JS Global

JS 环球生活有限公司

JS GLOBAL LIFESTYLE COMPANY LIMITED

Stock code: 1691

(Incorporated in the Cayman Islands with limited liability)

HIGH-QUALITY INNOVATIVE LIFESTYLE

2023 Interim Report

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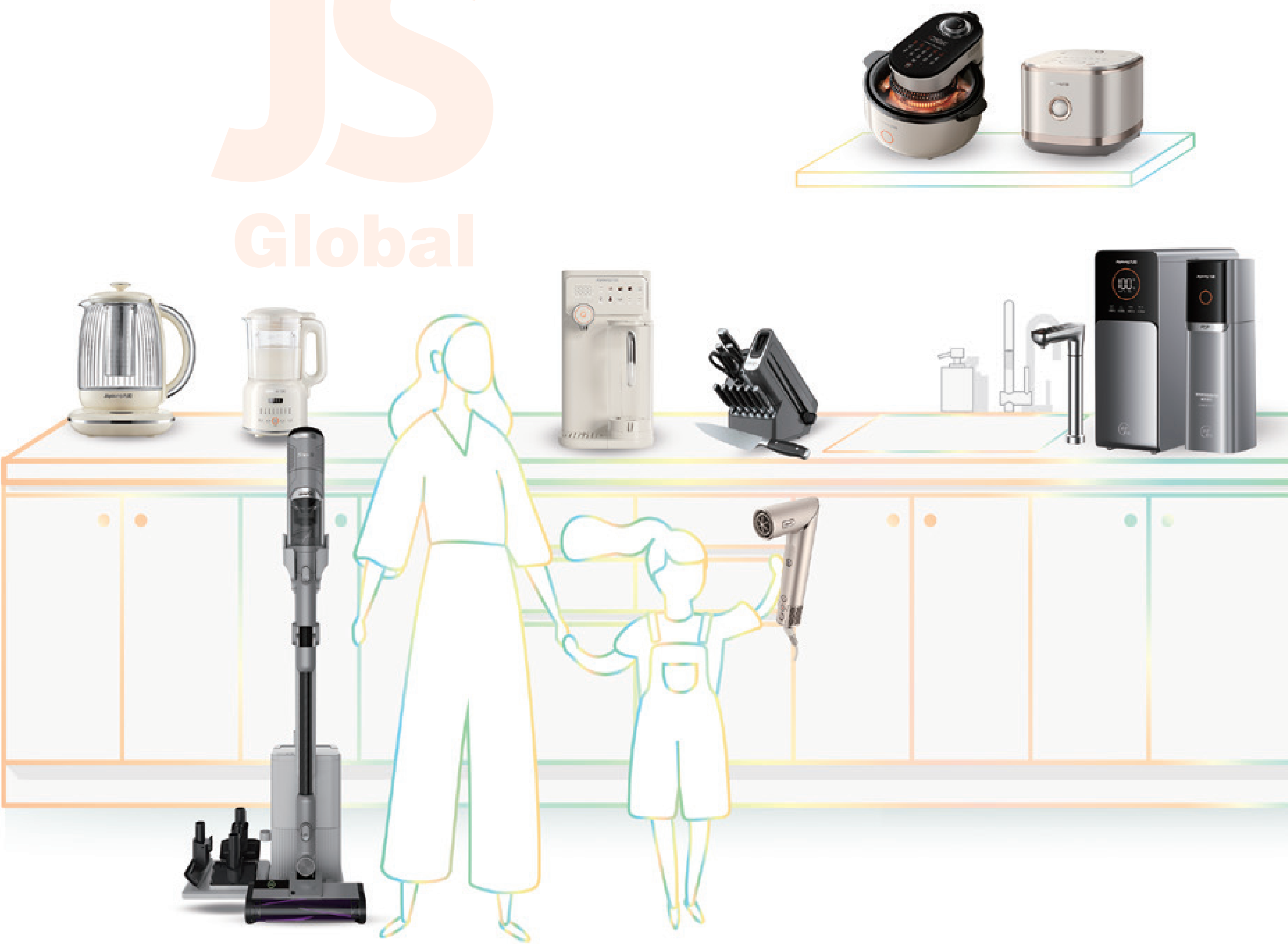

Corporate Information

BOARD OF DIRECTORS

Executive Directors

WANG Xuning *(Chairman and Chief Executive Officer)*
HAN Run *(Chief Financial Officer)*
HUANG Shuling

Non-executive Directors

Stassi Anastas ANASTASSOV
HUI Chi Kin Max *(resigned on July 30, 2023)*

Independent Non-executive Directors

Yuan DING
YANG Xianxiang
SUN Zhe *(re-designated from non-executive Director on July 30, 2023)*
Timothy Roberts WARNER *(resigned on July 30, 2023)*

AUDIT COMMITTEE

Yuan DING *(Chairman)*
YANG Xianxiang
SUN Zhe *(appointed on July 30, 2023)*
Timothy Roberts WARNER *(resigned on July 30, 2023)*

NOMINATION COMMITTEE

WANG Xuning *(Chairman)*
Yuan DING
YANG Xianxiang

REMUNERATION COMMITTEE

YANG Xianxiang *(Chairman, re-designated on July 30, 2023)*
HAN Run
SUN Zhe *(appointed on July 30, 2023)*
Timothy Roberts WARNER *(resigned on July 30, 2023)*

STRATEGY COMMITTEE

WANG Xuning *(Chairman)*
Stassi Anastas ANASTASSOV
SUN Zhe
Yuan DING
YANG Xianxiang
HUI Chi Kin Max *(resigned on July 30, 2023)*
Timothy Roberts WARNER *(resigned on July 30, 2023)*

AUTHORISED REPRESENTATIVES

HAN Run
KWAN Man Ying *(appointed on September 1, 2023)*
SHAN Minqi *(resigned on September 1, 2023)*

COMPANY SECRETARY

KWAN Man Ying *(appointed on September 1, 2023)*
SHAN Minqi *(HKICPA) (resigned on September 1, 2023)*

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

21/F
238 Des Voeux Road Central
Sheung Wan
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

21/F
238 Des Voeux Road Central
Sheung Wan
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR

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

LEGAL ADVISERS

As to Hong Kong and US laws
Paul Hastings
22/F, Bank of China Tower
1 Garden Road
Hong Kong

As to Cayman Islands laws
Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

AUDITOR

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

PRINCIPAL BANK

Industrial and Commercial Bank of China (Asia) Limited

STOCK CODE

1691

COMPANY'S WEBSITE

www.jsgloballife.com

DATE OF LISTING

December 18, 2019

Management Discussion and Analysis

The following discussion should be read in conjunction with the unaudited consolidated financial information of the Group, including the related notes, set forth in the financial information section of this report.

BUSINESS OVERVIEW

Our mission is to positively impact people's lives around the world every day through transformational, innovative, and design-driven smart home products.

We are a global leader in high-quality, innovative small household appliances and our success is centered around our deep understanding of consumer needs, and is built on our strong product innovation and design capability powered by a global research and development platform, marketing strengths driving high brand engagement, and an omni-channel distribution model with high penetration. Through continuously creating new products, expanding and diversifying our product portfolio to stimulate consumers' demand and grow the market, we are the leader of the market, reshaping the consumer behavior and their lifestyle globally. With trusted market-leading brands, Shark, Ninja and Joyoung, we continue to maintain a leading position in the global small household appliance market.

We focus on three core competencies: (i) developing transformational innovative products with appealing designs; (ii) effecting multi-form brand marketing; and (iii) building a global omni-channel sales network. They are supported by operational infrastructure, including a global research and development platform which utilizes consumer engagement to amass information on consumer preferences and behaviors that informs and influences the product development process, a centralized supply chain with a global reach and a comprehensive information management system across the entire value chain.

We offered our transformational and innovative small household appliances under the brand names of Shark, Ninja and Joyoung, within the following two business segments during the Reporting Period:

- the SharkNinja segment focuses on home environment appliances and kitchen appliances which are sold in North America, Europe, Japan and various other countries throughout the world. The Shark and Ninja brands maintain leading market share in a number of product categories and in a number of countries through an intense focus on quality, reliability, consumer satisfaction and accessible innovation to consumers.

- the Joyoung segment continues offering small household appliances, focusing on kitchen and cleaning appliances. In China, our Joyoung brand maintains the largest market share in several innovative product categories.

Despite the pressure and challenges, China and the U.S. remain the world's largest and most attractive small household appliance markets.

Global Update

The Group underwent an reorganization of its organization structure, where the SharkNinja segment excluding the SharkNinja APAC business unit was spun off from the Group and separately listed on the New York Stock Exchange on July 31, 2023. Subsequently, such spun-off business of the SharkNinja segment was classified as a disposal group held for distribution and as a discontinued operation.

During the first half of the year of 2023, the overall performance of the continuing operations of the Group, including Joyoung segment and SharkNinja APAC business unit, declined compared with the first half of the year of 2022 mainly due to persistent challenge and fierce competition in China market, which was partially offset by strong growth of SharkNinja APAC business unit resulted from continued market shares gain in the existing markets and entry into new markets by strategic acquisition.

The United States and Europe

During the Reporting Period, the ability to maintain stable revenue level in the U.S. was mainly due to sales growth in the heated and personal care category, which was offset by overall softness in demand for motorized blenders and corded vacuum categories.

Europe had strong sales growth in the first half of 2023 compared with the first half of 2022, particularly in the United Kingdom, which was mainly driven by the heated category as a result of significant sales growth in air-fryer and outdoor grill which was launched in the first quarter of 2023. Europe also experienced significant growth in the personal care category attributable to a full first half year sales of Shark hair dryer ("**FlexStyle**") in 2023.

China

In the fierce market competition in the first half of 2023, the Joyoung segment of the Group, as a leader in the domestic small household appliance industry, continuously launched innovative technology products that lead the industry's development trend, and improved operational efficiency through improved quality and efficiency of production and optimized sales channels achieved by taking measures such as platform-based production, flexible delivery, and production sales rhythm linkage.

In terms of products, Joyoung adhered to the brand DNA of health and innovation and the "1+3" product strategy, and further launched a series of advantageous product portfolio to enhance the consumers' experience of different age groups and under different usage scenarios. In the first half of 2023, we upgraded our main sales series of products, including blenders, air fryers that do not need flip-overs, and zero-coating rice cookers.

- Variable-frequency light noise blenders: through user insight, Joyoung found that noise is the biggest pain point for consumers when using blenders. Therefore, the Company has launched a blender B1 equipped with a variable-frequency brushless motor to solve the noise problem from the root, and provides a lifelong warranty after-sales service commitment for this motor.

- The second generation zero-coating rice cooker: Joyoung developed dot matrix micro pit technology based on the precise temperature control of air cooling, creating nearly 200,000 water locking micro pits on the inner tank and meeting the national level II non-stick standard, which made the structure of the water film more stable, and upgraded the zero-coating non-stick rice cooker products.

Management Discussion and Analysis

- Quick tender roasted air fryer: we added a 6-fold sealed water locking system to the air fryer based on the stereo hot air cyclic heating technology, which improved the product's efficiency and allowed the air fryer to switch between tender and crispy flavors with just one click.

In addition, we also launched an entry-level series of products for Romantic Life (漫生活), committed to bringing innovative technology to more households and improving the quality of daily life at all levels of consumption.

In terms of channels, Joyoung used a three-dimensional and multi-level sales network to achieve precise coverage of consumer groups in different circles. As the young people of Generation Z gradually become the mainstream consumer group, Joyoung focused on the development of content e-commerce platforms dominated by Douyin and Xiaohongshu in the first half of 2023, and established professional teams or departments for user research, data analysis, content creation, livestreaming, editing, directing and filming, gradually completing a more complete livestreaming matrix and a closed-loop of " marketing – purchase – sharing". In addition, the Company also strengthened the construction of retail terminals and shopping guides, guided experienced terminal stores and shopping guides to carry out scenario based demonstrations and livestream sales, built and refined a more comprehensive, efficient, and accurate O2O digital uni marketing operation system based on the self-built digital intermediate platform network, while exploring new opportunities in the offline market and comprehensively improving retail sales capabilities.

In terms of operation, in the first half of 2023, Joyoung focused on the development of direct sales teams and the construction of self-operated stores, which will bring the Company closer to consumers, users and fans, help the Joyoung segment reach end consumers more frequently and efficiently, and is conducive to long-term sustained high-quality development.

The Joyoung segment will continue to expand and strengthen the brand asset value of "Home Kitchen", "Charity Kitchen" and "Space Kitchen", actively respond to the changing market environment, continue to develop the advantages of insight into consumer needs and quickly meet their needs, adhere to retail sales driven, and comprehensively develop emerging sales channels, committed to building the Company into a leader of high-quality small household appliance with a full spectrum of products.

SharkNinja-APAC Regions (Excluding China)

SharkNinja APAC segment recorded strong growth of revenue from APAC regions excluding China in the first half of 2023 with revenue from external customers of US$48.6 million compared to the prior period of US$28.1 million. The year-on-year growth of 73.0% was mainly attributable to the continued market shares gain of Shark vacuum products in Japan market with revenue of US$37.2 million (2022: US$28.1 million), which grew by 32.5% and would have increased by 44.2% under constant currency. In addition, the Group has entered new markets through strategic acquisition, including Australia, New Zealand, Singapore and Malaysia. These new markets brought incremental revenue of US$11.4 million in the first half of 2023 and such expansion also helped diversification of product lines featuring air fryers, indoor grills, blenders, multi-cookers and ice cream makers.

Japan

Shark brand in Japan market accelerates its momentum in the cordless vacuum category, with retail point-of-sales growth of 55.3% in the first half of 2023 compared to the first half of 2022, while the overall category declined by 1.6%. This resulted in an increased value share in the cordless vacuum category to 13.9%, up 460 basis points from the same period in 2022.

The growth was driven by innovation tailored to consumer preferences, featuring lightweight and smart cordless vacuums which deliver leading cleaning performance. In June 2023, the introduction of CleanSense iQ, Shark's new performance flagship line, led to a tangible increase in in-store presence, highlighting our commitment to lead innovation in this category.

Australia and New Zealand

In April 2023, we completed the acquisition of four Mann & Noble entities in Australia, New Zealand, Singapore and Malaysia, a significant step that places direct control of our go-to-market and product strategies in these markets. This acquisition is poised to accelerate growth by allowing direct category entry into cleaning and kitchen appliances, as well as a new launch in the hair styling category. This move also enables us to deliver the most suitable products that align with the unique consumer needs in these markets.

FINANCIAL REVIEW

Overall performance

Following the spin-off and separate listing of the SharkNinja Group on the New York Stock Exchange on July 31, 2023, the SharkNinja business units which distributes its products in North America, Europe and other non-Asia Pacific markets ("**SharkNinja Non-APAC segment**") was classified as a disposal group held for distribution and as a discontinued operation while the existing business of the Group including Joyoung segment and the business of SharkNinja products selling in Asia Pacific Region and Greater China ("**SharkNinja APAC segment**") would be the continuing operations.

During the Reporting Period, the total revenue of the Group from continuing operations was US$573.6 million, representing a year-on-year decrease of 18.5%. Gross profit was US$213.4 million, representing a year-on-year decrease of 14.7%. Gross profit margin was 37.2%, increased by 1.6 percentage points as compared to 35.6% year-on-year. Profit from continuing operations for the Reporting Period decreased by 30.2% year-on-year to approximately US$46.2 million. Profit attributable to owners of the parent decreased by approximately 29.5% year-on-year to approximately US$34.5 million. EBITDA[1] for the Reporting Period dropped by 19.9% year-on-year to approximately US$73.1 million, and adjusted EBITDA[2] for the Reporting Period decreased by 18.7% year-on-year to approximately US$78.9 million. Adjusted net profit[3] for the Reporting Period decreased by 27.8% year-on-year to approximately US$52.0 million.

Management Discussion and Analysis

From both the continuing and discontinued operation, profit for the Reporting Period decreased by 22.9% year-on-year to approximately US$139.5 million. Profit attributable to owners of the parent decreased by approximately 22.0% to US$127.8 million. EBITDA[1] for the Reporting Period dropped by 9.0% year-on-year to approximately US$275.0 million, and adjusted EBITDA[2] for the Reporting Period increased by 5.3% to approximately US$335.4 million. Adjusted net profit[3] for the Reporting Period slightly grew by 1.4% year-on-year to approximately US$209.7million.

Revenue

For the Reporting Period, the Group from continuing operations recorded a total revenue of US$573.6 million (2022: US$703.4 million), representing a year-on-year decrease of 18.5%.

The following table sets forth the breakdown of the Group's revenue from continuing operations by business segment:

	For the six months ended June 30,			
	2023		2022 (restated)	
	Amount	**%**	Amount	%
	(in US$ million, except percentages)			
Joyoung segment	**490.9**	**85.6**	639.0	90.8
SharkNinja APAC segment	**48.6**	**8.5**	28.1	4.0
Total sales to external customers	**539.5**	**94.1**	667.1	94.8
SharkNinja APAC segment-Sourcing business	**34.1**	**5.9**	36.3	5.2
Total	**573.6**	**100.0**	703.4	100.0

The Joyoung segment represents the Group's Joyoung business unit, which focuses on kitchen and cleaning appliances. The SharkNinja APAC segment represents the Group's SharkNinja business unit, which distributes its products in Japan, Australia and New Zealand, and other Asia Pacific markets and is primarily focused on cleaning appliances and kitchen appliances.

1 EBITDA is defined as profit before taxation plus finance costs, depreciation and amortization, less interest income. For a reconciliation of profit before tax for the periods to EBITDA as defined, see "– Non-IFRS Measures" below.

2 For a reconciliation of EBITDA for the Reporting Period to adjusted EBITDA as defined, see "– Non-IFRS Measures" below.

3 Adjusted net profit is defined as profit for the year adjusted for certain items that do not affect the Company's ongoing operating performance, including items arising from acquisition and relating to the reorganization in preparation for the Global Offering (as defined below and non-recurring items and items not related to the Company's ordinary course of business (each without considering tax effect). For a reconciliation of profit for the periods to Adjusted profit, see "– Non-IFRS Measures" below.

Revenue from the Joyoung segment amounted to US$490.9 million (2022: US$639.0 million), dropping by approximately 23.2% year-on-year and accounting for approximately 85.6% of the total revenue of the Group. On a constant currency basis, the revenue of the Joyoung segment would have decreased by 17.3%. During the Reporting Period, revenue from external customers from the SharkNinja APAC segment was US$48.6 million (2022: US$28.1 million), growing by approximately 73.0% year-on-year and accounting for approximately 8.5% of the total revenue of the Group. On a constant currency basis, the revenue from external customers of the SharkNinja APAC segment would have increased by 84.6%.

The revenue of Joyoung segment declined was primarily due to the softness in demand for most of the kitchen appliances as a result of slow recovery of consumer market under uncertain economic environment and the appliance industry was in declining trend.

The SharkNinja APAC segment's ability to accelerate revenue growth was attributable to continued market share growth in the cordless vacuum category of Japan market and the strategic acquisition enabling direct market entry in the motorized blenders, heated kitchen appliances and food preparation categories.

The sourcing business under SharkNinja APAC segment represents one of the sourcing offices within the Group, which provided sourcing services to SharkNinja Non-APAC segment for production and manufacturing of SharkNinja products. The revenue from such intra group sourcing arrangement was made up of the mark-up fee on the procurement amounts charged by OEM suppliers, less direct expenses by providing such sourcing service.

Revenue from sourcing business under SharkNinja APAC segment amounted to US$34.1 million (2022: US$36.3 million), decreasing by 6.1% year-on-year and accounting for approximately 5.9% of the total revenue of the Group. Upon completion of the Spin-off, the Group will continue to provide value-added sourcing services to the SharkNinja non-APAC segment over a transitional period and charge certain service fee rate on the procurement amount.

The following table sets forth the breakdown of the Group's sales to external customers from continuing operations by brand:

	For the six months ended June 30,			
	2023		2022 (restated)	
	Amount	%	Amount	%
	(in US$ million, except percentages)			
Joyoung	**485.3**	**90.0**	635.0	95.2
Shark	**47.7**	**8.8**	32.1	4.8
Ninja	**6.5**	**1.2**	–	–
Total sales to external customers	**539.5**	**100.0**	667.1	100.0

During the Reporting Period, total revenue generated by the Joyoung brand was approximately US$485.3 million (2022: US$635.0 million), representing a year-on-year decrease of approximately 23.6%. The decrease was mainly due to the continued soft demand and slow recovery of consumer market and also there was fierce competition within China market.

Management Discussion and Analysis

During the Reporting Period, total revenue generated by the Shark brand was approximately US$47.7 million (2022: US$32.1 million), representing a year-on-year increase of approximately 48.6%. The increase was attributable to gains in market share in the cleaning appliances category. In addition, the launch into the new category of hair care appliances also contributed to this growth. The combination of winning in existing categories and strategic entry into new and adjacent categories underscores the brand's commitment to innovation and market responsiveness.

During the Reporting Period, total revenue generated by the Ninja brand was approximately US$6.5 million (2022: Nil). This was driven by the strategic acquisition, which enabled market entry across cooking and food preparation categories. This expansion includes a diverse product line featuring air fryers, indoor grills, blenders, multi-cookers and ice cream makers.

The following table sets forth the breakdown of the Group's sales to external customers from continuing operations by geography:

	For the six months ended June 30,			
	2023		2022 (restated)	
	Amount	%	Amount	%
	(in US$ million, except percentages)			
China	**482.3**	**89.4**	622.9	93.4
Japan	**37.4**	**6.9**	28.8	4.3
Australia and New Zealand	**10.3**	**1.9**	–	–
Other markets	**9.5**	**1.8**	15.4	2.3
Total sales to external customers	**539.5**	**100.0**	667.1	100.0

During the Reporting Period, total revenue generated from China was approximately US$482.3 million (2022: US$622.9 million), representing year-on-year drop of 22.6%. The decrease in revenue was caused by overall softness in demand and fierce competition within the product categories that we sell in.

During the Reporting Period, total revenue generated from Japan was approximately US$37.4 million (2022: US$28.8 million), representing a year-on-year growth of approximately 29.9%. The increase in revenue was driven by ongoing innovations in the cordless vacuum category. On a constant currency basis, revenue would have increased by 40.5%.

During the Reporting Period, total revenue generated from Australia and New Zealand was approximately US$10.3 million (2022: Nil). The sales in these countries was driven by the strategic acquisition, highlighting the impact of targeted investments in expanding our market reach and enhancing the geographical presence of our brands.

During the Reporting Period, total revenue generated from other markets was approximately US$9.5 million (2022: US$15.4 million), representing a year-on-year decrease of 38.3%, primarily due to soft demand for Joyoung's products outside China, which was partially offset by new market entry into Singapore and Malaysia during the Reporting Period.

The following table sets forth the breakdown of the Group's sales to external customers from continuing operations by product category:

	For the six months ended June 30,			
	2023		2022 (restated)	
	Amount	%	Amount	%
	(in US$ million, except percentages)			
Cooking appliances	**268.7**	**49.8**	330.5	49.5
Food preparation appliances	**155.6**	**28.8**	206.4	31.0
Cleaning appliances	**46.1**	**8.6**	32.1	4.8
Others	**69.1**	**12.8**	98.1	14.7
Total sales to external customers	**539.5**	**100.0**	667.1	100.0

Cooking appliances include rice cookers, pressure cookers, induction cookers, air fryers, and other appliances and utensils for cooking. Food preparation appliances include high-performance multifunctional blenders, soymilk makers, food processors and other small household appliances that facilitate the food preparation process.

Cleaning appliances include upright vacuums, cordless and corded stick vacuums and other floor care products. Others product category includes small household appliances, such as water purifiers, water heaters, thermos and hair-dryer.

During the Reporting Period, cooking appliances was the Group's largest product category, with revenue contribution of 49.8% for the Reporting Period. The cooking category declined by 18.7% year-on-year to US$268.7 million. The decline in cooking appliance revenue was mainly due to the softening demand within the China market of air fryers and other cooking appliances in the first half of 2023, partially offset by incremental revenue from new market entry of SharkNinja cooking appliances.

During the Reporting Period, food preparation appliances recorded revenue decrease of 24.6%, with the revenue of US$155.6 million. The decline was primarily due to the softness in the demand in China market, especially high-performance blenders, partially offset by entry in other markets of SharkNinja products.

The cleaning category grew by 43.6% year-on-year to US$46.1 million during the Reporting Period which was mainly driven by market share gains in Japan and entry in other markets.

During the Reporting Period, others product category recorded a year-on-year decrease of 29.6% to approximately US$69.1 million, as a result of softness in demand for water purifier and cookware in China market, partially offset by incremental revenue from the new launch into the hair styler category.

OTHER FINANCIAL INFORMATION

Cost of sales

For the Reporting Period, the cost of sales of the Group from continuing operations was approximately US$360.2 million (2022: US$453.2 million), representing a year-on-year decrease of approximately 20.5%. The decrease was primarily attributable to decrease in the revenue from the Joyoung segment.

The following table sets forth the breakdown of the cost of sales of the Group from continuing operations by business segment:

	For the six months ended June 30,			
	2023		2022 (restated)	
	Amount	%	Amount	%
	(in US$ million, except percentages)			
Joyoung segment	**333.3**	**92.5**	437.9	96.6
SharkNinja APAC segment	**26.9**	**7.5**	15.3	3.4
Total cost of sales on sales to external customers	**360.2**	**100.0**	453.2	100.0

For the Reporting Period, the Joyoung segment recorded a total cost of sales of approximately US$333.3 million (2022: US$437.9 million), representing a year-on-year decrease of approximately 23.9%. The decrease was primarily in line with the decrease in sales of products.

For the Reporting Period, the SharkNinja APAC segment recorded a total cost of sales of approximately US$26.9 million (2022: US$15.3 million), representing a year-on-year increase of approximately 75.8%. The increase was primarily attributable to higher sales across markets.

Gross profit

For the Reporting Period, the gross profit of the Group from continuing operations was approximately US$213.4 million (2022: approximately US$250.2 million), representing a year-on-year decrease of approximately 14.7%. The gross profit margin from continuing operations for the Reporting Period was 37.2%, representing an increase of 1.6 percentage points from 35.6% for the six months ended June 30, 2022.

By excluding the sourcing business, the gross profit of the Group on sales to external customers for the Reporting Period was approximately US$179.3 million (2022: approximately US$213.9 million), representing a year-on-year decrease of approximately 16.2%. The gross profit margin on sales to external customers for the Reporting Period was 33.2%, representing an increase of 1.1 percentage points from 32.1% for the six months ended June 30, 2022, primarily attributable to improvement in the gross margin from Joyoung segment.

	For the six months ended June 30,			
	2023		2022 (restated)	
	Gross Profit	**Gross Margin %**	Gross Profit	Gross Margin %
	(in US$ million, except percentages)			
Joyoung segment	**157.6**	**32.1**	201.1	31.5
SharkNinja APAC segment	**21.7**	**44.7**	12.8	45.6
Total gross profit on sales to external customers	**179.3**	**33.2**	213.9	32.1

The gross profit margin of Joyoung segment increased from 31.5% for the six months ended June 30, 2022 to 32.1% for the Reporting Period, mainly benefited from the favorable product mix which the sales proportion of products with higher gross margin increased compared with the prior period.

The gross profit of SharkNinja APAC segment for the Reporting Period increased by 69.5%, and its gross profit margin slightly decreased from 45.6% for the six months ended June 30, 2022 to 44.7% for the Reporting Period. The decrease in gross profit margin was mainly due to increase in commodity cost, partially offset by product enhancement of the cordless vacuum category in Japan and through the strategic acquisition where we have structurally higher gross profit margins primarily through higher profitability of online sales.

Other income and gains

Other income and gains of the Group from continuing operations primarily include (i) gain or loss on financial assets at their fair value; (ii) government grants (mainly relating to research and promotion activities, innovation and patents); (iii) bank interest income; (iv) net rental income from investment property operating leases; (v) foreign exchange differences, net; and (vi) gain on disposal of items of property, plant and equipment.

The following table sets forth the breakdown of the Group's other income and gains from continuing operations:

	For the six months ended June 30,	
	2023	2022 (restated)
	(in US$ million)	
Other income		
Bank interest income	**3.3**	3.6
Net rental income from investment property operating leases	**1.1**	1.2
Government grants	**2.7**	12.0
Others	**–**	0.3
Subtotal	**7.1**	17.1
Gains		
Foreign exchange differences, net	**9.7**	3.9
Gain/(loss) on financial assets at fair value through profit or loss, net	**1.9**	(3.0)
Gain on disposal of items of property, plant and equipment	**0.2**	–
Others	**3.4**	2.2
Subtotal	**15.2**	3.1

For the Reporting Period, other income and gains of the Group from continuing operations was approximately US$22.3 million (2022: US$20.2 million), representing a year-on-year increase of approximately 10.5%. The increase was primarily due to increase in foreign exchange gain and net gain on financial assets at fair value through profit or loss noted during the Reporting Period while net loss on financial assets at fair value through profit or loss in the prior period, partially offset by decline in government grants.

Selling and distribution expenses

Selling and distribution expenses of the Group from continuing operations primarily consist of (i) trade marketing expenses in relation to marketing and branding expenses primarily at sales channel; (ii) staff cost in relation to sales and distribution staff; (iii) advertising expenses; (iv) warehousing and transportation expenses for sales of products; (v) business development expenses; and (vi) office expenses and others.

The following table sets forth the breakdown of the Group's selling and distribution expenses from continuing operations:

	For the six months ended June 30,	
	2023	2022 (restated)
	(in US$ million)	
Trade marketing expenses	**49.4**	67.3
Staff cost	**21.6**	18.7
Advertising expenses	**14.9**	14.9
Warehousing and transportation expenses	**9.4**	7.1
Business development expenses	**4.3**	3.3
Office expenses and others	**6.9**	7.7
Total	**106.5**	119.0

The Group's selling and distribution expenses from continuing operations decreased by approximately 10.5% year-on-year from approximately US$119.0 million for the six months ended June 30, 2022 to approximately US$106.5 million for the Reporting Period, which was mainly due to a reduction of trade marketing expenses in China market, partially offset by increased transportation expenses and additional investment in staff cost and business development for the new markets.

Administrative expenses

Administrative expenses of the Group from continuing operations primarily consist of (i) staff cost in relation to product development and administrative staff; (ii) office expenses; (iii) depreciation and amortization; (iv) professional service fees primarily consisting of (a) legal fees, (b) tax, audit and advisory fees, and (c) engineering consulting fees; and (v) other expenses.

The following table sets forth the breakdown of the Group's administrative expenses from continuing operations:

	For the six months ended June 30,	
	2023	2022
		(restated)
	(in US$ million)	
Staff cost	**35.7**	37.9
Office expenses	**9.0**	8.4
Depreciation and amortization	**4.0**	4.0
Professional service fees	**3.7**	1.9
Other	**11.1**	14.8
Total	**63.5**	67.0

The Group's administrative expenses from continuing operations decreased by approximately 5.3% year-on-year from approximately US$67.0 million for the six months ended June 30, 2022 to approximately US$63.5 million for the Reporting Period. The decrease was primarily attributable to reclassification of certain staff cost from administrative expense to selling expenses and savings in other administrative expenses during the Reporting Period, which was partially offset by increase in professional service fee.

Other expenses

Other expenses of the Group from continuing operations primarily consist of (i) impairment of prepayments and other assets; and (ii) other expenses.

The following table sets forth the breakdown of the Group's other expenses from continuing operations:

	For the six months ended June 30,	
	2023	2022
		(restated)
	(in US$ million)	
Impairment of prepayments and other assets	**0.1**	1.4
Other	**0.7**	0.7
Total	**0.8**	2.1

The Group's other expenses from continuing operations decreased by approximately 59.5% year-on-year from approximately US$2.1 million for the six months ended June 30, 2022 to approximately US$0.8 million for the Reporting Period. The decrease was primarily due to decrease in impairment of other assets during the Reporting Period.

Finance costs

Finance costs of the Group from continuing operations primarily represent (i) interest expenses on bank loans; (ii) interest expenses on lease liabilities; (iii) amortization of deferred finance costs, representing amortization of various fees associated with the bank loans; and (iv) other finance costs.

The following table sets forth the breakdown of the Group's finance costs from continuing operations:

	For the six months ended June 30,	
	2023	2022 (restated)
	(in US$ million)	
Interest on bank loans	**12.4**	3.7
Interest on lease liabilities	**0.2**	0.2
Amortization of deferred finance costs	**1.5**	2.2
Other finance costs[4]	**–**	0.3
Total	**14.1**	6.4

Finance costs of the Group from continuing operations increased by approximately 121.8% year-on-year from approximately US$6.4 million for the six months ended June 30, 2022 to approximately US$14.1 million for the Reporting Period. The increase was primarily due to increase in the interest on bank loans as a result of the increase in the average interest rates during the Reporting Period.

Income tax

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which its entities are domiciled and operate. Under the relevant PRC income tax law, except for certain preferential treatments available to the Group, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% (2022: 25%) on their respective taxable income. During the period, five (2022: five) of the Group's entities obtained approval from the relevant PRC tax authorities and were entitled to preferential corporate income tax rates or corporate income tax exemptions.

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime.

Income tax expense of the Group from continuing operations decreased by approximately 42.8% year-on-year from approximately US$12.5 million for the six months ended June 30, 2022 to approximately US$7.1 million for the Reporting Period. The decrease was primarily attributable to the decrease of profit before tax from continuing operations during the Reporting Period.

[4] Other finance costs primarily include transaction fees for bill discounting.

Net profit

As a result of the foregoing reasons, net profit from continuing operations decreased by approximately 30.2% from approximately US$66.2 million for the six months ended June 30, 2022 to approximately US$46.2 million for the Reporting Period. Net profit from both continuing and discontinued operation decreased by approximately 22.9% from US$180.9 million for the six months ended June 30, 2022 to approximately US$139.5 million for the Reporting Period.

NON-IFRS MEASURES

To supplement the Group's consolidated statements of profit or loss which are presented in accordance with IFRS, the Group also uses adjusted net profit, EBITDA and adjusted EBITDA as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The Group believes that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provide useful information to potential investors and management in facilitating a comparison of the Group's operating performance from period to period by eliminating potential impacts of certain items that do not affect the Group's ongoing operating performance, including expenses arising from the acquisition of SharkNinja and the reorganization (the "**Reorganization**") in preparation for the global offering of the Company in 2019 (the "**Global Offering**"), and non-operational or one-off expenses and gains (each without considering tax effect). Such non-IFRS measures allow investors to consider matrices used by the Group's management in evaluating the Group's performance. From time to time in the future, there may be other items that the Group may exclude in reviewing the Group's financial results. The use of the non-IFRS measures has limitations as an analytical tool, and it should not be considered in isolation from, or as a substitute for or superior to analysis of, the Group's results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies.

The following table shows the Group's adjusted net profit, EBITDA and adjusted EBITDA from continuing operations:

	For the six months ended June 30,	
	2023	2022 (restated)
	(in US$ million)	
Profit for the period	**46.2**	66.2
Add:		
Non-recurring items and items not related to the Company's ordinary course of business	**5.8**	5.8
Stock-based compensation	**5.3**	2.8
Special professional service fee related to spin-off project	**2.6**	–
Gain on disposal of property, plant and equipment, investment property, associates and subsidiaries	**(0.2)**	–
(Gain)/loss on financial assets at fair value through profit or loss, net	**(1.9)**	3.0
Adjusted net profit	**52.0**	72.0
Attributable to:		
Owners of the parent	**40.5**	53.8
Non-controlling interests	**11.5**	18.2
	52.0	72.0

Management Discussion and Analysis

	For the six months ended June 30,	
	2023	2022 (restated)
	(in US$ million)	
Profit before tax	**53.3**	78.7
Add:		
Finance cost	**14.1**	6.4
Depreciation and amortization	**9.0**	9.8
Bank interest income	**(3.3)**	(3.6)
EBITDA	**73.1**	91.3
Add:		
Non-recurring items and items not related to the Company's ordinary course of business	**5.8**	5.8
Stock-based compensation	**5.3**	2.8
Special professional service fee related to spin-off project	**2.6**	–
Gain on disposal of property, plant and equipment, investment property, associates and subsidiaries	**(0.2)**	–
(Gain)/loss on financial assets at fair value through profit or loss, net	**(1.9)**	3.0
Adjusted EBITDA	**78.9**	97.1

The following table shows the Group's adjusted net profit, EBITDA and adjusted EBITDA from both continuing and discontinued operations:

	For the six months ended June 30, 2023	2022
	(in US$ million)	
Profit for the period	**139.5**	180.9
Add:		
Items arising from acquisition and relating to the Reorganization	**9.8**	9.8
Amortization of intangible assets and deferred financing costs arising from the acquisition of SharkNinja	**9.8**	9.8
Non-recurring items and items not related to the Company's ordinary course of business	**60.4**	16.2
Stock-based compensation[5]	**8.5**	13.1
Special professional service fee related to spin-off project	**19.8**	–
Loss on disposal of property, plant and equipment, investment property, associates and subsidiaries	**0.9**	–
Loss on financial assets at fair value through profit or loss, net	**31.2**	3.1
Adjusted net profit	**209.7**	206.9
Attributable to:		
Owners of the parent	**198.2**	188.9
Non-controlling interests	**11.5**	18.0
	209.7	206.9

[5] Prior period's amount included stock-based compensation of US$6.2 million and an one-off adjustment of US$6.9 million on employee receivables related to stock-based compensation.

Management Discussion and Analysis

	For the six months ended June 30,	
	2023	2022
	(in US$ million)	
Profit before tax	**176.9**	229.3
Add:		
Finance cost	**30.8**	16.6
Depreciation and amortization	**72.9**	60.0
Bank interest income	**(5.6)**	(3.7)
EBITDA	**275.0**	302.2
Add:		
Non-recurring items and items not related to the Company's ordinary course of business	**60.4**	16.2
Stock-based compensation[6]	**8.5**	13.1
Special professional service fee related to spin-off project	**19.8**	–
Loss on disposal of property, plant and equipment, investment property, associates and subsidiaries	**0.9**	–
Loss on financial assets at fair value through profit or loss, net	**31.2**	3.1
Adjusted EBITDA	**335.4**	318.4

The non-IFRS measures used by the Group adjusted for, among other things, (i) amortization of intangible assets and deferred financing costs arising from the acquisition of SharkNinja, (ii) stock-based compensation, (iii) special professional service fee related to spin-off project, (iv) gain or loss on disposal of property, plant and equipment, investment property, associates and subsidiaries, and (v) gain or loss on financial assets at fair value through profit or loss, net, which may be considered recurring in nature but are neither considered by the Group as related to the Group's ordinary course of business nor indicative of the Group's ongoing core operating performance. Therefore, the Group believes that these items should be adjusted for when calculating adjusted EBITDA and adjusted net profit, as applicable, in order to provide potential investors with a complete and fair understanding of the Group's core operating results and financial performance, so that potential investors can assess the Group's underlying core performance undistorted by items unrelated to the Group's ordinary course of business operations, especially in (i) making period-to-period comparisons of, and assessing the profile of, our operating and financial performance, and (ii) making comparisons with other comparable companies with similar business operations but without any material acquisition.

6 Prior period's amount included stock-based compensation of US$6.2 million and an one-off adjustment of US$6.9 million on employee receivables related to stock-based compensation.

Liquidity and financial resources

Inventory

The Group's inventory decreased by 78.0% from approximately US$646.3 million as of December 31, 2022 to approximately US$142.0 million as of June 30, 2023. Such decrease was mainly due to exclusion of inventory balance of approximately US$492.3 million of the discontinued operation at the end of the Reporting Period. Inventory turnover days[7] decreased from 26 days in 2022 to 22 days in the first half of 2023.

Trade and bills receivables

The Group's trade receivables decreased by 78.3% from approximately US$1,198.0 million as of December 31, 2022 to approximately US$260.0 million as of June 30, 2023. The decrease was mainly due to exclusion of trade receivables of approximately US$888.2 million of the discontinued operation at the end of the reporting period. Trade receivables turnover days[8] in the first half of 2023 was 88 days, compared to 87 days in 2022.

Trade and bills payables

The Group's trade payables decreased by 7.8% from approximately US$687.5 million as of December 31, 2022 to approximately US$633.7 million as of June 30, 2023. Trade payables turnover days[9] increased from 110 days in 2022 to 114 days in the first half of 2023.

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7 Average inventories equal inventories at the beginning of the period plus inventories at the end of the period, divided by two. Turnover of average inventories equals average inventories divided by cost of sales and multiplied by the number of days in the period. It was calculated based on the inventories from continuing operations as of December 31, 2022.

8 Average trade and bills receivables equal trade and bills receivables at the beginning of the period plus trade and bills receivables at the end of the period, divided by two. Turnover of average trade and bills receivables equals average trade and bills receivables divided by revenue and then multiplied by the number of days in the period. It was calculated based on the trade and bills receivables from continuing operations as of December 31, 2022.

9 Average trade and bills payables equal trade and bills payables at the beginning of the period plus trade and bills payables at the end of the period, divided by two. Turnover of average trade and bills payables equals average trade and bills payables divided by cost of sales and then multiplied by the number of days in the period. It was calculated based on the trade and bills payables from continuing operations as of December 31, 2022.

Management Discussion and Analysis

During the Reporting Period, the Group funded its operations, working capital, capital expenditure and other capital requirements primarily from (i) bank borrowings; and (ii) cash generated from operations.

As of June 30, 2023, the Group had cash and cash equivalents of approximately US$244.7 million as compared to US$504.1 million as of December 31, 2022. The cash and cash equivalents of the Group are mainly denominated in HK$, RMB and US$.

As of June 30, 2023, the Group's total borrowings amounted to approximately US$371.2 million, representing a decrease of approximately 56.7% compared to approximately US$857.1 million as of December 31, 2022. Such decrease was mainly due to exclusion of bank borrowings of approximately US$399.0 million of the discontinued operation at the end of reporting period. As of June 30, 2023, all of the Group's borrowings were denominated in US$, and the borrowings interest rates were based on floating interest rates.

The following table sets forth a breakdown of the bank borrowings of the Group from continuing operations as of June 30, 2023.

	As of June 30, 2023 (in US$ million)
Interest-bearing bank borrowings (current portion)	**371.2**
Interest-bearing bank borrowings (non-current portion)	**–**
Total	**371.2**

The table below sets forth the aging analysis of the repayment terms of bank borrowings as of June 30, 2023.

	As of June 30, 2023 (in US$ million)
Repayable within one year	**371.2**
Repayable within one to two years	**–**
Repayable within two to five years	**–**
Total	**371.2**

As of June 30, 2023, the Group had total bank facilities of approximately US$975.0 million (December 31, 2022: approximately US$1,062.5 million), of which bank facilities of approximately US$200.0 million were unutilized (December 31, 2022: approximately US$200.0 million).

Subsequent to the Reporting Period, the Group has repaid all the bank borrowings of both continuing operations and the discontinued operation, amounted to US$371.2 million and US$399.0 million, respectively.

Gearing ratio

As of June 30, 2023, the Group's gearing ratio (calculated as the total debt from both continuing and discontinued operation (including interest-bearing bank borrowings and lease liabilities) divided by total equity) was 40.2%, representing a decrease of 5.4 percentage points as compared with 45.6% as of December 31, 2022. The decrease was primarily attributable to decrease in the bank borrowings during the Reporting Period.

Foreign exchange risk

The Group's currency exposures arise from sales or purchases by business units in currencies other than their respective functional currencies.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency exchange rates and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. As the borrowings of the Group are preliminarily denominated in US$, the interest rates on its borrowings is primarily affected by the benchmark interest rates set by LIBOR.

The Group manages its interest rate risk by closely monitoring and regulating the debt portfolio of the Group and will consider entering into interest rate swap contracts should the need arise.

Charge on assets

As of June 30, 2023, certain equity interests in the Group's subsidiaries and certain deposits had been pledged to secure the Group's borrowings from both continuing operations and the discontinued operation of a total amount of US$770.2 million. As of June 30, 2023, the total pledged assets accounted for approximately 57.7% of the total assets of the Group.

Capital expenditures

The capital expenditure of the Group consists of additions to property, plant and equipment, investment properties, prepaid land lease payments, right-of-use assets and other intangible assets, including assets from the acquisition of a subsidiary. For the Reporting Period, capital expenditures of the Group from continuing operations amounted to approximately US$2.4 million (2022 (restated): US$4.2 million).

Contingent liabilities

As of June 30, 2023, the Group did not have any significant contingent liabilities.

Capital Commitments

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

	June 30, 2023 US$'000	December 31, 2022 US$'000
Contracted, but not provided for:		
Property, plant and equipment	**30,467**	27,396
Intangible assets	**5,468**	2,888
	35,935	30,284

As at June 30, 2023, the commitments contracted but not provided are all attributable to the discontinued operation.

PROSPECT & STRATEGY

Growth Strategies

The Company is committed to achieving sustainable growth in continuing operations through the following strategies:

- develop and commercialize innovative products, combining powerful technology with appealing designs;
- customize innovative products suitable for localization for consumers in different regions;
- drive sustainable long-term growth through sales network and product category expansions;
- maximize synergies between the Joyoung segment and the SharkNinja APAC segment;
- strengthen the brand recognition of Joyoung and SharkNinja in the regions where they operate and enhance consumer engagement; and
- pursue strategic partnerships and acquisitions.

As far as Joyoung is concerned, as a leading brand in the domestic small household appliance industry, the company will continue to focus on its principal business of small household appliances, and will focus on users' needs to deeply explore the development opportunities of just-needed products. The Company will improve the success rate of product innovations through deeper consumer insight, and driven by technological innovation, it will provide users with better long-term and high-viscosity services with higher product quality and stability. Its core competitiveness is mainly reflected in:

- Product advantages: the Company upholds the genes of health and innovation, adheres to the "1+3" product matrix, and continuously launches innovative products that improve the quality of life of consumers through serialized and scenario-based product development;

- Brand advantages: the Joyoung brand adheres to the brand concept of enjoying health, and has been focusing on the research and development of healthy food preparation appliances for 29 years, establishing a good brand image in and out of the industry; and as the best-selling vacuum cleaner brand in the United States, the Shark brand has its operation and marketing activities in Mainland China carried out by a wholly-owned subsidiary of Joyoung;

- Channel advantages: by virtue of the mainstream online and offline sales networks across the country, the Company continues to actively deploy and expand emerging channels, and coordinates the development of shelf e-commerce and content e-commerce, Shopping Mall new retail and markets in lower-tier cities to grasp the development opportunities of content e-commerce. The Company pays particular attention to the operation of content e-commerce platforms such as Xiaohongshu and Douyin;

- Insight into consumer needs: as one of its product advantages, the Company focuses on innovation in core mainstream category;

- Digital operation: the Company uses its self-built digital intermediate platform to tap the value of big data and build and refine a more comprehensive, efficient and accurate O2O digital uni marketing operation system.

As far as the SharkNinja APAC segment is concerned, we will focus on the development and expansion of business in the region of Asia Pacific (except Mainland China). Strategically, we will focus on the top 25 cities in Asia Pacific, including further promoting the growth of core categories in Japan, directly entering new countries or regions, such as Australia, New Zealand, Singapore and Malaysia, and cooperating with major retailers in these countries to launch products through localized sales teams. We will actively gain insights into consumers and focus on providing localized cost-effective products for consumers in the regions where we are operating. In new countries and regions, we will actively enhance our brand image and consumer awareness, as well as increase the product trial rate.

The growth strategy for the SharkNinja APAC segment focuses on three dimensions, namely the growth of existing categories, the launch of new categories and the expansion to new markets:

- Growth of existing categories: we will strive to succeed in core categories, such as cordless vacuums in Japan;

- Launch of new categories: we will continue to introduce product categories that have proven successful in other markets in existing markets, such as kitchen appliances, personal care and hair care products, etc.;

- Expansion to new markets: we will launch Shark and Ninja-branded products in major cities in South Korea, Southeast Asia and other Asia-Pacific regions.

The mission of SharkNinja APAC segment is to positively impact people's lives in every home in APAC. Our strategy is rooted in deep consumer understanding to enable us to provide the tailored product offerings at optimal value. We will elevate our brand awareness and increase product trial.

Within existing categories, we strive to deliver innovative products that directly address the distinct needs and preferences of APAC customers. In Japan, for instance, we have specifically designed cordless vacuums that outperform competition in key areas that matter most to our consumers, including product performance, weight and noise levels.

Our growth strategy also encompasses expansion into adjacent categories where we have identified strong potential for success. This year, we make our foray into the Hair Care category with the introduction of Shark FlexStyle. This product exemplifies our commitment to diversifying our portfolio and leveraging our technological expertise to provide superior solutions in new categories.

Expanding our geographic footprint is another integral aspect of our growth strategy. As such, we are proactively assessing various markets across the APAC region and developing tailored go-to-market strategies that will enable successful launches in these countries.

Our growth strategy is underpinned by our commitment to understanding and meeting the needs of our consumers, winning in core categories, and identifying opportunities for expansion, both in terms of product categories and geographical markets. We believe this three-pronged approach will drive sustainable growth of SharkNinja APAC segment.

We will pay continuous attention to and explore consumer needs. Relying on the R&D platform of Joyoung segment and SharkNinja Group, we will continue to launch innovative products suitable for local areas through customized research and development by the Asia-Pacific R&D team. We will also create winning products and diversified product matrix leveraging our strong marketing and media communication capabilities and omni-channel sales network.

Global Supply Chain and Macroeconomic Factors

In the first half of 2023, supply chain costs such as shipping and raw material costs decreased year-on-year, partially offsetting the increase in labor and other costs.

In the first half of 2023, we navigated concerns about an economic recession in some of the markets that we operate in. As a result, retailers were not willing to carry as much inventory as they historically have and consumers were more focused on buying products during promotional periods rather than when products are sold at full price or less discount.

In the first half of 2023, we have observed that consumer spending in Mainland China has experienced varying degrees of downgrades. According to All View Cloud ("**AVC**"), more than half of the 15 small household appliance categories experienced a decline in average price. However, our business base in Asia-Pacific regions other than China is relatively small, and the macroeconomic conditions in these regions will not have a significant impact on local business growth.

We believe the costs of our products and the ocean freight costs will be less on average during 2023 than in 2022 as a result of the recent trends noted above, but we anticipate that concerns over Mainland China's economic and consumption downgrade will continue throughout 2023.

We believe the demand for our products will continue to be strong moving forward as the Company continues to bring innovative products to different markets.

Corporate Governance and Other Information

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On June 26, 2023, the Proposed Spin-off and the Proposed Distribution was duly passed as an ordinary resolution at the extraordinary general meeting. The separate listing of SharkNinja Group was completed and the dealing in its shares commenced on July 31, 2023 (New York time). Since then, the Company has no longer held any SharkNinja shares, and SharkNinja has fully demerged and deconsolidated from the Company. As such, the Group will derecognise the assets and liabilities of the SharkNinja Group from the consolidated statements of financial position. For more details, please refer to announcements of the Company dated February 23, June 6, June 28, July 3, July 14 and July 31, 2023, and the circular of the Company dated June 5, 2023 in relation to the Proposed Spin-off and the Proposed Distribution.

CHANGE IN COMPOSITION OF BOARD AND BOARD COMMITTEES

On July 30, 2023, Mr. HUI Chi Kin Max resigned as a non-executive Director and a member of the Strategy Committee, and Mr. Timothy Roberts WARNER resigned as an independent non-executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Strategy Committee.

On the same day, Mr. SUN Zhe was re-designated as an independent non-executive Director and was appointed as a member of the Remuneration Committee and a member of the Audit Committee. Mr. YANG Xianxiang, an independent non-executive Director, was also redesignated from a member to the chairman of the Remuneration Committee on the same day.

CHANGE OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes of Director's information since the publication of the Company's annual report for the year ended December 31, 2022 and up to the date of this report are as follows:

Mr. Yuan DING has joined China Europe International Business School since September 2006, and currently serves as the Cathay Capital Chair Professor in Accounting, and has ceased to serve as the vice president and dean. He has also been serving as an independent non-executive director of Health and Happiness (H&H) International Holdings Limited (健合(H&H)國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1112), since January 1, 2023.

The Company conducted regular review on annual emoluments of the Directors in March 2023. The director fee of Mr. Stassi Anastas ANASTASSOV, Mr. SUN Zhe, Mr. Timothy Roberts WARNER (resigned on July 30, 2023) and Mr. YANG Xianxiang was revised to HKD400,000 per year and that of Mr. Yuan DING was revised to HKD500,000 per year.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

On March 17, 2020, SharkNinja Appliance LLC (formerly known as Global Appliance LLC), which was an indirect wholly-owned subsidiary of the Company during the Reporting Period and before completion of the Spin-off, and the Company as borrowers, entered into a facilities agreement (the "**Facilities Agreement**") with a bank as arranger and agent, for loan facilities in the aggregate amount of US$1,200,000,000 (the "**Facilities**"). The final maturity date of the Facilities shall be the date falling 60 months after the date of initial utilization, being March 20, 2020. Pursuant to the Facilities Agreement, the total commitment under the Facilities may be cancelled and all amounts outstanding under the Facilities may become immediately due and payable, if, amongst other things, Mr. Wang Xuning, an executive Director and the Chairman of the Board, who is also a controlling shareholder of the Company within the meaning of the Listing Rules, does not or ceases directly or indirectly to control 50% or more of the voting rights at a general meeting of the Company or serve as the Chairman of the Board. The Facilities Agreement was terminated on July 21, 2023 due to full settlement of the Facilities.

For more details of the Facilities Agreement, please refer to the announcement of the Company dated September 17, 2020.

Save as disclosed above, the Directors are not aware of any circumstances which would be required to disclose herein pursuant to the requirements under Rule 13.21 of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company and management of the Group are committed to maintenance of good corporate governance practices and procedures. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code.

During the Reporting Period, the Company has complied with all the applicable code provisions set out in Part 2 of the CG Code, except for the following deviation:

CODE PROVISION C.2.1 OF THE CG CODE – CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the code provision C.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Wang Xuning currently holds both positions.

After taking into consideration the factors below, the Board considers that vesting the roles of the Chairman and Chief Executive Officer in the same person, being Mr. Wang Xuning, is beneficial to the Group's business development and operational coordination between Joyoung and SharkNinja: Mr. WANG Xuning is responsible for formulating the overall business strategies and conducting general management of the Group. He has been the key person contributive to the development and business expansion of Joyoung since the invention of the soymilk maker in 1990s. Since the acquisition of SharkNinja, being the Global Chief Executive Officer of SharkNinja SPV (the holding company of SharkNinja) and currently also acting as chairperson of the board of directors of SharkNinja, Inc., he has always acted as the main point of communication between the corporate operation of Joyoung and SharkNinja. After completion of the Proposed Distribution and the Proposed Spin-off, the coordination among the Retained Group, Joyoung and SharkNinja Group will still create an excellent exterior synergy effect. Regarding the rapidly evolving small household appliance industry in which the Group operates, the Chairman and Chief Executive Officer need to have a profound understanding and be equipped with extensive industry knowledge to stay abreast of market changes, so as to facilitate the Group's business development.

COMPLIANCE WITH MODEL CODE REGARDING SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules, which applies to all Directors and relevant employees of the Company who are likely to possess inside information in relation to the Company or its securities due to his/her office or employment.

The Company has made specific enquiries with each Director, and each of them confirmed that he/she had complied with all required standards under the Model Code during the Reporting Period.

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

As of June 30, 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and any of 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, were as follows:

(i) Interest in Shares of the Company

Name of Director or chief executive	Nature of interest	Long position/ short position	Number of Shares	Approximate percentage of shareholding in the Company[1]
Mr. Wang Xuning[2][3]	Founder of a discretionary trust who can influence how the trustee exercises his discretion, interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.37%
	Beneficial interest	Long position	82,359,890	2.36%
Ms. Han Run[2][4]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	45.89%
	Beneficial interest	Long position	28,429,472	0.81%
Ms. Huang Shuling[2][5]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	45.89%
Mr. Yang Xianxiang	Beneficial interest	Long position	100,000	0 00%

Corporate Governance and Other Information

Notes:

(1) The approximate percentage of shareholding in the Company was calculated based on the total number of issued Shares, which was 3,494,612,277 as of June 30, 2023.

(2) JS Holding Limited Partnership ("**JS Holding**") directly held 1,603,578,331 Shares. Hezhou Company Limited ("**Hezhou**") was the general partner exercising operational control over JS Holding. Tong Zhou Company Limited ("**Tong Zhou**") was its limited partner with close to 100% of the limited partnership interest. Hezhou was wholly owned by Mr. Wang Xuning through the holding companies wholly owned by the trustee of the discretionary trust founded by Mr. Wang Xuning (the "**Wang's Family Trust**"). Tong Zhou was owned by the holding companies respectively wholly owned by relevant trustee of several discretionary trusts (where their respective founders may respectively influence how the relevant trustee exercises its discretion), including the Wang's Family Trust, the trust founded by Ms. Han Run (the "**Han's Family Trust**") and the trust founded by Ms. Huang Shuling (the "**Huang's Family Trust**"). Therefore, each of Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling was deemed to be interested in the Shares held by JS Holding for the purpose of Part XV of the SFO.

(3) Sol Target Limited ("**STL**"), held 100 management shares (representing 100% voting rights) in Sol Omnibus SPC ("**Sol SPC**"). STL was wholly owned by Xuning Holdings Limited ("**XHL**"). XHL was wholly owned by Wang Family Holdings Limited ("**WFHL**"), which was in turn wholly-owned by Wang Family Global Limited ("**WFGL**", together with XHL and WFHL, the "**Wang's Holding Companies**"). The entire issued share capital of WFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Wang's Family Trust. Mr. Wang Xuning established the Wang's Family Trust for the benefit of himself and his family members. Therefore, Mr. Wang Xuning was deemed to be interested in 331,304,245 Shares held by Sol SPC for the purpose of part XV of the SFO. Together with Mr. Wang Xuning's interest in the Company held through JS Holding as described in note (2) above, Mr. Wang Xuning was deemed to be interested in an aggregate of 1,934,882,576 Shares held by JS Holding and Sol SPC. In addition, Mr. Wang Xuning was deemed to be interested in 82,359,890 Shares comprising 46,570,295 Shares and 35,789,595 restricted stock units granted to him under the RSU Plan entitling him to receive up to 35,789,595 Shares, subject to vesting.

(4) Run Holdings Limited ("**RHL**") was wholly owned by Hannah Han Family Global Limited ("**HHFGL**"), which was in turn wholly owned by Hannah Han Family Holdings Limited ("**HHFHL**", together with RHL and HHFGL, the "**Han's Holding Companies**"). The entire issued share capital of HHFHL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Han's Family Trust. Ms. Han Run established the Han's Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members. Ms. Han Run was deemed to be interested in the Shares held by JS Holding as described in note (2) above, and therefore Ms. Han Run was deemed to be interested in 1,603,578,331 Shares. In addition, Ms. Han Run was deemed to be interested in 28,429,472 Shares comprising of 11,132,073 Shares and 17,297,399 restricted stock units granted to her under the RSU Plan entitling her to receive up to 17,297,399 Shares, subject to vesting.

(5) Y&W Holdings Limited ("**YWHL**") was wholly owned by L&W Everlasting Holdings Limited ("**LEHL**"), which was in turn wholly owned by Huang Family Global Limited ("**HFGL**", together with YWHL and LEHL, the "**Huang's Holding Companies**"). The entire issued share capital of HFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Huang's Family Trust. Ms. Huang Shuling established the Huang's Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members. Ms. Huang Shuling was deemed to be interested in Shares held by JS Holding as described in note (2) above, and therefore Ms. Huang Shuling was deemed to be interested in 1,603,578,331 Shares.

(ii) Interest in associated corporations

Name of Director or chief executive	Nature of interest	Long position/ short position	Associated corporations	Number of Shares	Approximate percentage of shareholding in the associated corporation [1]
Ms. Han Run [2][3]	Beneficial interest	Long position	Joyoung	1,040,000	0.14%
Ms. Huang Shuling [2][4]	Beneficial interest	Long position	Joyoung	330,000	0.04%

Notes:

(1) The approximate percentage of shareholding in the associated corporation was calculated based on the total number of issued shares of Joyoung, which was 767,017,000 as of June 30, 2023.

(2) On June 1, 2021, Ms. Han Run and Ms. Huang Shuling were granted 900,000 and 300,000 options, respectively, which entitled them to subscribe for the equivalent number of shares in Joyoung in accordance with certain conditions under the Subsidiary Option Scheme. On March 30, 2022, Ms. Han Run and Ms. Huang Shuling were cancelled 360,000 and 120,000 options due to triggering the conditions under the Subsidiary Option Scheme. For more details, please refer to "Subsidiary Share Option Scheme" in this interim report.

(3) Ms. Han Run held 500,000 shares of Joyoung.

(4) Ms. Huang Shuling held 150,000 shares of Joyoung.

Save as disclosed above, so far as the Directors are aware, as of June 30, 2023, 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' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2023, the following persons (other than the Directors and chief executive of the Company) 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 Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company[(1)]
JS Holding[(2)]	Beneficial interest	Long position	1,603,578,331	45.89%
Hezhou[(2)]	Interest in controlled corporation	Long position	1,603,578,331	45.89%
Tong Zhou[(2)]	Interest in controlled corporation	Long position	1,603,578,331	45.89%
HONGTAO Holding Company Limited ("**HJHCL**")[(3)(11)]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
HONGJIN Family Company Limited ("**HJFCL**")[(3)(11)]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
HONGJIN Global Company Limited ("**HJGCL**")[(3)(11)]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Trident Trust Company (Singapore) Pte. Limited[(3)(11)]	Trustee	Long position	1,603,578,331	45.89%
Mr. Zhu Hongtao[(3)(11)]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	45.89%
Happy Seeking Limited ("**HSL**")[(4)(11)]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Linlight Limited ("**LTL**")[(4)(11)]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Yaloseed Limited ("**YDL**")[(4)(11)]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%

Name of Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company[1]
Mr. Zhu Zechun[4][11]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	45.89%
Guo De Er Limited ("**GDEL**")[5][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Wo Er Na Limited ("**WENL**")[5][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
He Guang Limited ("**HGL**")[5][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Ms. Yang Ningning[5][6][11]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	45.89%
	Beneficial Interest	Long position	11,329,472	0.32%
YONG JUN Limited ("**YJL**")[7][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
J&Z Family Global Limited ("**JZFGL**")[7][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Jiang Family Global Limited ("**JFGL**")[7][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Mr. Jiang Guangyong[7][11]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	45.89%
XHL[8][11]	Interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.37%
WFHL[8][11]	Interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.37%

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Name of Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company[1]
WFGL[8][11]	Interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.37%
RHL[9][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
HHFGL[9][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
HHFHL[9][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
YWHL[10][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
LEHL[10][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
HFGL[10][11]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Trident Trust Company (HK) Limited[11][12]	Trustee	Long position	1,934,882,576	55.37%
Sol SPC[12]	Beneficial Interest	Long position	331,304,245	9.48%
STL[12]	Interest in controlled corporation	Long position	331,304,245	9.48%
Easy Home Limited ("**Easy Home**")[13]	Beneficial Interest	Long position	175,236,139	5.01%
CDH Fund V, L.P.[13]	Interest in controlled corporation	Long position	213,292,305	6.10%
CDH V Holdings Company Limited[13]	Interest in controlled corporation	Long position	213,292,305	6.10%
China Diamond Holdings V Limited[13]	Interest in controlled corporation	Long position	213,292,305	6.10%
China Diamond Holdings Company Limited[13]	Interest in controlled corporation	Long position	213,292,305	6.10%

Notes:

(1) The percentage of shareholding in the Company was calculated based on the total number of issued Shares, which was 3,494,612,277 as of June 30, 2023.

(2) JS Holding directly held 1,603,578,331 Shares. Hezhou was the general partner exercising operational control over JS Holding. Tong Zhou was the limited partner of JS Holding with close to 100% of its limited partnership interest. Therefore, each of Hezhou and Tong Zhou was deemed to be interested in 1,603,578,331 Shares held by JS Holding for the purpose of Part XV of the SFO.

(3) HJHCL was wholly owned by HJGCL, which was in turn wholly owned by HJFCL (together with HJHCL and HJGCL, the "**Zhu HT's Holding Companies**"). The entire issued share capital of HJFCL is was directly owned by Trident Trust Company (Singapore) Pte. Limited, being the trustee of the family trust established by Mr. Zhu Hongtao (the "**Zhu HT's Family Trust**"). Mr. Zhu Hongtao established the Zhu HT's Family Trust, where he can influence how the trustee exercises his discretion, for the benefit of himself and his family members.

(4) HSL was wholly owned by LTL, which was in turn wholly owned by YDL (together with HSL and LTL, the "**Zhu ZC's Holding Companies**"). The entire issued share capital of YDL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the family trust established by Mr. Zhu Zechun (the "**Zhu ZC's Family Trust**"). Mr. Zhu Zechun established the Zhu ZC's Family Trust, where he can influence how the trustee exercises its discretion, for the benefit of himself and his family members.

(5) GDEL was wholly owned by WENL, which was in turn wholly owned by HGL (together with GDEL and WENL, the "**Yang's Holding Companies**"). The entire issued share capital of HGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the family trust established by Ms. Yang Ningning (the "**Yang's Family Trust**"). Ms. Yang Ningning established the Yang's Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members.

(6) Ms. Yang Ningning was granted 11,329,472 restricted stock units on October 12, 2019, entitling her to receive up to 11,329,472 ordinary shares subject to vesting, of which 8,497,104 restricted stock units had been vested as of June 30, 2023.

(7) YJL was wholly owned by JZFGL, which was in turn wholly owned by JFGL (together with YJL and JZFGL, the "**Jiang's Holding Companies**", together with the Wang's Holding Companies, the Han's Holding Companies, the Huang's Holding Companies, the Zhu HT's Holding Companies, the Zhu ZC's Holding Companies and the Yang's Holding Companies, the "**Holding Companies**"). The entire issued share capital of JFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the family trust established by Mr. Jiang Guangyong (the "**Jiang's Family Trust**"). Mr. Jiang Guangyong established the Jiang's Family Trust, where he can influence how the trustee exercises its discretion, for the benefit of himself and his family members.

(8) XHL was wholly owned by WFHL, the entire issued share capital of which was in turn wholly owned by WFGL. XHL directly wholly owned Hezhou, the general partner of JS Holding, and STL, which in turn held 100% voting rights of Sol SPC. Therefore, each of XHL, WFHL and WFGL was deemed to be interested in 1,934,882,576 Shares comprising of 1,603,578,331 Shares held by JS Holding and 331,304,245 Shares held by Sol SPC for the purpose of part XV of the SFO.

(9) RHL was wholly owned by HHFGL, the entire issued share capital of which was in turn wholly owned by HHFHL. The entire issued share capital of HHFHL was directly wholly owned by Trident Trust Company (HK) Limited, being the trustee of the Han's Family Trust, where Ms. Han Run can influence how the trustee exercises its discretion, for the benefit of herself and her family members.

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(10) YWHL is was wholly owned by LEHL, which is was in turn wholly owned by HFGL. The entire issued share capital of HFGL iswas directly owned by Trident Trust Company (HK) Limited, being the trustee of the Huang's Family Trust, where Ms. Huang Shuling can influence how the trustee exercises its discretion, for the benefit of herself and her family members.

(11) The Wang's Family Trust, the Han's Family Trust, the Huang's Family Trust, the Zhu HT's Family Trust, the Zhu ZC's Family Trust, the Yang's Family Trust and the Jiang's Family Trust, through Trident Trust Company (HK) Limited or Trident Trust Company (Singapore) Pte. Limited (in the case of the Zhu HT's Family Trust) as their respective trustee (the "**Trustees**") and the Holding Companies, held their interest in the Company through a common investment entity, namely JS Holding. As such, each of the Trustees, the Holding Companies, and the founders of relevant discretionary trusts where he/she can influence how the trustee exercises its respective discretion, was deemed to be interested in the 1,603,578,331 Shares held by JS Holding for the purpose of Part XV of the SFO.

(12) STL had 100% control in Sol SPC. STL was wholly owned by the Wang's Family Trust through the Wang's Holding Companies, which were wholly owned by its trustee Trident Trust Company (HK) Limited. Therefore, Trident Trust Company (HK) Limited was deemed to be interested in 331,304,245 Shares held by Sol SPC for the purpose of part XV of the SFO.

(13) Easy Home and Comfort Home Limited ("**Comfort Home**") directly held 175,236,139 and 38,056,166 Shares, respectively. Each of Easy Home and Comfort Home was a wholly-owned subsidiary of CDH Fund V, L.P. whose general partner was CDH V Holdings Company Limited. CDH V Holdings Company Limited is held as to 80% by China Diamond Holdings V Limited, which was in turn wholly-owned by China Diamond Holdings Company Limited. Therefore, each of CDH Fund V, L.P., CDH V Holdings Company Limited, China Diamond Holdings V Limited and China Diamond Holdings Company Limited was deemed to be interested in 213,292,305 Shares in aggregate held by Easy Home and Comfort Home for the purpose of Part XV of the SFO.

Save as disclosed herein, as of June 30, 2023, the Company had not been notified by any person (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or the underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

RSU Plan

In order to recognize and reward the management and employees of the Group for their contribution, to attract the best available talents, and to provide additional incentives to them to remain with and further promote the success of business, the Company adopted the restricted stock unit plan (the "**RSU Plan**") on October 9, 2019 (amended on December 14, 2020, June 4, 2021, December 30, 2021 and March 29, 2022 respectively), and (i) issued and allotted 141,618,409 ordinary shares with a par value of US$0.00001 pursuant to the RSU Plan on October 25, 2019, which represent approximately 4.08% of the issued share capital of the Company as at the date of this report; (ii) issued and allotted 5,500,000 ordinary shares with a par value of US$0.00001 pursuant to the RSU Plan on January 18, 2021, which represent approximately 0.16% of the issued share capital of the Company as at the date of this report. As of June 30, 2023, the Company had granted an aggregate of 197,544,148 restricted stock units, in which 55,942,000 restricted stock units were granted in the six months ended June 30, 2023, and of which 16,238,172 and 16,362,340 restricted stock units were vested on April 6, 2023 and April 12, 2023 respectively, in accordance with the terms and conditions of the RSU Plan.

The number of RSUs available for grant under the RSU Plan on January 1, 2023 and June 30, 2023 is 166,142,543 and 110,200,543 respectively. The rule 17.07 is not applicable to the Company during the Reporting Period.

Details of the RSUs granted pursuant to the RSU Plan to the Directors and senior management and other employees of the Company during the Reporting Period are set out below:

			Price of Shares		Number of RSUs				
Grantee	Date of Grant	Vesting Period	Closing Price [1] (HK$)	Weighted Average Closing Price [2] (HK$)	As at January 1, 2023	Granted during the Reporting Period[3]	Vested during the Reporting Period	Forfeited or Cancelled during the Reporting Period	As at June 30, 2023
Director or Senior Management of the Company									
WANG Xuning	October 12, 2019	May 31, 2020 to May 31, 2023	–	$7.74	11,329,474	–	10,139,879	–	1,189,595
	June 6, 2023	May 31, 2024 to May 31, 2026	$7.74	–	–	34,600,000	–	–	34,600,000
HAN Run	October 12, 2019	May 31, 2020 to May 31, 2023	–	$7.74	2,832,368	–	2,534,969	–	297,399
	June 6, 2023	May 31, 2024 to May 31, 2026	$7.74	–	–	17,000,000	–	–	17,000,000
Mark Adam BARROCAS [5]	October 12, 2019	May 31, 2020 to May 31, 2023	–	$7.74	7,789,013	–	6,971,166	–	817,847
	January 18, 2021	May 31, 2021 to May 31, 2023	–	$7.75	2,077,070	–	1,858,978	–	218,092
YANG Ningning	October 12, 2019	May 31, 2020 to May 31, 2023	–	$7.74	4,021,963	–	2,534,969	–	1,486,994
	April 3, 2023	April 3, 2023 to May 31, 2023	$8.06	$7.75	–	1,200,000	1,200,000	–	–
KAN Jiangang	April 1, 2021	May 31, 2021 to May 31, 2023	–	$7.74	80,000	–	71,600	–	8,400
Subtotal					28,129,888	52,800,000	25,311,561	–	55,618,327

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Grantee	Date of Grant	Vesting Period	Price of Shares: Closing Price [1] (HK$)	Price of Shares: Weighted Average Closing Price [2] (HK$)	Number of RSUs: As at January 1, 2023	Number of RSUs: Granted during the Reporting Period[3]	Number of RSUs: Vested during the Reporting Period	Number of RSUs: Forfeited or Cancelled during the Reporting Period	Number of RSUs: As at June 30, 2023
51 Other Employees									
	October 12, 2019	May 31, 2020 to May 31, 2023	–	$7.74	1,108,750	–	827,875	–	280,875
	October 12, 2019	May 31, 2020 to May 31, 2023	–	$7.74	778,901	–	697,116	–	81,785
	June 6, 2023	May 31, 2024 to May 31, 2026	$7.74	–	–	1,500,000	–	–	1,500,000
	October 12, 2019	May 31, 2020 to May 31, 2023	–	$7.75	3,328,027	–	2,978,590	–	349,437
	November 10, 2021	May 31, 2022 to May 31, 2023	–	$7.75	172,500	–	154,388	–	18,112
	January 18, 2021	May 31, 2021 to May 31, 2023	–	$7.75	159,141	–	142,431	–	16,710
	January 27, 2021	May 31, 2021 to May 31, 2023	–	$7.75	175,000	–	156,625	–	18,375
	April 1, 2021	May 31, 2021 to May 31, 2023	–	$7.74	89,400	–	53,700	–	35,700
	September 28, 2021	May 31, 2022 to May 31, 2023	–	$7.75	482,500	–	431,841	–	50,659
	March 18, 2022	May 31, 2022 to May 31, 2023	–	$7.75	50,000	–	44,750	–	5,250
	March 18, 2022	March 18, 2022 to May 31, 2023	–	$7.75	287,000	–	256,865	–	30,135
	April 1, 2022	May 31, 2022 to May 31, 2023	–	$7.74	84,000	–	75,180	–	8,820
	April 3, 2023	April 3, 2023 to May 31, 2023	$8.06	$7.75	–	1,642,000	1,469,590	–	172,410
Subtotal					6,715,219	3,142,000	7,288,951	–	2,568,268
Total					**34,845,107**	**55,942,000**	**32,600,512**	**-**	**58,186,595**

Notes:

(1) It is the closing price of Shares immediately before the date on which the RSUs were granted in the period ended June 30, 2023.

(2) It is the weighted average closing price of Shares immediately before the date on which the RSUs were vested in the period ended June 30, 2023.

(3) Details of the the fair value of RSUs at the date of grant and the accounting standard and policy adopted are set out in Note 19 to the financial statements.

(4) Exercise/purchase price is not applicable to the RSU Plan.

(5) Mr. Mark Adam BARROCAS resigned from his office on July 30, 2023.

EQUITY INCENTIVE PLAN AND EMPLOYEE SHARE PURCHASE PLAN BY SHARKNINJA

On June 28, 2023, the Board has approved the adoption of both the 2023 Equity Incentive Plan and 2023 Employee Share Purchase Plan by SharkNinja (a subsidiary of the Company at that time which has ceased to be a subsidiary of the Company upon the completion of the Proposed Spin-off and Proposed Distribution), which has been effective since the completion of the Proposed Spin-off and Proposed Distribution and will expire on the tenth anniversary of the date of completion of the Proposed Spinoff and Proposed Distribution. For more details, please refer to the announcement of the Company dated June 28, 2023.

SUBSIDIARY SHARE OPTION SCHEME

On May 28, 2021, the Company approved and adopted the share option incentive scheme of Joyoung whose shares are listed on the Shenzhen Stock Exchange and being a subsidiary of the Company (the "**Subsidiary Option Scheme"**) and followed by the registration on Shenzhen Stock Exchange on June 1, 2021.

Details of the movements of the options granted under the Subsidiary Option Scheme during the Reporting Period are as follows:

Category/Name of Grantee	Date of Conditional Grant	Completion Date of Grant	Exercise Period	Exercise Price per Share RMB	Outstanding as at January 1, 2023	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Exercised during the Reporting Period	Outstanding as at June 30, 2023[iii]
Executive Director or substantial shareholder of the Company										
Ms. Han Run	April 29, 2021	June 1, 2021	June 2, 2021-June 1, 2025	¥21.99	540,000	-	-	270,000	-	540,000
Ms. Yang Ningning	April 29, 2021	June 1, 2021	June 2, 2021-June 1, 2025	¥21.99	900,000	-	-	450,000	-	900,000
Ms. Huang Shuling	April 29, 2021	June 1, 2021	June 2, 2021-June 1, 2025	¥21.99	180,000	-	-	90,000	-	180,000
Mr. Jiang Guangyong	April 29, 2021	June 1, 2021	June 2, 2021-June 1, 2025	¥21.99	180,000	-	-	90,000	-	180,000
Subtotal					1,800,000	-	-	900,000	-	1,800,000
Other Employees										
91 eligible employees	April 29, 2021	June 1, 2021	June 2, 2021-June 1, 2025	¥21.99	6,846,000	-	-	3,687,000	-	6,846,000
Total					**8,646,000**	**-**	**-**	**4,587,000**[iii]	**-**	**8,646,000**

Notes:

(i) The closing price of share of Joyoung immediately before the date of conditional grant and the completion date of grant, was RMB33.45 and RMB32.75, respectively.

(ii) The options granted to the grantees are subject to different vesting periods, and each of such periods begin on the date on which the registration of the granted options is completed. The interval between the date of grant and the first exercise date of the options shall not be less than 12 months.

(iii) 4,587,000 share options lapsed during the Reporting Period was determined to be cancelled by the board of Joyoung, which will be deducted from total number of outstanding share options under Subsidiary Option Scheme upon completion of relevant procedures for canceling the share options according to applicable rules, laws and regulations. For further details, please refer to the announcement of Joyoung dated April 1, 2023.

For more details, please refer to the circular of the Company dated May 12, 2021 and the announcements of the Company dated May 28, 2021 and June 2, 2021.

JY ESOP I

On March 28, 2022, Joyoung adopted the phase I employee stock ownership plan (the "**JY ESOP I**"), which was amended on April 1, 2022 and approved by the shareholders of Joyoung on April 22, 2022.

Pursuant to the JY ESOP I, the funding of the JY ESOP I comes from the remuneration of the employees, the self-raised funding of the employees and other sources of funding allowed by applicable laws and regulations. The maximum amount of funding that may be raised by the JY ESOP I is RMB208,000,000 and Joyoung will not provide any means of financial assistance to the eligible employees. The sources of shares (the "**Target Shares**") of JY ESOP I include A shares of Joyoung repurchased through the designated share repurchase account of Joyoung, A shares of Joyoung purchased from secondary market and other means allowed by the applicable laws and regulations. The JY ESOP I plans to use (i) a maximum of 8,000,000 shares repurchased through the designated share repurchase account of Joyoung; and (ii) such number of shares purchased from secondary market at market price with a maximum amount of RMB200,000,000 for the JY ESOP I. The JY ESOP I will include a maximum of 30 eligible employees, including directors, senior management and core management team of Joyoung and its subsidiaries. The term of the JY ESOP I is 72 months. The Target Shares granted to the relevant eligible employee will vest on the 12th, 24th, 36th, 48th, 60th month from the date of transfer of the relevant Target Shares to such eligible employee and 20% of the total number of the Target Shares granted to such eligible employee will vest at each time of vesting.

As of the date of this report, JY ESOP I held 16,000,000 shares of Joyoung in total, representing 2.09% of the total issued share capital of Joyoung. The number of shares to be issued to each eligible employee under Joyoung ESOP I will not exceed 1% of the total issued share capital of Joyoung.

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange has granted the Company a waiver from the minimum public float requirement under Rule 8.08(1) of the Listing Rules such that the Company is subject to a minimum public float of 17.16%. Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the public float of the Company complied with such requirement.

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

During the six months ended June 30, 2023, the Company repurchased a total of 20,040,500 ordinary shares of par value US$0.00001 each in the share capital of the Company on the Stock Exchange, with the aggregate consideration paid (before expenses) amounting to HK$160,362,425. All the shares repurchased were subsequently cancelled on July 3, 2023. As at June 30, 2023, the total number of issued shares of the Company was 3,494,612,277.

Particulars of the share repurchase are as follows:

Date	Number of Shares Repurchased	Purchase Price Per Share Highest (HK$)	Purchase Price Per Share Lowest (HK$)	Aggregate Consideration (before expenses) (HK$)
June 2023	20,040,500	8.34	7.76	160,362,425

Save as disclosed above, during the six months ended June 30, 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

EMPLOYEES AND REMUNERATION POLICY

As of June 30, 2023, the Group had approximately 5,629 employees in total (as of December 31, 2022: 5,661), in which approximately 3,685 employees were with its operations in China, approximately 1,137 employees were with its operations in the U.S., and approximately 807 employees were with other countries, or region operations. For the Reporting Period, the Group recognized staff costs of US$221.0 million (2022: US$200.2 million).

The Group implements training programs for all of its employees, from entry-level employees to management on subjects such as corporate culture, research and development, strategies, policy and internal control, internal systems and business skills. Some of the Group's subsidiaries have labor unions that protect employees' rights, help fulfill the subsidiaries' economic objectives, encourage employee participation in management decisions and assist in mediating disputes between the subsidiaries and union members. The remuneration package for employees generally includes salary and bonuses. Employees typically receive welfare benefits, including medical care, pension, occupational injury insurance and other miscellaneous benefits.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF ASSETS

The Group did not have any significant investments during the Reporting Period. During the Reporting Period, the Group also did not carry out any material acquisitions and disposals of subsidiaries, associates and joint ventures.

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK$0.0392 per share (six months ended June 30, 2022: Nil) for the six months ended June 30, 2023 (the "**Interim Dividend**") to the shareholders of the Company whose names appear on the register of members of the Company (the "**Register of Members**") at the close of business on September 15, 2023. The Interim Dividend will be paid in Hong Kong dollars, which is expected to be payable on or around September 28, 2023.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the Interim Dividend, the Register of Members will be closed from September 15, 2023 to September 18, 2023, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the Interim Dividend, all transfer documents of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre,16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on September 14, 2023.

AUDIT COMMITTEE

During the Reporting Period, the Audit Committee consisted of three independent non-executive Directors, namely Mr. Yuan DING (Chairman), Mr. YANG Xianxiang and Mr. Timothy Roberts WARNER (resigned on July 30, 2023). The Audit Committee (consisted of Mr. Yuan DING (Chairman), Mr. YANG Xianxiang and Mr. SUN Zhe (appointed on July 30, 2023)) has discussed with the external auditor of the Company, Ernst & Young, and reviewed the Group's unaudited interim condensed consolidated financial information for the Reporting Period, including the accounting principles and practices adopted by the Group.

Ernst & Young, the external auditor of the Company, has reviewed the unaudited consolidated financial information of the Group for the Reporting Period in accordance with the Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Hong Kong Institute of Certified Public Accountants.

Independent Review Report

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

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the board of directors of JS Global Lifestyle Company Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 46 to 98, which comprises the condensed consolidated statement of financial position of JS Global Lifestyle Company Limited (the "**Company**") and its subsidiaries (the "**Group**") as at June 30, 2023 and the related condensed consolidated statements of profit or loss, 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 (the "**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* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Ernst & Young
Certified Public Accountants
Hong Kong
August 31, 2023

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2023

	Notes	**2023 US$'000 (Unaudited)**	2022 US$'000 (Unaudited) (Restated)
CONTINUING OPERATIONS			
REVENUE	4	**573,618**	703,435
Cost of sales		**(360,243)**	(453,241)
Gross profit		**213,375**	250,194
Other income and gains	5	**22,346**	20,218
Selling and distribution expenses		**(106,529)**	(118,988)
Administrative expenses		**(63,462)**	(67,020)
Impairment losses on financial assets		**(1,613)**	(377)
Other expenses		**(844)**	(2,086)
Finance costs	6	**(14,147)**	(6,377)
Share of profits and losses of associates		**4,180**	3,090
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	7	**53,306**	78,654
Income tax expense	8	**(7,149)**	(12,499)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**46,157**	66,155
DISCONTINUED OPERATION			
Profit for the period from a discontinued operation	9	**93,300**	114,789
PROFIT FOR THE PERIOD		**139,457**	180,944
Attributable to:			
Owners of the parent		**127,809**	163,909
Non-controlling interests		**11,648**	17,035
		139,457	180,944

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2023

	Notes	**2023 US$'000 (Unaudited)**	2022 US$'000 (Unaudited) (Restated)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	11		
Basic			
– For profit for the period		**US$3.7 cents**	US$4.8 cents
– For profit from continuing operations		**US$1.0 cent**	US$1.5 cents
Diluted			
– For profit for the period		**US$3.7 cents**	US$4.8 cents
– For profit from continuing operations		**US$1.0 cent**	US$1.5 cents

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2023

	2023 US$'000 (Unaudited)	2022 US$'000 (Unaudited) (Restated)
PROFIT FOR THE PERIOD	**139,457**	180,944
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(28,314)**	(59,841)
Cash flow hedges, net of tax	**(7,847)**	–
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(36,161)**	(59,841)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Financial assets designated at fair value through other comprehensive income:		
Changes in fair value	**48**	291
Income tax effect	**(7)**	(39)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**41**	252
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(36,120)**	(59,589)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**103,337**	121,355
Attributable to:		
Owners of the parent	**100,665**	116,979
Non-controlling interests	**2,672**	4,376
	103,337	121,355

Interim Condensed Consolidated Statement of Financial Position

As of June 30, 2023

	Notes	June 30, 2023 US$'000 (Unaudited)	December 31, 2022 US$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	**89,764**	218,972
Investment properties		**15,120**	16,756
Prepaid land lease payments		**13,634**	14,533
Right-of-use assets		**7,094**	72,752
Goodwill		**5,739**	848,619
Other intangible assets		**4,249**	609,239
Investments in associates		**30,423**	30,080
Financial assets at fair value through profit or loss		**76,866**	76,158
Financial assets designated at fair value through other comprehensive income		**41,975**	42,495
Deferred tax assets		**13,388**	103,433
Other non-current assets		**10,964**	20,649
Total non-current assets		**309,216**	2,053,686
CURRENT ASSETS			
Inventories		**142,013**	646,270
Trade and bills receivables	13	**260,011**	1,198,025
Prepayments, other receivables and other assets	14	**41,627**	158,853
Financial assets at fair value through profit or loss		**30,169**	17,286
Derivative financial instruments		**–**	22,657
Pledged deposits	15	**71,007**	34,901
Cash and cash equivalents	15	**244,671**	504,137
Assets of a disposal group classified as held for distribution to owners	9	**3,494,173**	–
Total current assets		**4,283,671**	2,582,129
CURRENT LIABILITIES			
Trade and bills payables	16	**633,688**	687,506
Other payables and accruals	17	**112,145**	663,275
Other financial liabilities	18	**–**	87,148
Interest-bearing bank borrowings	20	**371,165**	135,275
Lease liabilities		**3,716**	16,986
Tax payable		**4,791**	4,838
Liabilities directly associated with the assets classified as held for distribution to owners	9	**1,331,790**	–
Total current liabilities		**2,457,295**	1,595,028

Interim Condensed Consolidated Statement of Financial Position

As of June 30, 2023

	Notes	**June 30, 2023 US$'000 (Unaudited)**	December 31, 2022 US$'000 (Audited)
NET CURRENT ASSETS		**1,826,376**	987,101
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,135,592**	3,040,787
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	20	**–**	721,781
Lease liabilities		**3,793**	67,466
Deferred tax liabilities		**4,644**	160,656
Other non-current liabilities		**1,685**	26,235
Total non-current liabilities		**10,122**	976,138
Net assets		**2,125,470**	2,064,649
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**34**	34
Treasury shares		**(69,252)**	(32,614)
Share premium		**1,064,487**	1,064,487
Capital reserve		**(60,719)**	(60,719)
Reserves		**1,037,139**	928,504
		1,971,689	1,899,692
Non-controlling interests		**153,781**	164,957
Total equity		**2,125,470**	2,064,649

Wang Xuning
Director

Han Run
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2023

	Attributable to owners of the parent											
	Issued capital US$'000	Treasury shares US$'000	Share premium US$'000	Capital reserve US$'000	Statutory reserve US$'000	Share award reserve US$'000	Fair value reserve US$'000	Foreign currency translation reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At January 1, 2023 (audited)	34	(32,614)	1,064,487	(60,719)	54,475*	21,324*	1,638*	(26,443)*	877,510*	1,899,692	164,957	2,064,649
Profit for the period	-	-	-	-	-	-	-	-	127,809	127,809	11,648	139,457
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(19,325)	-	(19,325)	(8,989)	(28,314)
Cash flow hedges, net of tax	-	-	-	-	-	-	(7,847)	-	-	(7,847)	-	(7,847)
Change in fair value of financial assets designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	28	-	-	28	13	41
Total comprehensive income for the period	-	-	-	-	-	-	(7,819)	(19,325)	127,809	100,665	2,672	103,337
Equity-settled share award scheme	-	-	-	-	-	7,970	-	-	-	7,970	530	8,500
Settlement of share award scheme (a)	-	-	-	-	-	(21,324)	-	-	21,324	-	-	-
Dividends declared by subsidiaries	-	-	-	-	-	-	-	-	-	-	(10,858)	(10,858)
Repurchase of shares (b)	-	(36,638)	-	-	-	-	-	-	-	(36,638)	-	(36,638)
Acquisition of non-controlling interests (c)	-	-	-	-	-	-	-	-	-	-	(3,520)	(3,520)
At June 30, 2023 (unaudited)	34	(69,252)	1,064,487	(60,719)	54,475*	7,970*	(6,181)*	(45,768)*	1,026,643*	1,971,689	153,781	2,125,470

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2023

	Attributable to owners of the parent											
	Issued capital US$'000	Treasury shares US$'000	Share premium US$'000	Capital reserve US$'000	Statutory reserve US$'000	Share award reserve US$'000	Fair value reserve US$'000	Foreign currency translation reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At January 1, 2022 (audited)	34	(2,956)	1,064,487	(27,266)	54,475	39,809	2,610	31,447	697,457	1,860,097	228,798	2,088,895
Profit for the period	-	-	-	-	-	-	-	-	163,909	163,909	17,035	180,944
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(47,100)	-	(47,100)	(12,741)	(59,841)
Change in fair value of financial assets designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	170	-	-	170	82	252
Total comprehensive income for the period	-	-	-	-	-	-	170	(47,100)	163,909	116,979	4,376	121,355
Equity-settled share award scheme	-	-	-	-	-	4,762	-	-	-	4,762	(6)	4,756
Settlement of share award scheme	-	-	-	-	-	(27,121)	-	-	27,121	-	-	-
Dividends declared by subsidiaries	-	-	-	-	-	-	-	-	-	-	(38,681)	(38,681)
2021 final dividend declared	-	-	-	-	-	-	-	-	(179,342)	(179,342)	-	(179,342)
Repurchase of shares for share award scheme	-	(29,658)	-	-	-	-	-	-	-	(29,658)	-	(29,658)
Repurchase of a subsidiary's shares for share award scheme	-	-	-	(12,594)	-	-	-	-	-	(12,594)	(6,071)	(18,665)
At June 30, 2022 (unaudited)	34	(32,614)	1,064,487	(39,860)	54,475*	17,450*	2,780*	(15,653)*	709,145*	1,760,244	188,416	1,948,660

Notes:

* The reserve accounts comprise the consolidated reserves of US$1,037,139,000 (June 30, 2022: US$768,197,000) in the consolidated statement of financial position.

(a) The share award reserve was transferred to retained profits upon the vesting of shares.

(b) During the period ended June 30, 2023, the Company purchased 35,044,100 shares (including 15,003,600 shares repurchased for share award scheme) on the Stock Exchange at an aggregate consideration of approximately US$36,638,000. And 20,040,500 shares repurchased were subsequently cancelled on July 3, 2023.

(c) On January 10, 2023, SharkNinja Venus Technology Company Limited ("**Venus**"), a subsidiary of the Company, acquired a 12.09% interest in Qfeeltech (Beijing) Co., Limited ("**Qfeel**") from shareholders of non-controlling interest with a consideration amounting to US$3,520,000.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2023

	Notes	2023 US$'000 (Unaudited)	2022 US$'000 (Unaudited) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		**176,915**	229,260
From continuing operations		**53,306**	78,654
From a discontinued operation	9	**123,609**	150,606
Adjustments for:			
Finance costs		**30,786**	16,558
Share of profits and losses of associates		**(4,180)**	(3,090)
Interest income		**(5,702)**	(3,688)
Loss/(gain) on disposal of items of property, plant and equipment		**918**	(1)
Loss on financial assets at fair value through profit or loss, net		**31,199**	3,010
Depreciation of property, plant and equipment		**48,916**	33,488
Depreciation of investment properties		**851**	915
Depreciation of right-of-use assets		**10,581**	10,831
Amortization of prepaid land lease payments		**197**	211
Amortization of other intangible assets		**15,538**	14,603
Impairment of inventories		**18,474**	2,219
Impairment of trade receivables, net		**1,989**	1,172
Impairment of financial assets included in prepayments, other receivables and other assets, net		**770**	152
Equity-settled share award expense		**8,500**	6,190
Exchange (gains)/losses		**(4,332)**	4,688
Increase in inventories		**(6,515)**	(57,451)
Decrease in trade and bills receivables		**47,815**	400,575
Decrease/(increase) in prepayments, other receivables and other assets		**53,034**	(70,342)
Recognition of right-of-use assets		**(8,906)**	(9,308)
Recognition of lease liabilities		**8,906**	9,308
(Increase)/decrease in other non-current assets		**(2,938)**	123
Increase in other non-current liabilities		**2,420**	2,613
Increase/(decrease) in trade and bills payables		**33,419**	(138,521)
Decrease in other payables and accruals		**(63,925)**	(179,628)
Increase in derivative financial liabilities		**-**	1,011

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2023

	Notes	2023 US$'000 (Unaudited)	2022 US$'000 (Unaudited) (Restated)
Cash generated from operations		**394,730**	274,898
Interest received		**3,784**	3,688
Income tax paid		**(66,678)**	(62,625)
Net cash flows from operating activities		**331,836**	215,961
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(48,013)**	(34,812)
Additions to other intangible assets		**(19,645)**	(26,146)
Disposal of investments in associates		**2,008**	-
Purchases of financial assets at fair value through profit or loss		**(153,947)**	(55,152)
Dividends/interest received from financial assets at fair value through profit or loss		**205**	1,062
Proceeds from disposal of financial assets at fair value through profit or loss		**142,325**	51,183
Proceeds from disposal of property, plant and equipment, prepaid land lease payments and intangible assets other than goodwill		**714**	399
Increase in pledged deposits		**(36,106)**	(30,924)
Acquisition of non-controlling interests		**(3,520)**	-
Net cash flows used in investing activities		**(115,979)**	(94,390)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2023

	Notes	2023 US$'000 (Unaudited)	2022 US$'000 (Unaudited) (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		**(9,597)**	(11,819)
Repurchase of shares for share award scheme		**(36,638)**	(48,323)
New bank loans		**–**	200,000
Bills endorsed		**–**	7,661
Repayment of bank loans		**(88,700)**	(169,608)
Repayment of bills payable		**–**	(7,715)
Advance to related parties		**(7,491)**	–
Dividends paid		**(10,858)**	(38,540)
Interest paid		**(22,994)**	(11,959)
Dividends paid to former owners of acquired subsidiaries		**(5,887)**	–
Net cash flows used in financing activities		**(182,165)**	(80,303)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**33,692**	41,268
Cash and cash equivalents at the beginning of the period		**504,137**	555,457
Effect of foreign exchange rate changes, net		**(16,070)**	(45,834)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		**521,759**	550,891
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	**175,448**	324,712
Non-pledged time deposits with original maturity of less than three months when acquired		**69,223**	81,170
Cash attribute to a discontinued operation		**277,088**	145,009
		521,759	550,891

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

1. Basis of preparation

The interim condensed consolidated financial information for the six months ended June 30, 2023 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2022.

2. Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and impact of the revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since January 1, 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

2. Changes in accounting policies and disclosures (continued)

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognize a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases and decommissioning obligations as at January 1, 2022, with any cumulative effect recognized as an adjustment to the balance of retained profits or other component of equity as appropriate at that date.

The adoption of amendments to IAS 12 did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, other comprehensive income and the interim condensed consolidated statements of cash flows for the six months ended June 30, 2023 and 2022.

(d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organization for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after January 1, 2023, but are not required to disclose such information for any interim periods ending on or before December 31, 2023. The Group is currently assessing its exposure to Pillar Two income taxes.

3. Operating segment information

Due to the spin-off and separate listing of SharkNinja, Inc. and its subsidiaries ("**SharkNinja Group**"), SharkNinja operating in Asia Pacific Region is separated from the original SharkNinja segment and becomes a separate segment of the Group. For management purposes, the Group is organized into business units based on its operations and has two reportable operating segments as follows:

(a) the Joyoung segment was involved in the design, manufacture, marketing, export and distribution of small kitchen electrical appliances; and

(b) the SharkNinja APAC segment, which operates in Asia Pacific Region, was involved in the design, marketing, manufacture, providing sourcing services, export, import and distribution of a full range of floor care products, hard-surface steam cleaning products and small kitchen appliances.

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, which is a measure of adjusted profit before tax from continuing operations. The adjusted profit before tax is measured consistently with the Group's profit before tax from continuing operations except the head office and corporate income and expenses which are excluded from such measurement. The head office and corporate income and expenses include exchange gains or losses, interest income, non-lease-related finance costs, and other unallocated corporate income and expenses.

3. Operating segment information (continued)

Six months ended June 30, 2023	Joyoung US$'000	SharkNinja APAC US$'000	Total US$'000
Segment revenue			
Sales to external customers	490,866	48,608	539,474
Sourcing business	–	34,144	34,144
Intersegment sales	119,622	–	119,622
	610,488	82,752	693,240
Reconciliation:			
Elimination of intersegment sales			(119,622)
Revenue (note 4)			573,618
Segment results	40,704	29,802	70,506
Reconciliation:			
Interest income			400
Exchange gain			8,060
Finance costs			(13,966)
Corporate and other unallocated expenses			(11,694)
Profit before tax			53,306
Other segment information			
Share of profits and losses of associates	4,180	–	4,180
Impairment of inventories and financial assets recognized in profit or loss	1,423	–	1,423
Depreciation and amortization	7,914	1,123	9,037
Interest income	2,782	80	2,862
Finance costs	171	10	181
Investments in associates	30,423	–	30,423
Capital expenditure*	1,566	804	2,370

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

3. Operating segment information (continued)

Six months ended June 30, 2022	Joyoung US$'000	SharkNinja APAC US$'000 (Restated)	Total US$'000 (Restated)
Segment revenue			
Sales to external customers	639,005	28,086	667,091
Sourcing business	–	36,344	36,344
Intersegment sales	79,381	–	79,381
	718,386	64,430	782,816
Reconciliation:			
Elimination of intersegment sales			(79,381)
Revenue (note 4)			703,435
Segment results	58,826	29,992	88,818
Reconciliation:			
Interest income			125
Exchange gain			5,310
Unallocated income			460
Finance costs			(5,862)
Corporate and other unallocated expenses			(10,197)
Profit before tax			78,654
Other segment information			
Share of profits and losses of associates	3,090	–	3,090
Impairment of inventories and financial assets recognized in profit or loss	1,193	–	1,193
Depreciation and amortization	8,501	1,324	9,825
Interest income	3,468	–	3,468
Finance costs	512	3	515
Investments in associates	28,816	–	28,816
Capital expenditure*	4,227	–	4,227

* Capital expenditure consists of additions to property, plant and equipment, investment properties, prepaid land lease payments, right-of-use assets and other intangible assets, including assets from the acquisition of a subsidiary.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

4. Revenue

An analysis of revenue is as follows:

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
		(Restated)
Revenue from contracts with customers		
Sale of goods	**539,474**	667,091
Revenue from other sources		
Sourcing business	**34,144**	36,344
	573,618	703,435

Disaggregated revenue information

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
		(Restated)
Geographical markets		
Mainland China	**482,308**	622,941
Japan	**37,338**	28,833
Australia and New Zealand	**10,333**	–
Other countries/regions	**9,495**	15,317
Total revenue from contracts with customers	**539,474**	667,091

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
		(Restated)
Timing of revenue recognition		
Goods transferred at a point in time	**539,474**	667,091
Total revenue from contracts with customers	**539,474**	667,091

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

5. Other income and gains

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
		(Restated)
Other income		
Bank interest income	**3,262**	3,593
Net rental income from investment property operating leases	**1,123**	1,162
Government grants	**2,653**	12,031
Others	**40**	288
	7,078	17,074
Gains		
Foreign exchange differences, net	**9,703**	3,902
Gain on disposal of items of property, plant and equipment	**154**	1
Gain/(loss) on financial assets at fair value through profit or loss, net	**1,903**	(3,010)
Others	**3,508**	2,251
	15,268	3,144
Total other income and gains	**22,346**	20,218

6. Finance costs

An analysis of finance costs is as follows:

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
		(Restated)
Interest on bank loans	**12,416**	3,656
Interest on lease liabilities	**181**	152
Amortization of deferred finance costs	**1,550**	2,207
Other finance costs	**–**	362
	14,147	6,377

7. Profit before tax

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

	Note	For the six months ended June 30, 2023 US$'000	2022 US$'000 (Restated)
Cost of inventories sold		**360,243**	453,241
Foreign exchange differences, net		**(9,703)**	(3,902)
Impairment/(reversal of impairment) of inventories		**(190)**	816
Impairment of financial assets, net:			
Impairment of trade receivables, net		**843**	225
Impairment of financial assets included in prepayments, other receivables and other assets, net		**770**	152
Product warranty provision:			
Additional provision/(reversal of provision)		**(198)**	340
Gain on disposal of items of property, plant and equipment	5	**(154)**	(1)
Loss/(gain) on financial assets at fair value through profit or loss, net	5	**(1,903)**	3,010
Government grants*	5	**(2,653)**	(12,031)

Note:

* Various government grants have been received for setting up research and promotion activities and alleviating unemployment in Mainland China. Government grants received for which related expenditure has not yet been undertaken are recognized as deferred income and included in other payables in the statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

8. Income tax expense

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
		(Restated)
Current income tax charge/(credit):		
– In Mainland China	**6,961**	6,022
– In Hong Kong	**5,349**	4,072
– Elsewhere	**429**	938
Deferred income tax:		
- In Mainland China	**(5,590)**	1,467
Total tax charge for the period from continuing operations	**7,149**	12,499
Total tax charge for the period from a discontinued operation	**30,309**	35,817
	37,458	48,316

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The determination of current and deferred income taxes was based on the enacted tax rates.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.

Under the relevant PRC income tax law, except for certain preferential treatments available to the Group, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% (during the six months ended June 30, 2022: 25%) on their respective taxable income. During the period, five of the Group's entities (during the six months ended June 30, 2022: five) obtained approval from the relevant PRC tax authorities and were entitled to preferential corporate income tax rates or corporate income tax exemptions.

8. Income tax expense (continued)

Hong Kong profits tax has been provided at the rate of 16.5% (during the six months ended June 30, 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group (during the six months ended June 30, 2022: one) which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (during the six months ended June 30, 2022: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (during the six months ended June 30, 2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (during the six months ended June 30, 2022: 16.5%).

The Group realized tax benefits during the period through applying the preferential corporate income tax rates and the corporate income tax exemptions. These preferential tax treatments were available to the Group pursuant to the enacted PRC tax rules and regulations and are subject to assessment by the relevant PRC tax authorities.

9. Discontinued operation

On February 23, 2023, the Company submitted a proposal to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to the spin-off and separate listing of SharkNinja Group pursuant to Practice Note 15 of the Rules Governing the Listing of Securities on the Stock Exchange. SharkNinja Group engages in the manufacture and sale of home appliances. On June 26, 2023, the Company held an extraordinary general meeting to approve the distribution of SharkNinja Group, which was completed on July 31, 2023. As at June 30, 2023, SharkNinja Group was classified as a disposal group held for distribution to owners and as a discontinued operation.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

9. Discontinued operation (continued)

The results of SharkNinja Group for the period are presented below:

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Revenue	**1,720,276**	1,528,801
Cost of sales	**(958,296)**	(916,541)
Other income and gains	**810**	479
Selling and distribution expenses	**(302,268)**	(232,984)
Administrative expenses	**(283,392)**	(209,430)
Impairment losses on financial assets	**(1,146)**	(947)
Other expenses	**(35,736)**	(8,591)
Finance costs	**(16,639)**	(10,181)
Profit before tax from the discontinued operation	**123,609**	150,606
Income tax expense	**(30,309)**	(35,817)
Profit for the period from the discontinued operation	**93,300**	114,789

9. Discontinued operation (continued)

The major classes of assets and liabilities of the disposal group classified as held for distribution to owners as at June 30, 2023 are as follows:

	June 30, 2023 US$'000 (Unaudited)
Assets	
Property, plant and equipment	128,231
Right-of-use assets	64,524
Goodwill	842,485
Other intangible assets	608,288
Deferred tax assets	99,803
Inventories	492,297
Trade receivables	888,210
Prepayments, deposits and other receivables	81,085
Cash and cash equivalents	277,088
Others	12,162
Assets classified as held for distribution to owners	3,494,173
Liabilities	
Trade and bills payables	87,237
Derivative financial Instruments	23,392
Other payables and accruals	571,755
Interest-bearing bank and other borrowings	399,032
Lease liabilities	76,653
Deferred tax liabilities	146,845
Others	26,876
Liabilities directly associated with the assets classified as held for distribution to owners	1,331,790
Net assets directly associated with the disposal group	2,162,383

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

9. Discontinued operation (continued)

The net cash flows due to the disposal of SharkNinja Group are as follows:

	For the six months ended June 30, 2023 US$'000 (Unaudited)
Cash and bank balances disposed of	**(277,088)**

The net cash flows attributable by SharkNinja Group are as follows:

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Operating activities	**255,339**	55,906
Investing activities	**(118,776)**	(56,189)
Financing activities	**(120,072)**	(69,355)
Net cash inflows/(outflows)	**16,491**	(69,638)
Earnings per share:		
Basic, from a discontinued operation	**US$2.7 cents**	US$3.3 cents
Diluted, from a discontinued operation	**US$2.7 cents**	US$3.3 cents

9. Discontinued operation (continued)

The calculations of basic and diluted earnings per share from the discontinued operation are based on:

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Profit attributable to ordinary equity holders of the parent from the discontinued operation	**US$93,232,000**	US$114,517,000
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**3,411,816**	3,398,466
Weighted average number of ordinary shares used in the diluted earnings per share calculation	**3,412,477**	3,408,382

10. Interim dividends

It was approved by the shareholders on June 26, 2023 that the spin-off of SharkNinja Group would be conducted through a distribution in specie of the equity interests in SharkNinja, Inc. and the declared distribution had been completed on July 31, 2023.

On August 31, 2023, the board of directors has declared that an interim dividend of HK$0.0392 (equivalent to US$0.005) per share will be paid to the owners of the Company whose names appear in the register of members on September 15, 2023, based on the total share capital of 3,474,571,777 shares as at the date of dividend declaration.

11. Earnings per share attributable to ordinary equity holders of the parent

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,411,816,000 in issue during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the dilutive effect arising from the share award scheme of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

11. Earnings per share attributable to ordinary equity holders of the parent (continued)

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

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent,		
used in the basic and diluted earnings per share calculation:	**127,809**	163,909
From continuing operations	**34,577**	49,392
From a discontinued operation	**93,232**	114,517

	Number of shares for the six months ended June 30,	
	2023	2022
	'000	'000
Shares		
Weighted average number of ordinary shares in issue during the period		
used in the basic earnings per share calculation	**3,411,816**	3,398,466
Effect of dilution – weighted average number of ordinary shares:		
Share award scheme	**661**	9,916
	3,412,477	3,408,382

12. Property, plant and equipment

During the six months ended June 30, 2023, the Group acquired assets with a cost of US$48,013,000 (during the six months ended June 30, 2022: US$33,940,000), including a cost of US$45,651,000 attributed to the discontinued operation.

Assets (other than those classified as held for distribution to owners) with a net book value of US$541,000 were disposed of by the Group during the six months ended June 30, 2023 (during the six months ended June 30, 2022: US$397,000), resulting in a net gain on disposal of US$154,000 (during the six months ended June 30, 2022: US$1,000).

Assets classified as held for distribution to owners with a net book value of US$1,091,000 were disposed of during the six months ended June 30, 2023, resulting in a net loss on disposal of US$1,072,000.

13. Trade and bills receivables

An aging analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	June 30, 2023 US$'000	December 31, 2022 US$'000
Within 6 months	**254,288**	1,189,551
6 months to 1 year	**4,699**	7,072
1 to 2 years	**1,024**	1,402
	260,011	1,198,025

Included in the Group's trade and bills receivables were amounts due from the Group's associates of US$5,532,000 as at June 30, 2023 (December 31, 2022: US$7,013,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

14. Prepayments, other receivables and other assets

	June 30, 2023 US$'000	December 31, 2022 US$'000
Prepayments	**3,514**	19,985
Deposits and other receivables (a)	**8,626**	83,275
Due from related parties (b)	**7,491**	3,925
Right-of-return assets	**–**	1,176
Indemnification assets	**–**	2,463
Tax recoverable	**22,685**	32,038
Receivable from employees	**–**	16,759
	42,316	159,621
Less: Impairment	**(689)**	(768)
	41,627	158,853

Notes:

(a) There was no tariff refunds due to the temporary exemption on the Group's certain products included in the balance as at June 30, 2023 (December 31, 2022: US$45,354,000).

(b) Included in the amounts due from related parties were amounts due from associates of US$177,000 as at June 30, 2023 (December 31, 2022: US$110,000), and amounts due from other related parties of US$7,314,000 as at June 30, 2023 (December 31, 2022: US$3,815,000).

15. Cash and cash equivalents/pledged deposits

	June 30, 2023 US$'000	December 31, 2022 US$'000
Cash and bank balances	**175,448**	464,991
Time deposits	**140,230**	74,047
Less: Pledged deposits for bills payable	**(71,007)**	(34,901)
Cash and cash equivalents	**244,671**	504,137

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("**RMB**") amounted to RMB522,335,000 (December 31, 2022: RMB928,796,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

16. Trade and bills payables

The aging analysis of trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	June 30, 2023 US$'000	December 31, 2022 US$'000
Within 1 year	**631,498**	686,698
1 to 2 years	**2,190**	808
	633,688	687,506

Included in the trade and bills payables are trade payables of US$10,531,000 (December 31, 2022: US$13,070,000) due to associates which are repayable within 90 days, which represents credit terms similar to those offered by the associates to their major customers.

The Group's bills payable were secured by pledged deposits of the Group of US$71,007,000 as at June 30, 2023 (December 31, 2022: US$34,901,000), and secured by bills receivable of the Group of US$100,609,000 as at June 30, 2023 (December 31, 2022: US$124,815,000).

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

17. Other payables and accruals

	June 30, 2023 US$'000	December 31, 2022 US$'000
Accruals	**17,843**	223,436
Contract liabilities (a)	**24,429**	24,331
Refund liabilities	**10,478**	285,882
Other payables (b)	**33,632**	100,404
Provisions	**17,893**	20,958
Due to related parties (c)	**7,870**	8,264
	112,145	663,275

Notes:

(a) Contract liabilities include short-term advances received from delivering home appliance products and rendering extended warranty services. Included in the contract liabilities were short-term advances of US$107,000 received from related parties as at June 30, 2023 (December 31, 2022: US$593,000).

(b) Joyoung Co., Ltd ("**Joyoung**") entered into tri-party customer finance arrangements ("**保兌倉**") with distributors and endorsing banks. Distributors deposit guarantee money of no less than a certain proportion of the par value of bank acceptance bill to the bank and apply for issuance of bank acceptance bill for the purchase of products from Joyoung according to the amount of credit facility provided by the bank. Joyoung undertakes the security obligation in favour of the distributors for the difference between the amount of bills and the guarantee money. Joyoung considers the security obligation as financial guarantee. The financial guarantee is recognized initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the financial guarantee contract was measured at the higher of the expected credit losses ("**ECLs**") allowance and the amount initially recognized less, when appropriate, the cumulative amount of income recognized which was amounting to US$411,000 and recorded in other payables. As at June 30, 2023, the Group's maximum exposure to such guarantee was US$14,087,000.

(c) Included in the amounts due to related parties are amounts due to associates of US$7,870,000 (December 31, 2022: US$8,264,000).

18. Other financial liabilities

In August 2022, the Group reached a trade receivables purchase agreement ("**RPA**") with a finance institution in order to early receive a portion of the proceeds of certain receivables from customers before the due date. The trade receivables under the RPA were made without recourse to the Group, and the Group shall have no liability to the financial institution for customers' failure to pay any receivables when it is due and payable under the terms within the RPA.

In the opinion of the directors, the Group has retained the substantial risks and rewards, as the entitlement of the remaining portion of the proceeds is subject to the repayment from these customers, and accordingly, the Group continued to recognize the full carrying amounts of the outstanding receivables as at December 31,2022, which was amounted to US$87,148,000. As at June 30, 2023, there was no outstanding receivables under the RPA.

19. Share-based payments

Restricted Stock Units Plan of the Group ("JS RSU Scheme")

JS RSU Scheme – 2019 tranche

On October 9, 2019, the Company approved the JS RSU Scheme. The purpose of the JS RSU Scheme is to recognize and reward participants for their contribution to the Group, to attract the best available personnel to provide service to the Group, and to provide additional incentives to them to remain with and further promote the success of the Group's business. Subject to any early termination as may be determined by the board pursuant to the terms of the JS RSU Scheme, the RSU Scheme shall be valid and effective for a period of 10 years commencing on the adoption date of October 9, 2019, after which no further awards will be granted, but the provisions of this RSU Scheme shall in all other respects remain in full force and effect and the awards granted during the term of the JS RSU Scheme may continue to be valid and exercisable in accordance with their respective terms of grant.

The Company has set up two structured entities ("**RSU Holding Entities**"), namely Golden Tide International Limited and Grand Riches Ventures Limited which are solely for the purpose of administering and holding the Company's shares for the JS RSU Scheme. Pursuant to a resolution passed by the board of directors of the Company on October 9, 2019, the Company issued 141,618,409 ordinary shares to the RSU Holding Entities at a par value of US$0.00001 each, being the ordinary shares underlying the JS RSU Scheme. In addition, the Company has entered into a trust deed with an independent trustee (the "**RSU Trustee**") on October 14, 2019, pursuant to which the RSU Trustee shall act as the administrator of the Company's JS RSU Scheme. The Company has the power to direct the relevant activities of the RSU Holding Entities and it has the ability to use its power over the RSU Holding Entities to affect its exposure to returns. Therefore, the assets and liabilities of the RSU Holding Entities are included in the Group's consolidated statement of financial position and the ordinary shares held for the JS RSU Scheme were regarded as treasury shares with no consideration.

The initial number of shares underlying the JS RSU Scheme shall not exceed the aggregate of 141,618,409 shares as of the date of adoption of the JS RSU Scheme, representing 4.05% of the issued shares of the Company at the time. A total of 129,265,801 RSUs were granted to directors and employees with no consideration with the vesting schedule as below:

- 30% of the RSUs, namely 38,779,740 RSUs, are subject to any performance-based conditions and vest in four equal annual installments on or before May 31 of 2020 to 2023 (the "**Time RSUs**"). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Time RSUs to be vested on or before May 31 of the same year.

19. Share-based payments (continued)

Restricted Stock Units Plan of the Group ("JS RSU Scheme") (continued)

JS RSU Scheme – 2019 tranche (continued)

- 70% of the RSUs, namely 90,486,061 RSUs, are subject to performance-based conditions and vest (if any, fully or partially) over four years on or before May 31 of 2020 to 2023 (the "**Performance RSUs**"). The performance target is measured by reference to the financial performance of the Group, Joyoung and SharkNinja for each of the four financial years ended December 31 of 2019, 2020, 2021 and 2022 (the "**Plan Year**"). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Performance RSUs to be vested on or before May 31 of the same year.

Grantees are not entitled to any rights of a shareholder (including voting and dividend rights) on the unvested portion of the RSUs.

The fair values of the 2019 tranche of the JS RSU Scheme were estimated as at the date of grant using a Monte-Carlo Simulation Model, considering the terms and conditions upon which the RSUs were granted. The following table lists the key inputs to the model used:

Life of the RSU Plan	**0.33-3.33 years**
Annualized staff turnover rate	**0%-10%**
Annualized volatility of revenue change*	**25.0%**
Discount rate ("**WACC**")	**16.0%**

* The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

19. Share-based payments (continued)

Restricted Stock Units Plan of the Group ("JS RSU Scheme") (continued)

JS RSU Scheme – 2021 tranche

On January 18, 2021, January 27, 2021 and April 1, 2021, a total of 9,924,347 RSUs were granted to 9 participants of the Company pursuant to the JS RSU Scheme, which were partly sourced from the issuance of 5,500,000 new shares.

On September 28, 2021 and November 10, 2021, a total of 1,370,000 RSUs were granted to 23 participants of the Company pursuant to the JS RSU Scheme.

The 2021 tranche of the JS RSU Scheme was granted with no consideration and the vesting schedule is similar to that of 2019 tranche. 30% of the RSUs are Time RSUs, which vest annually from 2021 to 2023. 70% of the RSUs are Performance RSUs, which vest annually from 2021 to 2023 based on the performance target.

The fair value of the 2021 tranche of the JS RSU Scheme was based on the closing price of the Company's share as at the date of grant.

JS RSU Scheme – 2022 tranche

On 18 March, 2022 and 1 April, 2022, a total of 1,042,000 RSUs were granted to 9 participants of the Company pursuant to the JS RSU Scheme.

The 2022 tranche of the JS RSU Scheme was granted with no consideration and the vesting schedule is similar to that of 2019 tranche. 30% of the RSUs are Time RSUs, which vest annually from 2022 to 2023. 70% of the RSUs are Performance RSUs, which vest in 2022 and 2023 based on performance target.

19. Share-based payments (continued)

Restricted Stock Units Plan of the Group ("JS RSU Scheme") (continued)

JS RSU Scheme – 2023 tranche 1

On April 3, 2023, a total of 2,842,000 RSUs were granted to 22 participants of the Group pursuant to the JS RSU Scheme. 1,200,000 RSUs were granted to 1 participant of Joyoung and 1,642,000 RSUs were granted to 21 participants of SharkNinja, which vest in 2023 based on performance target.

JS RSU Scheme – 2023 tranche 2

On June 6, 2023, a total of 53,100,000 RSUs were granted to directors and employees with no consideration with the vesting schedule as below:

- 50% of the RSUs, namely 26,550,000 RSUs, are not subject to any performance-based conditions and vest in three equal annual installments on or before May 31 of 2024 to 2026 (the "**Time RSUs**"). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Time RSUs to be vested on or before May 31 of the same year.

- 50% of the RSUs, namely 26,550,000 RSUs, are subject to performance-based conditions and vest (if any, fully or partially) over three years on or before May 31 of 2024 to 2026 (the "**Performance RSUs**"). The performance targets are measured by reference to the financial performance of the Group, and SharkNinja for each of the three financial years ending December 31 of 2023, 2024 and 2025 (the "**Plan Year**"). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Performance RSUs to be vested on or before May 31 of the same year.

Grantees are not entitled to any rights of a shareholder (including voting and dividend rights) on the unvested portion of the RSUs.

19. Share-based payments (continued)

Restricted Stock Units Plan of the Group ("JS RSU Scheme") (continued)

JS RSU Scheme – 2023 tranche 2 (continued)

The following RSUs were outstanding under the RSU Scheme:

	For the period ended June 30, 2023		For the year ended December 31, 2022	
	Fair value per share US$	**Number of RSUs**	Fair value per share US$	Number of RSUs
At the beginning of the period/year	**0.80**	**34,845,107**	0.83	67,742,145
Granted on March 18, 2022	**–**	**–**	0.95	958,000
Granted on April 1, 2022	**–**	**–**	1.17	84,000
Granted on April 3, 2023	**1.00**	**2,842,000**	–	–
Granted on June 6, 2023	**1.02**	**53,100,000**	–	–
Exercised during the period/year	**0.82**	**(32,600,512)**	0.81	(32,815,329)
Forfeited during the period/year	**–**	**–**	0.94	(1,123,709)
At the end of the period/year	**1.00**	**58,186,595**	0.80	34,845,107

During the six months ended June 30, 2023, the Group recognized share award expenses of US$8,108,000 (during the six months ended June 30, 2022: US$6,190,000).

As of June 30, 2023, the Company had repurchased an aggregate of 15,003,600 shares for the JS RSU Scheme.

At the date of approval of the interim condensed consolidated financial information, the Company had 58,186,595 RSUs outstanding under the JS RSU Scheme, which represented approximately 1.67% of the Company's shares in issue as at that date.

19. Share-based payments (continued)

Share Option Incentive Scheme of Joyoung Co., Ltd. ("JY Scheme 2021")

On May 28, 2021, the Company approved and adopted the Share Option Incentive Scheme Joyoung Co., Ltd. ("**JY Scheme 2021**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of Joyoung's operations. Eligible participants of the Scheme 2021 include directors, senior management and key employees.

Pursuant to the JY Scheme 2021, a total of 18,000,000 share options shall be granted to the eligible participants. On April 29, 2021, a total of 15,600,000 share options were granted to participants with no consideration. The exercise conditions include company performance and individual performance. The vesting schedules are as follows:

Exercise arrangement	Performance conditions to be fulfilled with	Exercise proportion
First exercise	Compared with year 2020, the revenue growth rate in 2021 is no less than 15% and the profit growth rate in 2021 is no less than 5%	40%
Second exercise	Compared with year 2020, the revenue growth rate in 2022 is no less than 33% and the profit growth rate in 2022 is no less than 16%	30%
Third exercise	Compared with year 2020, the revenue growth rate in 2023 is no less than 56% and the profit growth rate in 2023 is no less than 33%	30%

The registration of share options granted above was completed on June 1, 2021.

The JY Scheme 2021 shall be effective from the date on which the share options have been granted, and end on the date on which all the share options granted to the participants have been exercised or cancelled, which shall not exceed 48 months. The vesting period shall be 12 months, 24 months and 36 months from the date on which the share options have been granted and registered.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

19. Share-based payments (continued)

Share Option Incentive Scheme of Joyoung Co., Ltd. ("JY Scheme 2021") (continued)

The following share options were outstanding under the JY Scheme 2021 during the period:

	For the period ended June 30, 2023		For the year ended December 31, 2022	
	Weighted average exercise price RMB per share	**Number of options**	Weighted average exercise price RMB per share	Number of options
At the beginning of the period/year	**21.99**	**8,646,000**	21.99	15,600,000
Forfeited during the period/year	**21.99**	**(4,587,000)**	21.99	(6,954,000)
At the end of the period/year	**21.99**	**4,059,000**	21.99	8,646,000

No share options were exercised during the reporting period.

19. Share-based payments (continued)

Share Option Incentive Scheme of Joyoung Co., Ltd. ("JY Scheme 2021") (continued)

The fair value of equity-settled share options granted during the period was estimated as at the date of grant using a Black-Scholes share option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Exercise price determined at the grant date	RMB21.99
Expected option life (years)	1-3 years
Estimated volatility of the share price	21.28%-23.83%
Annual risk-free interest rate during the option life	1.50%-2.75%
Fair value per share of the options	RMB11.83-13.78

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of the share options granted on the grant date was RMB197,632,000 (equivalent to US$30,555,000). During the six months ended June 30, 2023, Joyoung Co., Ltd. did not recognize any share option expenses due to the performance targets are not satisfied (During the six months ended June 30, 2022: nil).

At the date of approval of the interim condensed consolidated financial information, Joyoung Co., Ltd. had 4,059,000 share options outstanding under the JY Scheme 2021, which represented approximately 0.5% of Joyoung Co., Ltd.'s shares in issue (December 31, 2022: 1.1%).

Phase 1 Employee Stock Ownership Plan (the "JY ESOP I")

On March 28, 2022, Joyoung adopted the phase I employee stock ownership plan (the "**JY ESOP I**"), which was amended on April 1, 2022 and approved by the shareholders of Joyoung on April 22, 2022.

There were 7 participants in total under the JY ESOP I, including the directors, senior management and core employees of Joyoung and its subsidiaries.

The source of the fund of the JY ESOP I was directly from the participants, including their self-owned funds, as well as their future remunerations that expected to be entitled, and other available sources within the framework of the applicable laws and regulations.

19. Share-based payments (continued)

Phase 1 Employee Stock Ownership Plan (the "JY ESOP I") (continued)

On October 20, 2022, 16,000,000 shares in total under the JY ESOP I (the "**target shares**") were granted to these participants through a formal agreement reached between Joyoung and the participants. Shares granted to these participants were from the treasury shares that previously repurchased from the stock exchange market by Joyoung.

Pursuant to the JY ESOP I, the target shares granted will be eligible to vest over the next five years on the condition that the related performance target for each tranche was satisfied, based on the following schedule:

Tranche	Vesting date	Portion of the target shares can be vested
1	November 3, 2023	20%
2	November 3, 2024	20%
3	November 3, 2025	20%
4	November 3, 2026	20%
5	November 3, 2027	20%

The following shares were outstanding under the JY ESOP I during the year:

	For the period ended June 30, 2023		For the year ended December 31, 2022	
	Fair value per share RMB	Number of shares	Fair value per share RMB	Number of shares
At the beginning of the year/period	**14.75**	**16,000,000**	–	–
Granted during the year/period	**–**	**–**	14.75	16,000,000
At the end of the year/period	**14.75**	**16,000,000**	14.75	16,000,000

Total expense recognized for the period ended June 30, 2023 was approximately RMB2,786,000 (equivalent to US$392,000) (June 30, 2022: nil).

20. Interest-bearing bank borrowings

	June 30, 2023			December 31, 2022		
	Interest rate (%)	Maturity	US$'000	Interest rate (%)	Maturity	US$'000
Current						
Bank loans – secured (a)	**1.56+LIBOR**	**2023**	**371,165**	1.56+LIBOR	2023	48,303
Bank loans – secured (a)	**–**	**–**	**–**	1.80+LIBOR	2023	86,972
			371,165			135,275
Non-current						
Bank loans – secured (a)	**–**	**–**	**–**	1.56+LIBOR	2023-2025	372,612
Bank loans – secured (a)	**–**	**–**	**–**	1.80+LIBOR	2023-2025	349,169
			–			721,781
			371,165			857,056

20. Interest-bearing bank borrowings (continued)

	June 30, 2023 US$'000	December 31, 2022 US$'000
Analyzed into:		
Bank loans repayable:		
Within one year or on demand	**371,165**	135,275
In the second year	**–**	222,797
In the third to fifth years, inclusive	**–**	498,984
	371,165	857,056

Notes:

The borrowers of the bank loans are JS Global Lifestyle Company Limited and SharkNinja Appliance LLC. SharkNinja Appliance LLC was spun off from the Group on July 31, 2023. An amount of US$399,032,000 as at June 30, 2023 have been reclassified as liabilities associated with disposal group classified as held for distribution to owners as shown in note 9. Subsequent to the reporting period, the Group has repaid all the bank borrowings of both continuing operations and the discontinued operation.

(a) The loans are secured by:

(i) the pledge of 411,558,069 shares of Joyoung Co., Ltd. as at June 30, 2023 (December 31, 2022: 411,558,069);

(ii) 82.90% of shares in Shanghai Lihong held by JS Global Trading HK Limited;

(iii) 0.86% of shares in Shanghai Lihong held by Easy Appliance Hong Kong Limited;

(iv) certain of the Group's assets amounting to US$2,650,210,000 as at June 30, 2023 (December 31, 2022: US$2,554,454,000); and

20. Interest-bearing bank borrowings (continued)

Notes: (continued)

(a) The loans are secured by: (continued)

(v) the pledge of equity interests of the following companies:

	Percentage of equity interests
SharkNinja Appliance LLC*	100%
SharkNinja Midco LLC*	100%
SharkNinja Operating LLC*	100%
SharkNinja International Holding Company*	100%
SharkNinja Sales Company*	100%
SharkNinja Management LLC*	100%
SharkNinja Appliance UK Holdco Ltd.*	100%
SharkNinja Global SPV, Ltd.*	100%
SharkNinja Global SPV 2 Limited*	100%
Bilting Development Limited	100%
JS (BVI) Holding Limited	100%
JS Global Trading HK Limited	100%
Euro-Pro Hong Kong Limited*	100%
SharkNinja (Hong Kong) Company Limited*	100%
Shenzhen SharkNinja Technology Co., Ltd*	100%
Suzhou SharkNinja Technology Co., Ltd*	100%

* Entities under the discontinued operation

The Group's unutilized available bank borrowing facilities amounted to US$200,000,000 as at June 30, 2023 (December 31, 2022: US$200,000,000).

21. Commitments

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

	June 30, 2023 US$'000	December 31, 2022 US$'000
Contracted, but not provided for:		
Property, plant and equipment	**30,467**	27,396
Intangible assets	**5,468**	2,888
	35,935*	30,284

* As at June 30, 2023, commitments contracted but not provided are all attributable to the discontinued operation.

22. Business combinations

Acquisition of Mann & Noble

On April 1, 2023, the Group acquired 100% of the equity interest of four Mann & Noble entities in Australia, New Zealand, Singapore and Malaysia (collectively, "Mann & Noble") to deliver the most suitable products that align with the unique consumer needs in these markets. The acquisition has been accounted for using the acquisition method. The interim condensed consolidated financial statements include the results of these entities for the period from the acquisition date.

The provisional fair values of the identifiable assets and liabilities of Mann & Noble as at the date of acquisition were:

	Fair value recognized on acquisition US$'000 (provisional)
Assets	
Property, plant and equipment	2
Inventories	10,196
Trade receivables	6,264
Prepayments, deposits and other receivables	1,073
Cash and cash equivalents	2,889
	20,424
Liabilities	
Trade and bills payables	12,129
Other payables and accruals	6,840
Tax payable	188
Others	656
	19,813
Total identifiable net assets at fair value	611
Goodwill arising on acquisition*	–
Purchase consideration	611

* The valuation of the acquired business had not been completed by the date the interim financial statements were approved for issue by the Board of Directors. Thus, the fair value may need to be subsequently adjusted, with a corresponding adjustment to goodwill prior to April 1, 2024 (one year after the transaction).

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

22. Business combinations (continued)

Acquisition of Mann & Noble (continued)

A reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period is presented below:

	Goodwill US$'000
Gross carrying amount	
At January 1, 2023	848,619
Attributable to a discontinued operation (note 9)*	(842,485)
Acquisition of subsidiaries	–
Exchange realignment	(395)
At June 30, 2023	5,739
Net book value	
At January 1, 2023	848,619
At June 30, 2023	5,739

No impairment losses have been recognized for the goodwill from business combination as at June 30, 2023 and 2022.

From the date of acquisition, Mann & Noble has contributed approximately US$11,416,000 of revenue and net loss of US$356,000 to the continuing operations of the Group.

Had the combination taken place at the beginning of the period, the revenue and the profit for the period from continuing operations of the Group would have been US$584,557,000 and US$46,943,000, respectively.

* Due to the spin-off and separate listing of SharkNinja Group, goodwill of US$842,485,000 is allocated to the discontinued operation based on the relative value of the operation disposed.

23. Related party transactions

(a) In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the reporting period:

	Notes	For the six months ended June 30, 2023 US$'000	2022 US$'000
Sales of goods to associates:	i		
Shenzhen Northwest Sunshine Appliance Co., Limited (深圳市西貝陽光電器有限公司)		**6,046**	6,909
Shenyang Boerman Trading Co., Limited (瀋陽伯爾曼商貿有限公司)		**5,733**	6,131
Beijing Zhongdingzhilian Trading Co., Limited (北京中鼎智聯商貿有限公司)		**948**	4,062
Henan Xulian Trading Co., Limited (河南旭聯商貿有限公司)		**1,643**	1,948
Guangxi Xindongfei Trading Co., Limited (廣西鑫東飛商貿有限公司)		**1,604**	1,565
Others	iii	**1,691**	2,380
		17,665	22,995
Purchases of goods from associates:	i		
Hangzhou Xinduoda Electronic Technology Co., Limited (杭州信多達電子科技有限公司)		**25,577**	19,695
Shandong Shengning Appliance Co., Limited (山東勝寧電器有限公司)		**11,020**	10,565
Shandong Yiteng Small Appliance Co., Limited (山東一騰小家電有限公司)	ii	**4,479**	1,969
Others	iii	**116**	47
		41,192	32,276

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2023

23. Related party transactions (continued)

(a) In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the reporting period: (continued)

		For the six months ended June 30,	
		2023	2022
	Notes	**US$'000**	US$'000
Rental income from associates	iv	**305**	310
Service income from associates	v	**29**	746

Notes:

(i) The sales to/purchases from the associates were made according to the prices and conditions mutually agreed by both parties.

(ii) The Group has disposed of the interest in Shandong Yiteng Small Appliance Co., Limited on March 31, 2023. Transactions with this entity was no longer related party transactions of the Group since then.

(iii) The amounts represented the aggregate transaction amounts with certain of the Group's associates that are widely dispersed and not individually significant.

(iv) The rental income from the associates was made according to the contracts agreed by both parties.

(v) The service income from the associates was made according to the contracts agreed by both parties.

23. Related party transactions (continued)

(b) Outstanding balances with related parties:

Details of the Group's trade balances with its associates as at the end of the reporting period are disclosed in notes 13, 16 and 17 to the interim condensed consolidated financial information. Details of the Group's advances to related parties as at the end of the reporting period are disclosed in note 14 to the interim condensed consolidated financial information. The balances are unsecured, interest-free and have no fixed terms of settlement. Details of the Group's other payables to related parties as at the end of the reporting period are disclosed in note 17 to the interim condensed consolidated financial information.

(c) Compensation of key management personnel of the Group:

	For the six months ended June 30,	
	2023	2022
	US$'000	US$'000
Salaries, allowances and benefits in kind	**1,248**	996
Performance-related bonuses	**11,027**	4,144
Pension scheme contributions	**51**	27
Share award expense	**1,592**	1,948
Total	**13,918**	7,115

24. Fair value and fair value hierarchy of financial instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	June 30, 2023 US$'000	December 31, 2022 US$'000	**June 30, 2023 US$'000**	December 31, 2022 US$'000
Financial assets:				
Equity investments designated at fair value through other comprehensive income	**41,975**	42,495	**41,975**	42,495
Financial assets at fair value through profit or loss	**107,035**	93,444	**107,035**	93,444
Derivative financial instruments	**–**	22,657	**–**	22,657

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance manager analyzes the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, other than those measured at fair value, financial assets included in prepayments, other receivables and other assets, trade receivables, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments. Bills receivable and certain pledged deposits measured at fair value are categorized as level 2, while financial assets at fair value through profit or loss and financial assets designated at fair value through other comprehensive income are categorized as level 3.

24. Fair value and fair value hierarchy of financial instruments (continued)

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of listed equity investments are based on quoted market prices. The Group invests in financial products issued by banks in Mainland China and investment funds in accordance with the entrusted agreements entered into between the parties involved. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the interim condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income and profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

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For the six months ended June 30, 2023

24. Fair value and fair value hierarchy of financial instruments (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis at the end of each reporting period:

	As at June 30, 2023 US$'000	As at December 31, 2022 US$'000	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Unlisted financial assets at fair value through profit or loss	**107,035**	93,439	Level 3	Discounted cash flows. Future cash flows are estimated based on the expected applicable yield of the underlying investment portfolio, discounted at a rate that reflects the credit risk of various counterparties.	Expected yield of the underlying investment portfolio and the discount rate	Discount rate-1% to discount rate+1% (December 31, 2022: Discount rate-1% to discount rate+1%)	1% (December 31, 2022: 1%) increase/ decrease in multiple would result in decrease/ increase in fair value of US$ -603,000/ US$628,000 (December 31, 2022: US$-523,000 /US$545,000).
Unlisted financial assets designated at fair value through other comprehensive income	**41,975**	42,495	Level 3	Discounted cash flows. Future cash flows are estimated based on the expected applicable yield of the underlying investment portfolio, discounted at a rate that reflects the credit risk of various counterparties.	Expected yield of the underlying investment portfolio and the discount rate	Discount rate-1% to discount rate+1% (December 31, 2022: Discount rate-1% to discount rate+1%)	1% (December 31, 2022: 1%) increase/ decrease in multiple would result in decrease/ increase in fair value of US$ -2,952,000/ US$4,343,000 (December 31, 2022: US$-2,978,000 /US$4,376,000).

24. Fair value and fair value hierarchy of financial instruments (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at June 30, 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
Financial assets:				
Financial assets designated at fair value through other comprehensive income	**–**	**–**	**41,975**	**41,975**
Financial assets at fair value through profit or loss	**–**	**–**	**107,035**	**107,035**
Bills receivable	**–**	**174,901**	**–**	**174,901**

As at December 31, 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
Financial assets:				
Financial assets designated at fair value through other comprehensive income	–	–	42,495	42,495
Financial assets at fair value through profit or loss	5	–	93,439	93,444
Bills receivable	–	264,515	–	264,515
Derivative financial instruments	–	22,657	–	22,657

25. Comparative amounts

The comparative statement of profit or loss has been re-presented as if the operation discontinued during the period had been discontinued at the beginning of the comparative period (note 9).

26. Events after the reporting period

On July 31, 2023, the Group completed the demerger of SharkNinja, Inc. from the Group through a distribution in specie of all the Company's shares held in SharkNinja. Discontinued operation presented in note 9 to the interim condensed consolidated financial information is no longer belonging to the Group as a result of such distribution.

Definitions

"Audit Committee"	the audit committee under the Board
"Board"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"China" or "PRC"	the People's Republic of China, and for the purposes of this interim report for geographical reference only (unless otherwise indicated), excluding Taiwan, the Macau Special Administrative Region of the PRC and Hong Kong
"Company" or "JS Global Lifestyle"	JS Global Lifestyle Company Limited, an exempted company incorporated in the Cayman Islands with limited liability on July 26, 2018, the Shares of which are listed on the Stock Exchange
"controlling shareholders"	as defined under the Listing Rules
"Director(s)"	director(s) of the Company
"Group" or "we"	the Company (any one or more of, as the context may require) and its subsidiaries and operating entities
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$" or "HKD"	the lawful currency of Hong Kong
"IFRS"	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
"Joyoung"	Joyoung Co., Ltd.（九陽股份有限公司）, a company incorporated in the PRC, whose A shares are listed on the Shenzhen Stock Exchange (stock code 002242), and a subsidiary of the Company
"Latest Practicable Date"	September 19, 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report prior to its publication
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

Definitions

"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"Proposed Distribution"	the proposed demerger of SharkNinja from the Company through a distribution in specie of all of the Company's shares held in SharkNinja to all the Company Shareholders on a pro-rata basis
"Proposed Spin-off"	the proposed listing of the shares of SharkNinja on the U.S. Stock Exchange
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the six months ended June 30, 2023
"RMB"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	ordinary share(s) of US$0.00001 each in the share capital of the Company
"SharkNinja"	SharkNinja, Inc., an exempted limited liability company incorporated in the Cayman Islands and will be a wholly-owned subsidiary of the Company and the holding company of SharkNinja SPV prior to the Proposed Spin-off, and the demerger entity in the Proposed Spin-off
"SharkNinja Group"	SharkNinja, SharkNinja SPV and their respective subsidiaries
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning as ascribed thereto in the Listing Rules
"U.S."or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	the lawful currency of the United States
"%"	per cent