



优趣汇控股有限公司 UNQ HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock Code 股份代號：2177



2025
INTERIM REPORT
中期報告

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Company Profile

UNQ Holdings Limited (the “**Company**” or “**we**”, together with its subsidiaries, the “**Group**”) is a leading brand e-commerce service provider in China, focusing on fast-moving consumer goods, including personal care products for adults, personal care products for babies, beauty products, health products and others. We cooperate with approximately 60 brands, including SOFY, moony of Unicharm, brands of FineToday including but not limited to AQUAIR, KUYURA, Super Mild, FINO, Kose Cosmeport of Kose, Kobayashi Pharmaceutical, Ohta’s Isan, Taisho Pharmaceutical, ARS and etc., and provide brands with omnichannel, one-stop and high value-added operations and customized services, empowering brands and promoting values.

The Group acts as the bridge between brand partners, e-commerce platforms and customers in China. We operate the business primarily through distribution method and service fee method. Under the distribution model, we purchase products from selected brand partners, manage Chinese and cross-border supply chains, identify and reach target customers through omnichannel marketing, and sell products to customers through online marketplace stores operated by us, which we refer to as the business-to-customer, or B2C model, or to e-commerce platforms or other distributors, which, in turn, sell to customers, which we refer to as the business-to-business, or B2B model. Under the service fee method, as a supplement to the B2C and B2B models, we also provide solutions to brand partners or other customers for service fees.

The Group will be continuously and deeply engaged in its business areas and improve its overall operational efficiency. Meanwhile, it will keep up with the industry development trend, gain insight into consumer demand, provide more forward-looking operational services for brand partners, drive more spending traffic to e-commerce platforms and offer more high-quality and interesting products to customers.

Corporate Information

DIRECTORS

Executive Directors

Mr. WANG Yong (*Chairman and Chief Executive Officer*)
Mr. SHEN Yu
Ms. CHEN Weiwei

Non-executive Director

Mr. NAKAYAMA Kokkei

Independent Non-executive Directors

Mr. NG Kam Wah Webster
Mr. WEI Hang
Ms. XIN Honghua

JOINT COMPANY SECRETARIES

Mr. SHEN Yu
Ms. NG Sau Mei (*FCG, HKFCG*)

AUDIT COMMITTEE

Mr. NG Kam Wah Webster (*Chairman*)
Mr. WEI Hang
Ms. XIN Honghua

REMUNERATION COMMITTEE

Mr. WEI Hang (*Chairman*)
Mr. NG Kam Wah Webster (*appointed on 28 March 2025*)
Ms. XIN Honghua (*resigned on 28 March 2025*)
Mr. WANG Yong

NOMINATION COMMITTEE

Mr. WANG Yong (*Chairman*)
Ms. XIN Honghua (*appointed on 28 March 2025*)
Mr. NG Kam Wah Webster (*resigned on 28 March 2025*)
Mr. WEI Hang

AUTHORISED REPRESENTATIVES

Mr. SHEN Yu
Ms. NG Sau Mei (*FCG, HKFCG*)

AUDITOR

BDO Limited
Certified Public Accountants
25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

LEGAL ADVISER

As to Hong Kong law:
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REGISTERED OFFICE

Campbells Corporate Services Limited
Floor 4, Willow House, Cricket Square
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Cayman Islands



Corporate Information

HEAD OFFICE

Room 503, MT Lujiazui Binjiang Center
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Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Causeway Bay
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Campbells Corporate Services Limited
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Grand Cayman KY1-9010
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HONG KONG SHARE REGISTRAR

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Wan Chai
Hong Kong

PRINCIPAL BANKERS

Sumitomo Mitsui Banking Corporation,
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1 Harbour View Street, Central
Hong Kong

The Hongkong and Shanghai
Banking Corporation Limited
1 Queen's Road Central
Hong Kong

STOCK CODE

2177

COMPANY'S WEBSITE

www.youquhui.com

LISTING DATE

12 July 2021

Financial Highlights

SLOWDOWN IN REVENUE DECLINE

- The Group recorded revenue of RMB580.1 million for the six months ended 30 June 2025, representing a decrease of 5.4% compared to the same period of last year. The Group has systematically reviewed and optimized its overall brand matrix. To enhance overall operational efficiency and profitability, the Group proactively terminated collaborations with certain brands with lower gross profit margins. Excluding the impact of terminated collaborations with brands, the revenue increased by 2.5% compared to the same period of last year.

STEADY IMPROVEMENT IN GROSS PROFIT MARGIN

- Through renegotiating and optimizing transaction terms with brand partners and adjusting product mix, coupled with strategically focusing on sales channels with stronger profitability, the Group's gross profit margin for the six months ended 30 June 2025 was 34.6%, representing an increase of 4.6 percentage points as compared to the gross profit margin of 30.0% in the same period of last year.

DECLINE IN NET PROFIT

- For the six months ended 30 June 2025, the Group recorded a net profit of RMB11.2 million, representing a decrease of 52.7% as compared to the net profit of RMB23.7 million for the same period of last year. Excluding the impact of non-operating items (including equity transfers for the same period of last year and an increase in impairment losses as compared to the same period of last year), net profit remained basically flat.

Management Discussion and Analysis

OVERVIEW

In the first half of 2025, China's economy achieved steady growth, but consumers' price sensitivity continued to rise. The widespread adoption of low-price promotional strategies across the industry intensified market competition, resulting in an in-depth "volume-for-price" competitive landscape. Meanwhile, with growing public health awareness, demand in the functional health food sector expanded rapidly, emerging as one of the strongest-growing segments in the market.

Facing the above external conditions, the Group conducted a systematic review of its brand matrix and actively expanded its presence in the health sector. On one hand, the Group introduced new health-focused brands during the six months ended 30 June 2025 (the "**Reporting Period**") to diversify its product portfolio. On the other hand, the Group increased strategic investments in its proprietary health brands, focusing on product incubation, brand upgrades and channel expansion, aiming to capitalize on industry opportunities and build core competitiveness in the health sector.

In brand operation services, the Group proactively optimized its existing brand and channel structure in the first half of 2025 by: (i) initiatively optimizing low-margin brands and channels while deepening collaborations with core brand partners and expanding overseas markets sustainably to provide diversified omni-channel services for partners; (ii) enhancing pricing competitiveness to mitigate risks from price-based competition effectively through improving supply chain efficiency; and (iii) introducing new health brands during the Reporting Period, contributing incremental revenue of RMB12.5 million. In the first half of 2025, revenue from Douyin (抖音), Pinduoduo (拼多多) and overseas businesses accounted for 12.4% of the Group's overall revenue, representing an increase of 1.3 percentage points as compared to 11.1% for the same period of last year.

In proprietary brands, the Group accurately identified market trends and launched Vanpearl, a Canadian anti-aging health food brand featuring the active ingredient ergothioneine. Its product, ERGO-VITALIS™ Capsule, became a star offering, generating sales revenue of the brand of RMB14.0 million during the Reporting Period and providing strong support for the Group's performance. Meanwhile, the Group further strengthened its strategic presence in the probiotics sector by entering a strategic partnership with PrecisionBiotics, a premium proprietary probiotics brand under Novonesis, which primarily targeted high-net-worth consumers in China focusing on gut health. Through its diversified product portfolio, the Group continued to solidify its competitive edge in the premium health food market, establishing a robust competitive barrier.

In the first half of 2025, the Group's overall revenue was RMB580.1 million, representing a decrease of 5.4% as compared to the same period of last year, while the gross profit margin was 34.6%, representing an increase of 4.6 percentage points as compared to 30.0% for the same period of last year; the net profit was RMB11.2 million, representing a year-on-year decrease of RMB12.5 million as compared to the net profit of RMB23.7 million for the same period of last year, which was mainly attributable to (i) enhancing operational efficiency, optimizing business structure and incubating proprietary brands; (ii) improving the transaction terms, adjusting product mix and perfecting channel profit structure; and (iii) recording gains on equity transfer of RMB9.1 million for the same period of last year and an increase of RMB3.1 million in impairment losses as compared to the same period of last year.

Management Discussion and Analysis

ANALYSIS OF KEY FINANCIAL DATA

Revenue

The Group's overall revenue in the first half of 2025 was RMB580.1 million, representing a decrease of 5.4% as compared to the same period of last year, with the overall downward trend moderating, which was mainly because (i) the Group enhanced operational efficiency of existing brands, particularly through strengthened collaborations with brand partners in the beauty and personal care segments, where certain brands achieved significant sales growth year-on-year; (ii) the Group accelerated incubation of new brands to optimize the business structure, with the newly developed proprietary health food brand contributing revenue of RMB14.0 million during the Reporting Period, representing an increase of 729.1% as compared to the same period of last year; and (iii) the Group terminated the collaboration with one personal care brand during the Reporting Period based on strategic partnership adjustments, resulting in reduced revenue from this brand as compared to the same period of last year. The Group will continue to focus on high-growth health consumption sectors while steadily optimizing its brand matrix and channel strategy to lay a solid foundation for future revenue growth.

Revenue by business model in absolute amount and as a percentage of total revenue

	Unaudited Six months ended 30 June			
	2025 RMB'000	%	2024 RMB'000	%
Sales of goods				
B2B	287,721	49.6	271,246	44.3
General trade	183,873	31.7	192,969	31.5
Cross-border e-commerce	103,848	17.9	78,277	12.8
B2C	290,369	50.0	337,666	55.1
General trade	200,847	34.6	197,360	32.2
Cross-border e-commerce	89,522	15.4	140,306	22.9
Provision of services	1,985	0.4	4,392	0.6
Total	580,075	100.0	613,304	100.0

Revenue of sales of goods by product categories and provision of services in absolute amount and as a percentage of total revenue

	Unaudited Six months ended 30 June			
	2025 RMB'000	%	2024 RMB'000	%
Sales of goods				
Personal care products for adults	357,390	61.5	399,409	65.3
Personal care products for babies	44,464	7.7	63,236	10.3
Beauty products	58,144	10.0	50,899	8.3
Health products	86,902	15.0	60,816	9.9
Others	31,190	5.4	34,552	5.6
Provision of services	1,985	0.4	4,392	0.6
Total	580,075	100.0	613,304	100.0

Note: Others mainly include household necessities.

Management Discussion and Analysis

Sales revenue from personal care products for adults decreased by 10.5% as compared to the same period of last year, mainly due to (i) the Group's deepened collaboration with core strategic partners achieving breakthrough growth, with sales revenue of the Reporting Period increasing 25.4% as compared to the same period of last year; and (ii) strategic partnership adjustments, including the termination of cooperation with one personal care brand, resulting in the brand's sales revenue being approximately twenty percent of sales revenue for the same period of last year.

Sales revenue from personal care products for babies decreased by 29.7% as compared to the same period of last year, mainly due to the impact of the declining birth rate coupled with intensified competition in the overall market for baby and maternal products, prompting strategic adjustments in resource allocation for product and brand development by the maternal-baby brand.

Sales revenue from beauty products increased by 14.2% as compared to the same period of last year, mainly due to the Group's expansion of sales channels for beauty brands and growth in B2B sales, resulting the sales revenue of one brand increased by 49.0% as compared to the same period of last year. At the same time, the Group terminated cooperation with certain beauty brands following review.

Sales revenue from health products increased by 42.9% as compared to the same period of last year, mainly attributable to (i) revenue contribution of RMB14.0 million from Vanpearl, the Group's newly incubated proprietary health food brand; (ii) incremental revenue of RMB12.5 million from newly introduced health brands during the Reporting Period; and (iii) strategic and channels adjustments for health products and optimization of product selection of the Group, resulting in surging sales of certain key promoted products and breakthrough growth in B2B channels, establishing a dual-drive model of "premium products × efficient channels".

Service revenue decreased by 54.8% as compared to the same period of last year, mainly due to the Group's discontinuation of certain non-growth e-commerce operation businesses, leading to reduced scale in e-commerce operation businesses.

Gross profit and gross profit margin

The Group's overall gross profit margin for the six months ended 30 June 2025 was 34.6%, as compared with 30.0% for the same period of last year, representing an increase of 4.6 percentage points, mainly because (i) the Group enhanced collaborative synergies with brand partners through optimizing transaction terms for key promoted products, leading to higher product margins; (ii) the Group continued optimization of the product mix with higher proportion of high-margin product sales in the health category; and (iii) the Group restructured channel profit structures, improving channel margins in personal care and beauty categories by refined operations while increasing revenue contribution from higher-margin channels.

Management Discussion and Analysis

Gross profit and gross profit margin by business model

	Unaudited			
	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Sales of goods				
B2B	41,809	14.5	40,748	15.0
General trade	21,872	11.9	24,186	12.5
Cross-border e-commerce	19,937	19.2	16,562	21.2
B2C	157,085	54.1	139,434	41.3
General trade	100,614	50.1	65,014	32.9
Cross-border e-commerce	56,471	63.1	74,420	53.0
Provision of services	1,581	79.6	3,539	80.6
Total	200,475	34.6	183,721	30.0

Gross profit and gross profit margin in respect of sales of goods by product categories and provision of services

	Unaudited			
	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Sales of goods				
Personal care products for adults	110,456	30.9	100,001	25.0
Personal care products for babies	16,664	37.5	20,978	33.2
Beauty products	19,407	33.4	17,543	34.5
Health products	36,112	41.6	24,710	40.6
Others	16,255	52.1	16,950	49.1
Provision of services	1,581	79.6	3,539	80.6
Total	200,475	34.6	183,721	30.0

Note: Others mainly include household necessities.

Management Discussion and Analysis

The gross profit margin of personal care products for adults increased by 5.9 percentage points as compared to the same period of last year, mainly due to (i) the Group's in-depth cooperation with brand partners, ranging from product to content promotion, coupled with improved transaction terms, which had a positive impact on the gross profit margin; and (ii) channel structure upgrades, with the gross profit margin of B2C channels increasing by 14.2 percentage points year-on-year.

The gross profit margin of personal care products for babies increased by 4.3 percentage points as compared to the same period of last year, mainly due to reduction of live-streaming investments in general trade B2C channels to maintain promotional-period margins, along with optimization of low-margin goods and reduction of sales investments, resulting in the increase in overall gross profit margin.

The gross profit margin of beauty products decreased by 1.1 percentage points as compared to the same period of last year, mainly due to strategic brand adjustments including: (i) increase in sales contribution from B2B channels of beauty products altering the product mix; and (ii) margin compression from intensive promotional activities on Douyin live-streaming channels.

The gross profit margin of health products increased by 1.0 percentage point as compared to the same period of last year, mainly due to (i) higher-margin from newly introduced health brands and the proprietary health food brand; and (ii) full availability of higher-margin cross-border health products in the first half of 2025 that had experienced stockouts for the same period of last year and changes in product mix, resulting in the improvement in overall gross profit margin.

Operating profit and earnings per share

The Group recorded an operating profit of RMB12.3 million for the six months ended 30 June 2025, representing a decrease of RMB4.1 million as compared with RMB16.4 million for the same period of last year, which was mainly due to (i) an increase of RMB3.1 million in impairment losses as compared to the same period of last year; (ii) termination of cooperation with certain brands; and (iii) at the operational level, excluding the impact from the terminated brand cooperation with one brand, the overall operating profit increased by 13.6% as compared to the same period of last year.

For the six months ended 30 June 2025, basic earnings per share of the Company was RMB0.07 as compared with RMB0.15 for the same period of last year.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2025, the Group mainly used cash generated from operations and bank borrowings to meet its cash demand. As at 30 June 2025, cash and cash equivalents were RMB364.7 million. Cash and cash equivalents include monetary funds, bank deposits and other short-term highly liquid investments with original maturities of up to three months (inclusive). Most of the Group's cash and cash equivalents are presented in Renminbi, US Dollar and Japanese Yen.

The cash flows for the six months ended 30 June 2024 and the six months ended 30 June 2025 are as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Net cash (used in)/generated from operating activities	(90,177)	88,648
Net cash used in investing activities	(570)	(8,728)
Net cash generated from/(used in) financing activities	16,709	(52,808)
Net (decrease)/increase in cash and cash equivalents	(74,038)	27,112
Opening cash and cash equivalents	438,576	338,397
Effect on exchange rate difference	178	(96)
Closing cash and cash equivalents	364,716	365,413

For the six months ended 30 June 2025, net cash used in operating activities was RMB90.2 million, mainly attributable to operating cash outflows of RMB90.7 million resulting from increased payments for inventory purchases in connection with the launch of new brands and the extended collection cycle of trade receivables due to the expanded scale of the B2B business, and an income tax refund of RMB0.6 million received.

Net cash used in investing activities was RMB0.6 million, mainly used to purchase intangible asset software.

Net cash generated from financing activities was RMB16.7 million, mainly due to the increase in net borrowings resulting from the higher capital demand arising from the Group's new business expansion.

CAPITAL STRUCTURE

As at 30 June 2025, the gearing ratio of the Group was -18.6% (31 December 2024: -32.5%), which was calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including interest-bearing borrowings and lease liabilities) less cash and cash equivalents, and liquid investment which are financial assets at fair value through profit or loss. The Group's gearing ratio is at a low level, the total amount of borrowings is relatively low and the book maintains relatively sufficient cash.

Management Discussion and Analysis

BANK AND OTHER BORROWINGS, CHARGES ON ASSETS

The Group adopted reasonable and stable financing policies. As at 30 June 2025, the Group's total amount of borrowings was RMB223.4 million, mainly consisting of bank borrowings. Among the Group's borrowings, an equivalent of RMB187.7 million were guaranteed by the Company and its subsidiaries. As at 30 June 2025, the Group's borrowings were mainly at a fixed interest rate.

As at 30 June 2025, the Group's unutilized banking facilities amounted to RMB155.4 million.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

During the six months ended 30 June 2025, the capital expenditure of the Group was RMB0.6 million (nil for the same period of 2024). As at 30 June 2025, the Group had no material capital commitment.

FUTURE PLANS OF MAJOR INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2025, the Group did not have any other plans of major investments and capital assets.

SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 June 2025, the Group did not hold any significant investments in any other companies' equity interest.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 199 employees, most of whom were resident in China, including Shanghai, Hangzhou and Beijing, and others were resident in Japan. The remuneration offered by the Group is determined with reference to the market conditions and the performance, qualifications and experience of employees. Based on the performance of the Group and employees, the Group offers competitive remuneration packages to retain employees, including salaries, discretionary bonuses and benefit plans. In addition to on-the-job training, the Group also adopts a training policy to provide employees with various internal and external trainings. During the six months ended 30 June 2025, the relationship between the Company and its employees was stable. The Group was not subject to any strikes or other labor disputes that had a significant impact on its business activities.

FOREIGN EXCHANGE RISK

During the six months ended 30 June 2025, the Group mainly operated its businesses in mainland China, with most transactions settled in Renminbi. Foreign exchange risk means the risk of loss arising out of changes in foreign exchange rates. Fluctuations in exchange rates between Renminbi and other currencies used for the Group's business operations may have an impact on its financial position and results of operations. The foreign exchange risk to which the Group is exposed mainly arises from the changes in the exchange rates of US Dollar and Japanese Yen against Renminbi.

Management Discussion and Analysis

TRADE AND OTHER RECEIVABLES

Trade and other receivables include trade receivables, amounts due from related parties, rebate receivables, deposits, refunds receivable, unwithdrawn balance on platform and others.

As at 30 June 2025, the Group recorded trade receivables of RMB191.3 million, representing an increase of RMB22.1 million compared to RMB169.2 million as at 31 December 2024, which was mainly attributable to the expansion of the scale of Tmall (天貓) and JD.com's (京東) B2B businesses, driven by factors such as the trading environment and product mix, resulting in the increase in trade receivables. As at 30 June 2025, the allowance for impairment of trade receivables amounted to RMB48.1 million, representing an increase of RMB5.9 million from RMB42.2 million as at 31 December 2024, mainly due to the allowance for impairment made in respect of Shanghai Xuyi Industry Co., Ltd. (上海旭一實業有限公司, "**Shanghai Xuyi**"). The Group continued to strictly enforce credit monitoring and collection procedures, and as at 30 June 2025, the overall trade receivables turnover days remained at a healthy level of 41.9 days (31 December 2024: 38.1 days).

As at 30 June 2025, the Group had a historically accumulated related party receivable related to Shanghai Xuyi, an associate of the Company, with a remaining balance of RMB61.1 million (31 December 2024: RMB61.3 million; 31 December 2023: RMB67.5 million), accounting for 31.9% of the total trade receivables. The vast majority of this amount was generated from business transactions during the years of 2021 and 2022. The total expected credit loss provision of RMB42.0 million (31 December 2024: RMB37.3 million) has been recognized in respect of such receivables.

The other receivables was RMB131.9 million as at 30 June 2025, representing an increase of RMB21.1 million compared to RMB110.8 million as at 31 December 2024, which was mainly due to the extension of certain suppliers' rebate settlement cycles based on the long-term strategic cooperation and mutual benefit principles between the Group and its key suppliers. As at 30 June 2025, the allowance for impairment of other receivables was RMB4.9 million, representing an increase of RMB1.0 million from RMB3.9 million as at 31 December 2024. This increase was mainly attributable to the risk of collection of the office security deposit arising from the early termination of the lease agreement for the Shanghai office, for which an allowance for impairment was made under the principle of prudence.

Management Discussion and Analysis

CONTINGENT LIABILITIES

During the six months ended 30 June 2025, the Group did not have any material contingent liabilities.

SUBSEQUENT EVENTS

After 30 June 2025 and up to the date of this interim report, the Group did not have material subsequent events.

NO MATERIAL CHANGE

Since the publication of the latest annual report for the year ended 31 December 2024, there have been no material changes to the Company's business.

OUTLOOK

In the second half of 2025, against the backdrop of growing demand for health-oriented products, upgrading of personalized experiences, and the reshaping of consumption decisions by emotional value, coupled with the coexistence of competition and consolidation in the global market, the Group will focus on the following directions:

1. Brand Incubation: Accelerate the incubation of proprietary brands in health food, skincare and other sectors, while co-creating brands with high-quality partners. Collaborate with world-leading research institutions, renowned IPs, and regional channel partners to integrate emotional value elements, build a diversified product portfolio, and enhance market competitiveness;
2. Overseas Expansion: Adhere to the strategy of “prioritizing localization compliance and brand storytelling, and deepening channel development simultaneously”, prioritizing the layout of Southeast Asian and North American markets. Achieve simultaneous enhancement of brand awareness and market penetration through cross-border DTC, key chain pharmacies, and ecological collaboration with local KOLs; and
3. Refined Operation: Supported by a digital middle platform, establish a closed-loop data chain across R&D, supply chain, and marketing. Implement refined product selection, flexible supply chain, and precision marketing, continuously optimize cost structure and user experience, and lay a solid foundation for long-term and sustainable value growth.

Other Information

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company 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 Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as its own code of corporate governance. During the six months ended 30 June 2025, save as disclosed as follows, the Company has complied with all applicable code provisions as set out in the CG Code. The Company will continue to review and monitor its corporate governance practices to ensure the compliance with the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman of the board and chief executive officer should be separate and performed by different individuals.

The roles of chairman of the Board and chief executive officer of the Company are currently performed by Mr. WANG Yong. In view of Mr. WANG Yong’s substantial contribution to the Group since its establishment and his extensive experience, the Group considers that having Mr. WANG Yong acting as both the chairman of the Board and chief executive officer of the Company will provide strong and consistent leadership to the Group and facilitate the efficient execution of business strategies of the Group. The Group considers it appropriate and beneficial to the Group’s business development and prospects that Mr. WANG Yong acts as both the chairman of the Board and chief executive officer of the Company, and therefore currently does not propose to separate the functions of chairman of the Board and chief executive officer of the Company.

While this would constitute a deviation from code provision C.2.1 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by the Board requires approval by at least a majority of the Directors, and the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. WANG Yong and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer of the Company is necessary.

HUMAN RESOURCES MANAGEMENT AND INTERNAL CONTROL

Employees are the foundation for the sustainable development of the Group. We are committed to providing equal employment opportunities for all qualified candidates, without employment discrimination based on age, nationality, race, religion, sexual orientation, gender, skin color, etc. Meanwhile, the Group has implemented a fair and reasonable remuneration management and performance appraisal system, and has provided internal training and sharing sessions that are beneficial to the career development of its employees.

As at 30 June 2025, the Group had a total of 199 employees, of which 72.3% were female employees.

The Group is committed to maintaining a high standard of corporate governance. All employees should adhere to the Group's code of conduct. We regularly review and update our internal control policies, procedures and guidelines so that they comply with the latest external and internal control requirements. All new employees have to receive necessary training. The Company has a dedicated mail to accept any report on misconducts. The internal audit department is responsible for conducting internal compliance review and reporting to the management. In the first half of 2025, the Group has organized 26 staff training sessions, mainly covering business introduction, industry and market insights, corporate culture and enhancement of comprehensive capabilities.

CORPORATE SOCIAL RESPONSIBILITY

The Group has always actively fulfilled corporate social responsibilities and constantly carried out multi-dimensional charitable activities.

In the first half of 2025, under the coordination of the Shanghai Pudong New Area Commercial Association, in collaboration with other member companies, the Group donated 4,000 books, 15 computers, and over 430 packs of SOFY sanitary napkins to the Committee for the Care of the Next Generation of Huishui County, Guizhou Province, with a total value exceeding RMB110,000. Additionally, the Group donated nearly 800 packs of SOFY sanitary napkins and 180 bottles of ARS mosquito repellent through the Shenzhen Charity Federation, valued at nearly RMB10,000, to specifically support the emergency relief projects conducted by the Haiyun Social Work Service Society in Yantian District, Shenzhen. In the meantime, the Group's volunteers went into the long-term co-construction unit, Shanghai Changning District Auxiliary School, and held a joyful and warm 10th birthday party for the exceptional youth. In addition, the Group donated RMB30,000 to Beijing Entrepreneurs Environmental Protection Foundation for the organization's environmental public welfare programs.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by the Directors of the Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, each of the Directors confirmed that he/she has complied with the required standards set out in the Model Code during the six months ended 30 June 2025. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

Other Information

INTERIM DIVIDEND

The Board has resolved that no interim dividend will be declared for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$0.25).

AUDIT COMMITTEE

The Board has established the audit committee (the “**Audit Committee**”), which comprises three independent non-executive Directors, namely Mr. NG Kam Wah Webster, Mr. WEI Hang and Ms. XIN Honghua. Mr. NG Kam Wah Webster is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review the Company’s financial information and oversee the Company’s financial reporting system, risk management and internal control procedures.

The interim financial information of the Group is unaudited and has not been reviewed by the auditors. The Audit Committee has jointly reviewed with the Board the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025.

CHANGE IN INFORMATION OF DIRECTORS

On 28 March 2025, Mr. NG Kam Wah Webster, an independent non-executive Director, has been re-designated from a member of the Nomination Committee to a member of the Remuneration Committee and Ms. XIN Honghua, an independent non-executive Director, has been re-designated from a member of the Remuneration Committee to a member of the Nomination Committee.

Save as disclosed above, the Directors have confirmed that there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares, if any). As at 30 June 2025, the Company did not hold any treasury shares.

USE OF PROCEEDS FROM LISTING

The Company was listed on the Main Board of the Stock Exchange on 12 July 2021 (the “**Listing Date**”) with total net proceeds from the listing of approximately HK\$320 million after deducting underwriting fees, commissions and estimated expenses. The proceeds from listing have been and are proposed to be applied in accordance with the plans as disclosed in the section headed “Future Plans and Use of Proceeds” of the prospectus of the Company dated 28 June 2021 (the “**Prospectus**”).

Other Information

Reference is made to the announcement of the Company dated 23 December 2024 (the “**Announcement**”), after careful consideration and detailed evaluation of the Group’s operations and business strategies, the Board has resolved to change the intended use of the unutilised net proceeds with an updated expected timeline of full utilisation. For further details of “Reasons for and Benefits of the Change in Use of Proceeds”, please refer to the Announcement. The specific utilisation is as follows:

Item	Approximate percentage of total amount (%)	Revised allocation of net proceeds according to the Announcement (HK\$ million)	Unutilised amount as at 31 December 2024 (HK\$ million)	Utilised amount during the six months ended 30 June 2025 (HK\$ million)	Utilised amount as at 30 June 2025 (HK\$ million)	Unutilised amount as at 30 June 2025 (HK\$ million)	Expected timeline for balance of net proceeds
For investing in social media marketing and advertising, growing proprietary brands, diversifying brand portfolios and strengthening supply chain management	54.3%	174	5	5	174	0	Not applicable
For diversifying our brand and product offerings for health products, in particular OTC drugs	15.7%	50	0	0	50	0	Not applicable
For enhancing our technology systems and data analytics capabilities	7.0%	22	3	2	21	1	By 31 December 2027
For pursuing strategic investments in technology companies and O2O service providers	0.0%	0	0	0	0	0	Not applicable
For working capital and general corporate uses	10.0%	32	0	0	32	0	Not applicable
For acquisitions and pursuing strategic investments and cooperations with brands in health and beauty industry	13.0%	42	42	0	0	42	By 31 December 2027
Total	100%	320	50	7	277	43	

Save as disclosed above, since the Listing Date, the Group has not utilised any other portion of the net proceeds and will gradually utilise the remaining net proceeds in accordance with the intended purposes as stated in the Prospectus and the Announcement. The remaining net proceeds are expected to be fully utilised by 31 December 2027. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and remains subject to change based on future development of market conditions and actual business needs.

Other Information

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

As at 30 June 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (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 were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be otherwise notified to the Company and the Stock Exchange were as follows:

Interests in shares of the Company (the “Shares”):

Name of Director	Identity and nature of interests	Number of Shares held ⁽¹⁾	Approximate percentage of equity interest
Mr. WANG Yong (“ Mr. WANG ”) ⁽²⁾	Interest in controlled corporation	64,392,700	38.82%
Ms. CHEN Weiwei (“ Ms. CHEN ”) ⁽³⁾	Interest in controlled corporation	350,000	0.21%

Notes:

1. All interests stated are long positions.
2. Wisdom Oasis Holdings Limited (“**Wisdom Oasis**”), which is wholly owned by Mr. WANG, is interested in 64,392,700 Shares, and thus Mr. WANG is deemed to be interested in 64,392,700 Shares.
3. Athena Land IV Holdings Limited, which is owned as to 39.33% by Ms. CHEN, is interested in 350,000 Shares, and thus Ms. CHEN is deemed to be interested in 350,000 Shares.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executives of the Company had interests and short positions in the shares, underlying shares and debentures of the Company or any 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 were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

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

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

Name of shareholders	Identity and nature of interests	Number of Shares held ⁽¹⁾	Approximate percentage of equity interest
Wisdom Oasis	Beneficial owner	64,392,700	38.82%
Transcosmos Inc.	Beneficial owner	57,264,100	34.52%

Note:

1. All interests stated are long positions.

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

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this interim report, during the six months ended 30 June 2025, none of the Directors or their respective spouses or minor children were authorized to benefit from the purchase of shares or debentures of the Company, nor did they exercise any of these rights, and none of the Company or any of its holding companies, fellow subsidiaries and subsidiaries had entered into any arrangements that would enable the Directors to obtain such rights from any other companies.

Other Information

2022 RESTRICTED SHARE UNIT SCHEME

The Company adopted the 2022 Restricted Share Unit Scheme with effect from 22 June 2022 (the “**Adoption Date**”) for the purpose of recognising and rewarding participants for their contribution to the Group, to attract best available personnel, and to provide additional incentives to them to remain with and further promote the success of the Group’s business. The maximum number of underlying Shares in respect of which the award (the “**Award**”) may be granted under the 2022 Restricted Share Unit Scheme shall not exceed 5,475,525 Shares (excluding Awards that have lapsed or been cancelled in accordance with the rules of the 2022 Restricted Share Unit Scheme), which represents approximately 3.3% of the total issued Shares as at the date of this interim report. The maximum number of underlying Shares in respect of which Award may be granted to a selected participant under the 2022 Restricted Share Unit Scheme, at any time or in aggregate shall not exceed 1% of the total issued Shares as at the Adoption Date (excluding Awards that have lapsed or been cancelled in accordance with the rules of the 2022 Restricted Share Unit Scheme). The number of Awards available for grant at the beginning and at the end of the Reporting Period is 5,475,525 and 5,475,525, respectively.

For details of the 2022 Restricted Share Unit Scheme, please refer to the announcement of the Company dated 27 April 2022 and the circular of the Company dated 31 May 2022.

The number of Shares that may be issued in respect of Awards granted under the 2022 Restricted Share Unit Scheme during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Reporting Period is nil as no Award was granted under the 2022 Restricted Share Unit Scheme during the six months ended 30 June 2025. The total number of Shares available for issue under the 2022 Restricted Share Unit Scheme is nil as at the date of this interim report. During the Reporting Period, no Award was vested, cancelled or had lapsed under the 2022 Restricted Share Unit Scheme.

Interim Condensed Consolidated Statements of Comprehensive Income

For the six months ended 30 June 2025

		Unaudited Six months ended 30 June	
	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	580,075	613,304
Cost of revenue	7	(379,600)	(429,583)
Gross profit		200,475	183,721
Selling and marketing expenses	7	(158,492)	(135,237)
General and administrative expenses	7	(20,861)	(25,653)
Research and development expenses	7	(2,067)	(2,251)
Net impairment losses on financial assets		(6,838)	(3,756)
Other income		188	39
Other losses		(133)	(435)
Operating profit		12,272	16,428
Finance income	8	4,524	5,538
Finance costs	8	(3,217)	(2,697)
Finance income – net		1,307	2,841
Share of net (loss)/profit of associates and joint ventures accounted for using the equity method		(121)	9,016
Profit before income tax		13,458	28,285
Income tax expense	9	(2,255)	(4,576)
Profit for the period		11,203	23,709
Attributable to:			
– Owners of the Company		11,203	24,422
– Non-controlling interests		–	(713)
		11,203	23,709

Interim Condensed Consolidated Statements of Comprehensive Income

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
Other comprehensive income/(losses)			
<i>Items that maybe reclassified to profit or loss</i>			
Share of other comprehensive income/(losses) of associates and joint ventures accounted for using the equity method		329	(580)
Exchange differences on translation of foreign operations		5,842	(9,067)
Total other comprehensive income/(losses)		6,171	(9,647)
Total comprehensive income for the period		17,374	14,062
Attributable to:			
– Owners of the Company		17,374	14,775
– Non-controlling interests		–	(713)
		17,374	14,062
Earnings per share for profit attributable to owners of the Company			
– Basic earnings per share (RMB)	10	0.07	0.15
– Diluted earnings per share (RMB)	10	0.07	0.15

The above interim condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Balance Sheets

As at 30 June 2025

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment & leases		4,590	5,156
Intangible assets		1,991	1,616
Deferred tax assets		60,940	58,048
Investments accounted for using the equity method		4,175	3,673
Financial assets measured at fair value through profit or loss ("FVPL")	4.2	34,719	34,864
Total non-current assets		106,415	103,357
Current assets			
Inventories	11	298,730	264,986
Trade and other receivables	12	270,235	233,873
Other current assets		88,660	97,286
Restricted cash		49,800	51,875
Cash and cash equivalents		364,716	438,576
Total current assets		1,072,141	1,086,596
Total assets		1,178,556	1,189,953

Interim Condensed Consolidated Balance Sheets

As at 30 June 2025

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
EQUITY			
Share capital		14	14
Share premium		2,487,083	2,487,083
Other reserves		(1,475,823)	(1,481,993)
Accumulated losses		(274,434)	(285,637)
Equity attributable to owners of the Company		736,840	719,467
Non-controlling interests		1,007	1,006
Total equity		737,847	720,473
LIABILITIES			
Non-current liabilities			
Borrowings	13	27,280	28,305
Lease liabilities		273	273
Total non-current liabilities		27,553	28,578
Current liabilities			
Contract liabilities		–	7,015
Trade and other payables	14	196,407	246,280
Lease liabilities		3,795	3,795
Current tax liabilities		10,460	5,344
Provisions		6,375	6,375
Borrowings	13	196,119	172,093
Total current liabilities		413,156	440,902
Total liabilities		440,709	469,480
Total equity and liabilities		1,178,556	1,189,953

The above interim condensed consolidated balance sheets should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Note	Unaudited					
		Attributable to owners of the Company					Total equity RMB'000
		Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	
As at 1 January 2025		14	2,487,083	(1,481,993)	(285,637)	719,467	1,006
Comprehensive income							
Profit for the period		-	-	-	11,203	11,203	-
Other comprehensive income		-	-	6,170	-	6,170	1
As at 30 June 2025		14	2,487,083	(1,475,823)	(274,434)	736,840	1,007
As at 1 January 2024		14	2,524,727	(1,474,933)	(323,529)	726,279	979
Comprehensive income/(losses)							
Profit/(loss) for the period		-	-	-	24,422	24,422	(713)
Other comprehensive losses		-	-	(9,647)	-	(9,647)	-
Transactions with owners:							
Dividends declared to non-controlling shareholders		-	-	-	-	-	(245)
Contribution from non-controlling interests		-	-	-	-	-	2,330
As at 30 June 2024		14	2,524,727	(1,484,580)	(299,107)	741,054	2,351

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statements of Cash Flows

For the six months ended 30 June 2025

	Unaudited	
	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cash flows from operating activities		
Cash (used in)/generated from operations	(95,267)	77,684
Interest received	4,524	5,538
Income tax received	566	5,426
Net cash (used in)/generated from operating activities	(90,177)	88,648
Cash flows from investing activities		
Purchases of property, plant and equipment	(33)	—
Purchases of intangible assets	(537)	—
Payments for investments accounted for using the equity method	—	(71)
Acquisition of financial assets at fair value through profit or loss	—	(10,000)
Repayment of loans by third parties	—	1,343
Net cash used in investing activities	(570)	(8,728)
Cash flows from financing activities		
Proceeds from borrowings from third parties	181,119	137,800
Repayment of borrowings to third parties	(158,118)	(204,681)
Proceeds from loans from related parties	—	18,290
Interest paid	(3,286)	(2,986)
Payments of lease liabilities	(3,006)	(3,317)
Contributions from non-controlling interests	—	2,330
Dividends paid to non-controlling shareholders	—	(244)
Net cash generated from/(used in) financing activities	16,709	(52,808)
Net (decrease)/increase in cash and cash equivalents	(74,038)	27,112
Cash and cash equivalents at beginning of the period	438,576	338,397
Effect on exchange rate difference	178	(96)
Cash and cash equivalents at end of the period	364,716	365,413

For the above interim condensed consolidated statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 31 October 2019 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in (i) selling goods to customers ("**Sales of Goods Business**"), including Business To Business Model ("**B2B**") and Business To Consumer Model ("**B2C**"); (ii) the facilitation of brand partners' online operating services and digital marketing services in the People's Republic of China (the "**PRC**"). Mr. WANG Yong is the ultimate controlling shareholder of the Company.

The Company completed its initial public offering and listed its shares on the Main Board of the Stock Exchange of Hong Kong on 12 July 2021.

The interim condensed consolidated financial information is presented in Renminbi thousand ("**RMB'000**"), unless otherwise stated.

The interim condensed consolidated financial information was approved by the Board of Directors of the Company (the "**Board**") on 29 August 2025.

The interim condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

(a) Basis of presentation and accounting policies

These interim condensed consolidated financial statements have been prepared using accounting policies and methods of computation consistent with those applied in the Company's 31 December 2024 annual consolidated financial statements, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information. These interim condensed consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2024.

The Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board to this unaudited interim financial information for the current interim period for the first time:

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amendments to IFRS Accounting Standard 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 Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies.

The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

2 BASIS OF PREPARATION (CONTINUED)

(b) Statement of compliance

These interim condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 – “Interim Financial Reporting” using accounting policies in compliance with the IFRS Accounting Standards issued by the International Accounting Standards Board and Interpretations of the IFRS Interpretations Committee.

The interim condensed consolidated financial statements of the Company for the six months ended 30 June 2025 were approved and authorised for issue by the Board on 29 August 2025.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant accounting judgments and estimates

Information about judgments and estimates in applying accounting policies that have the significant effect on the amounts recognised in the Company’s interim condensed consolidated financial statements are included in Note 4 to the Company’s 31 December 2024 annual consolidated financial statements. The significant accounting judgments and estimates remain substantially unchanged from 31 December 2024.

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures as described in the annual financial information for the year ended 31 December 2024.

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

4.2 Fair value estimation

Financial instruments carried at fair value or where fair value was disclosed can be categorized by levels of the inputs to valuation techniques used to measure fair value. The inputs are categorized into three levels within a fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) inactive markets for identical assets or liabilities.

Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

4.2 Fair value estimation (continued)

The following table presents the Group's financial assets measured and recognised at fair value at 30 June 2025 and 31 December 2024 on a recurring basis.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2025				
Financial assets				
– Investment in a private fund	–	–	34,719	34,719
As at 31 December 2024				
Financial assets				
– Investment in a private fund	–	–	34,864	34,864

The Group's financial assets at fair values included investment in a private fund, fair value of which is estimated based on unobservable inputs (level 3).

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2025 and 31 December 2024.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the six months ended 30 June 2025 and 2024.

(i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

There were no changes in valuation techniques during the six months ended 30 June 2025 and 2024.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

4.2 Fair value estimation (continued)

(ii) Fair value measurement using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the period ended 30 June 2025 and 2024.

	Financial assets at FVPL	
	Investment funds	
	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Opening balance as at 1 January	34,864	35,414
Addition	—	—
Exchange difference	(145)	44
Closing balance as at 30 June	34,719	35,458

	Financial assets at FVPL	
	Wealth management products	
	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Opening balance as at 1 January	—	—
Addition	—	10,000
Closing balance as at 30 June	—	10,000

4.3 Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of the Group's current financial assets, including cash and cash equivalents, restricted cash, trade and other receivables and financial liabilities, including borrowings, lease liabilities, trade and other payables approximate their fair values due to their short maturities.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

5 SEGMENT INFORMATION

The Group's chief operating decision maker ("CODM") has been identified as the chief executive officer. The CODM reviews the consolidated results of the Group as a whole when making decisions about allocating resources and assessing performance of the Group. The Group mainly operates in the PRC. As at 30 June 2025 and 31 December 2024, most of non-current assets were located in the PRC. The Group's revenue are derived from the PRC primarily.

Thus no segment information was presented for the six month ended 30 June 2025 and 2024.

6 REVENUE

(a) The revenue for the six months ended 30 June 2025 and 2024 are set out as follows:

	Timing of recognition	Unaudited Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Sales of goods			
– B2B	at a point in time	287,721	271,246
– B2C	at a point in time	290,369	337,666
Provision of services	over time	1,985	4,392
		580,075	613,304

(b) Revenue by geographical markets

The revenue of the Group was generated in the PRC primarily during the six months ended 30 June 2025 and 2024.

(c) Information about major customers

During the six months ended 30 June 2025 and 2024, the revenue derived from external customers accounted for more than 10% of total revenue are set out below.

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Customer A	180,982	196,072

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

7 EXPENSES BY NATURE

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cost of goods sold	379,149	429,094
Sales and marketing expenses	84,332	45,794
Warehousing and logistic expenses	50,915	60,197
Employee benefit expenses	36,273	45,858
Depreciation and amortization charges	3,768	3,862
Office expenses	902	1,616
Auditors' remuneration	1,060	940
Others	4,621	5,363
	561,020	592,724

8 FINANCE INCOME – NET

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Finance income:		
Bank interest income	4,524	5,538
Finance costs:		
Interest expense on borrowings	(3,217)	(2,697)
Finance income – net	1,307	2,841

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

9 INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax	(5,106)	(4,243)
Deferred income tax	2,851	(333)
Income tax expense	(2,255)	(4,576)

(a) Cayman Islands

Under the current laws of Cayman Islands, the Company is not subject to tax on income or capital gain.

(b) British Virgin Islands

The Group's entities incorporated in the British Virgin Islands are not subject to tax on income or capital gains.

(c) Hong Kong

Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% on assessable profits up to HKD2,000,000 and 16.5% on any part of assessable profits over HKD2,000,000 for the years presented. Provision for Hong Kong profits tax was made on the assessable profits of entities within the Group incorporated in Hong Kong.

(d) Japan corporate income tax

Entities incorporated in Japan are subject to Japan corporate income tax at an effective statutory tax rate of approximately 30%.

(e) PRC corporate income tax ("CIT")

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% for the six months ended 30 June 2025 and 2024.

(f) PRC withholding Tax ("WHT")

According to the New Corporate Income Tax Law ("New CIT Law"), distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on if the foreign investor is considered as the beneficial owner of the dividend according to the double tax treaty (agreement) between China and the jurisdiction of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

10 EARNINGS PER SHARE

Basic earnings per share for the six months ended 30 June 2025 and 2024 are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the interim periods.

For the six months ended 30 June 2025 and 2024, the Company had no dilutive potential ordinary shares and therefore diluted earnings per share is equivalent to basic earnings per share.

	Unaudited Six months ended 30 June	
	2025	2024
Net profit attributable to owners of the Company (RMB'000)	11,203	24,422
Weighted average number of ordinary shares in issue	165,894,700	165,894,700
Basic earnings per share (expressed in RMB per share)	0.07	0.15

11 INVENTORIES

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Merchant goods	306,102	272,852
Less: provision	(7,372)	(7,866)
	298,730	264,986

Movements on the Group's allowance for provision of inventories are as follows:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
At beginning of period	7,866	26,932
Charge for the period		
– reverse to profit or loss	(823)	(9,851)
– exchange differences	329	519
At end of period	7,372	17,600

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

12 TRADE AND OTHER RECEIVABLES

The following amounts, determined after appropriate offsetting, are shown in the interim condensed consolidated balance sheets:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade receivables		
– Related parties	61,141	61,209
– Third parties	130,171	108,030
	191,312	169,239
Other receivables		
– Related parties		
– Others	5,336	2,663
– Dividend receivables from a joint venture	20,139	20,139
– Third parties	106,455	87,966
	131,930	110,768
Less: allowance for impairment	(53,007)	(46,134)
Total trade and other receivables	270,235	233,873

- (a) The Group's trading terms with its customers are mainly on credit, except for non-platform customers, where payment in advance is normally required. The credit period is generally 7 days from the date of billing, extending up to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group's main customers are e-commerce platforms with high reputation in China. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 30 June 2025, none of principal amount of bank borrowing and outstanding borrowing are secured by trade receivables and other receivables.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

12 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) The ageing analysis of the trade receivables based on invoice date were as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade receivables – gross		
Up to 3 months	111,179	100,922
3 to 6 months	15,557	3,868
6 months to 1 year	851	223
Over 1 year	63,725	64,226
	191,312	169,239

(c) The ageing analysis of other receivables based on due date were as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Other receivables – gross		
Up to 3 months	128,930	107,610
3 to 6 months	–	158
6 months to 1 year	–	3,000
Over 1 year	3,000	–
	131,930	110,768

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

12 TRADE AND OTHER RECEIVABLES (CONTINUED)

(d) Movements on the Group's allowance for impairment of trade and other receivables are as follows:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
At beginning of period	46,134	34,894
Charge for the period		
– charge to profit or loss	6,838	3,756
– exchange differences	35	(25)
At end of period	53,007	38,625

The Group's allowance for impairment of trade and other receivables charged to profit or loss are as follows:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Trade receivables	5,905	3,542
Other receivables	933	214
	6,838	3,756

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

13 BORROWINGS

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Secured or guaranteed		
Current	186,200	168,000
Current portion of non-current	—	4,093
Non-current	1,488	4,697
	187,688	176,790
Unsecured		
Current	9,919	—
Current portion of non-current	—	—
Non-current	25,792	23,608
	35,711	23,608
Total borrowings	223,399	200,398

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

14 TRADE AND OTHER PAYABLES

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade payables		
– Related parties	7,760	4,658
– Third parties	121,310	175,015
	129,070	179,673
Other payables		
– Related parties	32	347
– Third parties	49,156	38,120
	49,188	38,467
Accrued payroll	11,236	21,345
Other taxes payables	6,726	6,539
Interest payables	187	256
	196,407	246,280

The ageing analysis of the trade payables based on invoice date were as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Up to 3 months	95,378	44,005
3 to 6 months	53	135,668
6 months to 1 year	33,639	–
	129,070	179,673

15 DIVIDENDS

The Company has declared a dividend of HK\$0.5 per share for the year ended 31 December 2024. The final dividend has been paid out of the share premium of the Company on 16 July 2025 to the Shareholders whose names appear on the register of members of the Company on 7 July 2025. The Board has resolved that no interim dividend will be declared for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK\$0.25).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

16 RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name	Relationship
Mr. Wang Yong 王勇	The controlling shareholder of the Group
Transcosmos Inc. ("TCI") トランスコスモス株式会社	Shareholder of the Group
UNQ International (HK) Limited ("UNQ International HK") 優趣匯國際香港有限公司	Joint venture of UNQ Supply Chain Management Co., Ltd. ("UNQ Supply Chain", an indirect wholly-owned subsidiary of the Company)
Shanghai Xuyi	Associate of UNQ Supply Chain
Calbee E-commerce Limited 卡樂比電子商務股份有限公司	Associate of UNQ International HK
Calbee (Hangzhou) Food Co., Ltd. 卡樂比(杭州)食品有限公司	Subsidiary of Calbee E-commerce Limited

The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

The following is a summary of the significant transactions carried out between the Group and its joint venture, associate and shareholder TCI in the ordinary course of business during the six months ended 30 June 2025 and 2024, and balances arising from related party transactions as at 30 June 2025 and 31 December 2024.

(b) Transactions with related parties

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Sales of goods and provision of services – Shanghai Xuyi	–	49
Return of goods – Shanghai Xuyi	(60)	–
Purchase of goods and services – TCI	31,893	23,171
Guarantee provided – Shanghai Xuyi	48,000	50,000
Borrowings – UNQ International HK	–	18,290

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2025

16 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade receivables (Note 12)		
– Shanghai Xuyi	61,141	61,209
Other receivables (Note 12)		
– TCI	5,336	2,663
Trade payables (Note 14)		
– TCI	7,760	4,658
Other payables (Note 14)		
Trade		
– TCI	32	347
Divided receivables (Note 12)		
– UNQ International HK	20,139	20,139



优趣汇控股有限公司
UNQ HOLDINGS LIMITED