

Stock Code: 6601

CHEERWIN
朝雲集團有限公司

Cheerwin Group Limited
(Incorporated in Cayman Islands with limited liability)



2025 INTERIM REPORT

Life is Cheerful



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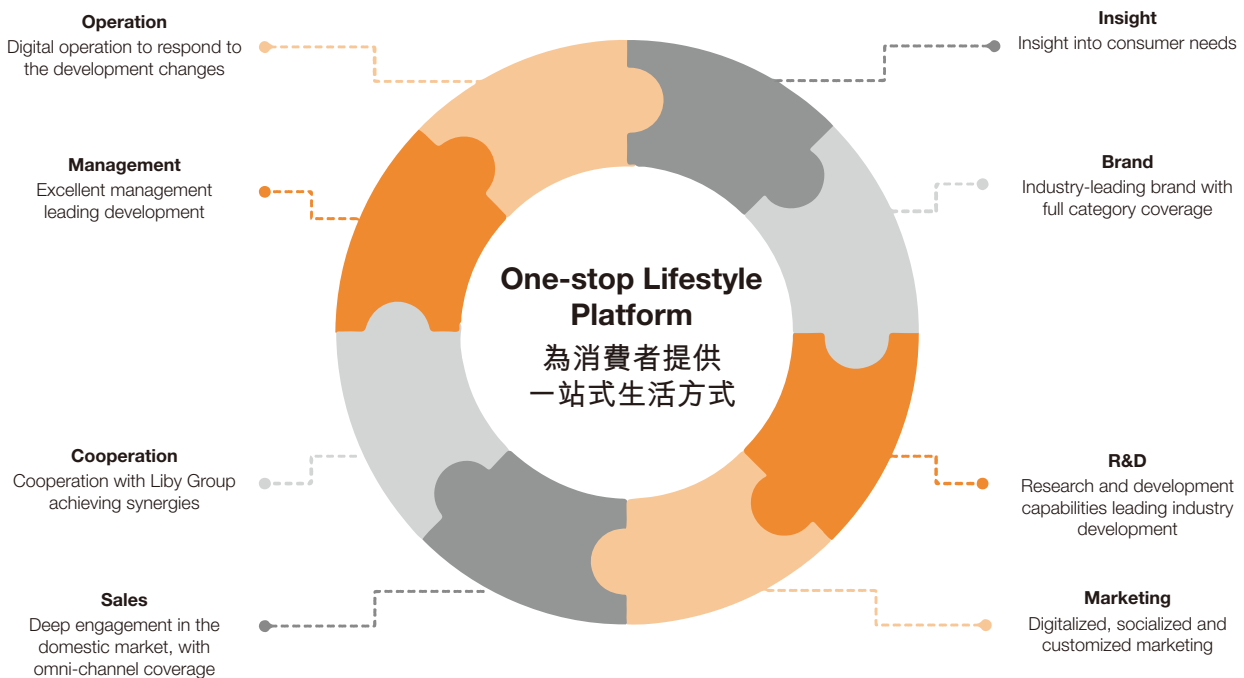
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COMPANY INTRODUCTION

Cheerwin Group Limited (the “**Company**”) and its subsidiaries (together, the “**Group**” or “**we**” or “**our**”) are a leading one-stop multi-category household care, pet stores and pet products and personal care platform in China, developing and manufacturing a variety of household care products, pet and pet products and personal care products, and owning several physical pet stores.

We are committed to providing consumers with a one-stop lifestyle offering through our focus on the eight pillars to underpin our organizational, operational and business structures, which we believe have delivered our success to date. The eight pillars are Insight, Brand, R&D, Marketing, Sales, Cooperation, Management and Operation, under which we operate a fully integrated business process in delivering a one-stop lifestyle offering, from consumer and market research, research and development, procurement and production, to sales and marketing.



Our success to date has been driven by our ability to create new products and expand into new categories that meet consumer needs. We have successfully launched ten categories, covering household care products, pet stores and pet products, and personal care products, among which our pet stores and pet products category is developing rapidly. We owned nine core brands, namely, Vewin (威王), Superb (超威), Babeking (貝貝健), Naughty Buddy (倔強尾巴), Naughty Mouth (倔強嘴巴), Cyrin (西蘭), Rikiso (潤之素), Zhuazhua Cat Planet (爪爪喵星球) and Mele Family (米樂乖乖), each targeting different aspects of household care demands and specific consumer segments.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Chen Danxia (*Chairman and Chief Executive Officer*)
Ms. Wang Dong
Mr. Zhong Xuyi
Mr. Lv Yongji

Non-executive Director

Mr. Chen Zexing

Independent Non-executive Directors

Dr. Yu Rong
Mr. Guo Sheng
Mr. Chan Wan Tsun Adrian Alan

AUDIT COMMITTEE

Mr. Chan Wan Tsun Adrian Alan (*Chairman*)
Mr. Guo Sheng
Mr. Chen Zexing
Dr. Yu Rong

REMUNERATION COMMITTEE

Mr. Guo Sheng (*Chairman*)
Ms. Chen Danxia
Dr. Yu Rong

NOMINATION COMMITTEE

Ms. Chen Danxia (*Chairman*)
Mr. Guo Sheng
Dr. Yu Rong

JOINT COMPANY SECRETARIES

Ms. Leung Shui Bing (*ACG, HKACG*)
Mr. Zheng Canjie

AUTHORISED REPRESENTATIVES

Ms. Chen Danxia
Ms. Leung Shui Bing (*ACG, HKACG*)

AUDITOR

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

LEGAL ADVISOR

As to Hong Kong law
Eric Chow & Co. in association with
Commerce & Finance Law Offices
3401, Alexandra House
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REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE IN THE PRC

No. 2, Luju Road, Liwan District
Guangzhou, Guangdong Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKS

Bank of China Limited
Industrial and Commercial Bank of China Limited
Agricultural Bank of China Limited
Bank of China (Hong Kong) Limited
Nanyang Commercial Bank, Limited

STOCK CODE

6601

COMPANY'S WEBSITE

www.cheerwin.com

LISTING DATE

10 March 2021



FINANCIAL SUMMARY

RESULTS

	Six months ended 30 June		
	2025	2024	Change
	RMB'000	RMB'000	(%)
	(unaudited)	(unaudited)	(unaudited)
Revenue	1,338,807	1,249,136	7.2
Gross profit	659,785	579,011	14.0
Profit before tax	231,701	220,065	5.3
Profit for the period	171,106	175,873	(2.7)
Earnings per share			
– Basic (cents)	13.02	13.46	(3.3)

ASSETS, LIABILITIES AND EQUITY

	As at	As at
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(audited)
Assets		
Non-current assets	684,972	480,025
Current assets	2,991,916	3,321,678
Total assets	3,676,888	3,801,703
Equity and liabilities		
Equity attributable to owners of the Company	3,056,681	2,990,882
Non-controlling interests	(4,104)	(1,648)
Total equity	3,052,577	2,989,234
Non-current liabilities	29,169	30,493
Current liabilities	595,142	781,976
Total liabilities	624,311	812,469
Total equity and liabilities	3,676,888	3,801,703



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

Business Overview

In the first half of 2025, the Group focused on market opportunities by prioritizing customer value, with the continuous improvement of overall business performance. We adhered to the business principle of high quality, sustainability and stable profit, and implemented effective cost management measures to ensure a continued, steady increase in revenue, cash and profits.

The breakdown of revenue by product categories are as follows:

- For household care products category, which includes household repellent and insecticide products, household cleaning and air care products, revenue for the six months ended 30 June 2025 (the “**Reporting Period**”) was RMB1,214.2 million, representing an increase of 4.3% as compared to the six months ended 30 June 2024;
- For the pet stores and pet products category, revenue for the Reporting Period was RMB96.0 million, representing an increase of 101.4% as compared to the six months ended 30 June 2024; and
- For the personal care products category, revenue for the Reporting Period was RMB25.8 million, representing a decrease of 25.8% as compared to the six months ended 30 June 2024.

The breakdown of revenue by sales channels are as follows:

- For online channels, revenue for the Reporting Period was RMB517.2 million, representing an increase of 27.4% as compared to the six months ended 30 June 2024; and
- For offline channels, which comprises offline distributors, corporate and institutional customers, overseas distributors, retail channel (Liby Channel), OEM business and physical pet stores, etc., revenue for the Reporting Period was RMB821.6 million, representing a decrease of 2.6% as compared to the six months ended 30 June 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2025, the Group implemented several measures to increase revenue and reduce expenditure, achieving high-quality, sustainable, and stable profit development across its overall performance:

- **Online sales channels:** The Group achieved rapid growth on content e-commerce channels with more channels surpassing RMB100 million in value while building upon the established success on Taobao (淘寶) related platforms, JD.com (京東), and Pinduoduo (拼多多). It increased the sales proportion of portable mosquito repellents, household cleaning products, pet food, and other trending items. Meanwhile, it optimised production to enhance the efficiency and profitability of its online operations.
- **Offline sales channels:** We adopted a multi-category distribution approach for distribution channels with a focus on the distribution volume of high-margin products and the quality of distribution outlets to expand the market reach. In terms of sales, we adopt special display techniques to promote our products, including, among others, product image showcase, products stacking with chamfers arrangement (堆頭切角) and shelf banners with an aim to improve the efficiency of our resource utilisation.
- **Pet business:** We carried out high-quality expansion, creating popular fresh food pack products online and increasing return on investment. By enhancing the brand's visual image and professional service offerings, standardizing the store business model, and developing the information system for our physical stores, we achieved a doubling of growth in the pet business.
- **Product innovation:** The Group created popular high-margin products that address consumers' pain points through technological innovation, optimising its overall revenue structure and improving its profitability. It consistently strengthened its top-tier brand influence in insecticides, repellents, and household cleaning products to introduce exceptional, differentiated key products with potent efficacy and wholesome ingredients, further optimising its product lineups.
- **Supply chain reform:** By continuously implementing technological renovations and adding automated production lines in our own factories to enhance production efficiency, carrying out lean production management for third-party factories, and upgrading and innovating R&D formulas, we have improved the Group's overall supply chain operational efficiency, optimized supply costs, and enhanced the Group's overall profitability.

The Group has continued to promote its brands and products with marketing strategies of digitalization, socialization and personalization. We have strived to offer our consumers the one-stop high quality products for household care, personal care, and pet categories, and have been recognized and well received by our consumers. In particular, NielsenIQ retail market data showed that the Group's household insecticides and repellents products ranked first in China in terms of comprehensive market share of similar products for eleven consecutive years from 2015 to 2025. During the Reporting Period, the Group secured the top position in offline market share across several categories, including electrothermal mosquito repellents, insecticidal aerosols, and toilet cleaners.



MANAGEMENT DISCUSSION AND ANALYSIS

Business Outlook

Given the current environment, the Company adheres to operational guidelines of high quality, sustainability and stable profit, and maintains strong cash flow, continuously improves profitability, and sticks to a high dividend policy. In the second half of 2025, the Company will focus on the following growth strategies:

1.
 - Expansion of household care business: We will further develop our high-end natural household care product line to enhance the gross profit margin of products and promote distribution coverage of household cleaning products. We aim to continue the upgrading of insecticide and repellent products, develop cockroach and dust mite elimination product lines, and accelerate online and offline marketing;
 - Expansion of pet business: We will continue to promote the development of our pet business and establish our pet business moat by further expanding our pet store coverage area and the number of stores, improving single-store profitability and creating a portfolio of hit pet food products and supplies online;
 - Breakthrough in online channels: We will maintain the branding and market position on platforms under Taobao related platforms, JD.com and Pinduoduo, speed up the development of content e-commerce channels such as Douyin, further consolidate our leading position and business moat in terms of the core competitiveness of our various product categories and enhance the profitability from our e-commerce segment;
 - Further in-depth development of offline channels: We will reinforce the distribution of the entire product portfolio, expand the marketing of products with high gross margins so as to further consolidate our leading position in offline distribution channels;
2. Technology R&D improvement: integrate internal and external R&D resources to continuously enhance the know-how of our team, maintain our leading R&D capabilities in the industry, propel technological innovation, and introduce more high-quality and differentiated products;
3. Empowerment through team's building: continue to promote diversified portfolio incentive mechanisms to enhance the Group's organisational cohesion and coordination and ensure efficient implementation of the Group's development strategies;
4. Proactiveness in mergers and acquisitions opportunities: focus on domestic and foreign pet, personal care, cosmetics, and fast-moving consumer goods (FMCG) industries, speed up the pace of merger and acquisition, and target quality projects with stable cash flow, clear profit model and room for business development; and
5. Implementation of dividend policy: continue a high-proportion and stable dividend policy to maximise the Company's shareholders' returns.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group derived its revenue primarily from the sales of (i) household care products; (ii) pet stores and pet products; (iii) personal care products; and (iv) others to customers through our omni-channel sales and distribution network. Our revenue is stated net of allowances for returns, sales discounts, rebates and value-added tax.

Our revenue increased by 7.2% from RMB1,249.1 million for the six months ended 30 June 2024 to RMB1,338.8 million for the six months ended 30 June 2025. The increase was primarily attributable to the Group's success in capturing market opportunities and actively promoting the rapid development of product categories, online channels and pet business.

Revenue by product categories

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Household Care ⁽¹⁾	1,214,162	90.7	1,163,557	93.1
Pet Stores and Pet Products	95,955	7.2	47,633	3.8
Personal Care	25,776	1.9	34,752	2.8
Others ⁽²⁾	2,914	0.2	3,194	0.3
Total	1,338,807	100.0	1,249,136	100.0

Notes:

- (1) Household Care included household insecticide and repellent products, household cleaning and air care products.
- (2) Others included numerous household supplies, appliances, other products and testing services, and none of them accounted for a material portion individually.

Our revenue from household care products increased by 4.3% from RMB1,163.6 million for the six months ended 30 June 2024 to RMB1,214.2 million for the six months ended 30 June 2025.

Our revenue from pet stores and pet products increased by 101.4% from RMB47.6 million for the six months ended 30 June 2024 to RMB96.0 million for the six months ended 30 June 2025.

Our revenue from personal care products decreased by 25.8% from RMB34.8 million for the six months ended 30 June 2024 to RMB25.8 million for the six months ended 30 June 2025.



MANAGEMENT DISCUSSION AND ANALYSIS

Revenue by sales channels

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Online Channels ⁽¹⁾	517,189	38.6	405,854	32.5
Offline Channels ⁽²⁾	821,618	61.4	843,282	67.5
Total	1,338,807	100.0	1,249,136	100.0

Notes:

- (1) Online channels included self-operated online stores, online distributors, and community e-commerce platforms.
- (2) Offline channels included offline distributors, corporate and institutional customers, overseas distributors, retail channel (Liby Channel), OEM business and physical pet stores, etc..

Revenue from online channels increased by 27.4% from RMB405.9 million for the six months ended 30 June 2024 to RMB517.2 million for the six months ended 30 June 2025.

Revenue from offline channels decreased by 2.6% from RMB843.3 million for the six months ended 30 June 2024 to RMB821.6 million for the six months ended 30 June 2025.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 14.0% from RMB579.0 million for the six months ended 30 June 2024 to RMB659.8 million for the six months ended 30 June 2025. Our gross profit margin increased by 2.9 percentage points from 46.4% for the six months ended 30 June 2024 to 49.3% for the six months ended 30 June 2025, primarily due to the enhancement of the Group's brand influence, the continuous refinement of its product offerings and channel structure as well as the continual improvement of operating efficiency in its supply chain.

Gross profit and gross profit margin by product categories

	Six months ended 30 June			
	2025		2024	
	Gross Profit RMB'000	Gross Profit Margin %	Gross Profit RMB'000	Gross Profit Margin %
Household Care ⁽¹⁾	595,839	49.1	540,137	46.4
Pet Stores and Pet Products	55,761	58.1	23,601	49.5
Personal Care	10,340	40.1	14,716	42.3
Others ⁽²⁾	(2,155)	(74.0)	557	17.4
Total	659,785	49.3	579,011	46.4

Notes:

- (1) Household Care included household insecticide and repellent products, household cleaning and air care products.
- (2) Others included numerous household supplies, appliances, other products and testing services and none of them accounted for a material portion individually.



MANAGEMENT DISCUSSION AND ANALYSIS

Our gross profit of household care products for the six months ended 30 June 2025 was RMB595.8 million, whereas the gross profit margin has increased from 46.4% for the six months ended 30 June 2024 to 49.1% for the six months ended 30 June 2025.

Our gross profit of pet stores and pet products for the six months ended 30 June 2025 was RMB55.8 million, whereas the gross profit margin has increased from 49.5% for the six months ended 30 June 2024 to 58.1% for the six months ended 30 June 2025.

Our gross profit of personal care products for the six months ended 30 June 2025 was RMB10.3 million, whereas the gross profit margin has decreased from 42.3% for the six months ended 30 June 2024 to 40.1% for the six months ended 30 June 2025.

Gross profit and gross profit margin by sales channels

	Six months ended 30 June			
	2025		2024	
	Gross Profit		Gross Profit	
	Gross Profit RMB'000	Margin %	Gross Profit RMB'000	Margin %
Online Channels ⁽¹⁾	309,956	59.9	220,644	54.4
Offline Channels ⁽²⁾	349,829	42.6	358,367	42.5
Total	659,785	49.3	579,011	46.4

Notes:

- (1) Online channels included self-operated online stores, online distributors, and community e-commerce platforms.
- (2) Offline channels included offline distributors, corporate and institutional customers, overseas distributors, retail channel (Liby Channel), OEM business and physical pet stores, etc..

Our gross profit of online channels for the six months ended 30 June 2025 was RMB310.0 million, whereas the gross profit margin has increased from 54.4% for the six months ended 30 June 2024 to 59.9% for the six months ended 30 June 2025.

Our gross profit of offline channels for the six months ended 30 June 2025 was RMB349.8 million, whereas the gross profit margin has remained stable at 42.5% and 42.6% for the six months ended 30 June 2024 and 2025, respectively.

Other Income

Our other income decreased by 7.8% from RMB60.0 million for the six months ended 30 June 2024 to RMB55.3 million for the six months ended 30 June 2025, primarily due to the decrease of bank interest. Our other income as a percentage of our total revenue remained relatively steady at 4.8% and 4.1% for the six months ended 30 June 2024 and 2025, respectively.



MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Expenses

Our selling and distribution expenses increased by 28.5% from RMB317.7 million for the six months ended 30 June 2024 to RMB408.3 million for the six months ended 30 June 2025, primarily attributable to the impact of the increase in the revenue scale of the Group's online channels and pet business, which was in line with the growth of our business.

Administrative Expenses

Our administrative expenses decreased by 7.8% from RMB86.8 million for the six months ended 30 June 2024 to RMB80.1 million for the six months ended 30 June 2025, primarily attributable to the improvement in overall operational efficiency and the reduction in impairment loss in goodwill.

Other Gains and Losses

We recorded other gains of RMB9.6 million for the six months ended 30 June 2025, as compared to other losses of RMB11.7 million for the same period in 2024, primarily relating to the fair value change of the Group's investments and exchange rate fluctuations.

Finance Cost

Our finance cost remain relatively stable at RMB0.7 million and RMB1.2 million for the six months ended 30 June 2024 and for the six months ended 30 June 2025, respectively.

Profit before Tax

As a result of the foregoing, our profit before income tax increased by 5.3% from RMB220.1 million for the six months ended 30 June 2024 to RMB231.7 million for the six months ended 30 June 2025.

Income Tax Expense

Our income tax expense increased by 37.1% from RMB44.2 million for the six months ended 30 June 2024 to RMB60.6 million for the six months ended 30 June 2025, mainly due to the increase in our profit before tax and the impact of the income tax rate. One of our subsidiaries which enjoyed a preferential income tax rate of 15% since 2022 due to its status as a qualified hightech enterprise, was still undergoing the renewal process for its qualification as of 30 June 2025, hence a higher tax rate of 25% was adopted. As such, our effective tax rate increased from 20.1% for the six months ended 30 June 2024 to 26.2% for the six months ended 30 June 2025.

Profit for the Period

As a result of the foregoing, our profit mildly decreased by 2.7% from RMB175.9 million for the six months ended 30 June 2024 to RMB171.1 million for the Reporting Period. Our net profit margin decreased from 14.1% for the six months ended 30 June 2024 to 12.8% for the six months ended 30 June 2025.

Operating Cash Flows

Net operating cash outflow for the six months ended 30 June 2025 was RMB36.4 million, as compared to net operating cash outflow of RMB159.7 million for the six months ended 30 June 2024, resulting from our profit before tax of RMB231.7 million, adjustment of non-cash and non-operating items, movements in working capital, and income tax paid.



MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditures

Our capital expenditures slightly decreased from RMB19.6 million for the six months ended 30 June 2024 to RMB18.2 million for the six months ended 30 June 2025. Our capital expenditures were used primarily for acquisition of property, plant and equipment and right-of-use assets. We financed our capital expenditures primarily through our cash generated from our operating activities.

Financial Position

Historically, we funded our operations primarily with net cash generated from our business operations. After the global offering of the Company (the “**Global Offering**”), we intend to finance our future capital requirements through the same sources of funds above, together with the net proceeds we received from the Global Offering.

As at 30 June 2025, we had RMB2,650.0 million in cash and cash equivalents and time deposits, most of which were denominated in RMB.

Gearing Ratio

The gearing ratio (calculated using total interest bearing debt (consists of current and non-current lease liabilities) divided by total equity, multiplied by 100%) remained stable at 1.7% and 1.7% as at 31 December 2024 and 30 June 2025, respectively.

Significant Investments Held

The Group maintains a portfolio of investments which generate steady income with potential of capital appreciation. The Group did not hold other significant investments which constitutes a fair value of 5% or above of the total assets of the Group as at 31 December 2024 and 30 June 2025, respectively.

Funding and Treasury Policy

The Group adopts a stable approach on its finance and treasury policy, aiming to maintain an optimal financial position, the most economic finance costs, and minimal financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

Material Acquisitions and Future Plans for Major Investment

During the six months ended 30 June 2025, the Group did not conduct any material acquisitions or disposals. In addition, save for the expansion plans as disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 26 February 2021 (the “**Prospectus**”), the Group has no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

Exposure to Fluctuations in Exchange Rates

The Group operates mainly in China with most of its transactions settled in RMB. However, the Group is exposed to foreign exchange risk arising mainly from deposits denominated in USD and Hong Kong dollars. The Group closely monitors the exchange rate fluctuations and reviews its foreign exchange risk management strategies from time to time. The Board may consider hedging foreign exchange exposures where appropriate in order to minimize its foreign exchange risk.



MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

The Group did not have any pledged assets as at 30 June 2025 and 31 December 2024.

Contingent Liabilities

As at 30 June 2025, the Group had no significant contingent liabilities.

Human Resources

As at 30 June 2025, the number of employees of the Group was 1,321 as compared to 1,140 as at 30 June 2024, mainly due to the business expansion of physical pet stores. The total cost of staff, including basic salary and wages, social insurance and bonus remained relatively steady at RMB112.1 and RMB111.6 million for the six months ended 30 June 2024 and 2025, respectively.

The Company has also adopted a share option scheme and a restricted share award scheme to attract, retain and motivate talented employees. To maintain the quality, knowledge and skill levels of our employees, we regularly organize training activities for our employees.

Interim Dividend

The Board resolved to declare the payment of an interim dividend of RMB0.0521 per share of the Company (the “**Shares**”) (equivalent to HK\$0.0571 per Share) for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB0.0538 per Share), and the dividend payout ratio remained stable at 40.0% for the six months ended 30 June 2025 (dividend payout ratio for the six months ended 30 June 2024: 40.0%), on or around Thursday, 9 October 2025 to the shareholders of the Company (the “**Shareholder(s)**”) whose names appear on the register of members of the Company on Tuesday, 16 September 2025 (i.e. record date).

The interim dividend shall be declared in RMB and paid in Hong Kong dollars. The interim dividend payable in Hong Kong dollars will be converted from RMB at the average central parity rate of RMB to Hong Kong dollars as announced by the People’s Bank of China for the period from Thursday, 21 August 2025 to Wednesday, 27 August 2025.

As at the date of this report, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

Closure of Register of Members

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Friday, 12 September 2025 to Tuesday, 16 September 2025, both days inclusive, during which period no share transfers of the Company will be registered. To qualify for the interim dividend, all transfers forms accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 11 September 2025.



OTHER INFORMATION

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

As at 30 June 2025, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (with the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the “SFO”)) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which have been entered in the register required to be kept pursuant to Section 352 of the SFO, or which shall be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) are as follows:

Interest in Shares

Name of Director	Nature of interest	Number of Shares	Approximate percentage of interest ⁽⁴⁾
Chen Danxia	Beneficial owner	4,793,500 (L)	0.36%
Wang Dong ⁽²⁾	Beneficial owner	401,000 (L)	0.03%
Zhong Xuyi ⁽³⁾	Beneficial owner	150,000 (L)	0.01%

Notes:

- (1) The letter “L” denotes the person’s long position in such Shares.
- (2) Ms. Wang Dong holds 251,000 Shares and she is interested in 150,000 underlying Shares. Such underlying Shares are the relevant Shares that may be allotted and issued to her upon the fully exercise of all the outstanding share options granted to her under the Share Option Scheme as at 30 June 2025.
- (3) Mr. Zhong Xuyi is interested in 150,000 underlying Shares. Such underlying Shares are the relevant Shares that may be allotted and issued to him upon the fully exercise of all the outstanding share options granted to him under the Share Option Scheme as at 30 June 2025.
- (4) As at 30 June 2025, the Company had 1,333,333,500 ordinary Shares in issue.

Save as disclosed above, as at 30 June 2025, none of the Directors nor the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.



OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO or which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Nature of interest	Number of Shares	Approximate percentage of interest ⁽⁵⁾
Ms. Ma Huizhen ("Ms. Ma") ⁽²⁾	Interest of corporation controlled/ Interest of spouse	990,000,000 (L)	74.25%
Ms. Li Ruohong ("Ms. Li") ⁽³⁾	Interest of corporation controlled/ Interest of spouse	990,000,000 (L)	74.25%
Mr. Chen Kaixuan ⁽³⁾	Interest of corporation controlled/ Interest of spouse	990,000,000 (L)	74.25%
Mr. Chen Kaichen ⁽²⁾	Interest of corporation controlled/ Interest of spouse	990,000,000 (L)	74.25%
Cheerwin Global Limited ⁽⁴⁾	Beneficial interest	990,000,000 (L)	74.25%

Notes:

- (1) The letter "L" denotes the person's long position in such shares of the Company.
- (2) Ms. Ma and Mr. Chen Kaichen are in a spousal relationship. By virtue of the SFO, they are deemed to be interested in all the Shares held by each other.
- (3) Ms. Li and Mr. Chen Kaixuan are in a spousal relationship. By virtue of the SFO, they are deemed to be interested in all the Shares held by each other.
- (4) The entire issued share capital of Cheerwin Global Limited is beneficially owned by Ms. Ma, Ms. Li, Mr. Chen Kaichen and Mr. Chen Kaixuan who are deemed to be interested in the Shares held by Cheerwin Global Limited pursuant to SFO.
- (5) As at 30 June 2025, the Company had 1,333,333,500 ordinary Shares in issue.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.



OTHER INFORMATION

SHARE INCENTIVE SCHEMES

Share Option Scheme

On 23 July 2021, the share option scheme of the Company (the “**Share Option Scheme**”) was approved and adopted by the Shareholders. The purpose of the Share Option Scheme is to attract, retain and motivate talented employees to strive towards long term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group. The Share Option Scheme will link the value of the Company with the interests of the share option participants, enabling the share option participants and the Company to develop together and promote the Company’s corporate culture. The Board may offer to grant an option to subscribe for certain number of Shares as the Board may determine to an eligible person including Directors, senior management and core employees of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group in accordance with the terms of the Share Option Scheme.

The maximum number of Shares issued and to be issued upon exercise of the share options granted and to be granted to each participant (including both exercised, cancelled and outstanding share options) under the Share Option Scheme or any other share option schemes adopted by the Company in any 12-month period is limited to 1% of the Shares in issue, unless otherwise separately approved by Shareholders in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

The total number of Shares which may be issued upon exercise of share options to be granted under the Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) are applicable) shall not exceed 10% of the total number of the Shares in issue (i.e. 133,333,350 Shares) on the adoption date of the Share Option Scheme. Share options which have lapsed shall not be counted in calculating the 10% limit. The Company may refresh the 10% limit with Shareholders’ approval provided that each such limit (as refreshed) may not exceed the 10% of the total number of the Shares in issue as at the date of the Shareholders’ approval. Share options previously granted under the Share Option Scheme and any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised options) will not be counted for the purpose of calculating the limit to be refreshed. The Company may seek separate approval by Shareholders in general meeting of the Company for granting options beyond the 10% limit provided that the share options in excess of the limit are granted only to share option participants specially identified by the Company before such approval is sought. Total number of Shares which may be issued upon exercise of all options granted and yet to be exercised under the Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the total number of the Shares in issue from time to time. No options may be granted under the Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.

The total number of share options available for grant under the Share Option Scheme as at 1 January 2025 and 30 June 2025 were 128,533,350 and 128,533,350, respectively. The total number of share options which may be granted under the Share Option Scheme is 128,533,350, representing approximately 9.64% of the total number of issued Shares (i.e. 1,333,333,500 Shares) as at the date of this report.

As at the date of this report, the grantees under the Share Option Scheme are Ms. Wang Dong, Mr. Zhong Xuyi and five other employees of the Group.



OTHER INFORMATION

Subject to any adjustments made pursuant to the terms of the Share Option Scheme, the exercise price shall be at a price determined by the Board at its absolute discretion and notified to the share option participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange on the offer date; (ii) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date; and (iii) the nominal value of a Share on the offer date.

The share options granted shall be open for acceptance for a period of seven days from the date of grant. An amount of HK\$1.00 is payable upon acceptance of the grant of the share options. The Share Option Scheme shall be valid and effective for a period of ten years commencing on the date on which the Share Option Scheme was conditionally adopted. Accordingly, as at 30 June 2025, the remaining life of the Share Option Scheme is approximately 6 years.

Any option shall be vested on an option-holder upon his acceptance of the offer of options provided that if any vesting schedule and/or conditions are specified in the offer of the option, such option shall only be vested on an option-holder according to such vesting schedule and/or upon the fulfillment of the vesting conditions (as the case may be). The Board may specify the exercise period and/or the vesting schedule of the options in the grant letter, and in all circumstances all options shall automatically lapse upon the expiry of the tenth anniversary of the date of grant. During the six months ended 30 June 2025, no share options were granted under the Share Option Scheme. Details of the movements of the share options granted under the Share Option Scheme as at 30 June 2025 are set out below:

Name of grantee	Position held with the Company/relationship with the Company	Date of grant	No. of Shares	Share options	Share options	Share options	Share options	No. of Shares	Exercise price (HK\$ per Share) ⁽¹⁾	Vesting date ⁽²⁾⁽³⁾	Exercise period
			involved in the	granted	exercised	cancelled	lapsed/	involved in the			
			share options	during the	during the	during the	forfeited	share options			
			outstanding as at 1 January 2025	Reporting Period	Reporting Period	Reporting Period	during the Reporting Period	outstanding as at 30 June 2025			
Ms. Wang Dong	Executive Director and Chief Operating Officer	23 September 2021	150,000	–	–	–	–	150,000 ⁽³⁾	4.33	15 April 2024	15 April 2024 – 14 April 2031 ⁽⁴⁾
		23 September 2021	150,000	–	–	–	(150,000)	–	4.33	15 April 2025	15 April 2025 – 22 September 2031 ⁽⁵⁾
Mr. Zhong Xuyi	Executive Director and Chief Financial Officer	23 September 2021	150,000	–	–	–	–	150,000 ⁽³⁾	4.33	15 April 2024	15 April 2024 – 14 April 2031 ⁽⁴⁾
		23 September 2021	150,000	–	–	–	(150,000)	–	4.33	15 April 2025	15 April 2025 – 22 September 2031 ⁽⁵⁾
Other Employees of the Group	Employees of the Group	23 September 2021	750,000	–	–	–	–	750,000 ⁽³⁾	4.33	15 April 2024	15 April 2024 – 14 April 2031 ⁽⁴⁾
		23 September 2021	750,000	–	–	–	(750,000)	–	4.33	15 April 2025	15 April 2025 – 22 September 2031 ⁽⁵⁾
Total			2,100,000				(1,050,000)	1,050,000			



OTHER INFORMATION

Notes:

- (1) The closing price of the securities immediately before the date on which the share options were granted was HK\$4.21 per Share. The fair value of the share options at the date of grant was HK\$4.33.
- (2) Three batches of the share options granted, each being 25% of the total number of share options granted, which were originally proposed to be vested on 15 April 2022, 15 April 2023 and 15 April 2025 respectively, were not vested because the performance target relating to the corresponding year (as set out under Note (3)) was not met. 25% of the total number of share options granted was vested on 15 April 2024.
- (3) The Company has established an appraisal mechanism for the purpose of calculating and assessing the fulfilment of performance targets by each of the grantees, in relation to vesting of share options granted to them. The appraisal mechanism is a scoring system which comprises a mixture of key performance indicators ("**KPI**") components which vary among the grantees.

The KPI in relation to the Group as a whole includes:

- (a) Revenue growth rate of the Group (with a weight of 50%); and
- (b) Net profit growth rate of the Group (with a weight of 50%).

The weighted average calculation result (the "**Result**") of the two indicators (a) and (b) above will be used to determine the performance coefficient of the Company (the "**Coefficient**"):

- (i) if the Result is 100% or more, the Coefficient will be 1;
- (ii) if the Result is between 90% and 100% (not including 100%), the Coefficient will be 0.9;
- (iii) if the Result is between 80% and 90% (not including 90%), the Coefficient will be 0.8;
- (iv) if the Result is between 70% and 80% (not including 80%), the Coefficient will be 0.7; and
- (v) if the Result is less than 70%, the Coefficient will be 0.

For the current grantees, the appraisal mechanism is a scoring system used to determine the personal attribution ratio (the "**Personal Attribution Ratio**") for each of them:

- (i) for a grantee whose KPI score is more than 90, the Personal Attribution Ratio will be 100%, representing 100% of the share options planned to be vested to him/her in the year shall be vested;
- (ii) for a grantee whose KPI score is between 80 and 90 (not including 90), the Personal Attribution Ratio will be 80%, representing 80% of the share options planned to be vested to him/her in the year shall be vested; and
- (iii) for a grantee whose KPI score is less than 80, the Personal Attribution Ratio will be 0%, representing none of the share options planned to be vested to him/her in the year shall be vested.

If the Result is less than 70%, none of the share options planned to be vested in the year shall be vested.

- (4) The exercise period for the vested share options expires 7 years from the date of vesting.
- (5) The exercise period for the vested share options expires 10 years from the date of grant.
- (6) A total of 1,050,000 share options vested on 15 April 2024 and the weighted average closing price of the Shares immediately before the date on which the share options were vested was HK\$1.60.

Please refer to note 23 to the condensed consolidated financial statements for further information of the Share Option Scheme.



OTHER INFORMATION

Restricted Share Award Scheme

The restricted share award scheme of the Company (the “**RSA Scheme**”) was approved and adopted by the Board on 3 June 2021. Pursuant to the RSA Scheme, the Board may, from time to time, in its absolute discretion, select any individual who is a key management personnel of the Group including Directors, senior management and core employees of the Group, after taking into consideration various factors as they deem appropriate and determine the number of award shares to be granted to each of the selected participants. In determining the number of award shares for each selected participant, the Board shall take into consideration matters, including but not limited to, the selected participant’s position, experience, years of service, performance and contribution to the Group and the market price of the Shares.

The purpose and objective of the RSA Scheme are (i) to realize the binding of the management team with the Shareholders and the Company’s interests in the long run; (ii) to incentivize the management team to achieve the Company’s performance goals, supporting the Company’s rapid growth in the future; (iii) to send positive signals to the capital market and increase the market’s confidence in the Company’s development; and (iv) to attract external talents and enhance talent competitiveness.

The award shares shall be open for acceptance for a period of seven days from the date of grant. An amount of HK\$1.00 is payable upon acceptance of the grant of the restricted shares. The RSA Scheme shall be effective from its adoption date and shall be in full force and effect for a term of ten years or until such date of early termination as determined by the Board, whichever is the earlier. Accordingly, as at 30 June 2025, the remaining life of the RSA Scheme is approximately 6 years. The maximum number of award shares that may be granted under the RSA Scheme in aggregate shall be no more than 25,000,000 Shares, representing 1.87% of the total number of the issued Shares as at the date of this report, subject to the compliance of the Listing Rules, including, the requirement concerning the maintenance of the public float. The last batch of the restricted shares were not vested on 15 April 2025 as the performance target as set out below for the relevant period was not met.



OTHER INFORMATION

Details of the share awards granted under the RSA Scheme

As at the date of this report, the grantees under the RSA Scheme are Ms. Chen Danxia, Ms. Wang Dong, Mr. Zhong Xuyi and five other employees of the Group.

Details of the movements of the restricted shares granted under the RSA Scheme as at 30 June 2025 are set out below:

Name of grantee	Position held with the Company/ relationship with the Company	Date of grant	No. of Shares involved in the restricted shares outstanding as at 1 January 2025	Restricted shares granted during the Reporting Period	Restricted Shares exercised during the Reporting Period	Restricted shares cancelled during the Reporting Period	Restricted shares lapsed/ forfeited during the Reporting Period	No. of Shares involved in the restricted shares outstanding as at 30 June 2025	Closing price (HK\$ per Share) ⁽¹⁾	Vesting date ⁽²⁾⁽³⁾
Ms. Chen Danxia	Executive Director,	23 September 2021	3,750,000	–	–	–	–	3,750,000 ⁽⁴⁾	4.33	15 April 2024
	Chairman and Chief	23 September 2021	3,750,000	–	–	–	(3,750,000)	–	4.33	15 April 2025
	Executive Officer									
Ms. Wang Dong	Executive Director and	23 September 2021	150,000	–	–	–	–	150,000 ⁽⁴⁾	4.33	15 April 2024
	Chief Operating Officer	23 September 2021	150,000	–	–	–	(150,000)	–	4.33	15 April 2025
Mr. Zhong Xuyi	Executive Director and	23 September 2021	150,000	–	–	–	–	150,000 ⁽⁴⁾	4.33	15 April 2024
	Chief Financial Officer	23 September 2021	150,000	–	–	–	(150,000)	–	4.33	15 April 2025
Other Employees of the Group	Employees of the Group	23 September 2021	750,000	–	–	–	–	750,000 ⁽⁴⁾	4.33	15 April 2024
		23 September 2021	750,000	–	–	–	(750,000)	–	4.33	15 April 2025
Total			9,600,000				(4,800,000)	4,800,000		

Notes:

- (1) The closing price of the securities immediately before the date on which the restricted shares were granted was HK\$4.21 per Share. The fair value of the restricted shares at the date of grant was HK\$4.33. Pursuant to Rule 17.09(8) of the Listing Rules, the basis of determining the purchase price of restricted shares awarded not applicable as there is no purchase price under RSA Scheme.
- (2) Three batches of the restricted shares granted, each being 25% of the total number of restricted shares granted, which were originally proposed to be vested on 15 April 2022, 15 April 2023 and 15 April 2025 respectively, were not vested because the performance target relating to the corresponding year (as set out under Note (3)) was not met. 25% of the total number of restricted shares granted was vested on 15 April 2024.



OTHER INFORMATION

- (3) The Company has established an appraisal mechanism for the purpose of calculating and assessing the fulfilment of performance targets by each of the Grantees, including Ms. Chen Danxia, in relation to vesting of restricted shares granted to them. The appraisal mechanism is a scoring system which comprises a mixture of KPI components which vary among the Grantees. Such KPI applied to Ms. Chen Danxia solely comprises of performance targets for the business of the Group as a whole.

The KPI in relation to the Group as a whole includes:

- (a) Revenue growth rate of the Group (with a weight of 50%); and
- (b) Net profit growth rate of the Group (with a weight of 50%).

The Result of the two indicators (a) and (b) above will be used to determine the performance Coefficient of the Company:

- (i) if the Result is 100% or more, the Coefficient will be 1;
- (ii) if the Result is between 90% and 100% (not including 100%), the Coefficient will be 0.9;
- (iii) if the Result is between 80% and 90% (not including 90%), the Coefficient will be 0.8;
- (iv) if the Result is between 70% and 80% (not including 80%), the Coefficient will be 0.7; and
- (v) if the Result is less than 70%, the Coefficient will be 0.

The number of restricted shares vested to Ms. Chen Danxia in a year will be calculated by multiplying the total number of restricted shares planned to be vested to her in the year by the Coefficient of the same year.

For the seven other RSA grantees, excluding Ms. Chen Danxia, the appraisal mechanism is a scoring system used to determine the Personal Attribution Ratio for each of them:

- (i) for a grantee whose KPI score is more than 90, the Personal Attribution Ratio will be 100%, representing 100% of the restricted shares planned to be vested to him/her in the year shall be vested;
- (ii) for a grantee whose KPI score is between 80 and 90 (not including 90), the Personal Attribution Ratio will be 80%, representing 80% of the restricted shares planned to be vested to him/her in the year shall be vested; and
- (iii) for a grantee whose KPI score is less than 80, the Personal Attribution Ratio will be 0%, representing none of the restricted shares planned to be vested to him/her in the year shall be vested.

For the seven other RSA grantees excluding Ms. Chen Danxia, the number of restricted shares vested to each of them in a year will be calculated by multiplying the total number of restricted shares planned to be vested to him/her in the year by the Coefficient of the same year and then by his/her Personal Attribution Ratio.

- (4) A total of 4,800,000 restricted shares vested on 15 April 2024 and the weighted average closing price of the Shares immediately before the date on which the share options were vested was HK\$1.60.

For the purpose of the RSA Scheme, the Company appointed two trustees to hold Shares in two separate trust plans for the respective benefit of the connected persons (the “**Connected Grantees**”) and other non-connected persons (the “**Non-connected Grantees**”) of the Company. The two trustees hold 16,200,000 restricted shares for three Connected Grantees and 3,600,000 restricted shares for the other Non-connected Grantees, respectively, in accordance with the terms of the RSA Scheme. The restricted shares held for the Non-connected Grantees will be counted as public float. As at the date of this report, the trustees and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. The trustees shall not exercise the voting rights in respect of any Shares held under the trusts including but not limited to the restricted shares.



OTHER INFORMATION

As at the date of this report, a total number of 4,800,000 outstanding restricted shares, representing approximately 0.36% of the Shares in issue, had been granted to three Directors, a consultant and four employees of the Group pursuant to the RSA Scheme. The selected participants are not required to pay any exercise price to receive the restricted shares granted under the RSA Scheme while the vesting conditions shall be fulfilled before the restricted shares can be vested. The total number of restricted shares which may be granted under the RSA Scheme is 20,200,000 (consist of 5,200,000 ungranted restricted shares and 15,000,000 granted restricted shares which has lapsed/forfeited since adoption of the RSA Scheme), representing approximately 1.51% of the total number of issued Shares (i.e. 1,333,333,500 Shares) as at the date of this report. The total number of restricted shares available for grant under the RSA Scheme as at 1 January 2025 and 30 June 2025 were 15,400,000 and 20,200,000 respectively.

Further details of the RSA Scheme are set out in note 23 to the condensed consolidated financial statements.

As the above Share Option Scheme and RSA Scheme were all adopted before the effective date of the new Chapter 17 of the Listing Rules, the Company has complied and will continue to comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing share schemes. The Company confirmed that it will continue to comply with the new Chapter 17 requirements, and in the future event that the Company wishes to make further grants under the existing schemes and/or adopt new share schemes, to make appropriate announcement and if necessary to seek Shareholders' approval accordingly.

USE OF PROCEEDS FROM GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on 10 March 2021 (the "Listing Date"). The Company received net proceeds (after deduction of the underwriting commissions and related costs and expenses) from the Global Offering of approximately RMB2,418.8 million (equivalent to approximately HK\$2,883.8 million). The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus. The details of intended application of net proceeds from the Global Offering are set out as follows:

Item	Approximate % of total net proceeds	Net proceeds from the Global Offering (RMB million)	Unutilised net amount as at 31 December 2024 (RMB million)	Actual net amount utilised during the Reporting Period (RMB million)	Actual net amount utilised up to 30 June 2025 (RMB million)	Unutilised net amount as at 30 June 2025 (RMB million)	Expected timeline of full utilisation of the unutilised proceeds
Research and development of new products, upgrade of existing products and development of new brands and categories	7.1%	171.8	101.2	13.8	84.4	87.4	Expected to be fully utilised by the end of 2026
Facilitate the construction and upgrade of relevant research and development centers and support their research activities	10.2%	246.7	246.7	–	–	246.7	Expected to be fully utilised by the end of 2026
Motive existing research personnel and recruit additional experienced and talented personnel for our research and development team	2.7%	65.3	65.3	–	–	65.3	Expected to be fully utilised by the end of 2026
Further develop online distribution channels	10.0%	241.9	–	–	241.9	–	Not applicable
Further enhance our offline distribution network	5.0%	120.9	91.3	16.9	46.5	74.4	Expected to be fully utilised by the end of 2026



OTHER INFORMATION

Item	Approximate % of total net proceeds	Net proceeds from the Global Offering (RMB million)	Unutilised net amount as at 31 December 2024 (RMB million)	Actual net amount utilised during the Reporting Period (RMB million)	Actual net amount utilised up to 30 June 2025 (RMB million)	Unutilised net amount as at 30 June 2025 (RMB million)	Expected timeline of full utilisation of the unutilised proceeds
Establish and optimise our overseas online and offline sales network and develop new markets	5.0%	120.9	120.9	–	–	120.9	Expected to be fully utilised by the end of 2026
Enhance our market penetration in lower-tier cities	5.0%	120.9	110.7	–	10.2	110.7	Expected to be fully utilised by the end of 2026
Invest in online brand marketing activities to enhance brand and product awareness and educate customers	10.0%	241.9	124.8	29.4	146.5	95.4	Expected to be fully utilised by the end of 2026
Establish overseas supply chain to improve our cost advantage for our overseas operations	1.5%	36.3	36.3	–	–	36.3	Expected to be fully utilised by the end of 2026
Upgrade our existing production facilities and existing production lines at our Anfu and Panyu plants, and to establish new production lines to increase production capacity and efficiency	1.5%	36.3	36.3	–	–	36.3	Expected to be fully utilised by the end of 2026
Establish a supply chain base in Shanghai which include a warehouse and a logistic center and offices	7.0%	169.3	169.3	–	–	169.3	Expected to be fully utilised by the end of 2026
Deepen our digitalisation strategy, enhance information technology infrastructure, and further develop our technology and data-driven middle-office for our supply chain management, consumer community and proprietary platform operation and distribution channel management to improve operating efficiency	10.0%	241.9	232.4	1.3	10.8	231.1	Expected to be fully utilised by the end of 2026
Strategic acquisitions of upstream and downstream businesses to acquire external high quality, complementary technologies, brands and businesses	15.0%	362.8	188.7	–	174.1	188.7	Expected to be fully utilised by the end of 2026
Working capital and other general corporate purposes	10.0%	241.9	241.9	–	–	241.9	Expected to be fully utilised by the end of 2026
Total	100.0%	2,418.8	1,765.8	61.4	714.4	1,704.4	



OTHER INFORMATION

As at 30 June 2025, the remaining proceeds of approximately RMB1,704.4 million (equivalent to approximately HK\$1,869.0 million) will continue to be used in accordance with the purposes as set out in the Prospectus and follow the expected implementation timetable as disclosed in the Prospectus. Majority of the unutilised net proceeds are deposited with reputable banks in Hong Kong or the PRC as at 30 June 2025.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. During the Reporting Period, the Company has complied with all applicable code provisions under the CG Code as in force during the Reporting Period and adopted most of the best practices set out therein except for the following provision.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

However, the Company does not have a separate chairman and chief executive officer and the responsibilities of both chairman and chief executive officer vest in Ms. Chen Danxia. The Board believes that vesting the responsibilities of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of eight Directors in the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and the Shareholders as a whole.

Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions since the Listing Date. Having been made specific enquiries, all of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES

During the Reporting Period, there are no treasury shares held by the Company.

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares).

PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules as at the date of this report. The Company maintained the minimum level of public float of 25% of its total number of issued Shares.



OTHER INFORMATION

EVENTS AFTER THE PERIOD

There is no significant subsequent event after the Reporting Period.

AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises three independent non-executive Directors, namely, Mr. Chan Wan Tsun Adrian Alan (Chairman), Mr. Guo Sheng and Dr. Yu Rong and one non-executive Director, namely Mr. Chen Zexing. The Audit Committee has adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has, together with the senior management of the Company, reviewed the accounting principles and practices adopted by the Group as well as the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have also been reviewed by the Company's independent auditor, Messrs Deloitte Touche Tohmatsu, 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.

CHANGES TO DIRECTORS' INFORMATION

There is no change to any information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) under Rule 13.51(2) of the Listing Rules since the publication of the Company's 2024 annual report.



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF CHEERWIN GROUP LIMITED

(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Cheerwin Group Limited (the “**Company**”) and its subsidiaries set out on pages 26 to 48, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. 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 International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

28 August 2025



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(unaudited)	(unaudited)
NOTES			
Revenue	3	1,338,807	1,249,136
Cost of sales		(679,022)	(670,125)
Gross profit		659,785	579,011
Other income	4	55,322	59,997
Other gains and losses	5	9,596	(11,684)
Impairment losses under expected credit loss model, net of reversal		(3,485)	(1,985)
Selling and distribution expenses	6	(408,262)	(317,747)
Administrative expenses		(80,054)	(86,789)
Finance cost	7	(1,201)	(738)
Profit before tax		231,701	220,065
Income tax expense	8	(60,595)	(44,192)
Profit for the period	9	171,106	175,873
Other comprehensive (expense) income			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(16,830)	8,240
Total comprehensive income for the period		154,276	184,113
Profit (loss) for the period attributable to:			
Owners of the Company		173,562	179,461
Non-controlling interests		(2,456)	(3,588)
		171,106	175,873
Total comprehensive income (expense) for the period			
attributable to:			
Owners of the Company		156,732	187,730
Non-controlling interests		(2,456)	(3,617)
		154,276	184,113
Earnings per share			
Basic (RMB cents)	11	13.02	13.46



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
	NOTES		
Non-current assets			
Property, plant and equipment	12	143,517	147,013
Right-of-use assets	12	53,776	53,837
Interest in associates		3,283	3,283
Deposits paid for acquisition of property, plant and equipment		356	407
Financial assets at fair value through profit or loss ("FVTPL")	13	111,923	111,923
Time deposits	19	308,433	103,162
Deferred tax assets	14	63,684	60,400
		684,972	480,025
Current assets			
Inventories	15	153,345	318,027
Trade and other receivables	16	152,424	97,460
Tax recoverable		–	19,230
Amounts due from related parties	17	48,341	12,303
Other financial assets at amortised cost	18	296,271	270,180
Time deposits	19	1,405,850	1,713,053
Bank balances and cash		935,685	891,425
		2,991,916	3,321,678
Current liabilities			
Trade and other payables	20	389,360	406,182
Contract liabilities	21	46,925	292,938
Dividend payable		89,857	–
Amounts due to related parties	17	33,137	58,426
Lease liabilities		21,401	18,991
Income tax payables		14,462	5,439
		595,142	781,976
Net current assets		2,396,774	2,539,702
Total assets less current liabilities		3,081,746	3,019,727
Non-current liability			
Lease liabilities		29,169	30,493
Net assets		3,052,577	2,989,234
Capital and reserves			
Share capital	22	2	2
Reserves		3,056,679	2,990,880
Equity attributable to owners of the Company		3,056,681	2,990,882
Non-controlling interests		(4,104)	(1,648)
Total equity		3,052,577	2,989,234



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Attributable to owners of the Company

	Share capital	Share premium	Capital reserve	Translation reserve	Merger reserve	Share based payments reserve	Statutory reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
							(Note)				
At 1 January 2024 (audited)	2	2,465,311	30,115	106,209	(25,066)	16,918	36,094	297,782	2,927,365	10,107	2,937,472
Profit (loss) for the period	-	-	-	-	-	-	-	179,461	179,461	(3,588)	175,873
Other comprehensive income (expense) for the period	-	-	-	8,269	-	-	-	-	8,269	(29)	8,240
Total comprehensive income (expense) for the period	-	-	-	8,269	-	-	-	179,461	187,730	(3,617)	184,113
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	(85,333)	(85,333)	-	(85,333)
Purchases of non-controlling interest	-	-	(8,395)	-	-	-	-	-	(8,395)	(2,625)	(11,020)
Capital injection from controlling shareholders	-	-	(125)	-	-	-	-	-	(125)	125	-
Recognition of share-based payments (Note 23)	-	-	-	-	-	2,060	-	-	2,060	-	2,060
At 30 June 2024 (unaudited)	2	2,465,311	21,595	114,478	(25,066)	18,978	36,094	391,910	3,023,302	3,990	3,027,292
At 1 January 2025 (audited)	2	2,465,311	21,595	129,873	(25,066)	18,978	39,986	340,203	2,990,882	(1,648)	2,989,234
Profit (loss) for the period	-	-	-	-	-	-	-	173,562	173,562	(2,456)	171,106
Other comprehensive expense for the period	-	-	-	(16,830)	-	-	-	-	(16,830)	-	(16,830)
Total comprehensive (expense) income for the period	-	-	-	(16,830)	-	-	-	173,562	156,732	(2,456)	154,276
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	(90,933)	(90,933)	-	(90,933)
At 30 June 2025 (unaudited)	2	2,465,311	21,595	113,043	(25,066)	18,978	39,986	422,832	3,056,681	(4,104)	3,052,577

Note: Pursuant to the relevant laws and regulations in the People's Republic of China (the "PRC"), subsidiaries established in the PRC are required to transfer a portion of the profit after taxation to the statutory surplus reserve as approved by the respective boards of directors annually. The appropriation is 10% of profit after tax at a minimum and should cease when it reaches 50% of the registered capital of the relevant PRC subsidiaries. The statutory reserve, which is non-distributable, can be used (i) to offset the prior year losses, if any, and/or (ii) in capital conversion.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Operating cash flows before movements in working capital	216,246	209,076
Decrease in inventories	163,641	110,087
Increase in trade and other receivables	(58,449)	(34,987)
Increase in amounts due from related parties	(36,038)	(47,560)
Decrease in trade and other payables	(14,853)	(39,179)
Decrease in contract liabilities	(246,013)	(280,887)
Decrease in amounts due to related parties	(25,289)	(26,468)
Cash used in operations	(755)	(109,918)
Income tax paid	(35,626)	(49,792)
Net cash used in operating activities	(36,381)	(159,710)
Withdrawal of time deposits of more than three months	1,266,796	1,093,166
Withdraw of financial assets at amortised cost	258,344	141,918
Proceeds on disposal of financial assets at FVTPL	230,000	80,000
Bank interest income received	37,346	42,269
Receipt of interest income from financial assets at amortised cost	14,780	3,799
Receipt of investment income from financial assets at FVTPL	2,337	1,416
Proceeds on disposal of property, plant and equipment	–	1
Purchase of financial assets at amortised cost	(294,198)	(248,513)
Purchase and deposits paid for acquisition of property, plant and equipment	(8,777)	(8,437)
Purchase of financial assets at FVTPL	(230,000)	(80,000)
Placement of time deposits of more than three months	(895,194)	(1,181,315)
Net cash from (used in) investing activities	381,434	(155,696)
Purchases of non-controlling interest	–	(11,020)
Repayments of lease liabilities	(10,166)	(6,707)
Finance cost paid	(1,201)	(738)
Net cash used in financing activities	(11,367)	(18,465)
Net increase (decrease) in cash and cash equivalents	333,686	(333,871)
Cash and cash equivalents at the beginning of the period	1,186,149	1,543,424
Effect of foreign exchange rate changes	(11,903)	3,481
	1,507,932	1,213,034
Cash and cash equivalents at the end of the period, represented by		
Bank balances and cash	935,685	842,328
Time deposits with maturity of three months or less	572,247	370,706
	1,507,932	1,213,034



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Cheerwin Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ACCOUNTING POLICIES

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

Other than change in accounting policies resulting from application of amendments to an IFRS Accounting Standard, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to an IFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue by types of products or services		
Household care (Note i)	1,214,162	1,163,557
Pet stores and pet products	95,955	47,633
Personal care	25,776	34,752
Others (Note ii)	2,914	3,194
Total	1,338,807	1,249,136
Timing of revenue recognition		
At a point in time	1,338,807	1,249,136

Notes:

- (i) Household care included household insecticides and repellents, household cleaning and air care products.
- (ii) Others included numerous household supplies, appliances, other products and testing services, none of them accounted for a material portion individually.

(ii) Transaction price allocated to the remaining performance obligations for contracts with customers

As at 30 June 2025, the Group had aggregate amount of the transaction price allocated to remaining performance obligations (unsatisfied or partially unsatisfied) amounted to approximately RMB46,925,000 (unaudited) (31 December 2024: RMB292,938,000 (audited)). The amounts were equivalent to the contract liabilities as at 30 June 2025 and 31 December 2024, which represented payments received from customers by the Group while the underlying goods are yet to be delivered.

Based on the information available to the Group at the end of the reporting period, the management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as at 30 June 2025 and 31 December 2024 will be recognised as revenue within next twelve months.

(iii) Segment information

Revenue and operating result of the Group are reported to the executive directors of the Company, being the chief operating decision maker (the “**CODM**”), for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group’s accounting policies. No other analysis of the Group’s results nor assets and liabilities is regularly provided to the CODM for review and the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures on revenue, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (continued)

(iv) Geographic information

The Group principally operates in the PRC, which is also the place of domicile. The Group's revenue is substantially all derived from operations in the PRC and the Group's non-current assets are substantially all located in the PRC.

(v) Information about major customers

There was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue for both years.

4. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Government grants (Note)	12,029	9,018
Bank interest income	34,362	43,910
Interest income from other financial assets at amortised cost	6,151	5,164
Investment income from financial assets at FVTPL	2,337	1,416
Others	443	489
	55,322	59,997

Note: The amount represented subsidy income received from certain government authorities in the PRC for the purpose of giving immediate financial support to the Group with no future obligations.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Gains (losses) on disposal of property, plant and equipment	75	(1)
Donations	–	(50)
Foreign exchange gains (losses), net	9,521	(1,237)
Loss on fair value changes of a financial asset at FVTPL (Note 13)	–	(10,016)
Loss on fair value changes of contingent consideration as liability at FVTPL	–	(380)
	9,596	(11,684)

6. SELLING AND DISTRIBUTION EXPENSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Staff costs	57,883	56,768
Promotion expenses	37,815	38,540
E-commerce channel promotion expenses	203,011	136,226
Advertising service expenses	26,364	11,754
Transportation and storage expenses	63,084	59,062
Marketing expenses	11,762	10,330
Others	8,343	5,067
	408,262	317,747

7. FINANCE COST

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expense on lease liabilities	1,201	738



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Enterprise Income Tax ("EIT"):		
Current tax	63,943	48,627
Overprovision in prior year	(64)	(4,257)
	63,879	44,370
Deferred tax (Note 14)	(3,284)	(178)
	60,595	44,192

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 of the Cayman Islands and is exempted from the Cayman Islands income tax.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the PRC EIT rate of subsidiaries of the Group operating in the PRC was 25% for both periods, except for those described below.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Anfu Cheerwin Biotechnology Company Limited ("Anfu Cheerwin") has been qualified as a New and Hi-Tech Enterprise and entitled to a preferential tax rate of 15% from 2022 to 2024 granted by the local tax authority. As at 30 June 2025 and up to the date of issuance of the condensed consolidated financial statements, Anfu Cheerwin is still in progress of applying for New and Hi-Tech Enterprise in 2025.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

9. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
– Directors' remuneration	8,445	7,990
Other staff costs:		
– Salaries and other allowances	94,697	97,232
– Contributions to retirement benefits scheme	8,491	6,489
– Share-based payment expenses	–	382
Total staff costs (Note i)	111,633	112,093
Depreciation of property, plant and equipment	10,352	10,919
Depreciation of right-of-use assets	10,636	7,285
Total depreciation	20,988	18,204
Less: capitalised in inventories	(1,997)	(3,221)
	18,991	14,983
Impairment losses recognised on goodwill included in		
– administrative expenses	–	6,280
Auditor's remuneration	2,653	2,173
Research and development costs (included in administrative expenses)	12,488	13,029
Cost of inventories recognises as an expense (Note ii)	677,981	670,319

Notes:

- (i) Total staff costs have been charged to the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Staff costs included in cost of inventories	13,963	13,696
Selling and distribution expenses	57,883	56,768
Administrative expenses	39,787	41,629
	111,633	112,093

- (ii) Amount excluded allowance for inventories of approximately RMB1,041,000 (unaudited) (six months ended 30 June 2024: reversal of write-down of inventories of approximately RMB194,000 (unaudited)).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. DIVIDENDS

During the current interim period, a final dividend of RMB0.0682 per ordinary share (equivalent to HK\$0.0739 per ordinary share) in respect of the year ended 31 December 2024 (six months ended 30 June 2024: RMB0.0640 per ordinary share (equivalent to HK\$0.0705 per ordinary share) in respect of the year ended 31 December 2023) was declared to owners of the Company. The aggregate amount of the final dividend amounted to approximately RMB90,933,000 (six months ended 30 June 2024: RMB85,333,000) was paid on 8 July 2025.

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of RMB0.0521 per ordinary share (equivalent to HK\$0.0571 per ordinary share) amounting to RMB69,467,000 in aggregate (six months ended 30 June 2024: RMB0.0538 per ordinary share (equivalent to HK\$0.0588 per ordinary share) amounting to RMB71,733,000 in aggregate) will be paid to owners of the Company whose names appear in the Register of Members on 11 September 2025.

11. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings for the purposes of calculating basic earnings		
per share (profit for the period attributable to the owners of the Company)	173,562	179,461
	No. of Shares	No. of Shares
	'000	'000
Weighted average number of ordinary shares for the purpose of		
calculating basic earnings per share	1,333,334	1,333,334

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of the Company's shares for both six months ended 30 June 2025 and 2024.

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

During the current interim period, the Group incurred approximately RMB6,859,000 (unaudited) (six months ended 30 June 2024: RMB6,847,000 (unaudited)) on the acquisition of property, plant and equipment.

During the current interim period, the Group renewed several lease agreements and entered into several new lease agreements with lease terms ranged from 2 to 5 years (six months ended 30 June 2024: ranged from 1.75 to 6 years). On date of lease modification or lease commencement, the Group recognised right-of-use assets of RMB11,300,000 (six months ended 30 June 2024: RMB12,789,000) and lease liabilities of RMB11,300,000 (six months ended 30 June 2024: RMB12,789,000). The Group is required to make fixed monthly payments.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Unlisted investments		
Financial assets at FVTPL	111,923	111,923

The unlisted equity investments represent the Group's equity interests in private companies in the PRC.

14. DEFERRED TAX ASSETS

For the purpose of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Deferred tax assets	63,684	60,400
Deferred tax liabilities	—	—
	63,684	60,400

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior periods:

	Accrued sales rebates RMB'000	Unrealised profit on inventories RMB'000	Unrealised profit on financial assets at FVTPL RMB'000	Intangible assets acquired in business combinations RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	66,129	3,970	(2,886)	(2,523)	893	65,583
(Charged) credited to profit or loss	(7,141)	4,407	2,504	—	408	178
At 30 June 2024 (unaudited)	58,988	8,377	(382)	(2,523)	1,301	65,761
(Charged) credited to profit or loss	(4,823)	(3,542)	382	2,523	122	(5,338)
Disposal of a subsidiary	—	—	—	—	(23)	(23)
At 31 December 2024 (audited)	54,165	4,835	—	—	1,400	60,400
(Charged) credited to profit or loss	(504)	3,135	—	—	653	3,284
At 30 June 2025 (unaudited)	53,661	7,970	—	—	2,053	63,684



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. INVENTORIES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Raw materials	29,015	41,097
Work-in-progress	8,561	12,942
Finished goods	115,769	263,988
	153,345	318,027

16. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade receivables	79,070	16,750
Less: Allowance for credit losses	(4,270)	(912)
	74,800	15,838
Prepayments for purchase of raw materials	13,904	10,467
Prepaid promotion service expenses	18,356	7,623
Other tax recoverables	16,120	45,185
Receivables from payment intermediaries (Note a)	11,125	3,270
Other receivables (Note b)	18,119	15,077
	152,424	97,460

Notes:

- (a) Receivables from payment intermediaries represent the sales received by Alipay, Jingdong and other platforms on behalf of the Group for the online platform sales. The balance will be transferred back to the bank accounts of the Group upon the Group's instruction.
- (b) Other receivables represent advances to staff and other miscellaneous deposits, which are unsecured, non-interest bearing and repayable in 12 months.

Trade receivables

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on an individual basis. Credit limits attributed to customers are reviewed regularly.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables (continued)

The Group generally requires advance payments from majority of its customers before delivery of goods. For certain customers, the Group allows credit terms of 30 to 60 days from the invoice date for trade receivables.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date which approximated the revenue recognition date at the end of each reporting period:

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Within 30 days	41,891	8,778
31–60 days	25,981	7,060
61–90 days	4,573	–
91–120 days	2,355	–
	74,800	15,838

As at 30 June 2025, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately RMB6,928,000 (unaudited) (31 December 2024: RMB nil (audited)) which are past due as at the reporting date. The directors of the Company are of the opinion that there has not been a significant change in credit quality and the balances are still considered fully recoverable considering factors such as historical settlement patterns from and on-going business relationship with these customers.

The Group applies the simplified approach to provide for expected credit losses ("ECL") prescribed by IFRS 9 "Financial Instruments", which permits the use of the lifetime expected loss provision for trade receivables.

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. The remaining trade receivables are assessed collectively, grouped by internal credit rating taking into account past due status of respective receivables. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

During the six months ended 30 June 2025, the Group recognised credit loss allowance of approximately RMB3,485,000 (unaudited) (six months ended 30 June 2024: RMB1,985,000 (unaudited)) for trade receivables.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

17. AMOUNTS DUE FROM (TO) RELATED PARTIES

Amounts due from related parties

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade nature (Notes a & b)	47,096	11,088
Trade related prepayments (Note a)	1,245	1,215

Notes:

- (a) These entities have been identified as related parties of the Group as they are under the common control by the controlling shareholders of the Company.
- (b) Trade related balances with related parties arose from sales of goods. In general, 45 days credit period is allowed. The amounts were unsecured and interest-free.

The following is the aged analysis of trade related balances (excluding prepayments to related parties) with related parties at the end of the reporting period presented based on the invoice date.

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Within 45 days	44,573	7,404
46–90 days	2,417	3,521
91–135 days	106	163
	47,096	11,088

As at 30 June 2025, included in the Group's trade related balances with related parties approximately RMB2,523,000 (unaudited) (31 December 2024: RMB3,684,000 (audited)) were past due as at the reporting date. As at 30 June 2025 and 31 December 2024, all past due balances were overdue no more than 90 days and were not considered as in default by considering the historical payment arrangement and forward-looking information of these related parties. The Group did not hold any collateral over these balances.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

17. AMOUNTS DUE FROM (TO) RELATED PARTIES (continued)

Amounts due to related parties

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade nature (Note)	33,137	58,271
Trade related payables (Note)	–	155

Note: These entities have been identified as related parties of the Group as they are under the common control by the controlling shareholders of the Company.

Trade related balances with related parties arose from purchase of goods and provision of services. In general, 30 to 60 days credit period is allowed. These balances were unsecured and interest-free.

The following is an aged analysis of the Group's trade related balances with related parties at the end of the reporting period presented based on invoice date:

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Within 30 days	12,573	26,846
31–60 days	10,473	18,672
61–90 days	4,684	11,589
91–180 days	5,407	847
181–365 days	–	317
	33,137	58,271



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. OTHER FINANCIAL ASSETS AT AMORTISED COST

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Other investments		
– principal	293,503	258,783
– interest receivables	2,768	11,397
	296,271	270,180

As at 30 June 2025, other investments include i) bonds of US\$21,000,000 (equivalent to RMB150,331,000) (unaudited) (31 December 2024: US\$16,000,000 (equivalent to RMB115,015,000)) issued by a subsidiary incorporated in Hong Kong of a listed company and their corresponding interest receivables. The bonds carry fixed interest ranging from 5.8% to 6.0% (31 December 2024: 6.0% to 6.5%) per annum and due in February and June 2026, respectively; ii) asset management plans of US\$20,000,000 (equivalent to RMB143,172,000) (unaudited) (31 December 2024: US\$20,000,000 (equivalent to RMB143,768,000)) and its corresponding interest receivables with fixed interest rate at 4.3% (31 December 2024: 5.8%) per annum. The asset management plans are redeemable anytime at the Group's request and the interest is paid on a quarterly basis.

Since the contractual cash flows of the bonds and asset management plans represent solely the payments of principal and interest on the principal amount outstanding, the investments in bonds and asset management plans are measured at amortised cost.

19. TIME DEPOSITS

As at 30 June 2025, time deposits of approximately RMB1,714,283,000 (unaudited) (31 December 2024: RMB1,816,215,000 (audited)) carried fixed-rates ranging from 1.40% to 5.30% (31 December 2024: 2.60% to 5.52%) per annum.

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Time deposits with maturity of three months or less	572,247	294,724
Time deposits with maturity of more than three months but less than one year	786,550	1,363,022
Time deposits with maturity of more than one year	300,000	100,000
	1,658,797	1,757,746
Interest receivables	55,486	58,469
	1,714,283	1,816,215
Presented as:		
Current	1,405,850	1,713,053
Non-current	308,433	103,162
	1,714,283	1,816,215



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

20. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade payables	159,623	189,907
Accrued sales rebates (Note)	118,350	124,545
Other accrued expenses	43,475	23,616
Accrued staff payroll and welfare	37,652	48,791
Construction costs payables	1,321	3,290
Other tax payables	20,229	4,055
Other payables	8,710	11,978
	389,360	406,182

Note: The accrued sales rebates will be settled in cash or through offsetting future sales orders, at the discretion of the Group's customers.

Trade payables

The credit period of trade payables is normally within 20 to 60 days from the invoice date.

The following is an aged analysis of trade payables, presented based on the invoice date at the end of each reporting period:

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Within 30 days	62,679	108,645
31–60 days	74,354	63,261
61–90 days	17,706	11,506
Over 90 days	4,884	6,495
	159,623	189,907

21. CONTRACT LIABILITIES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Receipts in advances from customers		
– finished goods	46,925	292,938

The Group generally requires advance payments from majority of its customers before delivery of goods. This will give rise to a contract liability at the beginning of a contract, until the revenue recognised on the relevant contract exceeds the amount received.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

22. SHARE CAPITAL

	Par value	Number of shares	Share capital USD	Presented as RMB'000
Authorised:				
At 31 December 2023 (audited), 30 June 2024 (unaudited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	USD0.0000002	250,000,000,000	50,000	
Issued and fully paid:				
At 31 December 2023 (audited), 30 June 2024 (unaudited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	USD0.0000002	1,333,333,500	267	2

23. SHARE-BASED PAYMENT TRANSACTIONS

Share Award Scheme

On 3 June 2021, the Company has adopted the share award scheme (the “**Share Award Scheme**”) with effect from 23 December 2021 to recognise the contribution of and provide incentives for the key management personnel including directors and senior management and employees of the Group. Under the Share Award Scheme, the board of directors of the Company may grant shares to eligible employees, including directors of the Company and its subsidiaries.

The table below discloses movement of the Scheme:

	Number of awarded shares
Outstanding as at 1 January 2024	9,600,000
Vested during the period	(4,800,000)
Outstanding as at 30 June 2024	4,800,000
Forfeited during the period	(4,800,000)
Outstanding as at 31 December 2024 and 30 June 2025	—

At the end of each reporting period, the Group revises its estimates of the number of awarded shares that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share-based payments reserve.

During the six months ended 30 June 2025, no share-based payment expenses (unaudited) was recognised (six months ended 30 June 2024: RMB1,952,000 was recognised (unaudited)) under the Share Award Scheme.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

23. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share Option Scheme

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a resolution passed on 23 September 2021 for the primary purpose of providing incentives to directors and eligible employees, and effective for a period of ten years. Under the Share Option Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. The Share Option Scheme is effective from 23 July 2021 and shall continue in full force and effect for a term of 10 years.

During the six months ended 30 June 2025, no share-based payment expenses (unaudited) (six months ended 30 June 2024: RMB108,000 (unaudited)) was recognised under the Share Option Scheme.

During the six months ended 30 June 2025, nil (six months ended 30 June 2024: 1,050,000) of share options were vested while no options were exercised for both periods.

24. CAPITAL COMMITMENTS

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	1,369	258



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

25. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Certain of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)	Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs
Financial asset at FVTPL	79,587	79,587	Level 3	Market approach by applying market multiples such as the ratio of market capital to EBITDA from comparable companies. The inputs are probability of IPO, redemption and liquidation, the risk-free interest rate and expected volatility.	Expected volatility of 36.83% (31 December 2024: 36.83%), determined by reference to the expected volatility of comparable companies.
Financial asset at FVTPL	32,336	32,336	Level 3	Market approach by applying market multiples such as the ratio of market capital to sales from comparable companies. The inputs are probability of IPO, redemption and liquidation, the risk-free interest rate and expected volatility.	Expected volatility of 39.27% (31 December 2024: 39.27%), determined by reference to the expected volatility of comparable companies.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial statements approximate to their fair values.

The fair values of financial assets and financial liabilities recorded at amortised cost have been determined in accordance with generally accepted pricing model based on discounted cash flow analysis.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

26. RELATED PARTY TRANSACTIONS

- (a) Details of the balances with related parties at the end of the reporting period are disclosed in the condensed consolidated statement of financial position and Note 17 to the condensed consolidated financial statements. Apart from disclosure elsewhere in the condensed consolidated financial statements, the Group entered into the following transactions with related parties during the period:

	Six months ended 30 June	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Sales to related parties (Note)	94,926	113,590
Rendering testing services to related party (Note)	126	57
Purchase from related parties (Note)	66,564	79,698
Sales support service expenses (Note)	27,594	28,320
Warehousing service expenses (Note)	4,500	4,500
IT service expenses (Note)	1,150	1,150
Expenses relating to short-term leases (Note)	571	1,248
Payment of lease liabilities (Note)	3,045	3,112
Property management expenses (Note)	1,786	932

Note: These entities have been identified as related parties of the Group as they are under the common control by the controlling shareholders of the Company.

(b) Compensation of key management personnel

The remuneration of directors, being the key management of the Company is set out in Note 9.