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## **Health and Happiness (H&H) International Holdings Limited**

**健合(H&H)國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1112)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **FINANCIAL HIGHLIGHTS**

	<b>Six months ended 30 June</b>		
	<b>2025</b>	<b>2024</b>	<b>Change</b>
	<b>RMB million</b>	<b>RMB million</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
Revenue	<b>7,019.2</b>	6,692.1	+4.9%
Gross profit	<b>4,389.1</b>	4,072.3	+7.8%
EBITDA*	<b>1,033.1</b>	1,098.4	-5.9%
Adjusted EBITDA*	<b>1,100.7</b>	1,139.8	-3.4%
Adjusted EBITDA margin	<b>15.7%</b>	17.0%	-1.3pts
Net profit	<b>71.0</b>	305.8	-76.8%
Adjusted Net profit**	<b>363.0</b>	347.2	+4.6%
Adjusted net profit margin	<b>5.2%</b>	5.2%	—

\* EBITDA refers to earnings before interest, income tax expense, depreciation and amortization. Adjusted EBITDA = EBITDA + Non-cash losses of RMB57.6 million for the six months ended 30 June 2025 (six months ended 30 June 2024: gains of RMB5.5 million) + Non-recurring losses of RMB10.0 million for the six months ended 30 June 2025 (six months ended 30 June 2024: losses of RMB46.9 million)

\*\* Adjusted net profit = Net profit + EBITDA adjustment items of losses of RMB67.6 million for the six months ended 30 June 2025 (six months ended 30 June 2024: losses of RMB41.4 million) + Other non-cash losses of RMB224.4 million for the six months ended 30 June 2025 (six months ended 30 June 2024: nil)

The board (the “**Board**”) of directors (the “**Directors**”) of Health and Happiness (H&H) International Holdings Limited (the “**Company**”) is pleased to announce the unaudited interim consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024, as follows:

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

*Six months ended 30 June 2025*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b><i>RMB’000</i></b>	<b><i>RMB’000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
REVENUE	5	<b>7,019,234</b>	6,692,132
Cost of sales		<b>(2,630,154)</b>	(2,619,838)
Gross profit		<b>4,389,080</b>	4,072,294
Other income and gains	5	<b>61,751</b>	118,231
Selling and distribution expenses		<b>(2,971,278)</b>	(2,653,763)
Administrative expenses		<b>(398,526)</b>	(405,868)
Other expenses		<b>(181,731)</b>	(161,035)
Finance costs		<b>(579,542)</b>	(433,251)
Share of losses of associates		<b>(13,462)</b>	(12,669)
PROFIT BEFORE TAX		<b>306,292</b>	523,939
Income tax expense	6	<b>(235,275)</b>	(218,136)
PROFIT FOR THE PERIOD		<b>71,017</b>	305,803

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (continued)**

*Six months ended 30 June 2025*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the period	–	49,029
Reclassification adjustments for losses included in profit or loss	–	(50,092)
Income tax effect	–	306
	<hr/>	<hr/>
	–	(757)
Hedge of net investments:		
Effective portion of changes in fair value of hedging instruments arising during the period	(13,245)	44,387
Exchange differences on translation of foreign operations	33,783	(72,164)
Exchange differences on net investment in foreign operations	133,058	(10,544)
	<hr/>	<hr/>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	153,596	(39,078)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (continued)**

*Six months ended 30 June 2025*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity investments designated at fair value through other comprehensive income		<u>781</u>	<u>(1,494)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		<u>154,377</u>	<u>(40,572)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>225,394</u>	<u>265,231</u>
Profit attributable to owners of the parent		<u>71,017</u>	<u>305,803</u>
Total comprehensive income attributable to owners of the parent		<u>225,394</u>	<u>265,231</u>
		<b><i>RMB</i></b>	<b><i>RMB</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic		<u>0.11</u>	<u>0.48</u>
Diluted		<u>0.11</u>	<u>0.48</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**30 June 2025**

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>338,327</b>	318,506
Right-of-use assets		<b>178,627</b>	118,734
Goodwill		<b>7,666,645</b>	7,603,641
Intangible assets		<b>5,293,238</b>	5,295,021
Deposits		<b>21,940</b>	46,556
Investment in associates		<b>98,449</b>	111,911
Deferred tax assets		<b>525,578</b>	530,681
Derivative financial instruments		<b>14,060</b>	20,567
Other non-current financial assets		<b>194,298</b>	174,164
Total non-current assets		<b>14,331,162</b>	14,219,781
<b>CURRENT ASSETS</b>			
Inventories		<b>1,932,804</b>	1,906,675
Trade and bills receivables	9	<b>1,143,936</b>	927,179
Prepayments, other receivables and other assets		<b>158,205</b>	177,215
Pledged deposits		<b>17,369</b>	7,652
Cash and cash equivalents		<b>1,812,024</b>	1,603,920
Total current assets		<b>5,064,338</b>	4,622,641
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	10	<b>941,105</b>	907,383
Other payables and accruals		<b>2,084,435</b>	1,937,772
Contract liabilities		<b>60,167</b>	48,949
Interest-bearing bank and other borrowings		<b>858,981</b>	860,905
Lease liabilities		<b>31,217</b>	26,532
Senior notes		<b>84,996</b>	2,247
Tax payable		<b>137,337</b>	88,581
Dividend payable		<b>29,270</b>	–
Total current liabilities		<b>4,227,508</b>	3,872,369
<b>NET CURRENT ASSETS</b>		<b>836,830</b>	750,272

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(continued)**  
*30 June 2025*

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
TOTAL ASSETS LESS CURRENT LIABILITIES	<b>15,167,992</b>	14,970,053
NON-CURRENT LIABILITIES		
Senior notes	<b>2,106,195</b>	2,117,248
Interest-bearing bank loans and other borrowings	<b>6,123,880</b>	6,304,559
Other payables and accruals	<b>4,820</b>	1,803
Lease liabilities	<b>103,650</b>	48,351
Derivative financial instruments	<b>95,092</b>	266
Deferred tax liabilities	<b>724,978</b>	684,455
Total non-current liabilities	<b>9,158,615</b>	9,156,682
Net assets	<b>6,009,377</b>	5,813,371
EQUITY		
Issued capital	<b>5,519</b>	5,519
Reserves	<b>6,003,858</b>	5,777,852
Proposed dividend	<b>–</b>	30,000
Total equity	<b>6,009,377</b>	5,813,371

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		306,292	523,939
Adjustments for:			
Bank interest income	5	(6,335)	(6,911)
Finance costs		579,542	433,251
Share of losses of associates		13,462	12,669
Depreciation of property, plant and equipment		33,082	34,117
Depreciation of right-of-use assets		19,989	19,815
Amortisation of intangible assets		100,517	94,209
Loss on early termination of leases		–	32
Loss on disposal of items of property, plant and equipment and intangible assets		65	1,519
Equity-settled share award expense		344	4,282
Fair value losses/(gains) on derivative financial instruments, net		74,053	(56,530)
Fair value gains on other non-current financial assets	5	(5,524)	(2,566)
Impairment of trade receivables		289	47
Write-down of inventories to net realisable value		206,514	82,766
Net gains on partial repurchase of senior notes	5	–	(398)
Foreign exchange (gains)/losses, net		(24,361)	40,854
		1,297,929	1,181,095
(Increase)/decrease in inventories		(205,570)	404,217
Increase in trade and bills receivables		(190,538)	(6,573)
Increase in prepayments, other receivables and other assets		(21,860)	(52,282)
(Increase)/decrease in rental deposits		(342)	29
Increase in restricted deposits		(9,717)	(158)
Increase/(decrease) in trade payables		52,076	(48,610)
Increase/(decrease) in other payables and accruals		165,622	(104,602)
Increase/(decrease) in contract liabilities		15,651	(148,730)
Cash generated from operations		1,103,251	1,224,386
Corporate income tax paid		(105,218)	(171,846)
Net cash flows from operating activities		998,033	1,052,540

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(continued)**

*Six months ended 30 June 2025*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net cash flows from operating activities	<b>998,033</b>	<b>1,052,540</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	<b>(24,281)</b>	<b>(21,811)</b>
Purchases of items of intangible assets	<b>(16,710)</b>	<b>(6,921)</b>
Proceeds from disposal of items of property, plant and equipment and intangible assets	<b>425</b>	<b>497</b>
Purchase of structure deposits	<b>–</b>	<b>(50,000)</b>
Receipt of bonds receivable	<b>–</b>	<b>78,592</b>
Interest received	<b>9,181</b>	<b>8,032</b>
Net cash flows (used in)/from investing activities	<b>(31,385)</b>	<b>8,389</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of senior notes	<b>2,111,651</b>	<b>906,794</b>
Payment of transaction costs for issue of senior notes and guaranteed bonds	<b>(28,685)</b>	<b>(52,093)</b>
Repurchase and redemption of senior notes	<b>(2,334,058)</b>	<b>(428,444)</b>
Repayment of interest-bearing bank loans and repurchase of guaranteed bonds	<b>(266,297)</b>	<b>(2,040,794)</b>
New bank loans and guaranteed bonds	<b>50,000</b>	<b>1,889,998</b>
Payment of lease liabilities	<b>(23,823)</b>	<b>(31,920)</b>
Interest paid	<b>(244,430)</b>	<b>(400,590)</b>
Proceeds from the swaps	<b>9,504</b>	<b>43,234</b>
Proceeds from termination of certain swaps	<b>19,604</b>	<b>27,111</b>
Net cash flows used in financing activities	<b>(706,534)</b>	<b>(86,704)</b>



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(continued)**

*Six months ended 30 June 2025*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net cash flows used in financing activities	<u><b>(706,534)</b></u>	<u>(86,704)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>260,114</b>	974,225
Cash and cash equivalents at beginning of the period	<b>1,603,920</b>	1,364,283
Effect of foreign exchange rate changes, net	<u><b>(52,010)</b></u>	<u>40,586</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><b>1,812,024</b></u>	<u>2,379,094</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>1,812,024</b>	2,378,667
Non-pledged time deposits with original maturity of less than three months when acquired	<u>–</u>	<u>427</u>
Cash and cash equivalent as stated in the interim condensed consolidated statement of financial position and interim condensed consolidated statement of cash flows	<u><b>1,812,024</b></u>	<u>2,379,094</u>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 30 June 2025

### 1. CORPORATE AND GROUP INFORMATION

Health and Happiness (H&H) International Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the manufacture and sale of premium pediatric nutrition and baby care products, adult nutrition and care products and pet nutrition and care products.

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Coliving Holdings Limited, a limited liability company incorporated in the British Virgin Islands.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These unaudited interim condensed consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and basis of preparation used in the preparation of these unaudited interim condensed consolidated financial statements are the same as those used in the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the amended IFRS Accounting Standard as disclosed in note 3 below.

These unaudited interim condensed consolidated financial statements do not include all information and disclosures required in the Group’s annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IAS 21

*Lack of Exchangeability*

#### **4. OPERATING SEGMENT INFORMATION**

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

- (a) the adult nutrition and care products segment comprises the production and sale of vitamins, herbal and mineral supplements, skin care and sports nutrition products for adults;
- (b) the infant formulas segment comprises the production and sale of milk formulas for infants, children and expectant and nursing mothers;
- (c) the probiotic and nutritional supplements segment comprises the production and sale of probiotic supplements and nutrition supplements in the form of sachets, capsules, gummies and tablets for infants, children and expectant mothers;
- (d) the other pediatric products segment comprises the production and sale of dried baby food and baby care products; and
- (e) the pet nutrition and care products segment comprises the production and sale of holistic pet food and multi-condition pet supplements.

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 measured consistently with the Group's profit before tax except that interest income, other income and unallocated gains, share of results of associates, finance costs as well as head office and corporate expenses are excluded from this measurement.

Operating segment information for the six months ended 30 June 2025 (Unaudited):

	Adult nutrition and care products <i>RMB'000</i>	Infant formulas <i>RMB'000</i>	Probiotic and nutritional supplements <i>RMB'000</i>	Other pediatric products <i>RMB'000</i>	Pet nutrition and care products <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue:</b>							
Sales to external customers	<u>3,438,722</u>	<u>1,970,973</u>	<u>427,224</u>	<u>103,113</u>	<u>1,079,202</u>	<u>–</u>	<u>7,019,234</u>
<b>Segment results</b>	<b>2,322,496</b>	<b>1,092,323</b>	<b>297,001</b>	<b>43,704</b>	<b>633,556</b>	<b>–</b>	<b>4,389,080</b>
<i>Reconciliations:</i>							
Interest income							6,335
Other income and unallocated gains							55,416
Share of losses of associates							(13,462)
Corporate and other unallocated expenses							(3,551,535)
Finance costs							<u>(579,542)</u>
Profit before tax							<u>306,292</u>
<b>Other segment information:</b>							
Depreciation and amortisation	<u>39,348</u>	<u>14,877</u>	<u>3,399</u>	<u>4,774</u>	<u>41,358</u>	<u>49,832</u>	<u>153,588</u>
Impairment of trade receivables	<u>289</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>289</u>
Write-down of inventories to net realisable value	<u>37,592</u>	<u>115,779</u>	<u>41,775</u>	<u>6,067</u>	<u>5,301</u>	<u>–</u>	<u>206,514</u>
Capital expenditure*	<u>18,361</u>	<u>31,920</u>	<u>3,095</u>	<u>2,474</u>	<u>3,804</u>	<u>6,222</u>	<u>65,876</u>

Operating segment information for the six months ended 30 June 2024 (Unaudited):

	Adult nutrition and care products <i>RMB'000</i>	Infant formulas <i>RMB'000</i>	Probiotic and nutritional supplements <i>RMB'000</i>	Other pediatric products <i>RMB'000</i>	Pet nutrition and care products <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue:</b>							
Sales to external customers	3,275,585	1,798,440	508,556	124,573	984,978	–	6,692,132
<b>Segment results</b>	2,103,279	1,056,976	394,602	59,008	458,429	–	4,072,294
<i>Reconciliations:</i>							
Interest income							6,911
Other income and unallocated gains							111,320
Share of losses of associates							(12,669)
Corporate and other unallocated expenses							(3,220,666)
Finance costs							(433,251)
Profit before tax							523,939
<b>Other segment information:</b>							
Depreciation and amortisation	40,521	14,769	3,452	5,244	39,250	44,905	148,141
Impairment of trade receivables	47	–	–	–	–	–	47
Write-down/(write-back) of inventories to net realisable value	31,368	(2,946)	6,682	(1,235)	48,897	–	82,766
Capital expenditure*	5,928	11,010	643	1,255	9,306	3,290	31,432

\* Capital expenditure consists of additions to property, plant and equipment and intangible assets including assets from the acquisition of subsidiaries.

**Geographical information**

**(a) Revenue from external customers**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Mainland China	4,936,033	4,541,353
Australia and New Zealand	800,718	975,933
North America	862,155	815,837
Other locations <sup>#</sup>	420,328	359,009
Total revenue	7,019,234	6,692,132

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Mainland China	79,131	104,247
Australia and New Zealand	2,238,785	2,119,545
North America	2,411,276	2,460,366
Other locations <sup>#</sup>	1,201,389	1,206,570
Total non-current assets	<u>5,930,581</u>	<u>5,890,728</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments, deferred tax assets and goodwill.

<sup>#</sup> Including the Hong Kong Special Administrative Region (“**Hong Kong SAR**”) and Taiwan of the People’s Republic of China (the “**PRC**”).

5. **REVENUE, OTHER INCOME AND GAINS**

**Revenue**

An analysis of the revenue is as follows:

	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue from contracts with customers		
Sale of goods	<u>7,019,234</u>	<u>6,692,132</u>

*Disaggregated revenue information*

For the six months ended 30 June 2025 (unaudited)

Segments	Adult nutrition and care products RMB'000	Infant formulas RMB'000	Probiotic and nutritional supplements RMB'000	Other pediatric products RMB'000	Pet nutrition and care products RMB'000	Total RMB'000
Geographical markets						
Mainland China	2,406,085	1,904,945	419,689	441	204,873	4,936,033
Australia and New Zealand	788,692	11,494	532	–	–	800,718
North America	11,700	–	462	8	849,985	862,155
Other locations*	232,245	54,534	6,541	102,664	24,344	420,328
Total	<u>3,438,722</u>	<u>1,970,973</u>	<u>427,224</u>	<u>103,113</u>	<u>1,079,202</u>	<u>7,019,234</u>

**Timing of revenue recognition**

Goods transferred at a point in time	<u>3,438,722</u>	<u>1,970,973</u>	<u>427,224</u>	<u>103,113</u>	<u>1,079,202</u>	<u>7,019,234</u>
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For the six months ended 30 June 2024 (unaudited)

Segments	Adult nutrition and care products <i>RMB'000</i>	Infant formulas <i>RMB'000</i>	Probiotic and nutritional supplements <i>RMB'000</i>	Other pediatric products <i>RMB'000</i>	Pet nutrition and care products <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Geographical markets</b>						
Mainland China	2,126,812	1,732,419	500,617	7,156	174,349	4,541,353
Australia and New Zealand	967,943	6,303	1,679	8	–	975,933
North America	16,531	–	290	–	799,016	815,837
Other locations*	164,299	59,718	5,970	117,409	11,613	359,009
Total	<u>3,275,585</u>	<u>1,798,440</u>	<u>508,556</u>	<u>124,573</u>	<u>984,978</u>	<u>6,692,132</u>

**Timing of revenue recognition**

Goods transferred at a point in time	<u>3,275,585</u>	<u>1,798,440</u>	<u>508,556</u>	<u>124,573</u>	<u>984,978</u>	<u>6,692,132</u>
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\* Including Hong Kong SAR and Taiwan of the PRC.

**Other income and gains**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Bank interest income	<b>6,335</b>	6,911
Foreign exchange gains	<b>24,361</b>	–
Fair value gains on derivative financial instruments, net	–	56,530
Fair value gains on other non-current financial assets	<b>5,524</b>	2,566
Government subsidies*	<b>363</b>	2,606
Gains on sales of raw materials	<b>13,940</b>	37,467
Net gains on partial repurchase of senior notes	–	398
Others	<u><b>11,228</b></u>	<u>11,753</u>
Total other income and gains	<u><b>61,751</b></u>	<u>118,231</u>

\* There are no unfulfilled conditions or contingencies related to these government subsidies.

## 6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current		
– Charge for the period		
Mainland China	91,490	55,221
Hong Kong SAR	58,873	53,904
Australia	51,834	61,002
Elsewhere	382	518
– Over provision in the prior year	(1,616)	–
Deferred	34,312	47,491
Total	<u>235,275</u>	<u>218,136</u>

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

### PRC enterprise income tax (“EIT”)

The income tax provision of the Group in respect of its operations in mainland China has been calculated at the rate of 25% (six months ended 30 June 2024: 25%) on the taxable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

Biostime (Guangzhou) Health Products Limited (“**Biostime Health**”), the Company’s wholly-owned subsidiary operating in mainland China, was recognised as high-technology enterprise in December 2023, and is subject to EIT at a rate of 15% for three years from 2023 to 2025. Therefore, Biostime Health was subject to EIT at a rate of 15% for the six months ended 30 June 2025 and 2024. Guangzhou Hapai Information Technology Co., Ltd (“**Guangzhou Hapai**”), the Company’s wholly-owned subsidiary, was recognised as high-technology enterprise in December 2022, and was subject to EIT at a rate of 15% for the three years from 2022 to 2024. As at 30 June 2025, Guangzhou Hapai was in the progress of re-application of high-technology enterprise and expected that it is highly probable to be recognised as a high-technology enterprise. Thus, Guangzhou Hapai calculated the income tax provision at the rate of 15% in the period.

### Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2024: 16.5%) on the estimated assessable profits arising in Hong Kong SAR during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HKD2,000,000 (six months ended 30 June 2024: HKD2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (six months ended 30 June 2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2024: 16.5%).

### Australia corporate income tax

Australia corporate income tax has been provided at the rate of 30% (six months ended 30 June 2024: 30%) on the estimated assessable profits arising in Australia.



### ***Tax consolidation legislation***

Biostime Healthy Australia Pty Ltd. (“**Biostime Healthy Australia**”), its wholly-owned Australian subsidiaries and eligible Tier 1 fellow subsidiary have elected to form an income tax multiple entry consolidated (“**MEC**”) group, for Australian income tax purposes.

In an income tax MEC group, Biostime Healthy Australia, its wholly-owned subsidiaries and eligible Tier 1 fellow subsidiary within the income tax MEC group account for their own current and deferred tax amounts. These income tax amounts are measured as if each entity in the income tax MEC group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Biostime Healthy Australia also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses assumed from subsidiaries within the income tax MEC group.

The entities have also entered into a tax funding arrangement under which the wholly-owned entities fully compensate Biostime Healthy Australia for any current tax payable assumed and are compensated by Biostime Healthy Australia for any current tax receivable and deferred tax assets relating to unused tax losses that are transferred to Biostime Healthy Australia under the income tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities’ financial statements.

The amounts receivable/payable under the tax funding arrangement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

### **Income tax for other jurisdictions**

The Group’s tax provision in respect of other jurisdictions has been calculated at the applicable tax rates in accordance with the prevailing practices of the jurisdictions in which the Group operates.

### **Pillar Two income taxes**

The Group is within the scope of the Pillar Two model rules. The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current period. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. In a limited number of jurisdictions, the relevant entities are suffering losses or the transitional safe harbour relief applies. The management is not currently aware of any circumstances under which this might change. The Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

## 7. DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Final declared – HKD0.05 (2024: HKD0.18) per ordinary share	<b>29,732</b>	104,949
Dividends on ordinary shares declared after the interim reporting date:		
Interim – HKD0.19 (2024: HKD0.30) per ordinary share	<b>108,893</b>	173,581

On 26 August 2025, the board of directors of Health and Happiness (H&H) International Holdings Limited declared an interim dividend of HKD0.19 (six months ended 30 June 2024: HKD0.30) per ordinary share, amounting to a total of approximately RMB108,893,000 (six months ended 30 June 2024: RMB173,581,000).

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

The calculation of the basic earnings per share amounts is based on the profit for the six months ended 30 June 2025 attributable to ordinary equity holders of the parent of RMB71,017,000 (six months ended 30 June 2024: RMB305,803,000), and the adjusted weighted average number of ordinary shares of 641,662,090 (six months ended 30 June 2024: 641,001,009) outstanding during the period.

The calculation of the diluted earnings per share amounts for the period is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation of diluted earnings per share is the adjusted weighted average number of ordinary shares outstanding 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 of all dilutive potential ordinary shares into ordinary shares.

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

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<b>71,017</b>	305,803
	<b>Number of shares</b>	
<b>Shares</b>		
Weighted average number of ordinary shares outstanding	<b>645,561,354</b>	645,561,354
Weighted average number of shares held for the share award schemes	<b>(3,899,264)</b>	(4,560,345)
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	<b>641,662,090</b>	641,001,009
Effect of dilution – weighted average number of ordinary shares:		
Share options and awarded shares	<b>116,646</b>	1,977,819
Adjusted weighted average number of ordinary shares outstanding during the period used in the diluted earnings per share calculation	<b>641,778,736</b>	642,978,828

## 9. TRADE AND BILLS RECEIVABLES

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

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
Within 1 month	<b>647,806</b>	623,546
1 to 3 months	<b>437,505</b>	245,038
Over 3 months	<b>58,625</b>	58,595
Total	<b>1,143,936</b>	927,179

## 10. TRADE AND BILLS PAYABLES

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

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
Within 1 month	<b>737,775</b>	775,760
1 to 3 months	<b>148,803</b>	85,340
Over 3 months	<b>54,527</b>	46,283
Total	<b>941,105</b>	907,383

## CHAIRMAN'S STATEMENT

The first half of the year marked a return to growth across all of our business segments, with total revenue rising by 5.2% on a like-for-like (“LFL”)<sup>1</sup> basis compared with the same period of last year. Building on this momentum, we made meaningful progress on initiatives that are ensuring each of our three business segments – Adult Nutrition and Care (“ANC”), Baby Nutrition and Care (“BNC”) and Pet Nutrition and Care (“PNC”) – will continue to sustain and expand their current growth trajectories into the second half of the year, while delivering a consistent level of profitability.

Key highlights and milestones include:

- High-margin nutritional supplements<sup>2</sup> accounting for 65.6% of revenue in the first half of 2025, as we strategically pivoted toward premium growth segments – with our VHMS and pet supplement categories delivering 5.8% and 14.3% revenue growth on a LFL basis respectively.
- Continuing to win in our core and expansion markets, with Swisse securing the No.1 position in mainland China’s overall VHMS market<sup>3</sup>. Our growth in expansion markets accelerated, delivering 38.7% revenue growth on a LFL basis and now contributing 7.1% of ANC sales. This success reflects our proven ability to replicate Swisse’s growth across diverse markets while maintaining innovation agility to meet evolving consumer needs.
- Reviving growth in our BNC segment, with infant milk formula (“IMF”) sales increasing by 10.0% in the mainland China market. More notably, Biostime’s share of the super-premium IMF category reached 15.9% in June 2025 – its highest-ever level<sup>4</sup>.
- Our PNC business also emerged as a key growth contributor, representing 15.4% of total revenue. This momentum was driven by Zesty Paws’ robust growth of 13.4% on a LFL basis and PNC’s return to growth in mainland China at 17.5%.

<sup>1</sup> LFL basis is used to indicate sales growth for this financial period compared with the same period of the previous year, excluding the impact from foreign exchange changes.

<sup>2</sup> Nutritional supplements refer to Swisse vitamin, herbal and mineral supplement (“VHMS”) products, and Solid Gold and Zesty Paws pet supplements, Biostime probiotic supplements and Biostime paediatric products.

<sup>3</sup> According to research statistics by brand for the past twelve months ended 30 June 2025, prepared by Kantar Worldpanel, an independent research company.

<sup>4</sup> According to research statistics by Nielsen, an independent research company, market share data for the past six months ended 30 June 2025.

- Delivering consistent and healthy profitability across all segments, with our Adjusted EBITDA margin reaching 15.7% and Adjusted Net Profit showing improvement, while maintaining a strong level of cash conversion and liquidity.
- Further improving our debt profile and capital structure with the successful refinancing of USD297 million in outstanding senior notes due in 2026 at a significantly more favourable coupon rate. This proactive step extended our maturity profile and lowered our overall financing costs.

As a result of these achievements – particularly the optimisation of our debt structure and a reduction in adjusted finance costs<sup>5</sup>– our Adjusted Net Profit for the six months ended 30 June 2025 rose by 4.6% compared with the same period last year. We remain committed to strengthening our balance sheet while maintaining our steady track record of dividend payouts. In line with this commitment, I am pleased to announce an interim dividend of HKD0.19 per ordinary share, a level we believe strikes a prudent balance given our current priorities.

## **ADULT NUTRITION AND CARE**

Overall, our ANC segment grew by mid single digits in the first half of the year, with double-digit growth in mainland China and continued strong growth in our expansion markets. The Australia and New Zealand (“ANZ”) domestic market delivered steady mid-single-digit growth, with export sales falling as expected due to a decline in our corporate daigou business.

Our strong growth in mainland China was driven by Swisse’s outperformance in innovative product categories closely aligned with evolving consumer preferences, most notably in beauty, anti-aging and detox. We extended these same trends across a broader spectrum of consumer segments through our mega-brand strategy, fuelling the continued growth of our Swisse Plus and Little Swisse ranges.

In line with this strategy, we made significant strides in the high-margin, structurally-growing anti-aging supplements category in the first half of the year, with the mainland China’s aging population driving robust demand for innovative anti-aging solutions. Leveraging our comprehensive product matrix under the Swisse and Swisse Plus brands – including market-leading positions in both NAD+ and EGT categories – we are uniquely positioned to capture this growing demand and unlock new growth potential.

<sup>5</sup> Excluding the one-time premium paid for the tender offer and early redemption of the senior notes due in 2026 and the related non-cash write-off of unamortised transaction costs.

Our growth in mainland China was also supported by our channel development efforts, especially our fast-growing online channels, with sales in the cross-border e-commerce (“CBEC”) channel growing by 18.1% and contributing 81.5% of our mainland China ANC revenue. Notably, our Douyin sales channel has emerged as a significant growth engine, achieving 80.3% growth, while increasing its market share to secure the No. 4 market position<sup>6</sup>. Our competitiveness in e-commerce was once again highlighted during this year’s 618 online shopping festival, with Swisse achieving robust GMV growth and securing the No. 1 position in the nutritional supplements category across major e-commerce platforms, including Tmall, JD.com, Douyin, and Vipshop<sup>7</sup>. This performance underscores why Swisse remain the No. 1 online VHMS brand in the mainland China<sup>8</sup>.

Having firmly established its leadership around e-commerce and product innovation, Swisse has reached the No. 1 position in overall VHMS market in mainland China<sup>9</sup>.

In ANZ, we reinforced our market leadership with steady mid-single-digit domestic sales growth, consistently outperforming the overall domestic market. During the first half of 2025, Swisse became Australia’s No.1 VMS brand on both a volume and value basis across the total market<sup>10</sup>. This success was driven by market-leading new product launches (e.g. Swisse Magnesium Glycinate, Little Swisse Kids Gummies and further), our best-in-class marketing campaign (e.g. the new ‘Here Life Come’ brand campaign) and superior in-store retail execution, though total ANZ revenue declined by 16.2% on a LFL basis due to the decline of corporate daigou business in the first half of 2024.

In other territories, strong sales growth in our expansion markets in Asia, including Hong Kong SAR, Thailand, Malaysia, India and the Middle East, was a significant contributing factor to the overall revenue increase in the ANC segment. We sustained our market share rankings in most of these markets through the expansion of our product portfolio and ongoing distribution gains, including the No. 1 position in the beauty VHMS, liver health, and men’s health markets in Singapore<sup>11</sup>, and the No. 2 position in Italy’s beauty VHMS market<sup>12</sup>.

<sup>6</sup> According to research statistics by Feigua, an independent data provider, market share data for the past twelve months ended 30 June 2025.

<sup>7</sup> According to Tmall statistics, Swisse’s overseas flagship store ranked No. 1 in sales in the health foods/ dietary supplements category on Tmall during the period from 20 May to 18 June 2025. According to JD.com statistics, Swisse ranked No. 1 in GMV in the Nutrition and Health category under JD Health from 8:00 p.m. on 13 May to midnight on 18 June 2025. According to Douyin’s statistics, Swisse ranked No. 1 in sales in the overseas dietary supplements category from 13 May to 18 June 2025. According to Vipshop’s statistics, Swisse ranked No. 1 in sales in the nutritional supplements category from 17 May to 18 June 2025.

<sup>8</sup> According to research statistics by Early Data, an independent data provider, market share data for the past twelve months ended 30 June 2025.

<sup>9</sup> According to research statistics by brand for the past twelve months ended 30 June 2025, prepared by Kantar Worldpanel, an independent research company.

<sup>10</sup> According to research statistics by IQVIA, an independent research company, market share data for the past six months ended 30 June 2025.

<sup>11</sup> According to research statistics by Nielsen, an independent research company, market share data for the past twelve months ended 30 June 2025.

<sup>12</sup> According to research statistics by IMS IQVIA, an independent research company, market share data for the past twelve months ended 30 June 2025.

## **BABY NUTRITION AND CARE**

Our BNC segment regained its growth trajectory following the successful completion of our new ‘GB’ transition, achieving low-single-digit year-on-year growth in the first half of the year. More significantly, IMF sales in mainland China grew at 10.0%, far outpacing overall IMF market growth of 0.2% in retail scan sales<sup>13</sup>. This recovery reflects our successful execution of strategic priorities, including educating new mother through e-commerce and baby specialty stores. Through these efforts, Biostime’s share of mainland China’s super-premium IMF segment reached a historic high in terms of market share.

Our Stage 1 and Stage 2 IMFs demonstrated particularly strong momentum, fueled by successful new mother education initiatives in the first half of the year. The strength of this momentum was on full display during this year’s 618 online shopping festival, where our Stage 1 and Stage 2 IMFs achieved GMV growth of 103%. Our performance in e-commerce channels was also particularly noteworthy. In the first half of year, brand searches on RedNote and Douyin more than tripled compared with the same period in 2024. Biostime now ranks among the top two most recommended newborn IMF brands on RedNote, positioning e-commerce as a key growth driver for our older-stage formulas in 2025.

Our paediatric probiotic and nutritional supplement business saw a narrowing decline, with the overall category still down by double-digits — primarily due to continued traffic weakness in offline pharmacy channels. This was partially offset by low-single-digit growth in online and baby specialty channels.

## **PET NUTRITION AND CARE**

Our PNC segment delivered high-single-digit growth in the first half of the year, as we continued to benefit from changing demographics, rising pet populations, and well-established pet nutrition premiumisation and pet humanisation trends in North America, mainland China and other expansion markets. Our high-margin pet supplements category was particularly robust, growing by 14.3% on a LFL basis and demonstrating the strength of our product portfolio.

In North America, Zesty Paws – which accounted for 84.6% of our regional PNC revenue – maintained strong growth of 12.8% on a LFL basis, driven by continued success across the Amazon and Chewy e-commerce channels, as well as major retailers including Walmart, PetSmart, Petco, Tractor Supply, Target, Sam’s Club, CVS, and Menards. The brand remains one of the most recognised pet supplements brands in the United States. Meanwhile, sales of Solid Gold declined by 23.3% on a LFL basis, reflecting our strategic shift toward higher-margin channels and premium products — with e-commerce contributing 80.9% of sales and high-margin products accounting for 24.7%. As of 30 June 2025, Zesty Paws and Solid Gold were present in more than 20,000 stores and 4,800 stores, respectively, across the United States.

<sup>13</sup> According to research statistics by Nielsen, an independent research company, market share data for the past six months ended 30 June 2025.



In mainland China, PNC sales returned to growth, increasing by 17.5%, as we continued to premiumise Solid Gold following its successful restructuring and the reallocation of resources towards launching new higher-margin pet food and supplement products. In the first half of the year, the high-margin pet food and supplements contributed 33.8% of our total PNC revenue in mainland China.

We are continuing to expand our PNC footprint in overseas markets, including Europe, Asia and ANZ. This enhanced global presence will diversify our growth levers, while leveraging our core competencies in premium pet nutrition.

## **OPTIMISING OUR CAPITAL STRUCTURE**

In January 2025, we further strengthened our debt profile by issuing new 3.5-year USD300 million senior notes at a significantly more favourable coupon rate to refinance the USD senior notes due in June 2026. This proactive refinancing extended our maturity profile, reduced our overall financing costs and positively impacted our Adjusted Net Profit in the six months ended 30 June 2025.

As of 30 June 2025, the Group maintained a healthy liquidity position, with cash reserves of RMB1.83 billion. We are committed to further strengthening our liquidity buffer through improved working capital efficiency, while optimising our capital structure by directly or indirectly replacing USD debts with lower-cost RMB debts. RMB-based and RMB hedged debts now represents 75.7% of our total borrowings, a shift that is not only reducing our interest expenses but also mitigating currency risk, while enhancing our financial resilience.

## **OUTLOOK: CONTINUED TOP-LINE GROWTH ACROSS ALL SEGMENTS AND FURTHER DELEVERAGING**

We will continue to drive the growth of our high-margin, fast-growing nutritional VHMS and pet supplements to accelerate growth within all our business segments and deliver a healthy level of profitability.

In the second half of 2025, our ANC segment will sustain its growth momentum, fuelled by mainland China and our expansion markets. In mainland China, we will maintain Swisse's top position in the overall VHMS market through continued product innovation and online channel distribution. In ANZ, we expect to maintain steady growth in the domestic market. We also remain focused on developing our expansion markets, including Southeast Asia, India, the Middle East and Italy, by leveraging our success and proven strategies in the Singapore and Hong Kong SAR markets.



Within our BNC business, we expect our IMF sales momentum to accelerate, building on our successful marketing campaigns across e-commerce and baby specialty store channels, continued progress in older-stage IMF conversion and the recent completion of our new ‘GB’ transition. Educating new mother remains central to our strategy as we continue to strengthen our market position.

Our PNC business will maintain its current pace of growth. Zesty Paws will continue to execute its omni-channel strategy and category innovation, with its growth in North America and expansion markets remaining on track. Meanwhile, Solid Gold sales in North America will continue to decline as part of its ongoing channel optimisation and portfolio premiumisation. In mainland China, however, Solid Gold will continue to grow, with its continued focus on the premium pet food and supplements category and a strengthened CBEC presence driving its momentum.

Finally, we remain committed to further deleveraging while maintaining robust liquidity, despite ongoing external challenges. Our disciplined financial approach will enable us to steadily reduce our net leverage ratio and effectively manage exchange rate volatility, bolstering both our financial resilience and flexibility to support our future growth.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS OF OPERATION

#### Revenue

For the six months ended 30 June 2025, the Group's revenue increased by 4.9% on reported basis or 5.2% on a like-for-like<sup>1</sup> ("LFL") basis to RMB7,019.2 million as compared with the same period in 2024. This was mainly driven by the growth across all business segments – namely Adult Nutrition and Care ("ANC"), Baby Nutrition and Care ("BNC") and Pet Nutrition and Care ("PNC"). Revenue from high-margin nutritional supplements<sup>2</sup> across all of the Group's three business segments achieved year-on-year growth of 4.6% on a LFL basis and contributed to 65.6% of the Group's total revenue for the six months ended 30 June 2025.

	Six months ended 30 June				2025 % to revenue	2024 % to revenue
	2025	2024	Reported Change	LFL Change		
	RMB million	RMB million				
<b>Revenue by product segment</b>						
Nutritional Supplements	<b>4,606.0</b>	4,425.2	4.1%	4.6%	<b>65.6%</b>	66.1%
– VHMS products	<b>3,418.3</b>	3,258.2	4.9%	5.8%	<b>48.7%</b>	48.7%
– Pet supplements	<b>760.5</b>	658.4	15.5%	14.3%	<b>10.8%</b>	9.8%
– Paediatric probiotic and nutritional supplements	<b>427.2</b>	508.6	–16.0%	–16.0%	<b>6.1%</b>	7.6%
Infant formulas	<b>1,970.9</b>	1,798.4	9.6%	9.6%	<b>28.1%</b>	26.9%
Others <sup>3</sup>	<b>442.3</b>	468.5	–5.6%	–5.8%	<b>6.3%</b>	7.0%
<b>Revenue by business segment</b>						
Adult nutrition and care products	<b>3,438.7</b>	3,275.6	5.0%	5.9%	<b>49.0%</b>	49.0%
Baby nutrition and care products	<b>2,501.3</b>	2,431.5	2.9%	2.9%	<b>35.6%</b>	36.3%
Pet nutrition and care products	<b>1,079.2</b>	985.0	9.6%	8.6%	<b>15.4%</b>	14.7%
<b>Revenue by geography</b>						
Mainland China	<b>4,936.0</b>	4,541.4	8.7%	8.7%	<b>70.3%</b>	67.9%
ANZ	<b>800.7</b>	975.9	–18.0%	–15.6%	<b>11.4%</b>	14.6%
North America	<b>862.2</b>	815.8	5.7%	4.6%	<b>12.3%</b>	12.2%
Other territories	<b>420.3</b>	359.0	17.1%	18.8%	<b>6.0%</b>	5.3%
<b>Total</b>	<b>7,019.2</b>	<b>6,692.1</b>	<b>4.9%</b>	<b>5.2%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Like-for-like ("LFL") basis is used to indicate change of this period compared with same period of previous year, excluding the impact from foreign exchange changes.

<sup>2</sup> Nutritional supplements include Biostime probiotic supplements, Biostime paediatric products, Swisse VHMS products and pet supplements under Zesty Paws and Solid Gold brands.

<sup>3</sup> Others include pet food from Solid Gold, baby food and snacks from Good Goût, baby accessories from Dodie and other skincare products.

### *Mainland China: Return to growth, mainly led by all segments*

Revenue from mainland China recorded a year-on-year increase of 8.7% to RMB4,936.0 million for the six months ended 30 June 2025. Mainland China remained as the Group's largest market, accounting for 70.3% of the Group's total revenue for the six months ended 30 June 2025, compared with 67.9% in the same period of last year.

Revenue from ANC segment in mainland China achieved a strong growth of 13.1% as compared with the same period of last year, and accounted for 70.0% of the Group's total ANC revenue for the six months ended 30 June 2025. The growth was mainly driven by Swisse's outperformance in innovative product categories that are closely aligned with evolving consumer preferences, most notably in beauty, anti-aging and detox. The growth was also supported by the Group's channel development efforts, especially its fast-growing online channels, with sales in the CBEC channel growing by 18.1% and contributing 81.5% of its mainland China ANC revenue. Revenue generated from new retail channels such as Sam's club, covering both CBEC and normal trade, increased by 28.2% and contributed 9.0% of total mainland China ANC revenue. In the twelve months ended 30 June 2025, Swisse continued to maintain its No.1 position in online VHMS market<sup>4</sup>, and achieved No. 1 position in overall VHMS market<sup>5</sup> in mainland China.

In BNC segment of mainland China, total revenue increased by 3.8% to RMB2,325.1 million for the six months ended 30 June 2025, comparing with the same period of last year. Within BNC segment, the revenue from IMF in mainland China for the six months ended 30 June 2025 recorded a year-on-year increase of 10.0% to RMB1,904.9 million, as the Group continued the effective consumer education, particularly in the e-commerce and baby specialty store channels, while growing its market share, in line with its strategic priorities. Biostime's share of mainland China's super-premium IMF segment reached a historic high of 15.9%<sup>6</sup> in June 2025, up from 12.9% a year earlier.

For the six months ended 30 June 2025, the Group recorded revenue from paediatric probiotic and nutritional supplements in mainland China of RMB419.7 million, decreasing by 16.2% compared with the six months ended 30 June 2024. The decline was mostly attributed to the continued lower traffic and sector-wide challenges across the supplements business within the pharmacy channel in mainland China. However, the decline was significantly narrowed from last year, since the sales of this category in online and baby specialty channels in mainland China continued to grow at a low-single-digit level.

Revenue from PNC segment in mainland China also returned to growth, increasing by 17.5% to RMB204.9 million for the six months ended 30 June 2025 as compared with the same period of last year. The increase was mainly driven by the continuous premiumisation of Solid Gold following its successful restructuring, and resources reallocation towards launching new high-margin pet food and supplement products. These new products contributed 33.8% of total PNC revenue in mainland China during the six months ended 30 June 2025.

<sup>4</sup> According to research statistics by Early Data, an independent data provider, market share data for the past twelve months ended 30 June 2025.

<sup>5</sup> According to research statistics by brand for the past twelve months ended 30 June 2025, prepared by Kantar Worldpanel, an independent research company.

<sup>6</sup> According to research statistics by Nielsen, an independent research company, market share data for the past six months ended 30 June 2025.

*ANZ: Declined due to the corporate Daigou business, but maintained continued growth in the domestic market, fuelled by new innovations*

On a LFL basis, revenue from ANZ domestic market maintained growth at 6.3%, and significantly outperformed the domestic market in retail scan sales, which was mainly driven by market-leading new product launches (e.g. Swisse Magnesium Glycinate, Little Swisse Kids Gummies and further), the best-in-class marketing campaign (e.g. the new ‘Here Life Come’ brand campaign) and superior in-store retail execution. While revenue from total ANZ market decreased by 15.6% year-on-year on a LFL basis to AUD174.9 million for the six months ended 30 June 2025 due to the decline of corporate Daigou business. In the six months ended 30 June 2025, revenue from domestic and export sales contributed to 68.5% and 31.5% of total ANZ revenue, respectively.

*North America: Growth driven by market trends and channel expansion*

For the six months ended 30 June 2025, revenue contributed from North America reached a growth of 4.6% year-on-year on a LFL basis, and accounted for 12.3% of the Group’s total revenue. The steady growth was mainly benefited from the well-established pet nutrition premiumisation, the pet humanising trends and the expanding pet population.

Revenue of Zesty Paws maintained strong year-on-year growth of 12.8% on a LFL basis for the six months ended 30 June 2025, driven by continued success across the Amazon and Chewy channel and major retailers including Walmart, Petsmart, Petco, Tractor Supply, Target, Sam’s club, CVS and Menards. The brand remains one of the most recognised pet supplements brands in the United States.

Revenue of Solid Gold recorded a decrease of 23.3% on a LFL basis for the six months ended 30 June 2025 as compared with the same period of last year. The decline was primarily attributed to the ongoing channel optimisation and portfolio premiumisation efforts aimed at driving the long-term growth of the brand. The new high-margin products such as supplements, treats and toppers contributed 24.7% of Solid Gold revenue in NA during the six months ended 30 June 2025.

*Other territories: Strong growth momentum continued in expansion markets*

Revenue contributed from other territories increased by 18.8% on a LFL basis for the six months ended 30 June 2025 as compared with the same period of last year. In particular, the Group’s expansion markets in Asia, including Hong Kong SAR, Thailand, Malaysia, India, and the Middle East, delivered strong growth. The Group sustained its market share rankings in most of these markets through the expansion of its product portfolio and ongoing distribution gains. In March 2025, the Group launched the Swisse Professional range, marking its first step into the professional beauty market in Italy. The Group also continued to expand its PNC footprint in overseas markets, including Europe, Asia and ANZ.

## **Gross profit and gross profit margin**

In the first half of 2025, the Group recorded gross profit of RMB4,389.1 million, representing an increase of 7.8% as compared with the same period of last year. The Group's gross profit margin increased from 60.9% in the first half of 2024 to 62.5% in the first half of 2025, thanks to gross profit margin improvement in ANC and PNC segment and the favourable shift in product mix.

The gross profit margin of the ANC segment increased from 64.2% in the first half of 2024 to 67.5% in the first half of 2025, primarily driven by the optimisation of sourcing costs and sales discount, as well as favourable changes in product mix and channel mix.

The gross profit margin of the BNC segment decreased from 62.1% in the first half 2024 to 57.3% in the first half of 2025, mainly resulting from the increased stock provision for slow-moving products, such as probiotic and nutritional supplements and certain non-core IMF series.

The gross profit margin of PNC segment increased from 46.5% in the first half of 2024 to 58.7% in the same period of this year. The increase was mainly due to the favorable product mix towards higher revenue contribution from high-margin pet food and supplements products, and the reduction of stock write-off and provision.

## **Other income and gains**

Other income and gains amounted to RMB61.8 million for the six months ended 30 June 2025. Other income and gains primarily consisted of net foreign exchange gains of RMB24.4 million, gains on sales of raw materials of RMB13.9 million, bank interest income of RMB6.3 million, net fair value gains on other non-current financial assets of RMB5.5 million and others.

The net foreign exchange gains of RMB24.4 million mainly represented non-cash gain from the revaluation on intragroup loans.

## **Selling and distribution costs**

Excluding depreciation of property, plant and equipment and right-of-use assets, and amortization of intangible assets ("D&A"), selling and distribution costs increased by 12.4% to RMB2,883.9 million for the six months ended 30 June 2025, as compared with same period of 2024. Selling and distribution costs excluding D&A as a percentage of the Group's revenue increased from 38.3% in the first half of 2024 to 41.1% in the first half of 2025 mainly due to the unfavourable channel mix change in ANC mainland China and the strategic investment in new expansion markets.

## *ANC*

Selling and distribution costs of ANC business amounted to RMB1,441.1 million for the six months ended 30 June 2025, representing an increase of 19.2% as compared with the same period of last year. Selling and distribution costs of ANC business as a percentage of the Group's revenue from ANC business increased from 36.9% in the first half of 2024 to 41.9% in the first half of 2025, mainly due to the channel mix change in mainland China market and strategic investment in new expansion markets mainly in Asia.

Advertising and marketing expense of ANC business as a percentage to the Group's ANC revenue increased from 30.0% in the first half of 2024 to 34.6% in the half of 2025, mainly resulting from shifts in channel mix in mainland China market and investment in new expansion markets. The selling and distribution costs other than advertising and marketing expense of ANC business as a percentage to its revenue increased slightly from 6.9% in the first half of 2024 to 7.3% in the first half of 2025.

## *BNC*

Selling and distribution costs of BNC business amounted to RMB952.4 million for the six months ended 30 June 2025, remaining largely flat year-over-year. Selling and distribution costs of BNC business as a percentage of the Group's revenue from BNC business decreased from 39.2% in the first half of 2024 to 38.1% in the first half of 2025, thanks to the completion of new 'GB' transition and the Group's ongoing efforts to enhance spending efficiency.

Advertising and marketing expense of BNC business as a percentage of its revenue increased from 12.7% in the first half of 2024 to 14.2% in the first half of 2025, mainly due to the investment allocated to marketing campaigns for the new 'GB' IMF products. Selling and distribution costs other than advertising and marketing expense of BNC business as a percentage of revenue decreased to 23.9% in the first half of 2025 from 26.5% of the same period of last year thanks to the Group's ongoing efforts to enhance spending efficiency along with the completion of new 'GB' transition.

## *PNC*

Selling and distribution costs of PNC business increased by 21.6% to RMB490.4 million for the six months ended 30 June 2025, as compared with the same period of last year. Selling and distribution costs of PNC business as a percentage of its revenue increased from 41.0% for the six months ended 30 June 2024 to 45.4% for the same period of 2025, mainly due to the additional investment required to support the new products launch and geography expansion.

Advertising and marketing expense of PNC business as percentages of its revenue increased slightly from 12.4% for the six months ended 30 June 2024 to 13.2% for the six months ended 30 June 2025. The selling and distribution costs other than advertising and marketing expense of PNC business as a percentage to its revenue increased from 28.6% in the first half of 2024 to 32.2% in the first half of 2025. The increase was mainly due to the additional investment required to support the launch of new products, particularly the new high-margin pet food and supplement products in mainland China market, and geography expansion including Europe, Asia and ANZ.



## **Administrative expenses**

Administrative expenses decreased slightly by 1.8% from RMB405.9 million for the six months ended 30 June 2024 to RMB398.5 million for the six months ended 30 June 2025. Administrative expenses as a percentage of the Group's revenue decreased slightly from 6.1% in the first half of 2024 to 5.7% in the first half of 2025 thanks to the Group's continuous efforts on operational efficiency improvement and cost management.

## **Other expenses**

Other expenses for the six months ended 30 June 2025 amounted to RMB181.7 million. Other expenses mainly included research and development (“**R&D**”) expenditure of RMB95.9 million, net fair value losses on the financial instruments of RMB74.1 million and others.

During the period under review, R&D expenditure decreased by 7.8% as compared with the same period of last year, which was mainly attributable to the enhancement of operational efficiency and the effective partnership with strategic suppliers on new product development. R&D expenditure as a percentage of the Group's revenue decreased from 1.6% for the six months end 30 June 2024 to 1.4% for the six months ended 30 June 2025.

The non-cash net fair value losses on derivative financial instruments of RMB74.1 million was mainly caused by the fair value losses on the cross currency swap (“**CCS**”) and cross currency interest rate swap (“**CCIRS**”) agreements for the Group's long-term USD debts. Since such CCS and CCIRS are revaluated on each reporting date, the losses mainly represented RMB's temporary appreciation against USD on the reporting date. The non-cash net fair losses on derivative financial instruments also included the write-off of early redemption option embedded in the senior notes due in 2026 upon the refinancing early this year.

## **EBITDA and Adjusted EBITDA**

Adjusted EBITDA decreased by 3.4% to RMB1,100.7 million for the six months ended 30 June 2025, comparing with the six months ended 30 June 2024. Adjusted EBITDA margin for the first half of 2025 decreased from 17.0% for the six months ended 30 June 2024 to 15.7% for the same period of 2025. The decrease in Adjusted EBITDA margin was mainly due to (i) the high base of the same period last year before the investment for the roll-out of new ‘GB’ IMF products; (ii) the higher selling and distribution ratio resulting from the unfavourable channel mix change in ANC mainland China market; and (iii) the strategic investment in new expansion markets. While the decrease was partially offset by the improvement in gross profit margin and administrative expenses ratio.

EBITDA for the six months ended 30 June 2025 decreased by 5.9% from RMB1,098.4 million for the six months ended 30 June 2024 to RMB1,033.1 million.

The adjusted EBITDA was arrived at by reconciling the non-recurring or non-cash items from EBITDA as set out below:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB million</b>	<b>RMB million</b>
<b>EBITDA</b>	<b>1,033.1</b>	<b>1,098.4</b>
Reconciled by:		
Non-cash items*:		
(1) Net foreign exchange (gains)/losses	<b>(24.4)</b>	40.9
(2) Net fair value losses/(gains) on derivative financial instruments and other non-current financial assets	<b>68.5</b>	(59.1)
(3) Share of losses of associates	<b>13.5</b>	12.7
Non-recurring items*:		
(4) One-time consulting fee for group entity structure optimisation	<b>10.0</b>	–
(5) One-time restructuring costs in relation to the product portfolio premiumisation and channel optimisation exercises for Solid Gold business in North American market	–	46.9
<b>Adjusted EBITDA</b>	<b><u>1,100.7</u></b>	<b><u>1,139.8</u></b>

\* Either non-recurring or non-cash items is to be adjusted only if the amount is equal to or greater than RMB10 million.

## Finance costs

During the six months ended 30 June 2025, the Group's finance costs increased by 33.8% from RMB433.3 million for the six months ended 30 June 2024 to RMB579.5 million for the same period in 2025. The finance costs for the six months ended 30 June 2025 included (i) RMB351.5 million of interest on the interest-bearing bank loans, senior notes and guaranteed bonds, which decreased by 18.2% year-on-year; (ii) RMB224.4 million of one-time premium paid for the tender offer and early redemption of the senior notes due in 2026 and the related non-cash write-off of unamortised transaction costs; and (iii) others.

As the Group has entered into certain cross currency swaps and cross currency interest rate swaps to hedge its interest rate risk and foreign currency risk, respectively, the normalised interest on the interest-bearing bank loans, senior notes and guaranteed bonds was RMB293.3 million for the six months ended 30 June 2025, decreased by 10.8% from RMB328.9 million for the same period of last year. The implied annual interest expense margin<sup>7</sup> (including the benefit of the above-mentioned hedges) was 6.63% for the six months ended 30 June 2025, which decreased from 7.07% for the same period of last year.

<sup>7</sup> The implied annual interest expense margin is calculated by dividing the annualised normalised interest expense including the benefit of hedge arrangements for the six months ended 30 June 2025 by the outstanding principal as of 30 June 2025 being converted to RMB with a consensus FX rates as the debts' drawdown dates.



## Income tax expense

Income tax expense increased by 7.9% from RMB218.1 million for the six months ended 30 June 2024 to RMB235.3 million for the six months ended 30 June 2025. The effective tax rate on a pro forma basis decreased from 42.1% in the first half of 2024 to 40.0% in the same period this year, after adjusting for non-deductible and non-cash items on profit before tax, including the net foreign exchange gains/(losses), net fair value gains/(losses) on derivative financial instruments and other non-current financial assets, share of losses of associates, one-time premium paid for the tender offer and early redemption of the senior notes due in 2026, and the related non-cash write-off of unamortised transaction costs. On a reported basis, the effective tax rate increased from 41.6% in the first half of 2024 to 76.8% in the first half of 2025.

## Net profit and Adjusted net profit

The adjusted net profit was arrived at by reconciling the non-recurring or non-cash items from net profit as set out below:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB million</i></b>	<b><i>RMB million</i></b>
<b>Net profit</b>	<b>71.0</b>	305.8
Reconciled by:		
EBITDA adjusted items as listed above	<b>67.6</b>	41.4
Non-cash items*:		
One-time premium paid for the tender offer and early redemption of the senior notes due in 2026, and the related non-cash write-off of unamortised transaction costs	<b>224.4</b>	–
<b>Adjusted net profit</b>	<b>363.0</b>	347.2

\* Either non-recurring or non-cash items is to be adjusted only if the amount is equal to or greater than RMB10 million.

## Non-IFRS financial measures

To supplement the Group's consolidated financial statements which are prepared in accordance with IFRS, the Group also use adjusted EBITDA and adjusted net profit as additional financial measures, which are not required by, or presented in accordance with IFRS. The Group believes that these non-IFRS financial measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that the Company's management does not consider to be indicative of its operating performance such as certain non-cash or non-recurring items. The use of these non-IFRS financial measures has limitations as an analytical tool, and one should not consider them in isolation from, or as a substitute for analysis of, the Group's results of operations or financial conditions as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Operating activities**

For the six months ended 30 June 2025, the Group recorded net cash generated from operating activities of RMB998.0 million, resulting from pre-tax cash from operations of RMB1,103.3 million, minus income tax paid of RMB105.2 million. Pre-tax cash flows mainly benefited from the healthy Adjusted EBITDA and the positive impact from change in working capital. The trade and bills receivables increased by RMB190.5 million mainly due to the increase in sales in overseas markets outside mainland China where credit sales are allowed. The prepayments, other receivables and other assets increased by RMB21.9 million. The above negative impact was offset by (i) the increase in other payables and accruals of RMB165.6 million; (ii) the increase in trade payables of RMB52.1 million mainly due to the different cut-off days; (iii) the increase in contract liabilities of RMB15.7 million; and (iv) the slight decrease in inventories, net of write-down of inventories to net realisable value, by RMB0.9 million.

### **Investing activities**

For the six months ended 30 June 2025, net cash flows used in investing activities amounted to RMB31.4 million, primarily resulted from purchases of property, plant and equipment and intangible assets of RMB41.0 million, partially offset by interest received of RMB9.2 million.

### **Financing activities**

For the six months ended 30 June 2025, net cash flows used in financing activities amounted to RMB706.5 million, primarily related to the repurchase and redemption of senior notes due 2026 and repayment of interest-bearing bank loans of RMB2,600.4 million, the interest paid for borrowings of RMB244.4 million, the payment of lease liabilities of RMB23.8 million and others. The above cash outflows were partially offset by the proceeds from the issuance of senior notes due 2028 and interest-bearing bank loans of RMB2,161.7 million and others.

### **Cash and bank balances**

As of 30 June 2025, cash and cash equivalents and structured deposits as stated in the interim condensed consolidated statement of financial position amounted to RMB1,812.0 million.

## Borrowings

As of 30 June 2025, the Group's outstanding carrying amount of its borrowings amounted to RMB9,174.1 million, including current portion of RMB944.0 million. The carrying amount of borrowings included (i) RMB6,574.9 million of interest-bearing bank loans, including current portion of RMB850.5 million; (ii) RMB2,191.2 million of senior notes, including current portion of RMB85.0 million; and (iii) RMB408.0 million of guaranteed bonds, including current portion of RMB8.5 million.

The Group's gearing ratio decreased from 49.3% as of 31 December 2024 to 47.3% as of 30 June 2025, calculated by dividing the sum of the carrying amount of the borrowings by total assets. As of 30 June 2025, the net leverage ratio decreased from 3.99x as of 31 December 2024 to 3.89x, calculated as the following table:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b><i>RMB million</i></b>	<b><i>RMB million</i></b>
Gross debt <sup>8</sup>	<b>9,259.6</b>	9,403.3
Less: Cash and cash equivalents	<b>1,812.0</b>	1,603.9
Net debt	<b>7,447.6</b>	7,799.4
Divided by: Adjusted EBITDA <sup>9</sup>	<b>1,913.2</b>	1,952.3
Net leverage ratio	<b>3.89x</b>	3.99x

## Working capital

Advance payment is normally required for the sale in mainland China, except for limited circumstances. The Group usually allows credit sales in overseas markets outside mainland China, with average credit terms ranging from 30 to 60 days from the end of month. The Group's suppliers generally grant a credit period between 30 and 90 days.

The Group seeks to maintain strict controls over outstanding receivables and creditors to minimise credit risk. The average turnover days for trade and bills receivables decreased slightly from 28 days for the six months ended 30 June 2024 to 27 days for the six months ended 30 June 2025. The average turnover days of trade and bills payables decreased from 70 days for the six months ended 30 June 2024 to 63 days for the six months ended 30 June 2025, mainly due to the different cut-off days.

<sup>8</sup> The gross debt as of 31 December 2024 and 30 June 2025 are calculated with the outstanding principal of debt instruments being converted to RMB with constant FX rates as the debt drawdown date.

<sup>9</sup> Adjusted EBITDA for the twelve months ended 30 June 2025 and the year ended 31 December 2024.

The inventory turnover days decreased from 146 days for the six months ended 30 June 2024 to 131 days for the six months ended 30 June 2025. The inventory turnover days of ANC products increased slightly from 134 days for the six months ended 30 June 2024 to 136 days for the six months ended 30 June 2025. The inventory turnover days of BNC products decreased from 168 days for the six months ended 30 June 2024 to 122 days for the six months ended 30 June 2025, primarily due to the successful completion of the new ‘GB’ transition and the higher-than-expected sales. The inventory turnover days of PNC products increased from 137 days for the six months ended 30 June 2024 to 142 days for the six months ended 30 June 2025. The increase in PNC inventory turnover days was mainly due to the increased inventory for new market expansion.

## **INTERIM DIVIDEND**

After taking full consideration of the Group’s financial position, net cash flow and capital expenditures, the Board has resolved to declare an interim dividend of HKD0.19 per ordinary share, representing approximately 30% of the Group’s Adjusted net profit for the period of six months ended 30 June 2025. The interim dividend will be paid on or about Friday, 17 October 2025 to the shareholders whose names appear on the register of members of the Company on Monday, 15 September 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 11 September 2025 to Monday, 15 September 2025, both days inclusive, during which period no transfer of shares can be registered. The record date is Monday, 15 September 2025. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 10 September 2025.

## **SIGNIFICANT BUSINESS DEVELOPMENT AFTER THE END OF THE REPORTING PERIOD**

### **Update On Tax Audit on Biostime Healthy Australia Pty Ltd (“BHA”)**

As disclosed in the Company’s Annual Report for the year ended 31 December 2024, dated 25 March 2025, BHA, a subsidiary of the Company, has undergone an audit (the “**BHA Tax Audit**”) conducted by the Australian Tax Office (“**ATO**”) in respect of the value of intellectual property and other assets transferred as part of the Groupwide integration initiatives in 2018, for which BHA paid AUD19 million of tax under the Australian capital gains tax (“**CGT**”) rules.

On 10 April 2025, the ATO issued official notices of amended assessment requesting: (i) AUD234.5 million of primary tax payable by BHA in respect of the year ended 31 December 2018; (ii) AUD55.2 million of interest and (iii) AUD117.3 million penalty payable by BHA. In June 2025, BHA formally objected to the ATO’s amended assessments to officially dispute these amounts.

Subsequent to the reporting period, on 4 July 2025, having considered BHA's proposals regarding payment arrangement, the ATO confirmed that it required BHA to provide a cash deposit of AUD104 million to the ATO by 15 July 2025, in accordance with the ATO administrative practice for disputed tax debts. The cash deposit was made on 15 July 2025 and will be held as an asset on BHA's balance sheet. No more deposit is required until the final conclusion of the case.

BHA continues to vigorously defend its position and continues to be assisted by tax litigation lawyers and preeminent Counsel. Should the ATO disallow BHA's objection, BHA is prepared to initiate further legal proceedings. At this time, BHA does not consider that it is probable that there will be a final outflow of funds in relation to the matters in dispute. In the event BHA is successful in the dispute, BHA will be entitled to a refund of the deposit plus interest.

The Company maintains its view that BHA's position is correct. The Company will make further announcement(s) to keep its shareholders and potential investors informed of any progress as and when appropriate.

## **CORPORATE GOVERNANCE CODE**

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company has complied with all the code provisions contained in the CG Code for the six months ended 30 June 2025 (in effect as of 30 June 2025).

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with the CG Code and align with the latest developments.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities (the "**Company Code**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and all the Directors have confirmed that they have complied with the Company Code and the Model Code during the six months ended 30 June 2025.

The Company has also established written guidelines (the "**Employees Written Guidelines**") on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company during the six months ended 30 June 2025.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) was established on 25 November 2010 in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The Audit Committee consists of three members, namely, Professor Ding Yuan, Mr. Tan Wee Seng and Mr. Luo Yun, all of whom are non-executive Directors and the majority of whom are independent non-executive Directors. Professor Ding Yuan, who possesses the appropriate professional qualifications or accounting or related financial management expertise, was appointed as the chairman of the Audit Committee.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors; reviewing the interim and annual reports and accounts of the Group; and overseeing the Group's financial reporting system, internal control system and risk management system and associated procedures.

## **REVIEW OF INTERIM FINANCIAL STATEMENTS**

Disclosure of financial information in this interim results announcement complies with Appendix D2 of the Listing Rules. The Audit Committee has held meetings to discuss the internal controls and financial reporting matters of the Company, including the review of the interim report and the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025.

The interim condensed consolidated financial statements for the six months ended 30 June 2025 have not been audited but have been reviewed by the Company's independent auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” by the Hong Kong Institute of Certified Public Accountants.

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

During the six months ended 30 June 2025, with a view to reducing financing cost and optimising capital structure, the Company has in aggregate repurchased and redeemed USD297,000,000 in principal amount of the 13.5% senior notes due 2026. Upon completion of this repurchase and redemption, none of the 13.5% senior notes due 2026 remained in issue.

Save as disclosed above, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the six months ended 30 June 2025.

## **CHANGE OF COMPOSITION OF A BOARD COMMITTEE**

Mrs. Pascale Laborde resigned from her position as a member of the Environmental, Social and Governance Committee of the Company with effect from 26 August 2025. Ms. Yang Wenyun, the company secretary and one of the authorised representatives of the Company, has been appointed as a member of the Environmental, Social and Governance Committee of the Company in place of Mrs. Laborde with effect from 26 August 2025.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is also published on the websites of the Company ([www.hh.global](http://www.hh.global)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report for the six months ended 30 June 2025 containing all the information required by Appendix D2 to the Listing Rules will be despatched to the shareholders of the Company (if requested) and available on the above websites in due course.

By order of the Board of  
**Health and Happiness (H&H) International Holdings Limited**  
**Luo Fei**  
*Chairman*

Hong Kong, 26 August 2025

*As at the date of this announcement, the executive directors of the Company are Mr. Luo Fei and Mr. Wang Yidong; the non-executive directors of the Company are Mrs. Laetitia Albertini, Dr. Zhang Wenhui, Mr. Luo Yun and Mrs. Mingshu Zhao Wiggins; and the independent non-executive directors of the Company are Mr. Tan Wee Seng, Mrs. Lok Lau Yin Ching and Professor Ding Yuan.*