手回集团

Shouhui Group Limited
手 回 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2621)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended June 30, 2025, together with the comparative figures for the six months ended June 30, 2024.

In this announcement, "we", "us", and "our" refer to the Company and where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

The Group recorded revenue of approximately RMB554.5 million for the six months ended June 30, 2025, representing a decrease of approximately 21.2% compared to the same period (for the six months ended June 30, 2024: approximately RMB703.6 million).

The Group recorded gross profit of approximately RMB196.6 million for the six months ended June 30, 2025, representing a decrease of approximately 28.6% compared to the same period (for the six months ended June 30, 2024: approximately RMB275.5 million).

The Group recorded profit for the period of approximately RMB664.6 million for the six months ended June 30, 2025, representing an increase of approximately 977.3% compared to the same period (for the six months ended June 30, 2024: a loss of approximately RMB75.8 million).

The Group's adjusted net profit (non-HKFRS measure)* was approximately RMB65.7 million for the six months ended June 30, 2025, representing a decrease of approximately 49.0% compared to the same period (for the six months ended June 30, 2024: approximately RMB129.0 million).

* Adjusted net profit for the period (non-HKFRS measure) is derived from the profit/(loss) for the period after adjusting for the changes in carrying amount of financial instruments issued to investors, share-based compensation expenses and listing expenses. Changes in carrying amount of financial instruments issued to investors and share-based compensation expenses are non-cash in nature.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As a leading life and health insurance intermediary service provider in China, the Company has always taken digital transformation as its strategic core, building a full-scenario life and health insurance transaction and service platform to provide policyholders and the insured with one-stop, intelligent risk protection solutions. The core revenue of the Company is commissions generated by distributing insurance products. Through its three major platforms, namely Xiaoyusan (2C client end), Kachabao (2A agent end) and Niubao 100 (2B business end), it has formed a synergistic and interconnected full-link service system. The distributed product matrix covers diverse categories such as long-term life insurance products (including incremental whole life insurance and annuity insurance), long-term critical illness insurance products, long-term medical insurance products, as well as short-term insurance products, comprehensively meeting the differentiated protection needs of policyholders in different life cycles.

Despite the increased uncertainty in the macroeconomic environment, the slowdown in financial consumption demand, and the reduction in commission rates due to the implementation of the "unified reporting and underwriting" policy in the insurance industry in the first half of 2025, the Company has still maintained a stable operational performance relying on its timely strategic layout and market response capabilities. In the first half of 2025, the Company's GWP reached approximately RMB4.9 billion, representing a year-on-year increase of 25.7%; it recorded revenue of approximately RMB554.5 million and net profit for the period of approximately RMB664.6 million, representing a year-on-year increase of over 900%. In terms of quarterly performance, both FYP and revenue in the first and second quarters of 2025 maintained a double-digit quarter-on-quarter growth, fully demonstrating the Company's good momentum of continuous business growth through timely strategic layout and market response capabilities since the adjustment of pricing interest rate of life and health insurance in October 2024.

In terms of insurance product structure, the FYP of long-term critical illness insurance products reached approximately RMB227 million, representing a year-on-year increase of 30.7%, with the corresponding revenue contribution growing by 24.0% year-on-year. Meanwhile, the Company seized market trends and focused on the dividend-type product sector to deepen its layout. During the Reporting Period, the FYP of dividend-type products amounted to approximately RMB241 million, representing a year-on-year increase of 147.7%, with the corresponding revenue rising by over 100% year-on-year. Such structural breakthroughs have further consolidated the Company's market competitiveness, demonstrating its insight into and ability to capitalize on opportunities amid industry transformations.

As of June 30, 2025, the Company's total assets reached approximately RMB2.2 billion, representing an increase of 18.5% from the end of 2024, maintaining continuous and steady growth. The total net assets of the Company as of June 30, 2025 reached approximately RMB1.2 billion, compared to net liabilities of RMB0.7 billion as of December 31, 2024. This was mainly due to the automatic lapse of the preferential rights previously issued to investors after the Company's initial public offering on May 30, 2025, with the financial instruments issued to investors accordingly reclassified from liabilities to equity. The aggregate book balance of the Company's cash and cash equivalents, lower-risk wealth management products measured at fair value and deposit-type financial assets was approximately RMB791.3 million, representing an increase of 28.0% from the end of 2024, indicating sufficient asset liquidity.

Affected by the combined impacts such as increased uncertainty in the macroeconomic environment, the slowdown in financial consumption demand and the reduction in commission rates under the implementation of the "unified reporting and underwriting" policy in the insurance industry in the first half of 2025, the Company's FYP was approximately RMB1.5 billion, representing a year-on-year decrease of 0.6%; revenue was approximately RMB554.5 million, representing a year-on-year decrease of 21.2%; and adjusted net profit (non-HKFRS measure) was approximately RMB65.7 million, representing a year-on-year decrease of 49.0%.

Business Update

1. Market-driven product customization and IP management

Since 2015, we have remained committed to putting insurance clients at the center, continuously developing and customizing insurance products to meet the diverse needs of policyholders and the insured. As of June 30, 2025, we have established in-depth cooperative relationships with over 100 insurance companies, with more than 2,200 insurance products distributed cumulatively. During the Reporting Period, the cumulative FYP from our customized products reached approximately RMB799.4 million, accounting for over 51% of the Company's total FYP.

Our customization capabilities stem from extensive insurance expertise, up-to-date industry insights, and a deep understanding of policyholders' and the insured' profiles. Our expertise and capabilities enable us to continuously cooperate with insurance companies in shaping product features, communicating terms, assisting in managing risks, assisting in pricing and updating products. Our continuous iterations of customized products enable us to reduce client acquisition costs and enhance insurance client retention.

Through the iteration of customized products, we have developed IPs that cater to different age groups. As of June 30, 2025, we had successfully incubated over 14 IPs on our platforms, covering a wide range of long-term life insurance products, long-term critical illness insurance products, long-term medical insurance products and other insurance products, as well as short-term insurance products. The introduction of our IPs has not only differentiated products we customized but also strengthened client loyalty, which ultimately allows us to stand out in a highly competitive industry. In the first half of 2025, through the continuous iteration and optimization of Chaojimali Adult Critical Illness Insurance and Dahuangfeng Children Critical Illness Insurance, as well as their omni-channel distribution, the FYP of our long-term critical illness insurance products reached approximately RMB227 million, representing a year-on-year increase of 30.7%, with the corresponding revenue contribution growing by 24.0% year-on-year.

2. *Omni-channel strategic layout based on digitalization*

We distribute life and health insurance products through three distribution channels facilitated by our three platforms, namely (1) online direct distribution via Xiaoyusan, (2) distribution through insurance agents via Kachabao, and (3) distribution with the assistance of business partners via Niubao 100. Our digital platforms support insurance agents and business partners by facilitating distribution and providing comprehensive support throughout the insurance transaction process.

In the first half of 2025, the Company continued to deepen its "2C + 2A + 2B" omni-channel strategic layout. Relying on the synergistic linkage of the three major platforms, namely Xiaoyusan (client end), Kachabao (agent end) and Niubao 100 (business end), it has built an integrated insurance service network covering client reach, channel empowerment and ecological cooperation. Through continuous efforts in area such as new client acquisition, agent team building and partner ecosystem expansion, as of June 30, 2025, the Company has served a cumulative total of over 3.8 million insured users, aggregated more than 1,300 business partners, and the scale of contracted agents has exceeded 29,000. Its service coverage has extended to 15 provincial administrative regions across the country.

The Company has taken the development of a full-domain self-media matrix system as one of its core development strategies. Through the synergistic linkage of the three major platforms, namely Xiaoyusan, Kachabao and Niubao 100, it integrates experience and capabilities in self-media operation and brand building, systematically cultivates and connects various individuals and corporate self-media with Internet influence, and extensively deploys on various Internet platforms such as Douyin, Xiaohongshu, Bilibili, Baidu, WeChat ecosystem (Official Accounts and Video Accounts) and Weibo. This builds a full-link marketing system covering brand exposure, product promotion, reputation management and direct conversion to drive business development.

3. *Research and development capabilities that are closely integrated with industry practices*

Since the inception of our Group, we have been dedicated to continuous investment in online transaction capabilities and cutting-edge technologies. We continue to strengthen the development of full-link online transaction capabilities and promote the implementation of AI technologies within the Company.

- In the first half of 2025, the comprehensive launch of the unified product configuration platform was completed, enabling parameterized configuration and visual arrangement of insurance products. This platform supports the efficient launch of over 200 products, with the average delivery cycle shortened by more than 50%, significantly enhancing the agility of product iterations.

- The self-developed Chuangxin Shanlu system has deepened the closed-loop of quality management. In the first half of 2025, the usage penetration rate of the Chuangxin Shanlu system among dual recording orders reached 84%, achieving dual breakthroughs in compliance efficiency and experience optimization. The self-developed AI multimodal quality inspection system achieved 100% coverage of customer service information quality inspection in the first half of 2025, improving the efficiency of quality inspection work by 56%. The self-developed AI Eagle Eye Verification System fully covered high-risk insurance purchasing scenarios (100%) in the first half of 2025, saving 63% of labor efficiency compared with traditional manual verification.

- We have leveraged AI technology for application innovation, launching nearly 30 AI services to empower business scenarios. We independently developed an AI policy management tool, which enables second-level parsing of policy information through multimodal recognition technology. We rolled out a private domain customer AI management tool, building a 24/7 intelligent Q&A engine based on generative AI to replace manual responses and release operational manpower. We also deployed AI outbound call robots, covering high-frequency scenarios such as insurance renewal reminders, payment confirmation and conversion activation, thereby improving outbound call efficiency.

- We have continued to invest in Retrieval-Augmented Generation (RAG) technology, and developed multi-scenario applications such as Insurance Application Assistant Agent, Clause Q&A Agent and Business Q&A Agent. These advanced technologies continuously enhance efficiency and empower insurance services and corporate operations.

Meanwhile, as a provider of insurance technology solutions, we continue to offer cooperative insurance companies insurance technology solutions related to intelligent risk assessment, claims adjustment and rapid claims settlement. In the first half of the year, we recorded revenue of approximately RMB5.1 million, representing a year-on-year increase of 46.7%. Among this, the revenue contributed by the AI-based intelligent risk control system exceeded half, and the number of high-risk insurance cases effectively identified surpassed 600,000.

4. *Efficient and convenient insurance client service*

The combination of diverse client acquisition channels and efficient, convenient services has enabled us to establish a comprehensive insurance client service system. This has not only made our brand and services recognized by more insurance clients but also enhanced the service experience and loyalty of insurance clients.

Since our inception, we have continuously optimized the insurance purchasing and after-sales service processes using technology. We provide 24/7 consultation and claims reporting services, including answering product inquiries, responding to complaints and providing claims reporting assistance. In addition, we have a professional team covering the full range of policy management services, including insurance contract signing, online underwriting assistance, policy safekeeping, renewal payment services, cancellation assistance and claim assistance services. For example, based on insurance clients' health, occupation, age and other factors, we provide appropriate underwriting assistance. Through rapid claims settlement, personalized claim handling and online claim services, we provide professional and efficient claims assistance services to safeguard the rights of policyholders. In the first half of 2025, the Company handled over 15,000 rapid claims settlement cases with a total amount exceeding RMB11 million, with an average claim settlement time as low as 0.27 days and a client satisfaction rate of 99%. The total number of assisted claim cases reached 43,000.

Leveraging our technological capabilities and a full range of services closely tailored to meet the needs of insurance clients, we continue to gain the trust and loyalty of insurance clients. As of June 30, 2025, we had over 3.8 million policyholders, and our policyholders primarily included the core insurance consumer group aged 30 to 45 residing in first-tier and second-tier cities in China, who exhibited a high level of acceptance for digital insurance transactions and services. In the first half of 2025, policyholders aged 30 to 45 contributed 62.1% of our GWP and 70.7% of policies we distributed.

Future Outlook

In the second half of 2025, China's life and health insurance industry is expected to further decline in predetermined interest rates, creating an industry landscape with both opportunities and challenges. The Company will further consolidate its business foundation and take proactive measures to strengthen our market position and further increase our market share:

1. ***Developing more customized insurance products and enhancing brand awareness***

   We will continue to iterate our various existing IP products, such as Chaojimali Adult Critical Illness Insurance, Dahuangfeng Children Critical Illness Insurance, Zengduoduo Incremental Whole Life Insurance, Yangduoduo Pension Annuity Insurance and Dahujia Casualty Insurance in response to the evolving insurance client needs and market competition, so as to continuously enrich the product portfolio we distribute. In terms of customized participating insurance products, we will actively develop customized product series in collaboration with outstanding insurance companies in the market, increasing the sales proportion of dividend products. We consider high-quality products as the cornerstone of our competitive edge, continuously enhancing our brand recognition.

   We will continue to expand and enrich our corporate insurance product series, such as aviation, legal, travel, employee benefits and other products, to meet the risk protection needs of corporate clients and build a full-scenario insurance product ecosystem that covers both individual and corporate clients. Leveraging our three major platforms including Xiaoyusan, Kachabao and Niubao 100, we will explore the needs of existing clients, integrate resources, enhance the brand building of our corporate group insurance, increase the proportion of premiums from corporate clients, and develop new business growth points.

2. ***Collaborating with more business value chain participants to expand business scale***

   We will continue to enhance our market presence and expand our insurance client outreach. We will continue to deepen our integrated online and offline marketing strategy, strengthening product IP creation and branding promotion, enhancing user coverage and conversion, and continuously improving the business cycle from client acquisition to insurance policy purchase. In the second half of 2025, we plan to introduce new claims service commitments and continuously optimize our after-sales service to enhance the client experience.

We plan to deepen the layout of our offline branch network and continue recruiting productive agents. We plan to continuously provide a systematic career training program to enhance agents' brand loyalty and ensure that agents provide consistent high-quality service. Through technological innovations, we will empower agents and continuously cultivate a professional agent team with internet influence, helping insurance agents efficiently build personal brand IPs in both the public internet traffic pool and their personal private traffic domains. This will facilitate the full chain of client acquisition and value conversion, injecting momentum into sustainable business growth.

We will strengthen our relationships with our existing business partners by offering more customized products and efficient digital tools to help them improve operational efficiency. We plan to continue to deepen our collaborations with media advertising companies among our business partners, identifying more key opinion leaders for long-term partnerships, enriching our social media matrix establishment, and increasing the market presence of the Company's customized products. We will further enhance our cooperation with agencies and brokerages with strong market position to form a high-performing alliance. Meanwhile, we will explore property insurance business scenarios, and continuously dig out subdivisions to actively pursue diversified development. Through coordinated efforts across all channels, the Company will continuously enhance its core competitiveness and market share in the domestic insurance intermediary market.

3. *Continuously building R&D capabilities to empower business development*

In terms of technology empowerment, the Company will continue to deepen the application of technology throughout the insurance business chain, and iterate and upgrade the online core transaction system, intelligent marketing tools and quality management system. In the AI application field, while continuing to explore the application potential of existing retrieval-augmented generation (RAG) technology, we will focus on key areas such as AI underwriting, AI insurance advisory and precise parsing of AI insurance documents to achieve full-process intelligent upgrading. This will drive the full-chain implementation of AI technology in business scenarios, improve the penetration and application efficiency of AI technology in all business processes, and drive operational efficiency improvement through technological innovation.

4. *Overseas Business*

The Company will actively explore the expansion of its insurance business overseas to inject new momentum into its long-term sustainable development.

FINANCIAL REVIEW

Revenue

The Group generated revenue from two segments: (i) insurance transaction services; and (ii) insurance technology services. The Group generates revenue from its insurance transaction services mainly through receiving commissions from insurance companies for distributing their insurance products to policyholders and the insured. The Group also generates revenue from insurance technology services by providing rapid claims settlement, risk assessment consulting and other services to insurance companies. The revenue decreased by 21.2% from RMB703.6 million for the six months ended June 30, 2024 to RMB554.5 million for the six months ended June 30, 2025, mainly due to the decrease in the revenue generated from insurance transaction services under the combined impacts of increased uncertainty in the macroeconomic environment, a slowdown in financial consumer demand and reduction in commission rates resulting from the implementation of the "unified reporting and underwriting" policy in the insurance industry.

Revenue by business segments

The following table sets forth a breakdown of the revenue by business segments, in absolute amounts and as a percentage of the total revenue, for the periods indicated:

	For the six months ended June 30,			
	2025		2024	
	RMB'000 **(Unaudited)**	*%*	*RMB'000* (Unaudited)	*%*
Insurance transaction services	**549,488**	**99.1%**	700,111	99.5%
Insurance technology services	**5,060**	**0.9%**	3,449	0.5%
Total	**554,548**	**100.0%**	703,560	100.0%

The revenue from insurance transaction services decreased by 21.5% from RMB700.1 million for the six months ended June 30, 2024 to RMB549.5 million for the six months ended June 30, 2025, primarily due to (i) the year-on-year decrease in our revenue from long-term life insurance products resulting from the decrease in the demand for long-term life insurance products led by the macroeconomic effect and the decrease in the commission rates offered by the insurance companies for distributing long-term life insurance products; and (ii) the year-on-year decrease in the revenue from long-term medical and other insurance products resulting from the weaker-than-expected sales of Jinyibao, our customized product, affected by the demands in the long-term medical insurance products and other insurance products, partially offset by the year-on-year increase in the revenue driven by the upgrade and distribution of customized long-term critical illness insurance products including Chaojimali Critical Illness Insurance and Dahuangfeng Critical Illness Insurance Series. The revenue from insurance technology services increased by 46.7% from RMB3.4 million for the six months ended June 30, 2024 to RMB5.1 million for the six months ended June 30, 2025, primarily due to the growth in risk assessment assistance and other technology services businesses.

Revenue by insurance products

The following table sets forth a breakdown of the revenue generated from insurance companies for distributing their insurance products, in absolute amounts and as a percentage of the total revenue from the insurance transaction services, for the periods indicated:

	For the six months ended June 30,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
	(Unaudited)		(Unaudited)	
Long-term insurance products				
Life insurance	**124,584**	**22.7%**	273,697	39.1%
Critical illness insurance	**250,782**	**45.6%**	202,290	28.9%
Medical and other insurance	**111,166**	**20.2%**	157,069	22.4%
Short-term insurance products	**62,956**	**11.5%**	67,055	9.6%
Total	**549,488**	**100.0%**	700,111	100.0%

Cost of Revenue

The cost of revenue of the Group primarily consists of (i) commission expenses paid to insurance agents and licensed insurance brokerages and agencies, (ii) channel promotion fees to the self-media traffic channels for referring potential policyholders and the insured, (iii) salaries and other benefits of the staff members, and (iv) other costs related to business operation such as costs for risk assessment technologies, which are primarily used to cover the cost of digital signatures, electronic authentication, health assessments and anti-fraud identification services provided by external vendors.

The cost of revenue decreased by 16.4% from RMB428.1 million for the six months ended June 30, 2024 to RMB357.9 million for the six months ended June 30, 2025, primarily due to the decrease in revenue, and the year-on-year decrease in the commission expenses and channel promotion fees.

Gross Profit and Gross Margin

The overall gross profit of the Group decreased by 28.6% from RMB275.5 million for the six months ended June 30, 2024 to RMB196.6 million for the six months ended June 30, 2025, primarily due to the decrease in revenue. The overall gross profit margin of the Group decreased from 39.2% for the six months ended June 30, 2024 to 35.5% for the six months ended June 30, 2025, primarily due to the year-on-year decrease in the gross profit margin of insurance transaction services.

Gross profit and gross profit margin by business segments

The following table sets forth a breakdown of the gross profit by business segments for the periods indicated:

	For the six months ended June 30,			
	2025		2024	
	RMB'000 **(Unaudited)**	***Gross profit margin %***	*RMB'000* (Unaudited)	*Gross profit margin %*
Insurance transaction services	**193,241**	**35.2%**	273,723	39.1%
Insurance technology services	**3,364**	**66.5%**	1,762	51.1%
Total	**196,605**	**35.5%**	275,485	39.2%

The gross profit margin of insurance transaction services decreased from 39.1% for the six months ended June 30, 2024 to 35.2% for the six months ended June 30, 2025, primarily due to (i) the decrease in the revenue contribution of long-term medical and other insurance products which had a relatively high gross profit margin; and (ii) the decrease in the gross profit margin of the long-term critical illness insurance products as we increased the commission expenses to licensed insurance brokerages and agencies and the promotion fees to self-media traffic channels so as to improve our long-term critical illness market share.

The gross profit margin of insurance technology services increased from 51.1% for the six months ended June 30, 2024 to 66.5% for the six months ended June 30, 2025, primarily due to the enhanced cost control measures in technology service businesses such as risk control and claims adjustment.

Other Net Income

Other net income of the Group consists of (i) realized gains and losses from financial assets measured at fair value through profit or loss, (ii) interest income on bank deposits, (iii) foreign exchange gains and losses (iv) dilution gains from interests in associates, and (v) others.

The following table sets forth a breakdown of other net income, in absolute amounts and as percentages of the total other net income, for the periods indicated:

	For the six months ended June 30,			
	2025		2024	
	RMB'000	*%*	*RMB'000*	*%*
	(Unaudited)		(Unaudited)	
Realized gains and losses from financial assets measured at fair value through profit or loss	**2,105**	**78.9%**	4,832	96.4%
Interest income	**840**	**31.5%**	1,046	20.9%
Foreign exchange gains and losses	**(405)**	**(15.2)%**	(2,944)	(58.8)%
Dilution gains from interests in associates	**—**	**0.0%**	2,655	53.0%
Others	**128**	**4.8%**	(579)	(11.5)%
Total	**2,668**	**100.0%**	5,010	100.0%

Other net income decreased by 46.7% from RMB5.0 million for the six months ended June 30, 2024 to RMB2.7 million for the six months ended June 30, 2025, primarily due to the decrease in the dilution gains from interests in associates and realized gains and losses from financial assets measured at fair value through profit or loss, partially offset by the decrease in the foreign exchange losses.

Sales and Marketing Expenses

Sales and marketing expenses of the Group consist of (i) advertising and marketing expenses, (ii) salaries and other benefits, (iii) office administrative expenses, (iv) share-based compensation, and (v) other expenses including short message service fees. Sales and marketing expenses decreased by 9.4% from RMB67.4 million for the six months ended June 30, 2024 to RMB61.1 million for the six months ended June 30, 2025, primarily due to (i) the decrease in the advertising and marketing expenses by strengthening expense control measures and optimizing marketing processes, and (ii) the decrease in salaries and other benefits by enhancing internal organizational efficiency and controlling personnel expenses.

General and Administrative Expenses

General and administrative expenses of the Group primarily consist of (i) salaries and other benefits of the administrative and operational team, (ii) office administrative expenses, (iii) professional service fees including audit and consulting services fees, (iv) listing expenses, (v) taxes and surcharges, (vi) share-based compensation, and (vii) other expenses including regulatory fees paid by the Group as an insurance intermediary to NFRA. General and administrative expenses increased by 13.4% from RMB47.0 million for the six months ended June 30, 2024 to RMB53.3 million for the six months ended June 30, 2025, primarily due to (i) the increase in listing expenses, and (ii) the increase in depreciation expenses for right-of-use assets due to newly leased office premises.

Research and Development Expenses

Research and development expenses of the Group primarily consisted of (i) salaries and other benefits of the R&D team, (ii) share-based compensation, and (iii) other expenses including hardware and software service expenses and depreciation and amortization. Research and development expenses decreased by 16.9% from RMB27.6 million for the six months ended June 30, 2024 to RMB22.9 million for the six months ended June 30, 2025, primarily due to the decrease in salaries and other benefits led by enhancing internal organizational efficiency, controlling personnel expenses and the year-on-year decrease in the average headcount of R&D personnel.

Provision for Impairment Loss

Provision for impairment loss were allowance for expected credit losses of accounts receivable. Provision for impairment loss decreased by 22.4% from RMB0.4 million for the six months ended June 30, 2024 to RMB0.3 million for the six months ended June 30, 2025, primarily due to a smaller year-on-year increase in the accounts receivable and contract assets.

Finance Costs

Finance costs of the Group represent interest expenses on lease liabilities. Finance costs remained relatively stable at RMB0.2 million and RMB0.2 million for the six months ended June 30, 2024 and for the six months ended June 30, 2025, respectively.

Changes in Carrying Amount of Financial Instruments Issued to Investors

Before Listing, we recognized the financial instruments issued to some Pre-IPO Investors (as defined in the Prospectus) as financial liabilities, because they were granted with the preferential rights/preferred shares to require us to redeem all of the instruments at a predetermined amount upon certain redemption or liquidation events, which are not all within the Group's control. The financial liabilities are measured at the present value of the highest of the amounts that could become payable to the investors upon the earliest possible date of occurrence of redemption or liquidation events. Any changes in the carrying amount of the financial liabilities arising from the remeasurement of the redemption or liquidation amount were recorded in as changes in the carrying amount of financial instruments issued to investors. Upon qualified initial public offering, the preferential rights automatically converted and the financial instruments issued to investors reclassified from liabilities to equity accordingly.

We had a loss of RMB190.2 million in changes in carrying amount of financial instruments issued to investors for the six months ended June 30, 2024, as compared to a gain of RMB619.0 million for the six months ended June 30, 2025, primarily due to the effect of changes in the Company's valuation.

Share of Losses of Associates

Share of losses of associates represents the Group's share of losses from Dahe Shenzhen Information Co., Limited* (大河(深圳)信息有限公司) ("**Dahe Shenzhen**") and Mianmiao Information Technology (Shanghai) Co., Ltd. (棉苗信息科技(上海)有限公司) ("**Mianmiao Information**"). The Group recorded share of losses of associates of RMB1.0 million and RMB2.5 million for the six months ended June 30, 2024 and for the six months ended June 30, 2025, respectively.

Income Tax

Income tax of the Group decreased by 40.6% from RMB22.6 million for the six months ended June 30, 2024 to RMB13.4 million for the six months ended June 30, 2025, primarily due to the decrease in the taxable income as compared to the same period last year.

Profit/(Loss) for the Period

As a result of the foregoing, the Group recorded a profit of RMB664.6 million for the six months ended June 30, 2025, representing an increase of 977.3% as compared to a loss of RMB75.8 million for the six months ended June 30, 2024.

Non-HKFRS Measure: Adjusted Net Profit

To supplement the Group's consolidated interim results presented in accordance with HKFRS, we also use a non-HKFRS measure, namely adjusted net profit (non-HKFRS measure), as an additional financial measure, which is not required by or presented in accordance with HKFRS. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net profit (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under HKFRS.

We define adjusted net profit (non-HKFRS measure) as profit/(loss) excluding the effects of changes in carrying amount of financial instruments issued to investors, share-based compensation expenses and listing expenses. Changes in carrying amount of financial instruments issued to investors and share-based compensation expenses are non-cash in nature.

The following table sets forth the reconciliation of profit/(loss) for the period to adjusted net profit for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Non-HKFRS measure:		
Profit/(loss) for the period	**664,564**	(75,754)
Add:		
Changes in carrying amount of financial instruments issued to investors	**(619,015)**	190,159
Share-based compensation expenses	**5,942**	4,942
Listing expenses	**14,247**	9,656
Adjusted profit for the period	**65,738**	129,003

Intangible Assets

Intangible assets of the Group consist of (i) software, copyright and trademark, which mainly includes trademark and software copyrights, and (ii) licenses, including insurance brokerage license, insurance agency license and insurance appraisal license. The book value of our intangible assets remained stable at RMB40.6 million as of December 31, 2024 and June 30, 2025.

Interests in Associates

The Group recorded interests in associates regarding to its equity interests in two unlisted companies, namely Dahe Shenzhen and Mianmiao Information, of RMB5.1 million and RMB2.6 million as of December 31, 2024, and June 30, 2025, respectively.

Prepayments, Other Receivables and Other Assets

Prepayments, other receivables and other assets of the Group consist of (i) rental deposits, (ii) prepayment to suppliers, (iii) time deposits with original maturity over three months, (iv) other receivables from third parties, (v) prepayments for listing expense, (vi) value-added tax and income tax recoverable, (vii) advances to related parties, (viii) leasehold improvement, and (ix) others. Prepayments, other receivables and other assets increased from RMB29.5 million as of December 31, 2024 to RMB118.1 million as of June 30, 2025, primarily due to our subscription for time deposits over three months.

Accounts Receivable

Accounts receivable of the Group comprised primarily commissions receivable from insurance companies for the insurance transaction services. Accounts receivable increased from RMB96.1 million as of December 31, 2024 to RMB134.9 million as of June 30, 2025, primarily due to the growth in performance in the second quarter of 2025 compared to the fourth quarter of 2024, resulting in an increase in the unsettled accounts receivable.

Contract Assets

Contract assets of the Group are recorded for arrangements when the Group has provided the insurance transaction services but for which the related payments are not yet unconditionally receivable. Contract assets are attributable to the commissions which are contingent upon the future premium payments of the policyholders. Contract assets increased from RMB849.6 million as of December 31, 2024 to RMB913.0 million as of June 30, 2025.

Accounts Payable

Accounts payable of the Group consist of amounts payables to suppliers. The accounts payable increased from RMB463.6 million as of December 31, 2024 to RMB512.0 million as of June 30, 2025, primarily due to the increase in the cost of revenue in relation to revenue attributable to policy renewals.

Other Payables, Accruals and Other Liabilities

Other payables, accruals and other liabilities consist of (i) insurance premiums payable on behalf of insurance policy holders, (ii) salary and welfare payables, (iii) payables to service providers, (iv) payables for miscellaneous tax, (v) payables for listing expenses, and (vi) others. Other payables, accruals and other liabilities increased from RMB126.8 million as of December 31, 2024 to RMB162.9 million as of June 30, 2025, primarily due to the significant increase in the insurance premium balances payable resulting from the growth in the premium collection business.

Lease Liabilities

Lease liabilities of the Group represent the payment obligations on the leases in relation to its leased properties that are used mainly as offices. Lease liabilities increased from RMB5.7 million as of December 31, 2024 to RMB18.2 million as of June 30, 2025, primarily due to the expiration of the original office premises lease during this period, and multiple new office premises lease agreements were signed.

Contingent Liabilities

As of June 30, 2025, the Group did not have any material contingent liabilities.

Liquidity and Capital Resources

The Group funded its operations primarily with net cash generated from its operations, together with the net proceeds from the Global Offering (as defined in the Prospectus). The Group does not anticipate any material changes to the availability of financing to fund its operations in the future.

As of June 30, 2025, the Group had bank balances and cash of RMB249.1 million denominated in Renminbi, United States dollars and Hong Kong dollars and net current assets.

Capital Expenditures

The capital expenditures of the Group for the six months ended June 30, 2025 amounted to RMB17.7 million, which principally included expenditures on right-of-use assets for leased offices.

The Group funded these expenditures through the net cash generated from its operations.

Charge of Assets

As of June 30, 2025, the Group had no charge of assets.

Gearing Ratio

Gearing ratio equals net debt divided by total equity as of the end of the period and multiplied by 100%. Net debt equals lease liabilities less cash and cash equivalents as of the end of the period. Gearing ratio is not applicable because the Group was in net cash position.

Foreign Exchange Risk Management

The Group mainly operates in the PRC with most of the transactions settled in Renminbi, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollars and Hong Kong dollars. As of June 30, 2025, the Group had bank balances denominated in Renminbi, United States dollars and Hong Kong dollars. The Group did not have significant foreign currency exposure from its operations as of June 30, 2025. The Group currently does not have any foreign currency hedging transactions. However, the management monitors the foreign exchange exposure and will consider hedging significant foreign exchange exposure of the Group should the need arise.

Financial Instrument

The Group did not have any financial instrument for hedging purposes as of June 30, 2025.

Treasury Policy

The Directors will continue to follow the Group's prudent treasury policy to manage its financial resources, with the objective of maintaining its highly liquid position to ensure future growth opportunities would be captured when they arise.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended June 30, 2025 — unaudited
Expressed in Renminbi ("RMB")

		For the six months ended June 30,	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
Revenue	3	**554,548**	703,560
Cost of revenue		**(357,943)**	(428,075)
Gross profit		**196,605**	275,485
Other net income		**2,668**	5,010
Sales and marketing expenses		**(61,108)**	(67,414)
General and administrative expenses		**(53,285)**	(47,000)
Research and development expenses		**(22,945)**	(27,615)
Provision for impairment loss	4(c)	**(312)**	(402)
Profit from operations		**61,623**	138,064
Finance costs	4(a)	**(222)**	(154)
Changes in carrying amount of financial instruments issued to investors		**619,015**	(190,159)
Share of losses of associates		**(2,459)**	(955)
Profit/(loss) before taxation		**677,957**	(53,204)
Income tax	5	**(13,393)**	(22,550)
Profit/(loss) for the period		**664,564**	(75,754)

	Notes	For the six months ended June 30, 2025 RMB'000	2024 RMB'000
Other comprehensive income for the period (after tax):			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside the Chinese mainland		**(2,163)**	1,771
Other comprehensive income for the period		**(2,163)**	1,771
Total comprehensive income for the period		**662,401**	(73,983)
Profit/(loss) attributable to:			
Equity shareholders of the Company		**664,260**	(75,984)
Non-controlling interests		**304**	230
		664,564	(75,754)
Earnings/(loss) per share	6		
Basic		**RMB5.93**	RMB(0.94)
Diluted		**RMB0.22**	RMB(0.94)
Total comprehensive income attributable to:			
Equity shareholders of the Company		**662,097**	(74,213)
Non-controlling interests		**304**	230
		662,401	(73,983)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30, 2025 — unaudited
Expressed in Renminbi ("RMB")

	Notes	**As at June 30, 2025** **RMB'000**	As at December 31, 2024 RMB'000
Non-current assets			
Property, plant and equipment		**130**	153
Intangible assets		**40,595**	40,599
Right-of-use assets		**17,724**	6,376
Interests in associates		**2,630**	5,089
Deferred tax assets		**155,017**	140,807
Prepayment, other receivables and other assets		**5,460**	3,179
Contract assets	7	**491,861**	459,029
Restricted cash	8(b)	**10,242**	10,242
		723,659	665,474
Current assets			
Prepayment, other receivables and other assets		**112,607**	26,357
Contract assets	7	**421,129**	390,555
Accounts receivable	7	**134,939**	96,080
Financial assets measured at fair value through profit or loss		**451,987**	504,796
Restricted cash	8(b)	**82,052**	39,564
Cash and cash equivalents	8(a)	**249,143**	113,368
		1,451,857	1,170,720

	Notes	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Current liabilities			
Accounts payable	9	**388,115**	360,886
Other payables, accruals and other liabilities		**162,872**	126,840
Lease liabilities		**6,796**	4,329
Financial instruments issued to investors	10	**—**	1,702,171
Current taxation		**300,193**	277,653
		857,976	2,471,879
Net current assets/(liabilities)		**593,881**	(1,301,159)
Total assets less current liabilities		**1,317,540**	(635,685)
Non-current liabilities			
Accounts payable	9	**123,842**	102,730
Lease liabilities		**11,404**	1,388
		135,246	104,118
NET ASSETS/(LIABILITIES)		**1,182,294**	(739,803)
CAPITAL AND RESERVE			
Share capital	11(a)	**16**	*
Reserves	11(b)	**1,181,019**	(740,758)
Total equity/(deficit) attributable to equity shareholders of the Company		**1,181,035**	(740,758)
Non-controlling interests		**1,259**	955
TOTAL EQUITY/(DEFICIT)		**1,182,294**	(739,803)

* The balance represents amount less than RMB500.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 BASIS OF PREPARATION AND GENERAL INFORMATION

Shouhui Group Limited (the "**Company**") was incorporated in Cayman Islands on August 3, 2023 as an exempted company with limited liability under the Companies Law (as consolidated and revised) of the Cayman Islands.

The Company's shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited ("**Main Board**") since May 30, 2025 (the "**Listing Date**").

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on August 26, 2025.

The interim financial report has been prepared in accordance with the same accounting policies in the accountants' report (the "**Accountants' Report**") included in Appendix I to the prospectus of the Company dated May 22, 2025 (the "**Prospectus**"), except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Accountants' Report. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG 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 HKICPA.

2 CHANGES IN ACCOUNTING POLICY

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability*, issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material effect on interim financial report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

3 REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

The amount of each significant category of revenue is as follows:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by business segment		
Insurance transaction services	**549,488**	700,111
Insurance technology services	**5,060**	3,449
Total	**554,548**	703,560

Out of the Group's revenue from contracts with customers, RMB554,548,000 was recognised at a point in time during the six months ended June 30, 2025 (six months ended June 30, 2024: RMB703,560,000).

Remaining performance obligation

As at the end of each reporting period, the aggregate amount of the transaction price allocated to the remaining performance obligation is insignificant.

(b) Segment reporting

The Group manages its business by business lines. In a manner consistent with the way in which information is reported to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

— Insurance transaction services

The Group acts as the agent in distributing insurance products on behalf of the insurance companies.

— Insurance technology services

The Group provides consulting and other services to certain insurance companies and other customers.

(i) ***Segment results***

For the purposes of assessing segment performance and allocating between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the cost of sales incurred by those segments. The measure used for reporting segment result is gross profit. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's segment expenses, such as staff costs, depreciation and other operating expenses, and segment assets and liabilities are not regularly provided to the Group's most senior executive management. In addition, other operating expenses are not included in the measure of segment results. As such, this information is not disclosed in the interim financial information.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended June 30, 2025 and 2024 is set out below.

	Insurance transaction services *RMB'000*	**Insurance technology services** *RMB'000*	**Total** *RMB'000*
For the six months ended June 30, 2024			
Revenue	700,111	3,449	703,560
Cost of revenue	(426,388)	(1,687)	(428,075)
Gross profit	273,723	1,762	275,485
For the six months ended June 30, 2025			
Revenue	**549,488**	**5,060**	**554,548**
Cost of revenue	**(356,247)**	**(1,696)**	**(357,943)**
Gross profit	**193,241**	**3,364**	**196,605**

(ii) ***Geographic information***

Most of the Group's operating assets are located in China, and all of the Company's revenue and operating profits was derived from the PRC during the six months ended June 30, 2025 and 2024. Accordingly, no segment analysis based on geographical locations is provided.

4 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

(a) Finance costs

	For the six months ended June 30, 2025 RMB'000	2024 RMB'000
Interest expense on lease liabilities	**222**	154

(b) Staff costs

	Note	For the six months ended June 30, 2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits		**62,539**	69,080
Contributions to defined contribution retirement plan	(i)	**2,397**	4,360
Share-based compensation		**5,942**	4,942
Total		**70,878**	78,382

(i) Pursuant to the relevant laws and regulations of the PRC, the Group participated in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government.

(c) Other items

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Depreciation and amortisation charges		
— Depreciation of property, plant and equipment	**23**	33
— Amortisation of intangible assets	**4**	4
— Depreciation of right-of-use assets	**4,686**	3,012
Provision for impairment loss		
— accounts receivable	**71**	15
— contract assets	**241**	387
Professional service fees	**3,302**	1,739
Auditors' remuneration	**755**	52
Listing expenses	**14,247**	9,656

5 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands during the six months ended June 30, 2025 and 2024.

The provision for Hong Kong profits tax during the six months ended June 30, 2025 and 2024 is calculated at 16.5%. No provision has been made for Hong Kong profits tax as the Group did not have assessable profits during the six months ended June 30, 2025 and 2024.

Pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations, the subsidiaries which operate in Chinese mainland are subject to income tax at a rate of 25% on the taxable income, except for Shenzhen Shouhui Technology Group Co., Ltd. ("**Shenzhen Shouhui**"), one of the subsidiaries of the Group which was recognised as a high and new technology enterprise ("**HNTE**") in December 2020, and successfully renewed its HNTE status in October 2023. Accordingly, Shenzhen Shouhui was entitled to a preferential income tax rate of 15% during the six months ended June 30, 2025 and 2024.

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Current tax		
— PRC Enterprise Income Tax	**27,603**	42,729
Deferred tax		
— Reversal of temporary differences	**(14,210)**	(20,179)
Total	**13,393**	22,550

(b) Reconciliation between income tax expense and accounting profit or loss at applicable tax rates:

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Profit/(loss) before taxation	**677,957**	(53,204)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to the jurisdictions concerned	**171,090**	(13,060)
Tax effect of preferential tax rate	**(2,294)**	(9,455)
Super-deduction of research and development expense	**(2,750)**	(3,868)
Tax effect of changes in carrying amount of financial instruments issued to investors	**(154,754)**	47,540
Tax effect of share-based compensation expense	**1,285**	1,182
Tax effect of share of losses of associates	**615**	239
Tax effect of dilution gains from interests in associates	**—**	(664)
Tax effect of non-deductible expenses	**141**	183
Tax effect of tax losses and temporary differences not recognised	**60**	453
Actual tax expenses	**13,393**	22,550

6 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB664,260,000 (six months ended June 30, 2024: loss attributable to ordinary equity shareholders of the Company of RMB75,984,000) and the weighted average of 111,940,000 ordinary shares (2024: 80,874,000 shares) in issue during the interim period.

The weighted average number of ordinary shares throughout the periods presented has been adjusted retrospectively for the effects of the capitalisation issue in May 2025 (Note 11(a)(iii)).

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB45,245,000 (six months ended June 30, 2024: loss attributable to ordinary equity shareholders of the Company of RMB75,984,000) and the weighted average number of ordinary shares of 204,820,000 (2024: 80,874,000 shares).

7 ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

	As at June 30, 2025 *RMB'000*	As at December 31, 2024 *RMB'000*
Accounts receivable		
Accounts receivable	**135,158**	96,228
Less: loss allowance	**(219)**	(148)
Accounts receivable, net	**134,939**	96,080
Contract assets		
Contract assets	**916,560**	852,913
Less: loss allowance	**(3,570)**	(3,329)
Contract assets, net	**912,990**	849,584
Current	**421,129**	390,555
Non-current	**491,861**	459,029

Ageing analysis

As of the end of each reporting period, the ageing analysis of accounts receivable, based on the invoice date and net of loss allowance, is as follows:

	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Within 3 months	**29,163**	3,716
3 months to 6 months	**60**	—
6 months to 12 months	**—**	7
Over 12 months	**—**	6
Unbilled	**105,716**	92,351
Accounts receivable, net	**134,939**	96,080

8 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents:

	Note	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Cash at banks		**246,165**	107,338
Cash at other financial institutions	(i)	**2,978**	6,030
Total		**249,143**	113,368

(i) Cash at other financial institutions represent cash balances kept in third-party payment platforms, which can be withdrawn by the Group at any time.

(b) Restricted cash:

	Note	**As at June 30, 2025** *RMB'000*	As at December 31, 2024 *RMB'000*
Non-current assets			
Guarantee deposits	(i)	**10,242**	10,242
Current assets			
Cash collected on behalf of other parties	(ii)	**82,051**	39,562
Restricted bank deposits in capital accounts		**1**	2
Sub-total		**82,052**	39,564
Total		**92,294**	49,806

(i) As the insurance intermediaries with license issued by China Banking and Insurance Regulatory Commission, the predecessor of the National Financial Regulatory Administration, the three subsidiaries of the Group, including Small Umbrella Insurance Brokerage Co., Ltd, Chuangxin Insurance Sales Co., Ltd and Guangdong Shouhui Insurance Appraisal Co., Ltd are required to set reserves at the rate of 10% of the registered capital, which are all placed as deposits in PRC commercial banks.

(ii) Cash collected on behalf of other parties mainly includes insurance premiums collected on behalf of insurance companies but not yet remitted as of the end of each of the reporting period.

9 ACCOUNTS PAYABLE

	As at June 30, 2025 *RMB'000*	As at December 31, 2024 *RMB'000*
Non-current liabilities		
Amounts payable to suppliers	**123,842**	102,730
Current liabilities		
Amounts payable to suppliers	**388,115**	360,886
Total	**511,957**	463,616

As of the end of each reporting period, the amounts payable to suppliers are unbilled.

10 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

The movements of the financial instruments issued to investors are set out below:

	As at June 30, 2025 *RMB'000*	As at December 31, 2024 *RMB'000*
At beginning of the period/year	**1,702,171**	1,357,136
Remeasurement due to changes in the amount that could be payable	**(619,015)**	345,035
Conversion of preferred shares to ordinary shares	**(1,083,156)**	—
At ending of the period/year	**—**	1,702,171

On January 2, 2024, the Company allotted and issued 5,320,000 preferred shares to certain investors. The Group's contractual obligations to redeem the preferred shares for cash and to distribute the liquidation preference amounts upon occurrence of events that are beyond the control of the Group give rise to financial liabilities.

The financial liabilities are measured at the highest amount, on a present value basis, that could become payable to the investors to redeem the shares upon occurrence of events that are not within the Group's control. The changes in carrying amount of the preferred shares for the six months ended June 30, 2025 resulted from the change in the valuation of the Company with reference to the opening price of the Company's shares on the Listing Date.

Upon completion of the initial public offering, all preferred shares were converted into ordinary shares and the carrying amount of the financial liabilities is transferred to equity.

11 CAPITAL AND RESERVES

(a) Share capital and share premium

	Notes	**Number of ordinary shares** *('000)*	**Share capital** *RMB'000*	**Share premium** *RMB'000*
At January 1, 2025		**4,781**	*	12,946
Issuance of ordinary shares by initial public offering	(i)	**24,359**	2	170,596
Conversion of preferred shares	(ii)	**5,320**	*	—
Capitalisation issue	(iii)	**191,919**	14	(14)
At June 30, 2025		**226,379**	16	183,528

* The balances represent amounts less than RMB500.

(i) 24,359,000 ordinary shares of par value of USD0.00001 each were issued on May 30, 2025 at a price of HK$8.08 per share. The par value of equivalent RMB2,000 were credited to the Company's share capital. The remaining proceeds, net of share issuance costs, of approximately equivalent RMB170,898,000 were credited to the Company's share premium account.

(ii) Upon the completion of the IPO on May 30, 2025, the preferred shares were converted to ordinary shares, and the carrying amount of the financial liabilities is transferred to equity.

(iii) Pursuant to the resolutions of the shareholders passed on May 13, 2025, the Company was authorized to capitalise the amount of US$1,919.1919, equivalent RMB14,000 of the balance of the share premium account and applying such sum in paying up in full at nominal value and issue shares, a total of 191,919,000 shares for allotment and issue to the holders of shares whose names are entered on the principal register of members of the Company maintained in the Cayman Islands at the close of business on the date immediately preceding the date on which the listing of the Company's shares becomes unconditional (the "**Capitalisation Issue**").

(b) Reserves

(i) Capital reserve

The preferred shares were transferred to equity upon completion of the IPO on May 30, 2025 with a par value of US$0.00001. The capital reserves arising from the conversion was approximately RMB1,083,156,000.

(ii) Shares held for employee shareholding platforms

As of June 30, 2025, Vitality Innovations Limited held an aggregate of 6,598,000 shares as adjusted pursuant to the Capitalisation Issue (as of December 31, 2024: 330,000 shares) of the Company, with a par value of US$0.00001 each. As the Company has the power to govern the relevant activities of the employee shareholding platform and can derive benefits from the contributions of the employees who were awarded with the shares under the employee share award scheme, Vitality Innovations Limited was consolidated in the interim financial report.

(iii) Share-based compensation reserve

The share-based compensation reserve represents the portion of the grant date fair value of equity instruments award granted to the key management personnel and employees of the Group.

(iv) Foreign exchange reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of financial statements of foreign operations.

(c) Dividends

No dividends have been paid by the Company during the six months ended June 30, 2025 and 2024.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group intends to utilize the net proceeds raised from the Global Offering (as defined in the Prospectus) according to the plans set out in the section headed "Use of Proceeds from Listing" in this announcement.

Save as disclosed in this announcement, the Group did not have other plans for material investments or capital assets as of the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2025, the Group had 704 full-time employees, all of them are located in China.

The Group's success depends on its ability to attract, motivate, train and retain qualified personnel. The Group believes it offers its employees competitive compensation packages and an environment that encourages self-development and, as a result, have generally been able to attract and retain qualified personnel and maintain a stable core management team. The Group values its employees and is committed to growing with its own employees.

The Group takes into account factors such as the business strategies, development plans, industry trends and the competitive environment when recruiting personnel. The Group has adopted the Pre-IPO Share Award Scheme to recognize and reward the contributions of certain eligible employees of the Group and incentivize them for their future contribution to the continual operation and development of the Group. The remuneration package of employees generally consists of basic salaries, bonuses and allowances. The remuneration policy and package are regularly reviewed with reference to a range of indicators tailored to different departments and positions. In general, the Group determines the remuneration package based on the position, qualifications and years of experience of its employees.

In addition, the Group places strong emphasis on providing continuing education and training programs to its employees in order to improve their skills and develop their potential. The Group adopts evaluation programs through which the employees can receive feedback and foster strong employee relations by offering various staff benefits and personal development support. The Group strives to maintain a good working relationship with the employees, and until now, the Group has not experienced any material labor disputes or claims.

USE OF PROCEEDS FROM LISTING

The Company was successfully listed on the Main Board of Stock Exchange on May 30, 2025 (the "**Listing Date**"). After deducting the underwriting commissions, incentives and other offering expenses payable by the Company, the Company obtained the net proceeds from the Global Offering (as defined in the Prospectus) of approximately HK$134.2 million.

The Over-allotment Option (as defined in the Prospectus) was not exercised. The following table sets forth the intended application of the net proceeds and actual usage as of June 30, 2025:

Intended application	**Amount of net proceeds** ***(HK$ millions)***	**Percentage of total net proceeds**	**Utilized net proceeds for the Reporting Period** ***(HK$ millions)***	**Unutilized net proceeds as of June 30, 2025** ***(HK$ millions)***	**Expected timetable for the use of unutilized net proceeds**
For strengthening and optimizing the sales and marketing network and improving services					
(1) For expanding the sales team	36.2	27.0%	0.1	36.1	By the end of 2029
(2) For conducting marketing activities to promote its brand and services	24.2	18.0%	0.5	23.7	By the end of 2029
(3) For developing a new training curriculum system and an honors and training system for top-performing individuals	12.1	9.0%	—	12.1	By the end of 2029
(4) For exploring high-quality brokerages in the market	8.1	6.0%	—	18.1	By the end of 2029
For enhancing the research and development capabilities and improving technology infrastructure					
(1) For recruiting 3 to 5 programmers to optimize and iterate the Group's platforms	18.8	14.0%	—	18.8	By the end of 2029
(2) For purchasing servers and broadband infrastructure	8.1	6.0%	0.1	8.0	By the end of 2029
For selected mergers, acquisitions, and strategic investments	13.4	10.0%	—	13.4	By the end of 2029
For working capital and general corporate purposes	13.3	10.0%	0.2	13.1	By the end of 2029
Total	134.2	100.0%	0.9	133.3	

The remaining proceeds will continue to be applied for the purposes disclosed in the Prospectus. The expected timetable for utilizing the remaining proceeds is based on the best estimates of the future market conditions made by the Group. It may be subject to change based on the current and future development of market conditions.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board is of the view that the Company has complied with all applicable principles and code provisions of the Corporate Governance Code during the period from the Listing Date to June 30, 2025, except for a deviation from the code provision C.2.1 of the Corporate Governance Code, that the roles of the Chairman and chief executive officer of the Company are not separated and are both performed by Mr. Guang. With extensive experience in the Internet technology service and insurance intermediary industry, Mr. Guang is primarily responsible for overall strategic planning and operational decision making of the Group and is instrumental to the Group's growth and business expansion. The Board considers that vesting the roles of Chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and visionary individuals. The Board currently comprises four executive Directors (including Mr. Guang), two non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. Decisions to be made by the Board require approval by at least a majority of the Directors. Mr. Guang and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he/she acts for the benefit and in the best interests of the Company and will make decisions of the Group accordingly. The Board will continue to review the effectiveness of the corporate governance structure of the Company in order to assess whether separation of the roles of Chairman and chief executive officer is necessary.

Save as disclosed above, the Company is in compliance with all code provisions as set out in Part 2 of the Corporate Governance Code during the period from the Listing Date to June 30, 2025 and up to the date of this announcement.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors and the relevant employees.

Having made specific enquiries to all Directors, all of them have confirmed that they have complied with the Model Code during the period from the Listing Date to June 30, 2025.

AUDIT COMMITTEE

The Board has established the Audit Committee with written terms of reference in compliance with the requirements of the Corporate Governance Code. The terms of reference of the Audit Committee are set out on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.shouhui-tech.com).

As of the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Yuanxin Zhang, Mr. Haiquan Wu and Mr. Gang Shen, with Mr. Yuanxin Zhang serving as the chairman. The primary duties of the Audit Committee include, without limitation, (i) reviewing and supervising the financial reporting process and internal control system of the Group; (ii) overseeing the audit process; (iii) reviewing and approving connected transactions; and (iv) providing advice and comments to the Board.

The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the Reporting Period in conjunction with the management and the external auditor of the Company. Based on this review and discussions with the management, the Audit Committee considered that the interim results are in compliance with the applicable accounting standards, the Listing Rules and all other applicable legal requirements.

The unaudited interim consolidated financial statements has been reviewed by KPMG, the auditor of the Company, 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.

PURCHASE, SALE OR REDEMPTION OF THE SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the period from the Listing Date to June 30, 2025. As of the date of this announcement, the Company did not hold any treasury shares (including any treasury shares held or deposited with CCASS).

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

There is no subsequent event after the Reporting Period which has a material impact on the Group.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.shouhui-tech.com). The interim report for the Reporting Period will be dispatched to the Shareholders who have elected to receive printed copies and published on the above websites in due course.

DEFINITIONS

"Audit Committee"	the audit committee of the Board
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors of the Company
"CCASS"	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
"Chairman"	the chairman of the Board
"China" or "the PRC"	the People's Republic of China excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"claims adjustment"	assessing and investigating an insurance claim to determine if the insurance company should pay for damage or injuries, and the amount of payment
"Company"	Shouhui Group Limited (手回集團有限公司) (formerly known as Shouhui Tech Limited (手回科技有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on August 3, 2023, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 2621)
"Consolidated Affiliated Entities"	the entities the Group controls through the Contractual Arrangements

"Contractual Arrangements"	the series of contractual arrangements entered into by, among Shouhui Chuangxiang, the Consolidated Affiliated Entities and the Registered Shareholders (as defined in the Prospectus), the details of which are set out in the section headed "Contractual Arrangements" in the Prospectus
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company or any one of them
"FYP"	first year premiums, which include all premiums that policyholders are obligated to pay for short-term policies and the premiums that policyholders are obligated to pay in the first policy year for long-term policies
"Group", "our", "we" or "us"	the Company, its subsidiaries and the Consolidated Affiliated Entities at the relevant time
"GWP"	total premium from a contract expected to be received by an insurance company before deductions for reinsurance or ceding commissions
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards which include standards and interpretations as issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IP"	intellectual property
"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 of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Main Board"	the Main Board of the Stock Exchange

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Mr. Guang"	Mr. Yao Guang (光耀), an executive Director, chief executive officer, the Chairman
"NFRA"	National Financial Regulatory Administration (國家金融監督管理總局), formerly known as CBIRC
"Pre-IPO Share Award Scheme"	the pre-IPO share award scheme adopted by the Company on November 30, 2023
"Prospectus"	the prospectus issued by the Company dated May 22, 2025
"R&D"	research and development
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the six-month period from January 1, 2025 to June 30, 2025
"Share(s)"	ordinary share(s) with nominal value of US$0.00001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Shouhui Chuangxiang"	Shenzhen Shouhui Chuangxiang Technology Co., Ltd.* (深圳手回創想科技有限公司) (formerly known as Shouhui Chuangxiang Investment Consulting Co., Ltd* (深圳手回創想投資諮詢有限公司)), a limited liability company established under the laws of the PRC on December 6, 2017 and an indirect wholly owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto under the Listing Rules
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

"US$" or "United States dollars"	United States dollars, the lawful currency of the United States
"whole life insurance"	a permanent life insurance product offering guaranteed death benefits and guaranteed cash values
"%"	percent

* *For identification purpose only*

By order of the Board
Shouhui Group Limited
(手回集團有限公司)
Mr. Yao Guang
Executive Director, Chairman
and Chief Executive Officer

Hong Kong, August 26, 2025

As of the date of this announcement, the Board comprises (i) Mr. Yao Guang, Mr. Liwei Han, Ms. Li Liu and Mr. Jianting Li as executive Directors; (ii) Mr. Byron Ye and Mr. Sirui Li as non-executive Directors; and (iii) Mr. Gang Shen, Mr. Haiquan Wu and Mr. Yuanxin Zhang as independent non-executive Directors.