million. For details of the intended use of proceeds from the Global Offering, please refer to the section headed Future Plans and Use of Proceeds in the Prospectus. The net proceeds from the Global Offering will be utilized in accordance with the purposes set out in the Prospectus. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus. The table below sets out the applications of the net proceeds and actual usage up to June 30, 2025:

Use of proceeds	Approximate percentage of total amount	Amount of net proceeds allocated upon Listing (HK\$ million)	Unutilized amount as at December 31, 2024 (HK\$ million)	Amount utilized during the Reporting Period (HK\$ million)	Unutilized amount as at June 30, 2025 (HK\$ million)	Expected timeline of full utilization
Expansion of the Group's sales network	25.0%	630.94	630.94	199.07	431.87	Before December 31, 2026
Branding activities	20.0%	504.75	504.75	165.8	338.95	Before December 31, 2026
Overseas expansion and acquisitions	15.0%	378.56	378.56	1.09	377.47	Before December 31, 2028
Strengthening the Company's production and supply chain capabilities	10.0%	252.38	252.38	0	252.38	Before December 31, 2028
Enhancing the Company's product design and development capabilities	9.0%	227.14	227.14	13.32	213.82	Before December 31, 2028
Makeup artistry training institutes	6.0%	151.43	151.43	3.82	147.61	Before December 31, 2029
Digitalization of operations and information infrastructure	5.0%	126.19	126.19	4.89	121.3	Before December 31, 2028
Working capital and general corporate purposes	10.0%	252.38	252.38	0	252.38	Before December 31, 2028
Total	100%	2,523.76	2,523.76	387.99	2,135.77	

Note: For illustrative purposes only, the unutilized amount as of June 30, 2025 includes proceeds from the exercise of over-allotment options.

During the Reporting Period, the Group had utilized part of the net proceeds and will gradually utilize the remaining net proceeds in accordance with the intended purposes as stated in the Prospectus. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently and remains subject to change based on future development of market conditions and actual business needs.

CORPORATE GOVERNANCE AND OTHER BUSINESS

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2025, based on the information available to the Company and to the best knowledge of the Directors, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange are as follows:

Name	Nature of interest	Class of Shares	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares of the Company	Approximate Percentage of total shareholdings of the Company
Mr. Mao Geping ⁽²⁾	Beneficial owner	Unlisted Shares	Long position	113,680,000		
	Interest of spouse	Unlisted Shares	Long position	29,556,800		
				143,236,800	62.73%	29.22%
	Beneficial owner	H Shares	Long position	60,840,000		
	Controlled corporation	H Shares	Long position	2,200,000		
	Interest of spouse	H Shares	Long position	22,778,400		
				85,818,400	32.77%	17.51%
Ms. WANG Liqun ⁽³⁾	Beneficial owner	Unlisted Shares	Long position	29,556,800		
	Interest of spouse	Unlisted Shares	Long position	113,680,000		
				143,236,800	62.73%	29.22%
	Beneficial owner	H Shares	Long position	15,818,400		
	Interest of spouse	H Shares	Long position	60,840,000		
	Controlled corporation	H Shares	Long position	9,160,000		
				85,818,400	32.77%	17.51%
Ms. MAO Niping	Beneficial owner	Unlisted Shares	Long position	29,556,800	12.94%	6.03%
	Beneficial owner	H Shares	Long position	15,818,400	6.04%	3.23%

CORPORATE GOVERNANCE AND OTHER BUSINESS

Name	Nature of interest	Class of Shares	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares of the Company	Approximate Percentage of total shareholdings of the Company
Ms. MAO Huiping	Beneficial owner	Unlisted Shares	Long position	25,009,600	10.95%	5.10%
	Beneficial owner	H Shares	Long position	13,384,800	5.11%	2.73%
Mr. WANG Lihua	Beneficial owner	Unlisted Shares	Long position	15,915,200	6.97%	3.25%
	Beneficial owner	H Shares	Long position	8,517,600	3.25%	1.74%
Ms. SONG Hongquan	Beneficial owner	Unlisted Shares	Long position	10,231,200	4.48%	2.09%
	Beneficial owner	H Shares	Long position	10,711,200	4.09%	2.19%

Notes:

- (1) As at June 30, 2025, the total number of Shares of the Company was 490,186,900, comprising 228,344,600 Unlisted Shares and 261,842,300 H Shares.
- (2) As at June 30, 2025, Mr. MAO Geping was deemed to be interested in the following Shares:
 - (a) A total of 143,236,800 Unlisted Shares, comprising (i) 113,680,000 Unlisted Shares held directly by Mr. MAO Geping; and (ii) 29,556,800 Unlisted Shares held directly by Ms. WANG Liquan (the spouse of Mr. MAO Geping); and
 - (b) A total of 85,818,400 H Shares, comprising (i) 60,840,000 H Shares held directly by Mr. MAO Geping; (ii) 15,818,400 H Shares directly held or controlled by Ms. WANG Liquan, the spouse of Mr. MAO Geping; (iii) 2,200,000 H Shares held by Dijing Investment; and (iv) 6,960,000 H Shares held directly by Jiachi Investment.

As at June 30, 2025, Dijing Investment was controlled by its general and executive partner Mr. MAO Geping as to 10% and its limited partner Ms. WANG Liquan as to 35.45%. As such, Mr. MAO Geping was deemed to be interested in the Shares of the Company held by Dijing Investment.

- (3) As at June 30, 2025, Ms. Wang Liquan was deemed to be interested in the following shares:
 - (a) A total of 143,236,800 Unlisted Shares, comprising (i) 29,556,800 Unlisted Shares held directly by Ms. WANG Liquan; and (ii) 113,680,000 Unlisted Shares held directly by Mr. Mao, the spouse of Ms. WANG Liquan; and
 - (b) A total of 85,818,400 H shares, comprising (i) 15,818,400 H shares held directly by Ms. WANG Liquan; (ii) 60,840,000 H shares held directly by Mr. MAO Geping, the spouse of Ms. WANG Liquan; (iii) 2,200,000 H shares directly held by Dijing Investment; and (iv) 6,960,000 H shares directly held by Jiachi Investment.

As at June 30, 2025, Dijing Investment was controlled by its general and executive partner Mr. MAO Geping as to 10% and its limited partner Ms. WANG Liquan as to 35.45%. As such, Ms. WANG Liquan was deemed to be interested in the Shares of the Company held by Dijing Investment. Furthermore, Jiachi Investment is held by Ms. WANG Liquan, Mr. DONG Leqin, Ms. MAO Niping, and Ms. MAO Huiping as to 30.4598%, 8.6208%, 30.4598%, and 30.4598% shareholding respectively, with Ms. WANG Liquan and Mr. DONG Leqin acting as joint general partners. Ms. WANG Liquan shall have the casting vote and decision-making power in the general partner arrangement. As such, Ms. WANG Liquan is deemed to be interested in the Shares of the Company held by Jiachi Investment.

CORPORATE GOVERNANCE AND OTHER BUSINESS

Interest in Associated Corporations

Name	Name of associated corporation	Nature of interest	Long position/ Short position	Number of Shares held	Approximate Percentage of shareholding
Mr. MAO Geping	Beijing Mao Geping Professional Skill Training Chaoyang Institute Co., Ltd. (北京市毛戈平職業技能培訓朝陽學校有限責任公司) ⁽¹⁾	Beneficial owner	Long position	0	1%
Ms. WANG Liqun ⁽²⁾	Beijing Mao Geping Professional Skill Training Chaoyang Institute Co., Ltd. (北京市毛戈平職業技能培訓朝陽學校有限責任公司) ⁽¹⁾	Interest of spouse	Long position	0	1%

Notes:

- (1) Beijing Mao Geping Professional Skill Training Chaoyang Institute Co., Ltd. (北京市毛戈平職業技能培訓朝陽學校有限責任公司) is a limited liability company established in the PRC, and did not issue any shares. It is a subsidiary of the Company held by the Company as to 99.00%, and by Mr. MAO Geping as to the remaining 1%, respectively.
- (2) Ms. WANG Liqun is the spouse of Mr. MAO Geping. Under the SFO, Ms. WANG Liqun was deemed to be interested in any Shares in which Mr. MAO Geping was interested.

Save as disclosed above, as at June 30, 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER BUSINESS

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

So far as is known to the Directors or chief executive of the Company as at June 30, 2025, the following persons who had or were deemed as having interests and short positions in the shares and underlying shares of the Company which would be required to be disclosed to the Company and the Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO are as follows:

Name	Nature of interest	Class of Shares	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares of the Company	Approximate Percentage of total shareholdings of the Company
Mr. Mao Geping ⁽²⁾	Beneficial owner	Unlisted Shares	Long position	113,680,000		
	Interest of spouse	Unlisted Shares	Long position	29,556,800		
				143,236,800	62.73%	29.22%
	Beneficial owner	H Shares	Long position	60,840,000		
	Controlled corporation	H Shares	Long position	2,200,000		
	Interest of spouse	H Shares	Long position	22,778,400		
				85,818,400	32.77%	17.51%
Ms. WANG Liquan ⁽³⁾	Beneficial owner	Unlisted Shares	Long position	29,556,800		
	Interest of spouse	Unlisted Shares	Long position	113,680,000		
				143,236,800	62.73%	29.22%
	Beneficial owner	H Shares	Long position	15,818,400		
	Interest of spouse	H Shares	Long position	60,840,000		
	Controlled corporation	H Shares	Long position	9,160,000		
				85,818,400	32.77%	17.51%
Ms. MAO Niping	Beneficial owner	Unlisted Shares	Long position	29,556,800	12.94%	6.03%
	Beneficial owner	H Shares	Long position	15,818,400	6.04%	3.23%
Ms. MAO Huiping	Beneficial owner	Unlisted Shares	Long position	25,009,600	10.95%	5.10%
	Beneficial owner	H Shares	Long position	13,384,800	5.11%	2.73%
Hangzhou Dijing Investment Management Partnership (Limited Partnership) (杭州帝景投資管理 合夥企業(有限合夥)) ⁽⁴⁾	Interests jointly held with another person	Unlisted Shares	Long position	143,236,800	62.73%	29.22%
	Beneficial owner	H Shares	Long position	2,200,000		
	Interests jointly held with another person	H Shares	Long position	83,618,400		
				85,818,400	32.77%	17.51%

CORPORATE GOVERNANCE AND OTHER BUSINESS

Name	Nature of interest	Class of Shares	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares of the Company	Approximate Percentage of total shareholdings of the Company
Hangzhou Jiachi Investment Management Partnership (Limited Partnership) (杭州嘉馳投資管理合夥企業(有限合伙)) ⁽⁴⁾	Interests jointly held with another person	Unlisted Shares	Long position	143,236,800	62.73%	29.22%
	Beneficial owner	H Shares	Long position	6,960,000		
	Interests jointly held with another person	H Shares	Long position	78,858,400		
				85,818,400	32.77%	17.51%

Notes:

- (1) As at June 30, 2025, the total number of Shares of the Company was 490,186,900, comprising 228,344,600 Unlisted Shares and 261,842,300 H Shares.
- (2) As at June 30, 2025, Mr. Mao Geping was deemed to be interested in:
- (a) a total of 143,236,800 Unlisted Shares comprising (i) 113,680,000 Unlisted Shares held directly by Mr. Mao Geping; and (ii) 29,556,800 Unlisted Shares held directly by Ms. Wang Liqun, the spouse of Mr. Mao Geping; and
 - (b) a total of 85,818,400 H Shares comprising (i) 60,840,000 H Shares held directly by Mr. Mao Geping; (ii) 15,818,400 H Shares directly held or controlled by Ms. Wang Liqun, the spouse of Mr. Mao Geping; (iii) 2,200,000 H Shares held by Dijing Investment; and (iv) 6,960,000 H Shares held directly by Jiachi Investment.

As at June 30, 2025, Dijing Investment was controlled by its general and executive partner, Mr. Mao Geping, as to 10% and its limited partner, Ms. Wang Liqun, as to 35.45%. As such, Mr. Mao Geping was deemed to be interested in the Shares of our Company held by Dijing Investment.

- (3) As at June 30, 2025, Ms. Wang Liqun was deemed to be interested in:
- (a) a total of 143,236,800 Unlisted Shares comprising (i) 29,556,800 Unlisted Shares held directly by Ms. Wang Liqun; and (ii) 113,680,000 Unlisted Shares held directly by Mr. Mao, the spouse of Ms. Wang Liqun; and
 - (b) a total of 85,818,400 H Shares comprising (i) 15,818,400 H Shares held directly by Ms. Wang Liqun; (ii) 60,840,000 H Shares held directly by Mr. Mao Geping, the spouse of Ms. Wang Liqun; (iii) 2,200,000 H Shares directly held by Dijing Investment; and (iv) 6,960,000 H Shares directly held by Jiachi Investment.

As at June 30, 2025, Dijing Investment was controlled by its general and executive partner, Mr. Mao Geping, as to 10% and its limited partner, Ms. Wang Liqun, as to 35.45%. As such, Ms. Wang Liqun was deemed to be interested in the Shares of our Company held by Dijing Investment. Further, Jiachi Investment was held by Ms. Wang Liqun, Mr. DONG Leqin, Ms. MAO Niping and Ms. MAO Huiping as to 30.4598%, 8.6208%, 30.4598% and 30.4598%, respectively, with Ms. Wang Liqun and Mr. DONG Leqin acting as joint general partners while Ms. Wang Liqun shall have the casting vote and decision-making power in the general partner arrangement. As such, Ms. Wang Liqun was deemed to be interested in the Shares of our Company held by Jiachi Investment.

CORPORATE GOVERNANCE AND OTHER BUSINESS

- (4) Mr. MAO Geping, Ms. WANG Liqun, Hangzhou Dijing Investment Management Partnership (Limited Partnership) (杭州帝景投資管理合夥企業(有限合夥)) and Hangzhou Jiachi Investment Management Partnership (Limited Partnership) (杭州嘉馳投資管理合夥企業(有限合夥)) comprise a group of controlling shareholders of Mao Geping Cosmetics Co., Ltd. Under the SFO, each controlling shareholder will be deemed to be interested in the shares beneficially owned by other controlling shareholders.

Save as disclosed above, as at June 30, 2025, the Company is not aware of any other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

ISSUANCE OF DEBENTURES

During the six months ended June 30, 2025, the Group did not issue any debentures.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section 'Interests and Short Positions of Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations' of this interim report, at no time during the Reporting Period or at the end of the Reporting Period was the Company, any of its subsidiaries, or its fellow subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company or their respective close associates (as defined in the Listing Rules) to have any rights to subscribe for securities of the Company or any of its associated corporations (as defined in the SFO) or to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

SUFFICIENCY OF PUBLIC FLOAT

Based on information obtained by the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities (including sale of treasury shares). As of the end of the Reporting Period, there were no treasury shares held by the Company.



CORPORATE GOVERNANCE AND OTHER BUSINESS

SIGNIFICANT LEGAL PROCEEDINGS

During the Reporting Period, the Group was not involved in any litigation of material importance.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

SIGNIFICANT SUBSEQUENT EVENTS AFTER THE END OF REPORTING PERIOD

Save as disclosed and as at the date of this report, the Group has no significant events occurred after the Reporting Period.

INDEPENDENT REVIEW REPORT



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To the board of directors of Mao Geping Cosmetics Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 43 to 61, which comprises the condensed consolidated statement of financial position of Mao Geping Cosmetics Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and 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**") as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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* as issued by the HKICPA. A review of interim financial information 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 interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
27 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Audited) RMB'000
REVENUE	5	2,588,217	1,971,526
Cost of sales		(409,298)	(297,973)
Gross profit		2,178,919	1,673,553
Other income and gains		48,464	56,142
Selling and distribution expenses		(1,169,342)	(937,210)
Administrative expenses		(136,375)	(133,309)
(Impairment losses)/reversal of impairment losses on financial assets, net		(1,073)	752
Other expenses		(25,563)	(293)
Finance costs		(1,024)	(2,561)
Share of profit of an associate		4,593	535
PROFIT BEFORE TAX	6	898,599	657,609
Income tax expense	7	(228,180)	(165,063)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		670,419	492,546
Attributable to:			
Owners of the parent		669,765	492,074
Non-controlling interests		654	472
		670,419	492,546
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB yuan)	9	1.37	2.46

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	360,770	278,890
Prepayments for property, plant and equipment		5,287	–
Investment properties		–	3,042
Right-of-use assets		665,659	666,686
Other intangible assets		2,499	2,778
Investment in an associate		41,147	36,554
Deferred tax assets		49,026	38,313
Total non-current assets		1,124,388	1,026,263
CURRENT ASSETS			
Inventories		387,214	323,774
Trade receivables	11	290,811	214,543
Prepayments, other receivables and other assets		75,364	62,266
Restricted cash	12	2,167	50,167
Cash and cash equivalents	12	3,135,542	2,796,456
Total current assets		3,891,098	3,447,206
CURRENT LIABILITIES			
Trade payables	13	226,532	92,065
Other payables and accruals		453,140	390,209
Interest-bearing bank and other borrowings		–	320,000
Due to related parties		7,270	2,948
Due to a director		–	166
Provision		23	90
Lease liabilities		23,961	25,539
Tax payable		142,662	120,366
Total current liabilities		853,588	951,383
NET CURRENT ASSETS		3,037,510	2,495,823
TOTAL ASSETS LESS CURRENT LIABILITIES		4,161,898	3,522,086

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		4,161,898	3,522,086
NON-CURRENT LIABILITIES			
Lease liabilities		27,959	18,563
Total non-current liabilities		27,959	18,563
Net assets		4,133,939	3,503,523
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	245,094	239,212
Reserves		3,885,976	3,262,096
		4,131,070	3,501,308
Non-controlling interests		2,869	2,215
Total equity		4,133,939	3,503,523

MAO Niping
Director

MAO Huiping
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Share premium	Share award scheme reserve	Capital reserves	Statutory surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 (audited)	239,212	2,020,672	15,024	259	157,581	1,068,560	3,501,308	2,215	3,503,523
Profit and total comprehensive income for the period	-	-	-	-	-	669,765	669,765	654	670,419
Issue of shares	5,882	305,223	-	-	-	-	311,105	-	311,105
Transfer of share award scheme reserve upon vesting	-	8,375	(8,375)	-	-	-	-	-	-
Equity-settled share award expense	-	-	1,827	-	-	-	1,827	-	1,827
Dividends declared to shareholders	-	-	-	-	-	(352,935)	(352,935)	-	(352,935)
At 30 June 2025 (unaudited)	245,094	2,334,270	8,476	259	157,581	1,385,390	4,131,070	2,869	4,133,939

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Share premium	Share award scheme reserve	Capital reserves	Statutory surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	60,000	49,550	-	140	108,219	1,327,761	1,545,670	2,316	1,547,986
Profit and total comprehensive income for the period	-	-	-	-	-	492,074	492,074	472	492,546
Share conversion	140,000	(49,550)	-	-	(90,450)	-	-	-	-
Disposal of partial shareholding in a subsidiary	-	-	-	1	-	-	1	(1)	-
Acquisition of non-controlling interests	-	-	-	99	-	-	99	(799)	(700)
Equity-settled share award expense	-	-	5,008	-	-	-	5,008	-	5,008
Transfer to statutory surplus reserves	-	-	-	-	81,918	(81,918)	-	-	-
Dividends declared to shareholders	-	-	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
At 30 June 2024 (audited)	200,000	-	5,008	240	99,687	737,917	1,042,852	1,988	1,044,840

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Audited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	898,599	657,609
Adjustments for:		
Interest income	(27,455)	(6,416)
Finance costs	1,024	2,561
Depreciation of property, plant and equipment	22,511	18,954
Depreciation of investment properties	–	60
Amortisation of other intangible assets	400	459
Gain on disposal of items of property, plant and equipment	–	(242)
Depreciation of right-of-use assets	19,102	17,841
Gain on termination of leases, net	(223)	(362)
Impairment losses/(reversal of impairment losses) on trade and other receivables, net	1,073	(752)
Equity-settled share award expense	1,827	5,008
Reversal of write-down of inventories to net realisable values	(1,376)	(615)
Share of profit of an associate	(4,593)	(535)
Foreign exchange differences, net	24,156	–
	935,045	693,570
(Increase)/decrease in inventories	(62,064)	30,250
Increase in trade receivables	(77,199)	(76,643)
Increase in prepayments, other receivables and other assets	(13,431)	(10,202)
Decrease in restricted cash	48,000	1,063
Increase in trade payables	134,467	44,055
Increase in other payables and accruals	78,212	87,756
Decrease in provision	(67)	(276)
Increase/(decrease) in amounts due to related parties and a director	4,156	(633)
Cash generated from operations	1,047,119	768,940
Income tax paid	(216,532)	(149,870)
Net cash flows from operating activities	830,587	619,070

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Audited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(108,805)	(55,590)
Purchases of other intangible assets	(121)	(435)
Prepayment for leasehold land	–	(177,805)
Prepayments for property, plant and equipment	(5,287)	–
Purchase of a shareholding in an associate	–	(22,237)
Proceeds from disposal of items of property, plant and equipment	55	363
Loans to related parties	–	(265,000)
Repayment of loans to related parties	–	265,000
Interest received	32,192	6,416
Net cash flows used in investing activities	(81,966)	(249,288)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	311,105	–
Dividends paid	(352,935)	(1,025,000)
Repayment of principal portion of lease liabilities	(17,788)	(18,936)
Interest paid	(1,024)	(1,189)
Proceeds from bank borrowings	–	98,628
Payment of listing expenses	–	(7,579)
Acquisition of non-controlling interests	–	(700)
Repayment of borrowings	(320,000)	–
Net cash flows used in financing activities	(380,642)	(954,776)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	367,979	(584,994)
Cash and cash equivalents at beginning of period	2,791,719	1,137,894
Effect of foreign exchange rate changes, net	(24,156)	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,135,542	552,900
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,137,709	555,087
Restricted cash	(2,167)	(2,187)
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of cash flows	3,135,542	552,900

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the People's Republic of China (the "PRC") on 28 July 2000. The registered office of the Company is located at Room 1001, Wanyin Building, Shangcheng District, Hangzhou, Zhejiang, PRC.

During the period, the Company and its subsidiaries (together, the "Group") were involved in research and development, production and sale of beauty products, and provision of makeup artistry training, experiential and personalised customer service.

In the opinion of the directors of the Company, the ultimate controlling shareholders of the Company is Mr. MAO Geping ("Mr. Mao"), Ms. WANG Liqun ("Ms. Wang"), Hangzhou Dijing Investment Management Partnership (Limited Partnership) ("Dijing Investment") and Hangzhou Jiachi Investment Management Partnership (Limited Partnership) ("Jiachi Investment").

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their service and products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Mainland China	2,587,065	1,971,335
Hong Kong	1,152	191
Total	2,588,217	1,971,526

The revenue information above is based on the locations of the customers. All of the non-current assets of the Group were located in Mainland China.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Revenue from contracts with customers	2,588,217	1,971,526

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

5. REVENUE (continued)

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Types of goods or services		
Sale of products	2,520,905	1,900,022
Makeup artistry training and related sales	67,312	71,504
Total	2,588,217	1,971,526

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Geographical markets		
Mainland China	2,587,065	1,971,335
Hong Kong	1,152	191
Total	2,588,217	1,971,526

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Timing of revenue recognition		
Goods transferred or services provided at a point in time	2,531,887	1,913,628
Services provided over time	56,330	57,898
Total	2,588,217	1,971,526

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Audited)
Cost of inventories sold	338,649	243,178
Cost of makeup artistry training services provided and related sales	24,946	19,747
Depreciation of property, plant and equipment	22,511	18,954
Depreciation of right-of-use assets	26,982	18,084
Less: Amount capitalised in construction in progress	(7,880)	(243)
Net depreciation of right-of-use assets	19,102	17,841
Research and development costs	15,257	15,267
Bank interest income	(27,455)	(6,223)
Government grants	(16,255)	(47,972)
Listing expenses	—	15,559
Exchange differences, net	24,156	—
Impairment losses/(reversal of impairment losses) on financial assets, net	1,073	(752)
Reversal of write-down of inventories to net realisable values	(1,376)	(615)
Employee benefit expense (excluding directors' and chief executives' remuneration):		
Wages, salaries and bonuses	366,347	284,484
Equity-settled share award expense	1,827	5,008
Pension scheme contributions (defined contribution scheme)	22,965	18,613
Staff welfare expenses	32,576	25,109
Total	423,715	333,214

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The provision for PRC corporate income tax ("CIT") is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

For the six months ended 30 June 2025, Chongqing Diyue Cosmetics Co., Ltd. and five subsidiaries of Hangzhou Mao Geping Image Design Art Co., Ltd. are qualified as small and micro enterprises and were subject to preferential income tax rate of 5% for the first RMB3,000,000 of assessable profits.

The major components of income tax expense of the Group during the period are analysed as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Audited)
Current – Charge for the period	237,044	159,807
– Underprovision in prior periods	1,849	–
Deferred tax	(10,713)	5,256
Total tax charge for the period	228,180	165,063

8. DIVIDENDS

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Audited)
Dividends	352,935	1,000,000

The 2024 annual general meeting of the Company was held on 13 May 2025, at which a final cash dividend of RMB0.72 per share (including tax, totaling approximately RMB352,935,000) for the year ended 31 December 2024 was approved, which was paid on 20 June 2025.

The Board did not declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 489,731,958 (six months ended 30 June 2024: 200,000,000) outstanding during the period, as adjusted to reflect the shares issue during the period. The Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Audited)
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	669,765	492,074
	Number of shares	
	2025	2024
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	489,731,958	200,000,000

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Carrying amount at beginning of period	278,890	167,971
Additions	104,446	152,167
Depreciation provided during the period	(22,511)	(40,963)
Disposals	(55)	(285)
Carrying amount at end of period	360,770	278,890

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

11. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	292,386	215,187
Impairment	(1,575)	(644)
Net carrying amount	290,811	214,543

The Group's trade receivables usually generate from sales through stores and online platforms which help to collect sales proceeds. The Group usually grants a credit period of within 60 days to the relevant shopping malls, large retailers and online platforms. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the transaction date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	290,722	214,777
3 to 6 months	222	274
6 to 12 months	1,330	15
1 to 2 years	112	121
Total	292,386	215,187

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

12. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash and bank balances	3,137,709	2,846,623
Less: restricted cash	2,167	50,167
Cash and cash equivalents	3,135,542	2,796,456
Denominated in RMB	1,030,955	718,492
Denominated in HKD	1,640,516	2,077,042
Denominated in USD	464,071	922
Cash and cash equivalents	3,135,542	2,796,456

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

13. TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	224,743	91,793
3 to 6 months	1,315	6
6 to 12 months	394	3
Over 1 year	80	263
Total	226,532	92,065

The trade payables are non-interest-bearing and are normally settled on 30-day to 60-day terms.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

14. SHARE CAPITAL

The over-allotment option has been fully exercised by the sole overall coordinator (for itself and on behalf of the international underwriters), on 4 January 2025, in respect of an aggregate of 11,763,500 shares, representing approximately 15% of the total number of the offer shares available under the global offering (after taking into account the partial exercise of the offer size adjustment option but before any exercise of the over-allotment option) at HK\$29.80 per share. The additional net proceeds of approximately HK\$336,500,000 (equivalent to RMB311,105,000) have been received by the Company from the allotment and issue of the over-allotment shares after deducting the underwriting fees and commission on 8 January 2025.

15. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Construction in progress	222,988	293,485

16. RELATED PARTY TRANSACTIONS

Name	Relationship
Mr. Mao	An executive Director
Hangzhou Shangdu Technology Co., Ltd. ("Shangdu Technology")	An entity controlled by a shareholder
Huamei Kangyan (Suzhou) Biotechnology Co., Ltd. ("Huamei Kangyan")	An associate
Jiachi Investment	An entity controlled by shareholders
Dijing Investment	An entity controlled by shareholders

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS *(continued)*

(a) The Group had the following transactions with related parties during the period:

	Notes	For the six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Audited)
Purchases of products from:			
Huamei Kangyan	(i)	15,688	8,594
Rental and property management fees payment to:			
Shangdu Technology	(ii)	2,423	2,521
Loans to:			
Dijing Investment	(iii)	—	165,000
Jiachi Investment	(iii)	—	100,000
		—	265,000
Interest income from:			
Dijing Investment	(iii)	—	193
Payable on behalf of:			
Mr. Mao	(iv)	—	11,936
Ms. Wang	(iv)	—	3,104
Ms. Mao Niping	(iv)	—	3,104
Ms. Mao Huiping	(iv)	—	2,626
Mr. Wang Lihua	(iv)	—	1,671
Ms. Song Hongquan	(iv)	—	1,432
		—	23,873
Licensing fee to:			
Mr. Mao	(v)	1,360	—

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS *(continued)*

- (a) The Group had the following transactions with related parties during the period: *(continued)*

Notes:

- (i) The purchases from the related party were made according to the published prices and conditions offered by the related party to its major customers.
- (ii) The rental and property management fees were charged with reference to prices mutually agreed between the parties.
- (iii) According to the loan agreement signed by the Group, Dijing Investment and Jiachi Investment on 16 January 2024, the Group agreed to provide loans up to RMB300,000,000 to Dijing Investment and Jiachi Investment in aggregate. Each loan is unsecured and repayable in three months with interest at 2.4% per annum.

For the six months ended 30 June 2024, the Group provided loans amounted to RMB165,000,000 and RMB100,000,000 to Dijing Investment and Jiachi Investment, respectively, which were all repaid at 30 June 2024.

- (iv) The amounts of payable on behalf of the directors are withholding individual income tax payable to the relevant tax authorities arising from conversion of share premium and statutory surplus reserve into share capital.
- (v) According to the Name and Portrait Rights Licensing Framework Agreement signed on 25 November 2024, Mr. Mao Geping has agreed to grant to the Group exclusive and non-transferrable licenses for the Group's use of his name and portrait rights for an annual licensing fee of HK\$2,980,000. The licensing fee has been determined after arm's length negotiations between the Group and Mr. Mao Geping. The initial term of the Name and Portrait Rights Licensing Framework Agreement commenced on the 10 December 2024 and will end on 31 December 2026, subject to renewal through mutual consent by the parties.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. RELATED PARTY TRANSACTIONS *(continued)*

(b) Outstanding balances with related parties:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Due to related parties (trade)		
Huamei Kangyan	7,270	2,948
Lease liabilities (trade)		
Shangdu Technology	172	341
Due to a director (trade)		
Mr. Mao	—	166
Prepayment to a director (trade)		
Mr. Mao	1,194	—

Note:

As at 30 June 2025 and 31 December 2024, the Group's outstanding balances with the related party are unsecured, interest-free and repayable on demand.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and amounts due to related parties approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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

Fair value hierarchy

The Group did not have any financial assets and financial liabilities measured at fair value as at 30 June 2025 and 31 December 2024.

18. EVENTS AFTER THE REPORTING PERIOD

The Group has evaluated subsequent events after the period ended 30 June 2025 and noted no significant subsequent events.

DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

"Articles of Association" or "Articles"	the articles of association of our Company, as amended, supplemented, or otherwise modified from time to time
"Board" or "Board of Directors"	the board of directors of our Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules in force during the Reporting Period
"Company" or "our Company" or "the Company"	Mao Geping Cosmetics Co., Ltd. (毛戈平化妝品股份有限公司), a limited liability company established in the PRC on July 28, 2000, whose H Shares are listed on the Main Board of the Stock Exchange (stock code: 1318)
"controlling shareholders"	has the meaning ascribed to it under the Listing Rules
"date of this report"	August 27, 2025
"Dijing Investment"	Hangzhou Dijing Investment Management Partnership (Limited Partnership) (杭州帝景投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 28, 2011, and one of controlling shareholders of the Company
"Director(s)"	the director(s) of our Company
"Global Offering"	the offer of the Shares for subscription as described in the section headed "Structure of the Global Offering" in the Prospectus
"Group," "our Group," "the Group," "we," or "us,"	our Company and its subsidiaries
"Hangzhou Love Keeps"	Hangzhou Love Keeps Cosmetics Co., Ltd. (杭州至愛終生化妝品有限公司), a direct wholly-owned subsidiary of the Company
"Hangzhou Mao Geping"	Hangzhou Mao Geping Cosmetics Co., Ltd. (杭州毛戈平化妝品有限公司), a company established in the PRC with limited liability on July 28, 2000, the predecessor of the Company
"Hangzhou Shang Du Hui"	Hangzhou Shang Du Hui Cosmetics Technology Co., Ltd. (杭州尚都匯化妝品科技有限公司), a direct wholly-owned subsidiary of the Company



DEFINITIONS

“Hangzhou Xingyi”	Hangzhou Xingyi Equity Investment Co., Ltd. (杭州星屹股權投資有限公司), a direct wholly-owned subsidiary of the Company
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB0.50 each, which are subscribed for and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Share(s)
“HK\$” or “Hong Kong dollars” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“HKFRS Accounting Standards”	All Hong Kong Financial Reporting Standards’s Hong Kong Accounting Standards and interpretations as issued by the Hong Kong Institute of Certified Public Accountants
“Jiachi Investment”	Hangzhou Jiachi Investment Management Partnership (Limited Partnership) (杭州嘉馳投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 28, 2011 and one of controlling shareholders of the Company
“KOL(s)”	key opinion leader(s)
“Listing”	the listing of the H shares on the main board of the Stock Exchange on December 10, 2024
“Listing Date”	the date on which the H shares are listed on the Main Board of the Stock Exchange and from which dealings in the H shares are permitted to commence on the Main Board of the Stock Exchange, i.e. 10 December 2024
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, modified or otherwise supplemented from time to time
“Mao Geping Image Design”	Hangzhou Mao Geping Image Design Art Co., Ltd. (杭州毛戈平形象設計藝術有限公司), a direct wholly-owned subsidiary of the Company
“Mao Geping Technology”	Hangzhou Mao Geping Technology Co., Ltd. (杭州毛戈平科技有限公司), a direct wholly-owned subsidiary of the Company
“Mr. Mao”	Mr. MAO Geping (毛戈平), our founder, chairman of the Board, an executive Director, and one of the Controlling Shareholders of our Company

DEFINITIONS

"Ms. Wang"	Ms. WANG Liquan (汪立群), an executive Director, vice chairperson of the Board, and one of the Controlling Shareholders of our Company
"ODM"	original design manufacturing, where a manufacturer designs and manufactures a product which is specified by the customer and eventually marketed and sold under the customer's brand name or under no specific brand
"Prospectus"	the prospectus of the Company dated December 2, 2024
"Reporting Period"	for the six months ended June 30, 2025
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB0.50 each, comprising Unlisted Share(s) and H Share(s)
"Shareholder(s)"	the holder(s) of the Share(s)
"SKU(s)"	stock keeping unit(s), to help identify and track inventories
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Unlisted Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB0.50 each, which were subscribed for or credited as paid in Renminbi and held by domestic Shareholders
"Zhejiang Huidu"	Zhejiang Huidu Cosmetics Co.,Ltd. (浙江匯都化妝品有限公司), a direct wholly-owned subsidiary of the Company
"%"	per cent