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# CHEERWIN

**Cheerwin Group Limited**

**朝雲集團有限公司**

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

**(Stock Code: 6601)**

## **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'000</b>	<b>RMB'000</b>	<b>(%)</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	<b>1,338,807</b>	1,249,136	7.2
Gross profit	<b>659,785</b>	579,011	14.0
Profit before tax	<b>231,701</b>	220,065	5.3
Profit for the period	<b>171,106</b>	175,873	-2.7
Earnings per share			
– Basic (cents)	<b>13.02</b>	13.46	-3.3

## OPERATING HIGHLIGHTS

In the first half of 2025, the Group focused on market opportunities by prioritizing customer value, leading to an overall enhancement in business performance:

- Continuous growth in overall revenue: Our revenue increased by 7.2% from RMB1,249.1 million for the six months ended 30 June 2024 to RMB1,338.8 million for the Reporting Period.
- High growth in online channels: The Group developed high-quality, sustainable channel marketing strategies based on profitability. Benefiting from the rapid growth of content e-commerce channels like Douyin (抖音), revenue generated from online channels increased by 27.4% during the Reporting Period as compared to the six months ended 30 June 2024.
- Exponential growth in pet business: Benefiting from the creation of hot-selling products online and the expansion of high-quality store offline, revenue generated from pet business during the Reporting Period grew by 101.4% as compared to the six months ended 30 June 2024.
- Continuous rise in profit before tax for the period: The Group adhered to the business principle of high quality, sustainability and stable profit, and implemented effective cost management measures to ensure a continued, steady increase in revenue, cash and profits. Our profit before tax increased by 5.3% from RMB220.1 million for the six months ended 30 June 2024 to RMB231.7 million for the six months ended 30 June 2025.
- Continuous improvement in gross profit: The overall gross profit margin increased by 2.9 percentage points, driven by the improvement of the Group's brand influence and the continuous optimization of category and channel structures, along with ongoing enhancements in supply chain operational efficiency.
- Adequate cash reserves: As at 30 June 2025, the total amount of cash, cash equivalents and various bank deposits of the Group amounted to RMB2,650.0 million.

## INTERIM DIVIDEND

- The Board resolved to declare the payment of an interim dividend of RMB0.0521 per Share (equivalent to HK\$0.0571 per Share) for the six months ended 30 June 2025, and the dividend payout ratio remained stable at 40.0% for the six months ended 30 June 2025 (dividend payout ratio for the six months ended 30 June 2024: 40.0%).

The board (the “**Board**”) of directors (the “**Directors**”) of Cheerwin Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated results (“**Interim Results**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”). The Interim Results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

## BUSINESS OVERVIEW AND OUTLOOK

### Business Overview

In the first half of 2025, the Group focused on market opportunities by prioritizing customer value, with the continuous improvement of overall business performance. We adhered to the business principle of high quality, sustainability and stable profit, and implemented effective cost management measures to ensure a continued, steady increase in revenue, cash and profits.

The breakdown of revenue by product categories are as follows:

- For household care products category, which includes household repellent and insecticide products, household cleaning and air care products, revenue for the Reporting Period was RMB1,214.2 million, representing an increase of 4.3% as compared to the six months ended 30 June 2024;
- For the pet stores and pet products category, revenue for the Reporting Period was RMB96.0 million, representing an increase of 101.4% as compared to the six months ended 30 June 2024; and
- For the personal care products category, revenue for the Reporting Period was RMB25.8 million, representing a decrease of 25.8% as compared to the six months ended 30 June 2024.

The breakdown of revenue by sales channels are as follows:

- For online channels, revenue for the Reporting Period was RMB517.2 million, representing an increase of 27.4% as compared to the six months ended 30 June 2024; and
- For offline channels, which comprises offline distributors, corporate and institutional customers, overseas distributors, retail channel (Liby Channel), OEM business and physical pet stores, etc., revenue for the Reporting Period was RMB821.6 million, representing a decrease of 2.6% as compared to the six months ended 30 June 2024.

In the first half of 2025, the Group implemented several measures to increase revenue and reduce expenditure, achieving high-quality, sustainable, and stable profit development across its overall performance:

- Online sales channels: The Group achieved rapid growth on content e-commerce channels with more channels surpassing RMB100 million in value while building upon the established success on Taobao (淘寶) related platforms, JD.com (京東), and Pinduoduo (拼多多). It increased the sales proportion of portable mosquito repellents, household cleaning products, pet food, and other trending items. Meanwhile, it optimised production to enhance the efficiency and profitability of its online operations.

- **Offline sales channels:** We adopted a multi-category distribution approach for distribution channels with a focus on the distribution volume of high-margin products and the quality of distribution outlets to expand the market reach. In terms of sales, we adopt special display techniques to promote our products, including, among others, product image showcase, products stacking with chamfers arrangement (堆頭切角) and shelf banners with an aim to improve the efficiency of our resource utilisation.
- **Pet business:** We carried out high-quality expansion, creating popular fresh food pack products online and increasing return on investment. By enhancing the brand's visual image and professional service offerings, standardizing the store business model, and developing the information system for our physical stores, we achieved a doubling of growth in the pet business.
- **Product innovation:** The Group created popular high-margin products that address consumers' pain points through technological innovation, optimising its overall revenue structure and improving its profitability. It consistently strengthened its top-tier brand influence in insecticides, repellents, and household cleaning products to introduce exceptional, differentiated key products with potent efficacy and wholesome ingredients, further optimising its product lineups.
- **Supply chain reform:** By continuously implementing technological renovations and adding automated production lines in our own factories to enhance production efficiency, carrying out lean production management for third-party factories, and upgrading and innovating R&D formulas, we have improved the Group's overall supply chain operational efficiency, optimized supply costs, and enhanced the Group's overall profitability.

The Group has continued to promote its brands and products with marketing strategies of digitalization, socialization and personalization. We have strived to offer our consumers the one-stop high quality products for household care, personal care, and pet categories, and have been recognized and well received by our consumers. In particular, NielsenIQ retail market data showed that the Group's household insecticides and repellents products ranked first in China in terms of comprehensive market share of similar products for eleven consecutive years from 2015 to 2025. During the Reporting Period, the Group secured the top position in offline market share across several categories, including electrothermal mosquito repellents, insecticidal aerosols, and toilet cleaners.

## Business Outlook

Given the current environment, the Company adheres to operational guidelines of high quality, sustainability and stable profit, and maintains strong cash flow, continuously improves profitability, and sticks to a high dividend policy. In the second half of 2025, the Company will focus on the following growth strategies:

1.
  - Expansion of household care business: We will further develop our high-end natural household care product line to enhance the gross profit margin of products and promote distribution coverage of household cleaning products. We aim to continue the upgrading of insecticide and repellent products, develop cockroach and dust mite elimination product lines, and accelerate online and offline marketing;
  - Expansion of pet business: We will continue to promote the development of our pet business and establish our pet business moat by further expanding our pet store coverage area and the number of stores, improving single-store profitability and creating a portfolio of hit pet food products and supplies online;
  - Breakthrough in online channels: We will maintain the branding and market position on platforms under Taobao related platforms, JD.com and Pinduoduo, speed up the development of content e-commerce channels such as Douyin, further consolidate our leading position and business moat in terms of the core competitiveness of our various product categories and enhance the profitability from our e-commerce segment;
  - Further in-depth development of offline channels: We will reinforce the distribution of the entire product portfolio, expand the marketing of products with high gross margins so as to further consolidate our leading position in offline distribution channels;
2. Technology R&D improvement: integrate internal and external R&D resources to continuously enhance the know-how of our team, maintain our leading R&D capabilities in the industry, propel technological innovation, and introduce more high-quality and differentiated products;
3. Empowerment through team's building: continue to promote diversified portfolio incentive mechanisms to enhance the Group's organisational cohesion and coordination and ensure efficient implementation of the Group's development strategies;
4. Proactiveness in mergers and acquisitions opportunities: focus on domestic and foreign pet, personal care, cosmetics, and fast-moving consumer goods (FMCG) industries, speed up the pace of merger and acquisition, and target quality projects with stable cash flow, clear profit model and room for business development; and
5. Implementation of dividend policy: continue a high-proportion and stable dividend policy to maximise the Company's shareholders' returns.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	NOTES	RMB'000 (unaudited)	RMB'000 (unaudited)
<b>Revenue</b>	3	<b>1,338,807</b>	1,249,136
Cost of sales		<u>(679,022)</u>	<u>(670,125)</u>
<b>Gross profit</b>		<b>659,785</b>	579,011
Other income	4	<b>55,322</b>	59,997
Other gains and losses	5	<b>9,596</b>	(11,684)
Impairment losses under expected credit loss model, net of reversal		<b>(3,485)</b>	(1,985)
Selling and distribution expenses	6	<b>(408,262)</b>	(317,747)
Administrative expenses		<b>(80,054)</b>	(86,789)
Finance cost	7	<u><b>(1,201)</b></u>	<u>(738)</u>
<b>Profit before tax</b>		<b>231,701</b>	220,065
Income tax expense	8	<u><b>(60,595)</b></u>	<u>(44,192)</u>
<b>Profit for the period</b>	9	<u><b>171,106</b></u>	<u>175,873</u>
<b>Other comprehensive (expense) income</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u><b>(16,830)</b></u>	<u>8,240</u>
<b>Total comprehensive income for the period</b>		<u><b>154,276</b></u>	<u>184,113</u>
<b>Profit (loss) for the period attributable to:</b>			
Owners of the Company		<b>173,562</b>	179,461
Non-controlling interests		<u><b>(2,456)</b></u>	<u>(3,588)</u>
		<u><b>171,106</b></u>	<u>175,873</u>
<b>Total comprehensive income (expense) for the period attributable to:</b>			
Owners of the Company		<b>156,732</b>	187,730
Non-controlling interests		<u><b>(2,456)</b></u>	<u>(3,617)</u>
		<u><b>154,276</b></u>	<u>184,113</u>
<b>Earnings per share</b>			
Basic (RMB cents)	11	<u><b>13.02</b></u>	<u>13.46</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
	<i>NOTES</i>		
<b>Non-current assets</b>			
Property, plant and equipment		143,517	147,013
Right-of-use assets		53,776	53,837
Interest in associates		3,283	3,283
Deposits paid for acquisition of property, plant and equipment		356	407
Financial assets at fair value through profit or loss ("FVTPL")		111,923	111,923
Time deposits		308,433	103,162
Deferred tax assets		63,684	60,400
		<u>684,972</u>	<u>480,025</u>
<b>Current assets</b>			
Inventories		153,345	318,027
Trade and other receivables	12	152,424	97,460
Tax recoverable		–	19,230
Amounts due from related parties		48,341	12,303
Other financial assets at amortised cost		296,271	270,180
Time deposits		1,405,850	1,713,053
Bank balances and cash		935,685	891,425
		<u>2,991,916</u>	<u>3,321,678</u>
<b>Current liabilities</b>			
Trade and other payables	13	389,360	406,182
Contract liabilities		46,925	292,938
Dividend payable		89,857	–
Amounts due to related parties		33,137	58,426
Lease liabilities		21,401	18,991
Income tax payables		14,462	5,439
		<u>595,142</u>	<u>781,976</u>
<b>Net current assets</b>		<u>2,396,774</u>	<u>2,539,702</u>
<b>Total assets less current liabilities</b>		<u>3,081,746</u>	<u>3,019,727</u>

	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
<b>Non-current liability</b>		
Lease liabilities	<u>29,169</u>	<u>30,493</u>
<b>Net assets</b>	<u><b>3,052,577</b></u>	<u><b>2,989,234</b></u>
<b>Capital and reserves</b>		
Share capital	2	2
Reserves	<u>3,056,679</u>	<u>2,990,880</u>
Equity attributable to owners of the Company	<b>3,056,681</b>	2,990,882
Non-controlling interests	<u>(4,104)</u>	<u>(1,648)</u>
<b>Total equity</b>	<u><b>3,052,577</b></u>	<u><b>2,989,234</b></u>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2025*

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements of Cheerwin Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to an IFRS Accounting Standard, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

### **Application of amendments to an IFRS Accounting Standard**

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

#### (i) Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue by types of products or services		
Household care ( <i>Note i</i> )	1,214,162	1,163,557
Pet stores and pet products	95,955	47,633
Personal care	25,776	34,752
Others ( <i>Note ii</i> )	2,914	3,194
	<hr/>	<hr/>
Total	1,338,807	1,249,136
	<hr/>	<hr/>
Timing of revenue recognition		
At a point in time	1,338,807	1,249,136
	<hr/>	<hr/>

*Notes:*

- (i) Household care included household insecticides and repellents, household cleaning and air care products.
- (ii) Others included numerous household supplies, appliances, other products and testing services, none of them accounted for a material portion individually.

#### (ii) Transaction price allocated to the remaining performance obligations for contracts with customers

As at 30 June 2025, the Group had aggregate amount of the transaction price allocated to remaining performance obligations (unsatisfied or partially unsatisfied) amounted to approximately RMB46,925,000 (unaudited) (31 December 2024: RMB292,938,000 (audited)). The amounts were equivalent to the contract liabilities as at 30 June 2025 and 31 December 2024, which represented payments received from customers by the Group while the underlying goods are yet to be delivered.

Based on the information available to the Group at the end of the reporting period, the management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as at 30 June 2025 and 31 December 2024 will be recognised as revenue within next twelve months.

#### (iii) Segment information

Revenue and operating result of the Group are reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group’s accounting policies. No other analysis of the Group’s results nor assets and liabilities is regularly provided to the CODM for review and the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures on revenue, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

**(iv) Geographic information**

The Group principally operates in the PRC, which is also the place of domicile. The Group's revenue is substantially all derived from operations in the PRC and the Group's non-current assets are substantially all located in the PRC.

**(v) Information about major customers**

There was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue for the six months ended 30 June 2025 and 2024.

**4. OTHER INCOME**

	<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>
Government grants ( <i>Note</i> )	<b>12,029</b>	9,018
Bank interest income	<b>34,362</b>	43,910
Interest income from other financial assets at amortised cost	<b>6,151</b>	5,164
Investment income from financial assets at FVTPL	<b>2,337</b>	1,416
Others	<b>443</b>	489
	<b>55,322</b>	59,997

*Note:* The amount represented subsidy income received from certain government authorities in the PRC for the purpose of giving immediate financial support to the Group with no future obligations.

## 5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Gains (losses) on disposal of property, plant and equipment	75	(1)
Donations	–	(50)
Foreign exchange gains (losses), net	9,521	(1,237)
Loss on fair value changes of a financial asset at FVTPL	–	(10,016)
Loss on fair value changes of contingent consideration as liability at FVTPL	–	(380)
	<u>9,596</u>	<u>(11,684)</u>

## 6. SELLING AND DISTRIBUTION EXPENSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Staff costs	57,883	56,768
Promotion expenses	37,815	38,540
E-commerce channel promotion expenses	203,011	136,226
Advertising service expenses	26,364	11,754
Transportation and storage expenses	63,084	59,062
Marketing expenses	11,762	10,330
Others	8,343	5,067
	<u>408,262</u>	<u>317,747</u>

## 7. FINANCE COST

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest expense on lease liabilities	<u>1,201</u>	<u>738</u>

## 8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Enterprise Income Tax (“EIT”):		
Current tax	63,943	48,627
Overprovision in prior year	(64)	(4,257)
	<hr/>	<hr/>
	63,879	44,370
Deferred tax	(3,284)	(178)
	<hr/>	<hr/>
	60,595	44,192
	<hr/>	<hr/>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 of the Cayman Islands and is exempted from the Cayman Islands income tax.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the PRC EIT rate of subsidiaries of the Group operating in the PRC was 25% for both periods, except for those described below.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Anfu Cheerwin Biotechnology Company Limited (“Anfu Cheerwin”) has been qualified as a New and Hi-Tech Enterprise and entitled to a preferential tax rate of 15% from 2022 to 2024 granted by the local tax authority. As at 30 June 2025 and up to the date of issuance of this condensed consolidated financial statements, Anfu Cheerwin is still in progress of applying for New and Hi-Tech Enterprise in 2025.

## 9. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
– Directors' remuneration	8,445	7,990
Other staff costs:		
– Salaries and other allowances	94,697	97,232
– Contributions to retirement benefits scheme	8,491	6,489
– Share-based payment expenses	–	382
Total staff costs ( <i>Note i</i> )	111,633	112,093
Depreciation of property, plant and equipment	10,352	10,919
Depreciation of right-of-use assets	10,636	7,285
Total depreciation	20,988	18,204
Less: capitalised in inventories	(1,997)	(3,221)
	18,991	14,983
Impairment losses recognised on goodwill included in		
– administrative expenses	–	6,280
Auditor's remuneration	2,653	2,173
Research and development costs (included in administrative expenses)	12,488	13,029
Cost of inventories recognised as an expense ( <i>Note ii</i> )	677,981	670,319

### Notes:

- (i) Total staff costs have been charged to the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Staff costs included in cost of inventories	13,963	13,696
Selling and distribution expenses	57,883	56,768
Administrative expenses	39,787	41,629
	111,633	112,093

- (ii) Amount excluded allowance for inventories of approximately RMB1,041,000 (unaudited) (six months ended 30 June 2024: reversal of write-down of inventories of approximately RMB194,000 (unaudited)).

## 10. DIVIDENDS

During the current interim period, a final dividend of RMB0.0682 per ordinary share (equivalent to HK\$0.0739 per ordinary share) in respect of the year ended 31 December 2024 (six months ended 30 June 2024: RMB0.0640 per ordinary share (equivalent to HK\$0.0705 per ordinary share) in respect of the year ended 31 December 2023) was declared to owners of the Company. The aggregate amount of the final dividend amounted to approximately RMB90,933,000 (six months ended 30 June 2024: RMB85,333,000) was paid on 8 July 2025.

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of RMB0.0521 per ordinary share (equivalent to HK\$0.0571 per ordinary share) amounting to RMB69,467,000 in aggregate (six months ended 30 June 2024: RMB0.0538 per ordinary share (equivalent to HK\$0.0588 per ordinary share) amounting to RMB71,733,000 in aggregate) will be paid to owners of the Company whose names appear in the Register of Members on 16 September 2025.

## 11. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	<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>
Earnings for the purposes of calculating basic earnings per share (profit for the period attributable to the owners of the Company)	<b>173,562</b>	179,461
	<b>No. of Shares</b>	No. of Shares
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>1,333,334</b>	1,333,334

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of the Company's shares for the six months ended 30 June 2025 and 2024.

## 12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade receivables	79,070	16,750
Less: Allowance for credit losses	(4,270)	(912)
	<u>74,800</u>	<u>15,838</u>
Prepayments for purchase of raw materials	13,904	10,467
Prepaid promotion service expenses	18,356	7,623
Other tax recoverables	16,120	45,185
Receivables from payment intermediaries ( <i>Note a</i> )	11,125	3,270
Other receivables ( <i>Note b</i> )	18,119	15,077
	<u>152,424</u>	<u>97,460</u>

*Notes:*

- (a) Receivables from payment intermediaries represent the sales received by Alipay, Jingdong and other platforms on behalf of the Group for the online platform sales. The balance will be transferred back to the bank accounts of the Group upon the Group's instruction.
- (b) Other receivables represent advances to staff and other miscellaneous deposits, which are unsecured, non-interest bearing and repayable in 12 months.

### Trade receivables

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on an individual basis. Credit limits attributed to customers are reviewed regularly.

The Group generally requires advance payments from majority of its customers before delivery of goods. For certain customers, the Group allows credit terms of 30 to 60 days from the invoice date for trade receivables.



The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date which approximated the revenue recognition date at the end of each reporting period:

	As at <b>30 June 2025</b> <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Within 30 days	<b>41,891</b>	8,778
31–60 days	<b>25,981</b>	7,060
61–90 days	<b>4,573</b>	–
91–120 days	<b>2,355</b>	–
	<hr/> <b>74,800</b> <hr/>	<hr/> 15,838 <hr/>

As at 30 June 2025, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately RMB6,928,000 (unaudited) (31 December 2024: RMB nil (audited)) which are past due as at the reporting date. The directors of the Company are of the opinion that there has not been a significant change in credit quality and the balances are still considered fully recoverable considering factors such as historical settlement patterns from and on-going business relationship with these customers.

The Group applies the simplified approach to provide for expected credit losses (“ECL”) prescribed by IFRS 9 “Financial Instruments”, which permits the use of the lifetime expected loss provision for trade receivables.

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. The remaining trade receivables are assessed collectively, grouped by internal credit rating taking into account past due status of respective receivables. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

During the six months ended 30 June 2025, the Group recognised credit loss allowance of approximately RMB3,485,000 (unaudited) (six months ended 30 June 2024: RMB1,985,000 (unaudited)) for trade receivables.

### 13. TRADE AND OTHER PAYABLES

	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Trade payables	159,623	189,907
Accrued sales rebates ( <i>Note</i> )	118,350	124,545
Other accrued expenses	43,475	23,616
Accrued staff payroll and welfare	37,652	48,791
Construction costs payables	1,321	3,290
Other tax payables	20,229	4,055
Other payables	8,710	11,978
	<u>389,360</u>	<u>406,182</u>

*Note:* The accrued sales rebates will be settled in cash or through offsetting future sales orders, at the discretion of the Group's customers.

#### Trade payables

The credit period of trade payables is normally within 20 to 60 days from the invoice date.

The following is an aged analysis of trade payables, presented based on the invoice date at the end of each reporting period:

	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Within 30 days	62,679	108,645
31–60 days	74,354	63,261
61–90 days	17,706	11,506
Over 90 days	4,884	6,495
	<u>159,623</u>	<u>189,907</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### Revenue

The Group derived its revenue primarily from the sales of (i) household care products; (ii) pet stores and pet products; (iii) personal care products; and (iv) others to customers through our omni-channel sales and distribution network. Our revenue is stated net of allowances for returns, sales discounts, rebates and value-added tax.

Our revenue increased by 7.2% from RMB1,249.1 million for the six months ended 30 June 2024 to RMB1,338.8 million for the six months ended 30 June 2025. The increase was primarily attributable to the Group's success in capturing market opportunities and actively promoting the rapid development of product categories, online channels and pet business.

#### *Revenue by product categories*

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Household Care <sup>(1)</sup>	1,214,162	90.7	1,163,557	93.1
Pet Stores and Pet Products	95,955	7.2	47,633	3.8
Personal Care	25,776	1.9	34,752	2.8
Others <sup>(2)</sup>	2,914	0.2	3,194	0.3
<b>Total</b>	<b>1,338,807</b>	<b>100.0</b>	<b>1,249,136</b>	<b>100.0</b>

Notes:

- (1) Household Care included household insecticide and repellent products, household cleaning and air care products.
- (2) Others included numerous household supplies, appliances, other products and testing services, and none of them accounted for a material portion individually.

Our revenue from household care products increased by 4.3% from RMB1,163.6 million for the six months ended 30 June 2024 to RMB1,214.2 million for the six months ended 30 June 2025.

Our revenue from pet stores and pet products increased by 101.4% from RMB47.6 million for the six months ended 30 June 2024 to RMB96.0 million for the six months ended 30 June 2025.

Our revenue from personal care products decreased by 25.8% from RMB34.8 million for the six months ended 30 June 2024 to RMB25.8 million for the six months ended 30 June 2025.

## Revenue by sales channels

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Online Channels <sup>(1)</sup>	517,189	38.6	405,854	32.5
Offline Channels <sup>(2)</sup>	821,618	61.4	843,282	67.5
<b>Total</b>	<b>1,338,807</b>	<b>100.0</b>	<b>1,249,136</b>	<b>100.0</b>

Notes:

- (1) Online channels included self-operated online stores, online distributors, and community e-commerce platforms.
- (2) Offline channels included offline distributors, corporate and institutional customers, overseas distributors, retail channel (Liby Channel), OEM business and physical pet stores, etc..

Revenue from online channels increased by 27.4% from RMB405.9 million for the six months ended 30 June 2024 to RMB517.2 million for the six months ended 30 June 2025.

Revenue from offline channels decreased by 2.6% from RMB843.3 million for the six months ended 30 June 2024 to RMB821.6 million for the six months ended 30 June 2025.

## Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 14.0% from RMB579.0 million for the six months ended 30 June 2024 to RMB659.8 million for the six months ended 30 June 2025. Our gross profit margin increased by 2.9 percentage points from 46.4% for the six months ended 30 June 2024 to 49.3% for the six months ended 30 June 2025, primarily due to the enhancement of the Group's brand influence, the continuous refinement of its product offerings and channel structure as well as the continual improvement of operating efficiency in its supply chain.

## Gross profit and gross profit margin by product categories

	Six months ended 30 June			
	2025		2024	
	Gross Profit RMB'000	Gross Profit Margin %	Gross Profit RMB'000	Gross Profit Margin %
Household Care <sup>(1)</sup>	595,839	49.1	540,137	46.4
Pet Stores and Pet Products	55,761	58.1	23,601	49.5
Personal Care	10,340	40.1	14,716	42.3
Others <sup>(2)</sup>	-2,155	-74.0	557	17.4
<b>Total</b>	<b>659,785</b>	<b>49.3</b>	<b>579,011</b>	<b>46.4</b>

*Notes:*

- (1) Household Care included household insecticide and repellent products, household cleaning and air care products.
- (2) Others included numerous household supplies, appliances, other products and testing services and none of them accounted for a material portion individually.

Our gross profit of household care products for the six months ended 30 June 2025 was RMB595.8 million, whereas the gross profit margin has increased from 46.4% for the six months ended 30 June 2024 to 49.1% for the six months ended 30 June 2025.

Our gross profit of pet stores and pet products for the six months ended 30 June 2025 was RMB55.8 million, whereas the gross profit margin has increased from 49.5% for the six months ended 30 June 2024 to 58.1% for the six months ended 30 June 2025.

Our gross profit of personal care products for the six months ended 30 June 2025 was RMB10.3 million, whereas the gross profit margin has decreased from 42.3% for the six months ended 30 June 2024 to 40.1% for the six months ended 30 June 2025.

***Gross profit and gross profit margin by sales channels***

	Six months ended 30 June			
	2025		2024	
	<b>Gross Profit</b>	<b>Gross Profit Margin</b>	<b>Gross Profit</b>	<b>Gross Profit Margin</b>
	<b>RMB'000</b>	<b>%</b>	<b>RMB'000</b>	<b>%</b>
Online Channels <sup>(1)</sup>	<b>309,956</b>	<b>59.9</b>	220,644	54.4
Offline Channels <sup>(2)</sup>	<b>349,829</b>	<b>42.6</b>	358,367	42.5
<b>Total</b>	<b>659,785</b>	<b>49.3</b>	<b>579,011</b>	<b>46.4</b>

*Notes:*

- (1) Online channels included self-operated online stores, online distributors, and community e-commerce platforms.
- (2) Offline channels included offline distributors, corporate and institutional customers, overseas distributors, retail channel (Liby Channel), OEM business and physical pet stores, etc..

Our gross profit of online channels for the six months ended 30 June 2025 was RMB310.0 million, whereas the gross profit margin has increased from 54.4% for the six months ended 30 June 2024 to 59.9% for the six months ended 30 June 2025.

Our gross profit of offline channels for the six months ended 30 June 2025 was RMB349.8 million, whereas the gross profit margin has remained stable at 42.5% and 42.6% for the six months ended 30 June 2024 and 2025, respectively.

### **Other Income**

Our other income decreased by 7.8% from RMB60.0 million for the six months ended 30 June 2024 to RMB55.3 million for the six months ended 30 June 2025, primarily due to the decrease of bank interest. Our other income as a percentage of our total revenue remained relatively steady at 4.8% and 4.1% for the six months ended 30 June 2024 and 2025, respectively.

### **Selling and Distribution Expenses**

Our selling and distribution expenses increased by 28.5% from RMB317.7 million for the six months ended 30 June 2024 to RMB408.3 million for the six months ended 30 June 2025, primarily attributable to the impact of the increase in the revenue scale of the Group's online channels and pet business, which was in line with the growth of our business.

### **Administrative Expenses**

Our administrative expenses decreased by 7.8% from RMB86.8 million for the six months ended 30 June 2024 to RMB80.1 million for the six months ended 30 June 2025, primarily attributable to the improvement in overall operational efficiency and the reduction in impairment loss in goodwill.

### **Other Gains and Losses**

We recorded other gains of RMB9.6 million for the six months ended 30 June 2025, as compared to other losses of RMB11.7 million for the same period in 2024, primarily relating to the fair value change of the Group's investments and exchange rate fluctuations.

### **Finance Cost**

Our finance cost remain relatively stable at RMB0.7 million and RMB1.2 million for the six months ended 30 June 2024 and for the six months ended 30 June 2025, respectively.

### **Profit before Tax**

As a result of the foregoing, our profit before income tax increased by 5.3% from RMB220.1 million for the six months ended 30 June 2024 to RMB231.7 million for the six months ended 30 June 2025.

## **Income Tax Expense**

Our income tax expense increased by 37.1% from RMB44.2 million for the six months ended 30 June 2024 to RMB60.6 million for the six months ended 30 June 2025, mainly due to the increase in our profit before tax and the impact of the income tax rate. One of our subsidiaries which enjoyed a preferential income tax rate of 15% since 2022 due to its status as a qualified hightech enterprise, was still undergoing the renewal process for its qualification as of 30 June 2025, hence a higher tax rate of 25% was adopted. As such, our effective tax rate increased from 20.1% for the six months ended 30 June 2024 to 26.2% for the six months ended 30 June 2025.

## **Profit for the Period**

As a result of the foregoing, our profit mildly decreased by 2.7% from RMB175.9 million for the six months ended 30 June 2024 to RMB171.1 million for the Reporting Period. Our net profit margin decreased from 14.1% for the six months ended 30 June 2024 to 12.8% for the six months ended 30 June 2025.

## **Operating Cash Flows**

Net operating cash outflow for the six months ended 30 June 2025 was RMB36.4 million, as compared to net operating cash outflow of RMB159.7 million for the six months ended 30 June 2024, resulting from our profit before tax of RMB231.7 million, adjustment of non-cash and non-operating items, movements in working capital, and income tax paid.

## **Capital Expenditures**

Our capital expenditures slightly decreased from RMB19.6 million for the six months ended 30 June 2024 to RMB18.2 million for the six months ended 30 June 2025. Our capital expenditures were used primarily for acquisition of property, plant and equipment and right-of-use assets. We financed our capital expenditures primarily through our cash generated from our operating activities.

## **Financial Position**

Historically, we funded our operations primarily with net cash generated from our business operations. After the global offering of the Company (the “**Global Offering**”), we intend to finance our future capital requirements through the same sources of funds above, together with the net proceeds we received from the Global Offering.

As at 30 June 2025, we had RMB2,650.0 million in cash and cash equivalents and time deposits, most of which were denominated in RMB.

## **Gearing Ratio**

The gearing ratio (calculated using total interest bearing debt (consists of current and non-current lease liabilities) divided by total equity, multiplied by 100%) remained stable at 1.7% and 1.7% as at 31 December 2024 and 30 June 2025, respectively.

## **Significant Investments Held**

The Group maintains a portfolio of investments which generate steady income with potential of capital appreciation. The Group did not hold other significant investments which constitutes a fair value of 5% or above of the total assets of the Group as at 31 December 2024 and 30 June 2025, respectively.

## **Funding and Treasury Policy**

The Group adopts a stable approach on its finance and treasury policy, aiming to maintain an optimal financial position, the most economic finance costs, and minimal financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

## **Material Acquisitions and Future Plans for Major Investment**

During the six months ended 30 June 2025, the Group did not conduct any material acquisitions or disposals. In addition, save for the expansion plans as disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 26 February 2021 (the “**Prospectus**”), the Group has no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

## **Exposure to Fluctuations in Exchange Rates**

The Group operates mainly in China with most of its transactions settled in RMB. However, the Group is exposed to foreign exchange risk arising mainly from deposits denominated in USD and Hong Kong dollars. The Group closely monitors the exchange rate fluctuations and reviews its foreign exchange risk management strategies from time to time. The Board may consider hedging foreign exchange exposures where appropriate in order to minimize its foreign exchange risk.



## Pledge of Assets

The Group did not have any pledged assets as at 30 June 2025 and 31 December 2024.

## Contingent Liabilities

As at 30 June 2025, the Group had no significant contingent liabilities.

## Human Resources

As at 30 June 2025, the number of employees of the Group was 1,321 as compared to 1,140 as at 30 June 2024, mainly due to the business expansion of physical pet stores. The total cost of staff, including basic salary and wages, social insurance and bonus remained relatively steady at RMB112.1 and RMB111.6 million for the six months ended 30 June 2024 and 2025, respectively.

The Company has also adopted a share option scheme and a restricted share award scheme to attract, retain and motivate talented employees. To maintain the quality, knowledge and skill levels of our employees, we regularly organize training activities for our employees.

## OTHER INFORMATION

### Use of Proceeds from Global Offering

The shares of the Company (the “**Shares**”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 March 2021 (the “**Listing Date**”). The Company received net proceeds (after deduction of the underwriting commissions and related costs and expenses) from the Global Offering of approximately RMB2,418.8 million (equivalent to approximately HK\$2,883.8 million). The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus. The details of intended application of net proceeds from the Global Offering are set out as follows:

Item	Approximate % of total net proceeds	Net proceeds from the Global Offering (RMB million)	Unutilised net amount as at 31 December 2024 (RMB million)	Actual net amount utilised during the Reporting Period (RMB million)	Actual net amount utilised up to 30 June 2025 (RMB million)	Unutilised net amount as at 30 June 2025 (RMB million)	Expected timeline of full utilisation of the unutilised proceeds
Research and development of new products, upgrade of existing products and development of new brands and categories	7.1%	171.8	101.2	13.8	84.4	87.4	Expected to be fully utilised by the end of 2026
Facilitate the construction and upgrade of relevant research and development centers and support their research activities	10.2%	246.7	246.7	–	–	246.7	Expected to be fully utilised by the end of 2026

Item	Approximate % of total net proceeds	Net proceeds from the Global Offering (RMB million)	Unutilised net amount as at 31 December 2024 (RMB million)	Actual net amount utilised during the Reporting Period (RMB million)	Actual net amount utilised up to 30 June 2025 (RMB million)	Unutilised net amount as at 30 June 2025 (RMB million)	Expected timeline of full utilisation of the unutilised proceeds
Motive existing research personnel and recruit additional experienced and talented personnel for our research and development team	2.7%	65.3	65.3	–	–	65.3	Expected to be fully utilised by the end of 2026
Further develop online distribution channels	10.0%	241.9	–	–	241.9	–	Not applicable
Further enhance our offline distribution network	5.0%	120.9	91.3	16.9	46.5	74.4	Expected to be fully utilised by the end of 2026
Establish and optimise our overseas online and offline sales network and develop new markets	5.0%	120.9	120.9	–	–	120.9	Expected to be fully utilised by the end of 2026
Enhance our market penetration in lower-tier cities	5.0%	120.9	110.7	–	10.2	110.7	Expected to be fully utilised by the end of 2026
Invest in online brand marketing activities to enhance brand and product awareness and educate customers	10.0%	241.9	124.8	29.4	146.5	95.4	Expected to be fully utilised by the end of 2026
Establish overseas supply chain to improve our cost advantage for our overseas operations	1.5%	36.3	36.3	–	–	36.3	Expected to be fully utilised by the end of 2026
Upgrade our existing production facilities and existing production lines at our Anfu and Panyu plants, and to establish new production lines to increase production capacity and efficiency	1.5%	36.3	36.3	–	–	36.3	Expected to be fully utilised by the end of 2026
Establish a supply chain base in Shanghai which include a warehouse and a logistic center and offices	7.0%	169.3	169.3	–	–	169.3	Expected to be fully utilised by the end of 2026

Item	Approximate % of total net proceeds	Net proceeds from the Global Offering (RMB million)	Unutilised net amount as at 31 December 2024 (RMB million)	Actual net amount utilised during the Reporting Period (RMB million)	Actual net amount utilised up to 30 June 2025 (RMB million)	Unutilised net amount as at 30 June 2025 (RMB million)	Expected timeline of full utilisation of the unutilised proceeds
Deepen our digitalisation strategy, enhance information technology infrastructure, and further develop our technology and data-driven middle-office for our supply chain management, consumer community and proprietary platform operation and distribution channel management to improve operating efficiency	10.0%	241.9	232.4	1.3	10.8	231.1	Expected to be fully utilised by the end of 2026
Strategic acquisitions of upstream and downstream businesses to acquire external high quality, complementary technologies, brands and businesses	15.0%	362.8	188.7	–	174.1	188.7	Expected to be fully utilised by the end of 2026
Working capital and other general corporate purposes	10.0%	241.9	241.9	–	–	241.9	Expected to be fully utilised by the end of 2026
<b>Total</b>	<b>100.0%</b>	<b>2,418.8</b>	<b>1,765.8</b>	<b>61.4</b>	<b>714.4</b>	<b>1,704.4</b>	

As at 30 June 2025, the remaining proceeds of approximately RMB1,704.4 million (equivalent to approximately HK\$1,869.0 million) will continue to be used in accordance with the purposes as set out in the Prospectus and follow the expected implementation timetable as disclosed in the Prospectus. Majority of the unutilised net proceeds are deposited with reputable banks in Hong Kong or the PRC as at 30 June 2025.

## INTERIM DIVIDEND

The Board resolved to declare the payment of an interim dividend of RMB0.0521 per Share (equivalent to HK\$0.0571 per Share) for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB0.0538 per Share), and the dividend payout ratio remained stable at 40.0% for the six months ended 30 June 2025 (dividend payout ratio for the six months ended 30 June 2024: 40.0%), on or around Thursday, 9 October 2025 to the shareholders of the Company (the “**Shareholder(s)**”) whose names appear on the register of members of the Company on Tuesday, 16 September 2025 (i.e. record date).

The interim dividend shall be declared in RMB and paid in Hong Kong dollars. The interim dividend payable in Hong Kong dollars will be converted from RMB at the average central parity rate of RMB to Hong Kong dollars as announced by the People’s Bank of China for the period from Thursday, 21 August 2025 to Wednesday, 27 August 2025.

As at the date of this announcement, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

## CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Friday, 12 September 2025 to Tuesday, 16 September 2025, both days inclusive, during which period no share transfers of the Company will be registered. To qualify for the interim dividend, all transfers forms accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 11 September 2025.

## CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. During the Reporting Period, the Company has complied with all applicable code provisions under the CG Code as in force during the Reporting Period and adopted most of the best practices set out therein except for the following provision.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

However, the Company does not have a separate chairman and chief executive officer and the responsibilities of both chairman and chief executive officer vest in Ms. Chen Danxia. The Board believes that vesting the responsibilities of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of eight Directors in the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and the Shareholders as a whole.

Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions since the Listing Date. Having been made specific enquiries, all of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES**

During the Reporting Period, there are no treasury shares held by the Company.

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares).

## **PUBLIC FLOAT**

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules as at the date of this announcement. The Company maintained the minimum level of public float of 25% of its total number of issued Shares.

## **EVENTS AFTER THE PERIOD**

There is no significant subsequent event after the Reporting Period.

## AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises three independent non-executive Directors, namely, Mr. Chan Wan Tsun Adrian Alan (Chairman), Mr. Guo Sheng and Dr. Yu Rong and one non-executive Director, namely Mr. Chen Zexing. The Audit Committee has adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has, together with the senior management of the Company, reviewed the accounting principles and practices adopted by the Group as well as the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have also been reviewed by the Company's independent auditor, Messrs. Deloitte Touche Tohmatsu, 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.

## PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.cheerwin.com](http://www.cheerwin.com). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be despatched to the Shareholders upon their request and published on the respective websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules.

By order of the Board  
**Cheerwin Group Limited**  
**Chen Danxia**

*Executive Director, Chairman and Chief Executive Officer*

Hong Kong, 28 August 2025

*As at the date of this announcement, the Board comprises Ms. Chen Danxia, Ms. Wang Dong, Mr. Zhong Xuyi and Mr. Lv Yongji as executive Directors; Mr. Chen Zexing as non-executive Director; and Dr. Yu Rong, Mr. Guo Sheng and Mr. Chan Wan Tsun Adrian Alan as independent non-executive Directors.*