都市丽人
COSMO LADY

Cosmo Lady (China) Holdings Company Limited
都市麗人(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 2298

2025 Interim Report

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Zheng Yaonan *(Chairman and Chief Executive Officer)*
Mr. Zhang Shengfeng *(Deputy Chairman and Vice President)*
Ms. Wu Xiaoli *(Vice President)*
Mr. Xian Shunxiang *(Vice President)*
Mr. Zhu Hongbo *(Vice President)*

Non-executive Director

Mr. Lin Zonghong

Independent Non-executive Directors

Mr. Yau Chi Ming
Dr. Dai Yiyi
Dr. Lu Hong Te

COMPANY SECRETARY

Mr. Choi Wai Hin

BOARD COMMITTEES

Audit Committee

Mr. Yau Chi Ming *(Chairman)*
Dr. Dai Yiyi
Dr. Lu Hong Te

Remuneration Committee

Dr. Dai Yiyi *(Chairman)*
Mr. Zhu Hongbo
Dr. Lu Hong Te

Nomination Committee

Dr. Lu Hong Te *(Chairman)*
Ms. Wu Xiaoli
Mr. Yau Chi Ming

Risk Management Committee

Mr. Yau Chi Ming *(Chairman)*
Dr. Dai Yiyi
Dr. Lu Hong Te

AUDITOR

Ernst & Young
Certified Public Accountants and
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China Limited
Dongguan Rural Commercial Bank
China Construction Bank Corporation

STOCK CODE

2298

WEBSITE

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INVESTOR RELATIONS

Email: ir@cosmo-lady.com.cn

AUTHORIZED REPRESENTATIVES

Mr. Zheng Yaonan
Mr. Choi Wai Hin

REGISTERED OFFICE

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Cayman Islands

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Fenggang Town, Dongguan City
Guangdong

PLACE OF BUSINESS IN HONG KONG

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China Merchants Tower, Shun Tak Centre
Nos. 168–200 Connaught Road Central
Hong Kong

SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17/F., Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LEGAL ADVISOR

As to Hong Kong law
Bird & Bird
6/F, The Annex, Central Plaza
18 Harbour Road
Hong Kong

Financial Highlights

		For the six months ended 30 June	
		2025	2024
Revenue	RMB'000	**1,435,894**	1,514,450
Segment results			
Intimate wear products	RMB'000	**69,652**	60,257
Industrial projects and logistic	RMB'000	**10,945**	79,841
	RMB'000	**80,957**	140,098
Profit attributable to owners of Cosmo Lady (China) Holdings Company Limited (the "Company")	RMB'000	**57,796**	82,398
Earnings per share			
– Basic	RMB cents	**2.7**	3.8
– Diluted	RMB cents	**2.6**	3.7

Management Discussion and Analysis

BUSINESS REVIEW

In 2025, the global economic landscape experienced significant adjustments, with international supply chains accelerating their restructuring and the domestic consumer market showing clear signs of differentiation. Against this backdrop, China's intimate wear industry entered a new cycle of quality upgrades and value reassessment. Consumers increasingly seek products that offer functionality, comfort, and emotional value. In response to market transformations, the Group actively adapted by focusing on branding, products, and channels to establish a comprehensive competitive advantage and enhance performance. With the contribution of all staff of the Group, for the six months ended 30 June 2025, profit attributable to owners of the Company was RMB57,796,000.

1. Strengthening brand power and solidifying the leading position of "National Intimate Wear"

In the first half of 2025, we implemented a series of initiatives in brand marketing to further solidify our leading position of "National Intimate Wear", so as to continuously build a strong brand.

(a) In January 2025, we officially signed short track speed skating athletes, namely Liu Shaolin and Liu Shaoang as brand ambassadors. This strong collaboration between a "National Brand" and "World Champions" not only leverages their influence to enhance our brand's national recognition, but also solidifies our brand identity of "National Intimate Wear, Champion's Choice" through the trust and endorsement of these champions;

(b) In February 2025, leveraging the momentum of the Asian Winter Games and the signing of world champions Liu Shaolin and Liu Shaoang as brand ambassadors, we launched a sports marketing campaign "Let the World Feel the Warmth of China", effectively boosting brand power;

(c) In March 2025, the Cosmo Lady Global Brand Conference was successfully held in Futian, Shenzhen. During the conference, we proudly announced that actress Gulnazar (古力娜扎) became our brand ambassador. As a figure embodying both Eastern aesthetic and national influence, Gulnazar's image perfectly aligns with our positioning of "National Intimate Wear". At the conference, we also once again received the certification of the "National Sales No.1" from the authoritative institution, Frost & Sullivan, further solidifying the brand's recognition based on market data;

(d) During the first half of the year, we continued to invest in brand marketing by gradually placing advertisements in around 180 high-speed rail stations across China and 50 outdoor screens in key business districts in Beijing, Shanghai, Guangzhou, and Shenzhen. Through the visual impact and immersive experiences, it has reinforced brand memory and injected strong driving force into our brand; and

(e) In line with our dedication to social responsibility, we continued to fulfill our public welfare mission. During the first half of the year, Cosmo Lady's efforts in charity work reached 12 provinces nationwide, with a total of 177,000 items donated, demonstrating the social responsibility of the "National Brand" through our real actions.

2. Continuous upgrade of product development system to strengthen the core competitive advantage of "quality and affordability"

For years, we have adhered to core product concept of "high-quality and affordable intimate wear", establishing a distinctive competitive advantage in our product offerings. In the first half of 2025, we implemented a series of key initiatives to comprehensively upgrade the product development system and further enhance product capabilities.

(a) During the first half of the year, we conducted in-depth store research and conducted interviews with our major clients. By combining insights from lingerie exhibitions and online data monitoring, we gained a better understanding of consumer needs, ensuring our product development closely aligns with market demands;

(b) Meanwhile, we strengthened our collaboration with core suppliers, fostering extensive cooperation in key areas like raw material innovation and production process upgrades. Through ongoing improvement of best-selling models, as well as the development of new processes, structural technologies and design patents, we improved development efficiency while establishing differentiated competitive advantages in functionality and comfort; and

(c) The product matrix for best-sellers has been further refined, continuously building a range of mass and mid-to-high-priced products that cater to various consumer preferences, ensuring that we meet the needs of different consumers.

3. Deepening channel development: continuous growth in shopping malls and e-commerce performance

In the face of a complex market environment, we have maintained a steady and prudent approach, focusing on optimizing the business operations and strengthening the channel advantages, which has led to significant results.

(a) The main brand, "Cosmo Lady", has actively pursued its offline strategies in major provinces and counties. We have enhanced operations across multiple dimensions, including operations, channels, products, and membership, while placing a strong focus on traditional retail street outlets. At the same time, we are expanding into shopping malls with a brand-new image, further enhancing brand penetration and core competitiveness;

(b) The Group's "Cotton Regions" brand has achieved rapid expansion, driven by precise market positioning, differentiated product offerings, and a high-quality service experience, resulting in approximately 46% year-on-year growth as compared to that for the six months ended 30 June 2024; and

(c) In the e-commerce sector, we have deepened our collaboration with partners to enhance market share from different aspects. For the first half of the year, the Group's e-commerce gross merchandise value (GMV) exceeded RMB1.6 billion, representing a significant year-on-year growth of 243% as compared to that for the six months ended 30 June 2024, providing strong momentum for the Group's steady development.

Looking ahead to the second half of the year, the global economic adjustments and the ongoing shifts in domestic consumption patterns will persist, representing both opportunities and challenges for the intimate wear industry. We will adhere to our strategic positioning, focusing on offering products with "high-quality and affordability" and adhering to the original aspiration of providing high-value products, and deepen our efforts in branding, product development, and channel expansion. We firmly believe that, through the contribution of all staff and the strong support of our partners, we can further consolidate our market position, respond to challenges with steady growth, and embrace greater breakthroughs.

We would like to extend our sincere gratitude to all our customers, suppliers, bankers, and supporters of the Company. We would also like to thank all shareholders, directors, management and staff for their valuable contributions to the development of the Group.

FINANCIAL REVIEW

Profit attributable to the owners of the Company and the segment results

Profit attributable to the owners of the Company for the six months ended 30 June 2025 (the "Relevant Period") was RMB57,796,000 (the first half of 2024: RMB82,398,000), which decreased by approximately 30% as compared with that of the corresponding period in 2024. Besides, the results from the intimate wear products and industrial projects and logistic segments of the Group for the Relevant Period were RMB69,652,000 (the first half of 2024: RMB60,257,000) and RMB10,945,000 (the first half of 2024: RMB79,841,000), respectively, representing an increase of approximately 16% and a decrease of approximately 86% as compared with that of the corresponding period in 2024, respectively.

It was mainly due to (i) the Group's successful cooperation with its partners to expand its e-commerce business since last year, and effectively increased the market share of the Group's brands, with the gross merchandise value ("GMV") of approximately RMB1.52 billion (the first half of 2024: RMB0.24 billion) transacted on the relevant e-commerce platforms that the Group established corporations with during the Relevant Period, from which the Group received service income of approximately RMB39.4 million during the Relevant Period (the first half of 2024: RMB21.0 million), contributing to the continued improvement in performance of the intimate wear product segment; and (ii) during the Relevant Period, the Group primarily delivered the remaining units of the industrial projects of the Group located in Fenggang, Dongguan, Guangdong Province, the PRC (the "Yuquan Project"), with the number of units delivered significantly decreased as compared with that of the corresponding period last year.

Revenue

The Group's revenue is mainly derived from sales of intimate wear products to the franchisees and to consumers through self-managed/ cooperative stores and online sales platforms, development of industrial projects and provision of logistic services in the PRC. The breakdown of the revenue is as follows:

	Six months ended 30 June			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Intimate wear products:				
Offline sales	**1,063,611**	**74.1**	1,068,322	70.5
E-commerce	**224,929**	**15.6**	226,732	15.0
	1,288,540	**89.7**	1,295,054	85.5
Industrial projects and logistic:				
Logistic income	**64,445**	**4.5**	47,521	3.1
Industrial projects sales	**82,909**	**5.8**	171,875	11.4
	147,354	**10.3**	219,396	14.5
	1,435,894	**100.0**	1,514,450	100.0

During the Relevant Period, the changes in revenue of the Group were mainly due to the decrease in industrial projects sales. Since 2022, the Group has transformed the former old warehouses in Yuquan, the PRC, into the modern industrial and intelligent logistic warehousing industrial projects, which has been completed and approved by the relevant authorities during 2024. The total gross floor area of the Yuquan Projects is approximately 145,000 square meters, of which approximately 56,000 square meters are used by the Group for logistic business and the remaining approximately 89,000 square meters are mainly used for sales.

During the Relevant Period, the Group mainly delivered the remaining units of the Yuquan Project. The number of units delivered decreased significantly as compared with that of the corresponding period last year, resulting in a corresponding decrease in related sales.

As at 30 June 2025, the gross floor area of the Yuquan Projects of approximately 66,000 square metres had been contracted, of which approximately 60,000 square metres were delivered and revenue was recognised. The remaining contracted units of the Yuquan Projects will be delivered progressively this year.

Gross profit margin

During the Relevant Period, the gross profit margin of the Group remained steady at approximately 46.4% as compared with that of the corresponding period in 2024 (the first half of 2024: 47.5%), in which the gross profit margin of intimate wear products also remained steady during the Relevant Period at approximately 49.6%, as compared with that of the corresponding period in 2024 (the first half of 2024: 49.1%). The gross profit margin of industrial projects and logistic decreased to approximately 17.8%, (the first half of 2024: 37.7%) during the Relevant Period, which was mainly due to the decrease in sales from the industrial projects during the Relevant Period.

Selling and marketing expenses

Selling and marketing expenses primarily consist of employee benefit expenses, lease expenses in respect of stores under cooperative arrangements, marketing and promotion expenses, e-commerce platforms commission expenses, depreciation and amortisation and others.

The increase in selling and marketing expenses by about 2% for the six months ended 30 June 2025 to approximately RMB523,907,000 (the first half of 2024: RMB514,693,000) was mainly driven by the Group's continued efforts to strengthen its brand power and increase its brand marketing investment during the Relevant Period.

General and administrative expenses

General and administrative expenses primarily consist of employee benefit expenses, consulting service expenses, travelling expenses, depreciation and amortisation and others.

The decline in general and administrative expenses by approximately 5% for the six months ended 30 June 2025 to approximately RMB79,664,000 (the first half of 2024: RMB83,833,000) was mainly attributable to the continuous and effective cost control measures implemented during the Relevant Period.

Finance expenses – net

Finance expenses – net represents financial expenses on bank borrowings and lease liabilities less interest income on bank deposits.

The increase in finance expenses – net to approximately RMB10,341,000 (the first half of 2024: RMB8,713,000) was mainly due to the decrease in interest income during the Relevant Period.

Income tax expense

As at 30 June 2025, the Group had fulfilled all its tax obligations and did not have any unresolved tax disputes.

The income tax expense during the Relevant Period decreased to approximately RMB1,942,000 (the first half of 2024: RMB37,965,000). Such decrease was mainly due to (i) the PRC land appreciation tax charges arising from the sales and profits from industrial projects during the Relevant Period decreased to approximately RMB1,873,000 (the first half of 2024: RMB15,811,000) and (ii) deferred income tax expenses of approximately RMB20,125,000 was recognised in the corresponding period of the previous year, primarily related to the reversal of part of the deferred tax assets recognised in previous years in respect of tax losses.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a strong and healthy financial position. As at 30 June 2025, the Group's restricted bank deposits and cash and cash equivalents amounted to approximately RMB554,921,000 (31 December 2024: RMB621,871,000) and borrowings amounted to approximately RMB571,663,000 (31 December 2024: RMB395,630,000). As at 30 June 2025, the current ratio was about 2.2 times (31 December 2024: 1.6 times).

As at 30 June 2025, the Group's gross gearing ratio, which was calculated on the basis of the amount of bank borrowings (excluding advances from discounted bills with recourse) as a percentage of the total shareholders' equity, was approximately 22.6% (31 December 2024: 19.6%). The net gearing ratio, which was calculated on the basis of the amount of bank borrowings (excluding advances from discounted bills with recourse) less restricted bank deposits and cash and cash equivalents as a percentage of the total shareholders' equity, was approximately negative 4.2% (31 December 2024: negative 11.2%). The Group's financial ratios remained at healthy level.

TREASURY POLICY

We will continue to follow a prudent policy in managing the Group's cash and cash equivalents and maintain a strong and healthy liquidity position to ensure that the Group is well-placed to capture future growth opportunities.

FOREIGN CURRENCY RISK

Most of the Group's income, expenses and purchases of raw materials are denominated in Renminbi. The Group has never encountered any significant difficulties in obtaining sufficient foreign currencies for repatriation of profits declared by the subsidiaries in mainland China to the overseas holding companies. The Group's exposure to fluctuations in exchange rates is minimal.

USE OF PROCEEDS FOR FUNDS RAISED

Windcreek Subscription

Reference is made to the announcements of the Company dated 26 April 2018, 25 May 2018 and 30 June 2022 regarding the issuance of new shares under general mandate (the "Windcreek Subscription"). On 25 May 2018, the Company issued an aggregate of 121,443,213 shares at a price of HK$4.20 per share to Windcreek Limited (an indirect wholly-owned subsidiary of JD.com, Inc.), Image Frame Investment (HK) Limited (a wholly-owned subsidiary of Tencent Holdings Limited), Vipshop International Holdings Limited (a wholly-owned subsidiary of Vipshop Holdings Limited) and Quick Returns Global Limited, raising gross proceeds of approximately HK$510,061,000 and net proceeds of approximately HK$509,000,000. It was set out at the time that the net proceeds from the Windcreek Subscription were intended to be used by the Company for financing the reforms in sales and distribution channels of the Group, potential mergers, acquisitions and cooperation opportunities, and general working capital.

On 30 June 2022, the Board had resolved to change the allocation of the unutilized net proceeds from the Windcreek Subscription up to 31 May 2022. For further details, please also refer to the announcement of the Company in relation to the change in use of proceeds for funds raised dated 30 June 2022 (the "Change of UoP Announcement"). For the six months ended 30 June 2025, the use of the net proceeds from the Windcreek Subscription was as follows:

Use of net proceeds	Revised allocation of unutilized net proceeds as stated in the Change of UoP Announcement HK$	Net proceeds utilized up to 30 June 2025 HK$	Unutilized net proceeds up to 30 June 2025 HK$	Expected timeline of utilization of unutilized net proceeds *(Note)*
Financing the reforms in sales and distribution channels of the Group	88,399,000	88,399,000	–	N/A
Potential mergers, acquisitions and cooperation opportunities	–	–	–	N/A
General working capital	344,445,000	333,112,000	11,333,000	Before the end of 2025
Total	**432,844,000**	**421,511,000**	**11,333,000**	

Note: The expected timeline of full utilization of said unutilized net proceeds is based on the best estimation of the future market conditions made by the Directors, which would be subject to change due to future development of market conditions.

For the six months ended 30 June 2025, the net proceeds from the Windcreek Subscription had been utilised in accordance with the purposes and allocation as set out in the Change of UoP Announcement, and there was no material change or delay in the use of the net proceeds from the Windcreek Subscription. The net proceeds from the Windcreek Subscription have been deposited with certain licensed banks.

CAPITAL EXPENDITURE ON PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the Relevant Period, the capital expenditure on property, plant and equipment and intangibles assets of the Group amounted to approximately RMB32,647,000 (the first half of 2024: RMB33,333,000), which was mainly used for decoration and renewal of stores.

PLEDGE OF ASSETS

As at 30 June 2025, the Group's restricted bank deposits, certain property, plant and equipment, and land use rights of approximately RMB646,263,000 (31 December 2024: RMB465,226,000) were pledged as securities for obtaining borrowings and notes payables.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

SIGNIFICANT ACQUISITIONS OR DISPOSALS

The Group did not have any significant acquisitions or disposals of subsidiaries, associates and joint ventures as at 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2025, none of the single investment held by the Group that had a carrying value accounting for 5% or more of the total assets of the Group, and there was no future plans for material investments or capital assets.

HUMAN RESOURCES AND MANAGEMENT

The Group had approximately 2,000 full-time employees as at 30 June 2025 (31 December 2024: 2,200). The Group's remuneration package is determined with reference to the experience and qualifications of the individual employees and general market conditions. Bonus is linked to the Group's operating result as well as individual performance. The Company believes that the ability to recruit and retain experienced and skilled labour is crucial to the Group's growth and development. The Group provides training for its new employees to familiarise them with the working environment and work culture. The Group also provides on-the-job training to the employees, which aims at developing their skills so as to meet the strategic goals and customer requirements. In addition to providing the Group's staff with opportunities to receive on-the-job training, the Group strives to create a harmonious and warm working and living environment for the staff.

SIGNIFICANT EVENTS AFTER REPORTING PERIOD

There was no significant event occurred subsequent to 30 June 2025, being the end of the reporting period.

Report on Review of Interim Financial Information

EY 安永

To the Board of Directors of Cosmo Lady (China) Holdings Company Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 16 to 39, which comprises the interim condensed consolidated statement of financial position of Cosmo Lady (China) Holdings Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board ("IASB"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

29 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Six months ended 30 June 2025 Unaudited RMB'000	2024 Unaudited RMB'000
Revenue	*5*	**1,435,894**	1,514,450
Cost of sales		**(770,130)**	(795,551)
Gross profit		**665,764**	718,899
Selling and marketing expenses		**(523,907)**	(514,693)
General and administrative expenses		**(79,664)**	(83,833)
Net impairment losses on financial assets	*8*	**(4,223)**	(2,722)
Other income	*6*	**8,355**	9,329
Other losses – net	*6*	**(877)**	(3,147)
Operating profit		**65,448**	123,833
Finance income	*9*	**2,113**	4,002
Finance expenses	*9*	**(12,454)**	(12,715)
Finance expenses – net	*9*	**(10,341)**	(8,713)
Share of profit of joint ventures – net		**282**	191
Profit before income tax	*7*	**55,389**	115,311
Income tax expense	*10*	**(1,942)**	(37,965)
Profit for the period		**53,447**	77,346
Other comprehensive income/(loss) for the period			
Item that may be reclassified subsequently to profit or loss			
– Exchange differences on translation of foreign operations		**2,343**	(3,284)
Item that will not be reclassified to profit or loss			
– Changes in the fair value of equity investments at fair value through other comprehensive income		**(4,451)**	(2,330)
Total comprehensive income for the period		**51,339**	71,732
Profit/(loss) attributable to:			
Owners of the Company		**57,796**	82,398
Non-controlling interests		**(4,349)**	(5,052)
		53,447	77,346
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**55,688**	76,784
Non-controlling interests		**(4,349)**	(5,052)
		51,339	71,732
		RMB cents	RMB cents
Earnings per share attributable to owners of the Company during the period	*11*		
Basic		**2.7**	3.8
Diluted		**2.6**	3.7

The notes on pages 22 to 39 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Financial Position

	Notes	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	*13*	**750,770**	765,361
Right-of-use assets	*13*	**335,848**	310,891
Intangible assets		**25,941**	27,742
Investment in joint ventures		**31,025**	72,782
Financial assets at fair value through other comprehensive income		**16,229**	18,197
Deposits, prepayments and other receivables	*14*	**24,365**	23,832
Deferred income tax assets		**114,494**	113,292
		1,298,672	1,332,097
Current assets			
Inventories	*15*	**621,704**	672,698
Completed properties held for sale		**76,136**	130,716
Trade and notes receivables	*16*	**436,539**	385,245
Deposits, prepayments and other receivables	*14*	**615,836**	554,181
Restricted bank deposits		**34,572**	84,107
Cash and cash equivalents		**520,349**	537,764
		2,305,136	2,364,711
Total assets		**3,603,808**	3,696,808

	Notes	As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	17	140,312	140,312
Share premium	17	1,623,376	1,633,846
Shares held for share award scheme		(59,550)	(59,550)
Accumulated losses		(50,033)	(107,829)
Other reserves		426,976	426,211
		2,081,081	2,032,990
Non-controlling interests		(16,272)	(11,627)
Total equity		2,064,809	2,021,363
LIABILITIES			
Current liabilities			
Trade and notes payables	19	247,429	523,473
Accruals and other payables	20	312,148	293,435
Contract liabilities		90,893	156,156
Tax payables		46,115	44,636
Borrowings	21	222,158	304,380
Lease liabilities		152,105	143,193
Deferred income		16	113
		1,070,864	1,465,386
Non-current liabilities			
Borrowings	21	349,505	91,250
Lease liabilities		118,630	118,809
		468,135	210,059
Total liabilities		1,538,999	1,675,445
Total equity and liabilities		3,603,808	3,696,808

The notes on pages 22 to 39 form an integral part of this condensed consolidated interim financial information.

Zheng Yaonan
Director

Zhang Shengfeng
Director

Condensed Consolidated Statement of Changes in Equity

	Unaudited							
	Attributable to owners of the Company							
	Share capital RMB'000	Share premium RMB'000	Shares held for share award scheme RMB'000	Accumulated losses RMB'000	Other reserves RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2025	140,312	1,633,846	(59,550)	(107,829)	426,211	2,032,990	(11,627)	2,021,363
Comprehensive income								
Profit for the period	–	–	–	57,796	–	57,796	(4,349)	53,447
Other comprehensive income/(loss)								
Exchange differences	–	–	–	–	2,343	2,343	–	2,343
Changes in the fair value of equity investments at fair value through other comprehensive income	–	–	–	–	(4,451)	(4,451)	–	(4,451)
Total comprehensive income for the period	–	–	–	57,796	(2,108)	55,688	(4,349)	51,339
Transactions with owners								
Equity-settled share-based compensation	–	–	–	–	2,873	2,873	–	2,873
Dividends paid to non-controlling interests	–	–	–	–	–	–	(296)	(296)
Final dividend	–	(10,470)	–	–	–	(10,470)	–	(10,470)
Total transactions with owners	–	(10,470)	–	–	2,873	(7,597)	(296)	(7,893)
As at 30 June 2025	140,312	1,623,376	(59,550)	(50,033)	426,976	2,081,081	(16,272)	2,064,809

	Unaudited							
	Attributable to owners of the Company							
	Share capital RMB'000	Share premium RMB'000	Shares held for share award scheme RMB'000	Accumulated losses RMB'000	Other reserves RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2024	140,312	1,656,669	(64,480)	(233,730)	430,298	1,929,069	(630)	1,928,439
Comprehensive income								
Profit for the period	–	–	–	82,398	–	82,398	(5,052)	77,346
Other comprehensive loss								
Exchange differences	–	–	–	–	(3,284)	(3,284)	–	(3,284)
Changes in the fair value of equity investments at fair value through other comprehensive income	–	–	–	–	(2,330)	(2,330)	–	(2,330)
Total comprehensive income for the period	–	–	–	82,398	(5,614)	76,784	(5,052)	71,732
Transactions with owners								
Equity-settled share-based compensation	–	–	–	–	850	850	–	850
Shares vested for share award scheme	–	–	4,930	–	(4,930)	–	–	–
Dividends paid	–	–	–	–	–	–	(197)	(197)
Total transactions with owners	–	–	4,930	–	(4,080)	850	(197)	653
As at 30 June 2024	140,312	1,656,669	(59,550)	(151,332)	420,604	2,006,703	(5,879)	2,000,824

The notes on pages 22 to 39 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	RMB'000
Cash flows from operating activities		
Cash (used in)/generated from operations	**(18,896)**	68,348
Income tax paid	**(1,665)**	(33)
Net cash (used in)/generated from operating activities	**(20,561)**	68,315
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	**2,985**	1,658
Interest received	**2,113**	4,002
Purchases of property, plant and equipment	**(30,942)**	(31,557)
Purchases of intangible assets	**(756)**	(1,776)
Investment income from financial assets at fair value through profit or loss	**382**	1,707
Proceeds from disposal of financial assets at fair value through other comprehensive income	**–**	980
Capital reduction in a joint venture	**42,039**	–
Net cash generated from/(used in) investing activities	**15,821**	(24,986)
Cash flows from financing activities		
Dividends paid to non-controlling interests	**(296)**	(197)
Proceeds from bank borrowings	**359,999**	200,000
Repayments of bank borrowings	**(288,124)**	(130,286)
Interest paid for bank borrowings	**(6,850)**	(7,265)
Release of restricted bank deposits	**49,535**	71,633
Principal elements of lease payments	**(117,940)**	(104,747)
Dividend paid	**(10,470)**	–
Net cash (used in)/generated from financing activities	**(14,146)**	29,138
Net (decrease)/increase in cash and cash equivalents	**(18,886)**	72,467
Cash and cash equivalents at beginning of the period	**537,764**	506,157
Effect of foreign exchange rate changes	**1,471**	(6,450)
Cash and cash equivalents at end of the period	**520,349**	572,174
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**520,100**	529,171
Non-pledged time deposits with original maturity of less than three months when acquired	**249**	43,003
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	**520,349**	572,174

The notes on pages 22 to 39 form an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2025

1 GENERAL INFORMATION

Cosmo Lady (China) Holdings Company Limited (the "Company") was incorporated in the Cayman Islands on 28 January 2014 as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in the designing, marketing and selling of intimate wear products, development of industrial projects and provision of logistic services in the People's Republic of China (the "PRC"). The Company's ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 June 2014.

Harmonious Composition Investment Holdings Limited, a company incorporated in the British Virgin Islands (the "BVI"), is the immediate holding company of the Company. In the opinion of the Company's directors, Yao Li Investment Holdings Limited, a company incorporated in the BVI with limited liability and controlled by Mr. Zheng Yaonan, is the ultimate holding company of the Company.

The interim condensed consolidated financial information for the six months ended 30 June 2025 (the "Interim Financial Information") is presented in Renminbi ("RMB"), unless otherwise stated. The Interim Financial Information is unaudited but has been reviewed by the audit committee of the Board and approved for issue by the Board on 29 August 2025.

2 BASIS OF PREPARATION

The Interim Financial Information has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards.

Change in accounting policies

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

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standards that are applicable to the Group are described below:

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

3 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group currently does not use any derivative financial instruments to hedge certain risk exposures during the period.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2024.

There have been no changes in any risk management policies since 31 December 2024.

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on basis of the gearing ratio. This ratio is calculated as bank borrowings divided by total equity. As at 30 June 2025, the amount of total bank borrowings of RMB571,663,000 (31 December 2024: RMB395,630,000) is disclosed in Note 21 while the amount of total equity of RMB2,064,809,000 (31 December 2024: RMB2,021,363,000) is shown in the condensed consolidated statement of financial position.

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Bank borrowings	571,663	395,630
Total equity	2,064,809	2,021,363
Gearing ratio	28%	20%

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation

Financial instruments carried at fair value are disclosed by levels of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 30 June 2025 and 31 December 2024, except for the financial assets at fair value through other comprehensive income, which were measured at level 3 fair value as follows, the Group's financial instruments recognised in the condensed consolidated statement of financial position are mainly receivables and financial liabilities carried at amortised cost. Analysis of level 3 financial instruments for the six months ended 30 June 2025 are as follows:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000 *(Note)*	Total RMB'000
Financial assets at fair value through other comprehensive income				
As at 30 June 2025 (Unaudited)	**–**	**–**	**16,229**	**16,229**
As at 31 December 2024 (Audited)	–	–	18,197	18,197

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2024: Nil).

Note: the changes in level 3 items are as follows:

	Unlisted equity securities RMB'000
As at 31 December 2024 (Audited)	**18,197**
Additions	**2,518**
Disposal	**(35)**
Loss recognised in other comprehensive income	**(4,451)**
As at 30 June 2025 (Unaudited)	**16,229**

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation (Continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of the Group's financial assets at fair value through other comprehensive income was developed through the application of the income approach technique, the discounted cash flow method and market approach method by looking at comparable companies with similar size, features, operations, industry and economic conditions. The income approach is the conversion of expected periodic benefits of ownership into an indication of value. The discounted cash flow considered the future business plan, specific business and financial risks.

4 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

Intimate wear products segment	–	Designing, marketing and selling of intimate wear products
Industrial projects and logistic segment	–	Development of industrial projects and provision of logistic services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that interest income, finance expenses as well as head office and corporate income and expenses are excluded from such measurement.

The Group's revenue from external customers was derived solely from its operations in the PRC.

None of the revenue derived from any single external customer amounted to 10% or more of the Group's revenue for the six months ended 30 June 2025 (2024: None).

Information regarding these reportable segments is presented below.

4 OPERATING SEGMENT INFORMATION (Continued)

Reportable segment information

	For the six months ended 30 June (Unaudited)					
	Intimate wear products		Industrial projects and logistic		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Segment revenue						
Revenue from external customers	1,288,540	1,295,054	147,354	219,396	1,435,894	1,514,450
Intersegment sales	–	29,038	66,989	63,994	66,989	93,032
Total segment revenue	1,288,540	1,324,092	214,343	283,390	1,502,883	1,607,482
Reconciliation:						
Elimination of intersegment sales					(66,989)	(93,032)
Total revenue					1,435,894	1,514,450
Segment gross profit	639,605	636,133	26,159	82,766	665,764	718,899
Segment results	69,652	60,257	10,945	79,841	80,597	140,098
Reconciliation:						
Interest income					2,113	4,002
Unallocated gains					664	1,898
Corporate and other unallocated expenses					(21,135)	(23,422)
Finance expenses					(6,850)	(7,265)
Profit before income tax					55,389	115,311

5 REVENUE

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Retail sales	662,627	643,711
Sales to franchisees	400,984	424,611
E-commerce	224,929	226,732
Logistic income	64,445	47,521
Sales of properties from industrial projects	82,909	171,875
	1,435,894	1,514,450

5 REVENUE (Continued)

Disaggregated revenue information for revenue from contracts with customers (Continued)

For the six months ended 30 June 2025 (Unaudited)

	Intimate wear products RMB'000	Industrial projects and logistic RMB'000	Total RMB'000
Type of goods or services			
Sales of goods	1,249,134	82,909	1,332,043
Services rendered	–	64,445	64,445
Royalty income	39,406	–	39,406
	1,288,540	147,354	1,435,894
Timing of revenue recognition			
Goods transferred at a point in time	1,249,134	82,909	1,332,043
Services transferred over time/revenue recognised over time	39,406	64,445	103,851
	1,288,540	147,354	1,435,894

For the six months ended 30 June 2024 (Unaudited)

	Intimate wear products RMB'000	Industrial projects and logistic RMB'000	Total RMB'000
Type of goods or services			
Sales of goods	1,274,042	171,875	1,445,917
Services rendered	–	47,521	47,521
Royalty income	21,012	–	21,012
	1,295,054	219,396	1,514,450
Timing of revenue recognition			
Goods transferred at a point in time	1,274,042	171,875	1,445,917
Services transferred over time/revenue recognised over time	21,012	47,521	68,533
	1,295,054	219,396	1,514,450

6 OTHER INCOME AND OTHER LOSSES – NET

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
An analysis of the Group's other income is as follows:		
Government grants *(Note)*	**813**	1,147
Investment income from financial assets	**382**	1,707
Others	**7,160**	6,475
	8,355	9,329

Note: These mainly represented grants received from various local governments in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
An analysis of the Group's other losses – net is as follows:		
Net foreign exchange losses	**(872)**	(3,166)
(Losses)/gains on disposal of property, plant and equipment – net	**(5)**	19
	(877)	(3,147)

7 PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of inventories sold	**648,935**	658,921
Cost of service rendered	**65,759**	48,398
Cost of properties sold	**55,436**	88,232
Depreciation and amortisation		
– Right-of-use assets	**102,065**	85,320
– Property, plant and equipment	**41,877**	40,043
– Intangible assets	**3,506**	3,549
Provision for inventories	**5,736**	–
(Reversal)/provision of impairment of property, plant and equipment	**(283)**	182
(Reversal)/provision of impairment of right of use assets	**(5,230)**	5,220

8 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Provision of impairment of trade receivables	**(3,616)**	(3,704)
(Provision)/reversal of impairment of other receivables	**(607)**	982
	(4,223)	(2,722)

9 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Finance income		
Interest income on short-term bank deposits	**2,113**	4,002
	2,113	4,002
Finance expenses		
Interest expense on bank borrowings	**(6,850)**	(7,265)
Interest expense on lease liabilities	**(5,604)**	(5,450)
	(12,454)	(12,715)
	(10,341)	(8,713)

10 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax		
– PRC corporate income tax *(Note (b))*	**1,271**	2,029
– PRC land appreciation tax ("LAT") *(Note (c))*	**1,873**	15,811
	3,144	17,840
Deferred income tax		
– Deferred income tax	**(1,202)**	20,125
Income tax expense	**1,942**	37,965

10 INCOME TAX EXPENSE (Continued)

Notes:

(a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the current and the prior period.

(b) PRC corporate income tax

The Company's subsidiary, Cosmo Lady Guangdong Holdings Limited ("Cosmo Lady Guangdong"), was given the preferential corporate income tax at 15% under the High and New Technology Enterprises ("HNTE") in December 2024, which is effective for 3 years from 2024 to 2027. The Group's other subsidiaries in the PRC are subject to PRC corporate income tax at the rate of 25% for the six months ended 30 June 2025 (2024: 25%) on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

(c) PRC land appreciation tax

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for certain of its property development projects. The final outcome could be different from the amounts that were initially recorded.

(d) Overseas income Tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from BVI income tax.

11 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

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

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit for the period attributable to owners of the Company (RMB'000)	**57,796**	82,398
Weighted average number of ordinary shares for purposes of basic earnings per share (thousands of shares)	**2,179,354**	2,175,223
Effect of dilution – weighted average number of ordinary shares: Share Award Scheme (thousands of shares)	**50,415**	40,498
Number of shares used in diluted earnings per share calculation (thousands of shares)	**2,229,769**	2,215,721

Note: The weighted average number of ordinary shares for the purpose of basic earnings per share for the six months ended 30 June 2025 and 2024 has been adjusted for the effects of purchase and withholding of ordinary shares of the Company for the share award scheme during the six months ended 30 June 2025 and 2024, respectively, while the share options outstanding under the Share Option Scheme during the six months ended 30 June 2025 had no dilutive effect on the diluted earnings per share amount presented.

12 INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend to shareholders of the Company for the six months ended 30 June 2025 (2024: HK1.1 cents per ordinary share of the Company, totaling approximately HK$24,744,000).

13 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment and right-of-use assets of RMB30,942,000 and RMB131,236,000, respectively (30 June 2024: property, plant and equipment and right-of-use assets of RMB31,557,000 and RMB113,781,000, respectively).

Property, plant and equipment with a net book value of RMB2,990,000 were disposed of by the Group during the six months ended 30 June 2025 (30 June 2024: RMB1,639,000), resulting in a net loss on disposal of RMB5,000 (30 June 2024: net gain RMB19,000).

During the six months ended 30 June 2025, no property plant and equipment and leasehold lands included in right-of-use assets were transferred to completed properties held for sale (30 June 2024: property, plant and equipment and right-of-use assets of RMB230,165,000 and RMB11,248,000, respectively).

14 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Prepayments for acquisition of property, plant and equipment and intangible assets	**9,993**	6,425
Value added tax recoverable	**336,731**	312,060
Prepayments and deposits	**39,535**	26,434
Prepaid expenses in respect of stores under cooperative arrangements	**60,201**	59,811
Prepayments for purchase of goods and raw materials	**86,105**	79,037
Deposit receivable from e-commerce platforms and regional franchisees	**9,989**	9,807
Other receivables from staffs	**7,473**	11,317
Dividend receivables	**5,997**	5,997
Others	**88,968**	70,953
Less: provision for impairment of other receivables	**(4,791)**	(3,828)
	640,201	578,013
Less: non-current portion	**(24,365)**	(23,832)
Current portion	**615,836**	554,181

The carrying amounts of the Group's deposits and other receivables are denominated in RMB and approximate their fair values.

15 INVENTORIES

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Raw materials	**3,656**	2,899
Work in progress	**1,233**	13,030
Finished goods	**667,691**	701,909
	672,580	717,838
Less: provision	**(50,876)**	(45,140)
	621,704	672,698

16 TRADE AND NOTES RECEIVABLES

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Trade receivables		
– Due from third parties	**455,045**	401,417
Notes receivable	**61**	267
Less: loss allowance	**(18,567)**	(16,439)
Trade and notes receivables – net	**436,539**	385,245

(a) As at 30 June 2025, the carrying amounts of the trade receivables of the Group approximate their fair values and are all denominated in RMB.

(b) The Group's trade receivables are primarily derived from sales to certain franchise customers with an appropriate credit history. The Group generally grants franchise customers with a credit period of 15 to 90 days from the invoice date. The Group also gives franchise customers a credit period of 90 to 180 days for their first order of products for new retail stores. The Group would also extend the credit period for certain franchise customers under certain circumstances. The ageing analysis of trade receivables based on invoice date, as at 30 June 2025 is as follows:

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Trade receivables, gross		
– Within 30 days	**137,802**	157,275
– Over 30 days and within 60 days	**105,689**	44,861
– Over 60 days and within 90 days	**43,031**	94,702
– Over 90 days and within 180 days	**23,981**	44,192
– Over 180 days and within 360 days	**120,466**	48,501
– Over 360 days	**24,076**	11,886
	455,045	401,417

17 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Total RMB'000
As at 30 June 2025 (Unaudited)	**2,249,457,213**	**140,312**	**1,623,376**	**1,763,688**
As at 31 December 2024 (Audited)	2,249,457,213	140,312	1,633,846	1,774,158

18 SHARE OPTION SCHEME

The new share option scheme of the Company was approved by the shareholders of the Company and adopted on 2 June 2023 (the "New Scheme") and is valid for 10 years. The purpose of the New Scheme is to enable the board of directors to grant share options to the eligible participants as incentives or rewards for their contribution or potential contribution to the Group.

30,000,000 options were granted on 27 January 2025 to service providers who work for the Group as independent contractors, being authorised dealers, to distribute the Group's products via online platforms in order to expand the Group's e-commerce business. This batch of options granted are subject to a minimum vesting period of 12 months. The vesting of the options on the grantees is subject to the achievements of the performance targets determined by the board of directors in its sole and absolute discretion. The Group will assess the performance of these grantees for the year ending 31 December 2025, mainly based on the respective gross merchandise value of the service providers as determined by the board of directors individually which is set out in the individual grant letters of such grantees.

The fair value of the share options granted was RMB3,494,000 (HK$0.13 each). The fair value of the options was determined by closing price of the share options on the grant date. During the six months ended 30 June 2025, a share option expense of RMB1,456,000 was recognised in the unaudited interim condensed consolidated statement of profit or loss.

At the date of the unaudited interim condensed financial statements, no options were vested, exercised, cancelled or forfeited/lapsed under the New Scheme during the six months ended 30 June 2025.

19 TRADE AND NOTES PAYABLES

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Trade payables *(Note (a))*		
Due to third parties	218,479	398,564
Due to related parties *(Note 23(c))*	1,697	5,544
	220,176	404,108
Notes payable		
Due to third parties	27,253	119,365
	247,429	523,473

Notes:

(a) As at 30 June 2025, trade payables of the Group are non-interest bearing, and their fair values approximate their carrying amounts due to their short maturities.

As at 30 June 2025, trade payables are denominated in RMB. The ageing analysis of trade payables based on invoice date, as at 30 June 2025 is as follows:

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Trade payables		
– Within 30 days	45,589	43,302
– Over 30 days and within 60 days	6,938	38,016
– Over 60 days and within 90 days	55,834	100,054
– Over 90 days and within 180 days	97,490	191,386
– Over 180 days and within 360 days	7,300	19,748
– Over 360 days	7,025	11,602
	220,176	404,108

20 ACCRUALS AND OTHER PAYABLES

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Payables for purchases of property, plant and equipment and intangible assets	61,911	42,698
Salaries and welfare payables	28,420	31,661
Payable for short-term leases	15,123	24,344
Accrued taxes other than income tax	13,355	–
Deposits from franchisees	87,195	83,599
Payable for logistic	23,238	22,948
Provision for sales return	1,383	1,378
Payable for operating expenses in respect of stores under cooperative arrangements	15,589	17,954
Other accrued expenses and payables	65,934	68,853
	312,148	293,435

As at 30 June 2025, financial liabilities included in accruals and other payables of the Group are non-interest bearing, and their fair values approximate their carrying amounts due to their short maturities.

As at 30 June 2025, accruals and other payables of the Group are denominated in RMB.

21 BORROWINGS

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Non-current		
Secured bank borrowing *(Note a)*	349,505	91,250
Current		
Secured bank borrowing *(Note a)*	118,000	304,380
Advances from discounted bills with recourse *(Note b)*	104,158	–
Subtotal	222,158	304,380
Total	571,663	395,630

Notes:

(a) The amount represents the bank borrowings that are secured by the Group's certain buildings and land use rights of approximately RMB611,691,000 as at 30 June 2025 (31 December 2024: RMB381,119,000).

The carrying amounts of the Group's borrowings are denominated in RMB.

The interest rates of the Group's bank loans are primarily repriced based on Loan Prime Rate changes.

(b) The discounted bills will be matured in August 2025 and September 2025, respectively, with discounted interest rate from 1.12% to 2.35%.

22 CAPITAL COMMITMENTS

As at 30 June 2025 and 31 December 2024, the Group had the following contractual commitments not provided for:

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Property, plant and equipment	33,679	44,529
Intangible assets	–	149
	33,679	44,678

23 RELATED-PARTY TRANSACTIONS

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business for the six months ended 30 June 2025, and balances arising from related party transactions as at 30 June 2025.

(a) Name and relationship with related parties

Name	Relationship with the Group
Mr. Zhang Shengfeng	Director
Mr. Lin Zonghong	Director
Shantou City Shengqiang Knitting Industrial Co., Ltd. (汕頭市盛強針織實業有限公司, "Shantou Shengqiang")	Controlled by a brother of Mr. Zhang Shengfeng's spouse
Shantou City Maosheng Knitting Underwear Co., Ltd. (汕頭市茂盛針織內衣有限公司, "Shantou Maosheng")	Controlled by a brother and a sister of Mr. Lin Zonghong

(b) Transactions with related parties – Purchases of goods:

	Six months ended 30 June 2025 (Unaudited) RMB'000	Six months ended 30 June 2024 (Unaudited) RMB'000
Continuing transactions:		
Shantou Shengqiang	5,127	7,643
Shantou Maosheng	1,426	1,906
	6,553	9,549

Purchases of goods from these related parties are on mutually agreed terms and conditions, and the purchase prices are determined on cost-plus basis, with a mark-up rate of no more than 9%.

23 RELATED-PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Trade payables balance:		
Shantou Shengqiang	**90**	3,991
Shantou Maosheng	**1,608**	1,553
	1,697	5,544

The trade payables to related parties were unsecured, non-interest bearing, repayable on demand and denominated in RMB.

(d) Key management compensation

The remuneration of directors of the Company and other members of key management of the Group for the six months ended 30 June 2025 and 2024 is as follows:

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Wages, salaries and bonuses	**4,152**	4,598
Pension cost-defined contribution plans	**295**	328
Equity-settled share-based compensation	**–**	850
	4,447	5,776

Other Information

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the directors (the "Directors") and the chief executive of Cosmo Lady (China) Holdings Company Limited (the "Company" together with its subsidiaries, the "Group") or any of their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which (i) were required to be 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 are taken or deemed to have under such provisions of the SFO), or (ii) which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(i) Interest and short positions in the Company

Name of directors	Nature of interest	Number of shares held[1]	Approximate percentage of shareholding interest[1]
Mr. Zheng Yaonan[2]	Beneficial owners; interest of spouse; interest of controlled corporation; founder of a discretionary trust who can influence how the trustee exercises his discretion	802,334,201 (L)	35.67% (L)
Ms. Wu Xiaoli[2]	Beneficial owner; interest of spouse; other (beneficiary of a discretionary trust)	802,334,201 (L)	35.67% (L)
Mr. Zhang Shengfeng	Founder of a discretionary trust who can influence how the trustee exercises his discretion	222,625,173 (L)	9.90% (L)
Mr. Lin Zonghong	Founder of a discretionary trust who can influence how the trustee exercises his discretion	106,290,277 (L)	4.73% (L)
Mr. Xian Shunxiang[3]	Beneficial owner	6,130,000 (L)	0.27% (L)
Mr. Zhu Hongbo[4]	Beneficial owner	2,763,239 (L)	0.12% (L)
Dr. Lu Hong Te	Beneficial owner	210,000 (L)	0.01% (L)

Notes:

(1) The letter "L" denotes the person's long position in the shares. The calculation is based on the number of ordinary shares that each person is interested in (whether directly/indirectly interested or deemed to be interested) as a percentage of the total number of issued ordinary shares (that is, 2,249,457,213 shares) of the Company as at 30 June 2025 (excluding treasury shares, if any).

(2) Mr. Zheng Yaonan beneficially owns 47,279,799 shares, and Ms. Wu Xiaoli beneficially owns 4,191,000 shares, respectively. Mr. Zheng Yaonan and Ms. Wu Xiaoli are the spouse of each other, and are therefore deemed to be interested in the Shares held by each other under Part XV of the SFO. Ms. Wu Xiaoli is also one of the beneficiaries of a discretionary trust, founded by Mr. Zheng Yaonan, which holds the entire issued share capital of Yao Li Investment Holdings Limited.

(3) Mr. Xian Shunxiang beneficially owns 130,000 shares, and is interested in 6,000,000 awarded shares granted to him under the Share Award scheme (as defined below), which remain unvested as at the date of this interim report.

(4) Mr. Zhu Hongbo beneficially owns 163,239 shares, and is interested in 2,600,000 awarded shares granted to him under the Share Award Scheme (as defined below), which remain unvested as at the date of this interim report.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

(ii) Interest in associated corporations of the Company

As at 30 June 2025, as far as the Directors were aware, none of the Directors or the chief executive of the Company or any of their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register required to be kept 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.

Save as disclosed above, so far as the Directors are aware, as at 30 June 2025, none of the Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange under the Model Code.

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

As at 30 June 2025, the following shareholders (other than the Directors and chief executive) had an interest or short position in the shares and 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 as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of directors	Nature of interest	Number of shares held[1]	Approximate percentage of shareholding interest[1]
TMF (Cayman) Limited[2]	Trustee	1,079,778,852 (L)	48.00% (L)
Great Brilliant Investment Holdings Limited[3]	Interest of controlled corporation; beneficial owner	750,863,402 (L)	33.38% (L)
Yao Li Investment Holdings Limited[2], [3]	Interest of controlled corporation	750,863,402 (L)	33.38% (L)
Harmonious Composition Investment Holdings Limited[3], [4]	Beneficial owner	735,018,732 (L)	32.68% (L)
Ms. Cai Shaoru[5]	Interest of spouse	222,625,173 (L)	9.90% (L)
Forever Flourish International Holdings Limited[6]	Beneficial owner	222,625,173 (L)	9.90% (L)
Xin Feng Asset Holdings Limited[2], [6]	Interest of controlled corporation	222,625,173 (L)	9.90% (L)
Fidelity China Special Situations PLC[7]	Beneficial owner	157,330,000 (L)	6.99% (L)
FIL Limited[7]	Interest of controlled corporation	157,330,000 (L)	6.99% (L)
Pandanus Associates Inc.[7]	Interest of controlled corporation	157,330,000 (L)	6.99% (L)
Pandanus Partners L.P.[7]	Interest of controlled corporation	157,330,000 (L)	6.99% (L)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes:

(1) The letter "L" denotes the person's long position in the shares. The calculation is based on the number of ordinary shares that each person is interested in (whether directly/indirectly interested or deemed to be interested) as a percentage of the total number of issued ordinary shares (that is, 2,249,457,213 shares) of the Company as at 30 June 2025 (excluding treasury shares, if any).

(2) TMF (Cayman) Limited in its capacity as the trustee holds, among others, the entire issued share capital of Yao Li Investment Holdings Limited, Xin Feng Asset Holdings Limited and Hong Ye Asset Holdings Limited. The three discretionary trusts are founded by Mr. Zheng Yaonan, Mr. Zhang Shengfeng and Mr. Lin Zonghong respectively for themselves and their close relatives.

(3) Great Brilliant Investment Holdings Limited, a company incorporated in the British Virgin Islands, is a wholly-owned subsidiary of Yao Li Investment Holdings Limited. Yao Li Investment Holdings Limited is a company incorporated in the British Virgin Islands and wholly owned by TMF (Cayman) Limited as the trustee.

(4) Harmonious Composition Investment Holdings Limited is a wholly-owned subsidiary of Great Brilliant Investment Holdings Limited, and held approximately 735,018,732 shares of the Company, representing approximately 32.68% of the entire issued share capital of the Company.

(5) Ms. Cai Shaoru is the spouse of Mr. Zhang Shengfeng. Under Part XV of the SFO, she was deemed to be interested in the same number of shares in which Mr. Zhang Shengfeng was interested.

(6) Forever Flourish International Holdings Limited, a company incorporated in the British Virgin Islands, is a wholly-owned subsidiary of Xin Feng Asset Holdings Limited. Xin Feng Asset Holdings Limited is a company incorporated in the British Virgin Islands and is wholly owned by TMF (Cayman) Limited as the trustee.

(7) Fidelity China Special Situations PLC is indirectly controlled by FIL Limited, which is in turn owned as to 38.71% by Pandanus Partners L.P., which is wholly-owned by Pandanus Associates Inc. As such, each of Pandanus Partners L.P. and Pandanus Associates Inc. was deemed to be interested in the 157,330,000 shares of the Company held by Fidelity China Special Situations PLC.

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

SHARE SCHEMES

Share Option Scheme

The old share option scheme was adopted on 9 June 2014 and was terminated on 2 June 2023 (the "Old Scheme"). The new share option scheme of the Company was approved by the shareholders of the Company and adopted on 2 June 2023 (the "New Scheme") and is valid for 10 years. The purpose of the New Scheme is to enable the board of directors (the "Board") to grant share options to the eligible participants as incentives or rewards for their contribution or potential contribution to the Company and its subsidiaries (the "Group"). Further details of the principal terms of the New Scheme are set out in the circular of the Company dated 28 April 2023.

There was no option granted under the Old Scheme that remained outstanding as at the date of its termination on 2 June 2023. No further options have been granted subsequent to the aforesaid termination date of the Old Scheme.

SHARE SCHEMES (Continued)

Share Option Scheme (Continued)

Details of movements of the options granted under the New Scheme during the six months ended 30 June 2025 are set out as follows:

Grantees	Date of grant	Exercise price (HK$/Share)	Closing price immediately prior to the grant (HK$/Share)	Fair value as at date of grant (HK$/Share)	Weighted average closing price immediately before the date on which the options granted were exercised (HK$/Share)	Number of options: Outstanding as at 1 January 2025	Granted	Exercised	Vested	Cancelled	Forfeited/ lapsed	Outstanding as at 30 June 2025	Exercise period
Service providers	27 January 2025 *(Note)*	0.28	0.26	0.13	–	–	30,000,000	–	–	–	–	30,000,000	27 January 2026 to 27 January 2029
						–	30,000,000	–	–	–	–	30,000,000	

Note: The options were granted on 27 January 2025 to service providers on who work for the Group as independent contractors, being authorised dealers, to distribute the Group's products via online platforms in order to expand the Group's e-commerce business. This batch of options granted are subject to a minimum vesting period of 12 months. The vesting of the options on the grantees is subject to the achievements of the performance targets determined by the Board in its sole and absolute discretion. The Group will assess the performance of these grantees for the year ending 31 December 2025, mainly based on the respective gross merchandise value of the Service Providers as determined by the Board individually which is set out in the individual grant letters of such grantees.

Save as disclosed above, no options were granted, vested, exercised, cancelled or forfeited/ lapsed under the New Scheme during the six months ended 30 June 2025.

Share Award Scheme

The Company adopted a share award scheme, with a 10-year validity, on 28 June 2019 (the "Share Award Scheme") and the Share Award Scheme was amended on 2 June 2023 (the "Adoption Date"). The purpose and objectives of the Share Award Scheme are to enable the Board to grant award shares to the eligible participants as incentives or rewards for their contribution to the Group. The basis of eligibility of any of the eligible participants to the grant of awards shall be determined by the Board from time to time on the basis of the Board's opinion as to his contribution or potential contribution to the development and growth of the Group.

The Cosmo Lady Employee Benefit Trust was established to manage the trust property of the Share Award Scheme. As at 30 June 2025, a total of 70,102,737 shares of the Company were held by the trustee of the Cosmo Lady Employee Benefit Trust.

SHARE SCHEMES (Continued)

Share Award Scheme (Continued)

Details of movements of the share awards granted under the Share Award Scheme during the six months ended 30 June 2025 are set out as follows:

Grantees	Date of grant	Purchase price	Closing price immediately prior to the grant (HK$/Share)	Fair value as at date of grant (HK$/Share)	Weighted average closing price immediately before the date on which the awards granted were vested (HK$/Share)	Number of awarded shares: Unvested as at 1 January 2025	Granted (*Note*)	Vested	Cancelled	Forfeited/ lapsed	Unvested as at 30 June 2025	Vesting period
Directors												
Mr. Zhu Hongbo	1 January 2023	–	0.20	0.20	–	2,600,000	–	–	–	–	2,600,000	1 January 2023 to 31 December 2025
Mr. Xian Shunxiang	1 January 2023	–	0.20	0.20	–	6,000,000	–	–	–	–	6,000,000	1 January 2023 to 31 December 2025
The five highest paid individual (excluding Directors and chief executives)												
	1 January 2023	–	0.20	0.20	–	5,500,000	–	–	–	–	5,500,000	1 January 2023 to 31 December 2025
Employees												
	1 November 2021	–	0.56	0.55	–	146,252	–	–	–	146,252	–	1 November 2021 to 1 November 2024
	1 January 2023	–	0.20	0.20	–	17,800,000	–	–	–	1,000,000	16,800,000	1 January 2023 to 31 December 2025
Service providers												
	31 March 2024	–	0.23	0.23	–	23,000,000	–	–	–	–	23,000,000	31 March 2024 to 31 March 2027
						55,046,252	–	–	–	1,146,252	53,900,000	

Note: The vesting of each tranche of the awarded shares above is subject to the achievement of certain vesting conditions as set out in the individual grant letters of the grantees. The Group has in place a standardised performance appraisal system and evaluation policies for its employees and service providers, respectively, to comprehensively evaluate their performance and contribution to the Group. The Company will determine whether the employee and service provider grantees meet the individual performance target and key performance indicators based on their performance appraisal results and evaluation results for the relevant year, respectively. In case of partial achievement and satisfaction of the performance targets or the key performance indicators, as applicable, the applicable awarded shares may be vested in proportion to the performance targets or the key performance indicators, as applicable, actually achieved by the employee and service provider grantees, respectively, for the relevant year.

Save as disclosed above, no awarded shares were granted, vested, cancelled or forfeited/lapsed under the Share Award Scheme during the six months ended 30 June 2025.

SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT OF THE NEW SCHEME AND SHARE AWARD SCHEME

As at 1 January 2025, the maximum number of shares that can be issued upon exercise of the options and as awarded shares under the New Scheme and the Share Award Scheme and other share options and awards was 224,945,721 shares, representing 10% of the shares in issue as at Adoption Date and as at 1 January 2025. Accordingly, the number of options and/or awards available for grant under the scheme mandate limit of the New Scheme and the Share Award Scheme at the beginning and the end of the six months ended 30 June 2025 were 224,945,721 shares and 194,945,721 shares in aggregate, respectively.

As at 1 January 2025, the maximum number of shares that can be issued under the service provider sublimit upon exercise of the options and as awarded shares under the New Scheme and the Share Award Scheme and other share schemes of the Company was 44,989,144 shares, representing 2% of the shares in issue as at Adoption Date and as at 1 January 2025. Accordingly, the number of options and/or awards available for grant under the service provider sublimit at the beginning and the end of the six months ended 30 June 2025 were 44,989,144 shares and 14,989,144 shares in aggregate, respectively.

The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended 30 June 2025 divided by the weighted average number of the shares in issue (excluding treasury shares) for the six months ended 30 June 2025 was 1.4%.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend to shareholders of the Company for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK1.1 cents per share of the Company, totaling approximately HK$24,744,000).

CORPORATE GOVERNANCE PRACTICES

The Board considers that the Company has complied with all the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025, with the exception of Code Provision C.2.1.

According to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same person. The Company deviated from this provision from 30 November 2021 because Mr. Zheng Yaonan ("Mr. Zheng") performed both the roles of the chairman of the Board and the chief executive officer of the Company. Mr. Zheng, with an established market reputation in the intimate wear industry in China, is the founder of the Group and has extensive experience in business operations and management in general. Under the leadership of Mr. Zheng, the Board worked effectively and performed its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions were made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive directors on the Board offering advice from independent perspectives, the Board was therefore of the view that there were adequate a safeguards in place to ensure sufficient balance of powers within the Board.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES OR SALE OF TREASURY SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities or sold any treasury shares, if any, during the six months ended 30 June 2025.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Specific enquiry was made with all the Directors and all of the Directors confirmed that they have complied with the requirements set out in the Model Code throughout the six months ended 30 June 2025.

AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee") comprises three independent non-executive Directors, namely Mr. Yau Chi Ming, Dr. Dai Yiyi and Dr. Lu Hong Te. Mr. Yau Chi Ming, who possesses appropriate professional qualifications as required by the Listing Rules, is the chairman of the Audit Committee.

The Audit Committee holds regular meetings to review the financial information, financial reporting system and internal control procedures of the Group, including a review of the interim financial information for the six months ended 30 June 2025 and the Audit Committee has reviewed this interim report and the interim results for the six months ended 30 June 2025 and has no disagreement with the accounting treatment and principles adopted by the Company.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

There was no change in the information regarding the Directors subsequent to the date of publication of the annual report of the Company for the year ended 31 December 2024 which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the six months ended 30 June 2025 and as at the date of this interim report.