# AuGroup (SHENZHEN) Cross-Border Business Co., Ltd.
# 傲基(深圳)跨境商務股份有限公司

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2519)**

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

The board of directors (the "**Board**") of AuGroup (SHENZHEN) Cross-Border Business Co., Ltd. (the "**Company**") is pleased to announce the interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2025 as follows:

**FINANCIAL HIGHLIGHTS**

Unit: RMB'000

| | **Six months ended 30 June** | |
|---|---|---|
| | **2025** | 2024 |
| Revenue | **5,607,246** | 4,334,982 |
| Gross profit | **1,602,364** | 1,483,440 |
| Profit before tax | **143,640** | 350,876 |
| Profit for the period | **116,586** | 283,943 |
| Profit attributable to owners of the Company for the period | **107,872** | 258,880 |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
*For the Six Months Ended 30 June 2025*

| | | Six months ended 30 June | |
|---|---|---|---|
| | *NOTES* | **2025** | 2024 |
| | | ***RMB'000*** | *RMB'000* |
| | | **(Unaudited)** | (Unaudited) |
| Revenue | *3* | **5,607,246** | 4,334,982 |
| Cost of sales | | **(4,004,882)** | (2,851,542) |
| Gross profit | | **1,602,364** | 1,483,440 |
| Other income | *4* | **24,294** | 15,795 |
| Impairment losses under expected credit loss model ("**ECL**"), net of reversal | | **3,944** | (3,382) |
| Other gains and losses | *5* | **(11,701)** | 41,001 |
| Selling expenses | | **(1,071,004)** | (902,851) |
| Administrative expenses | | **(195,185)** | (157,938) |
| Research and development expenses | | **(80,146)** | (55,851) |
| Other expenses | | **(8,571)** | (3,759) |
| Listing expenses | | **–** | (17,676) |
| Share of results of investments accounted for using the equity method | | **6,936** | (4,362) |
| Finance costs | | **(127,291)** | (43,541) |
| Profit before tax | | **143,640** | 350,876 |
| Income tax expense | *6* | **(27,054)** | (66,933) |
| Profit for the period | *7* | **116,586** | 283,943 |
| **Other comprehensive income (expense) for the period** | | | |
| *Items that will not be reclassified subsequently to profit or loss:* | | | |
| Fair value changes on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**") | | **7,592** | (86,127) |

| | NOTE | Six months ended 30 June | |
|---|---|---|---|
| | | **2025** | 2024 |
| | | ***RMB'000*** | *RMB'000* |
| | | **(Unaudited)** | (Unaudited) |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Exchange differences arising on translation of foreign operations | | **948** | 1,417 |
| Share of other comprehensive (expense) income of investments accounted for using the equity method, net of related income tax | | **(923)** | 152 |
| | | **25** | 1,569 |
| Other comprehensive income (expense) for the period | | **7,617** | (84,558) |
| Total comprehensive income for the period | | **124,203** | 199,385 |
| Profit for the period attributable to: | | | |
| Owners of the Company | | **107,872** | 258,880 |
| Non-controlling interests | | **8,714** | 25,063 |
| | | **116,586** | 283,943 |
| Total comprehensive income for the period attributable to: | | | |
| Owners of the Company | | **115,285** | 173,116 |
| Non-controlling interests | | **8,918** | 26,269 |
| | | **124,203** | 199,385 |
| Earnings per share | | | |
| – Basic and diluted | *9* | **0.26** | 0.67 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 30 June 2025*

| | NOTES | 30 June 2025 RMB'000 (Unaudited) | 31 December 2024 RMB'000 (Audited) |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | *10* | **777,278** | 728,140 |
| Right-of-use assets | *10* | **2,667,663** | 2,769,803 |
| Intangible assets | *10* | **21,029** | 26,034 |
| Investments accounted for using the equity method | | **79,806** | 72,257 |
| Financial assets at fair value through profit or loss ("**FVTPL**") | | **13,310** | 9,075 |
| Equity instruments at FVTOCI | | **105,182** | 101,825 |
| Deferred tax assets | | **217,404** | 209,986 |
| Finance lease receivables | | **62,657** | 61,421 |
| Pledged bank deposits | | **20,200** | 20,200 |
| Deposit for acquisition of property, plant and equipment | | **3,370** | 2,289 |
| Bank deposit with original maturity over three months | | **10,000** | 10,000 |
| **Total non-current assets** | | **3,977,899** | 4,011,030 |
| **Current assets** | | | |
| Inventories | | **1,733,605** | 1,445,386 |
| Trade receivables | *11* | **990,490** | 1,269,396 |
| Contract assets | | **12,898** | 22,290 |
| Prepayments and other receivables | | **449,431** | 399,761 |
| Financial assets at FVTPL | | **2,994** | 23,263 |
| Finance lease receivables | | **19,891** | 14,007 |
| Pledged bank deposits | | **445,809** | 230,665 |
| Cash and cash equivalents | | **1,306,988** | 1,363,752 |
| **Total current assets** | | **4,962,106** | 4,768,520 |

| | NOTES | 30 June 2025 RMB'000 (Unaudited) | 31 December 2024 RMB'000 (Audited) |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade and other payables | *12* | **1,386,935** | 1,523,741 |
| Tax payable | | **39,832** | 24,781 |
| Bank borrowings | | **1,024,843** | 716,626 |
| Lease liabilities | | **302,407** | 231,345 |
| Contract liabilities | | **99,208** | 155,003 |
| Refund liabilities | | **27,248** | 24,283 |
| **Total current liabilities** | | **2,880,473** | 2,675,779 |
| **Net current assets** | | **2,081,633** | 2,092,741 |
| **Total assets less current liabilities** | | **6,059,532** | 6,103,771 |
| **Non-current liabilities** | | | |
| Bank borrowings | | **248,248** | 257,174 |
| Lease liabilities | | **2,705,251** | 2,737,284 |
| **Total non-current liabilities** | | **2,953,499** | 2,994,458 |
| **Net assets** | | **3,106,033** | 3,109,313 |
| **Capital and reserves** | | | |
| Share capital | | **415,206** | 415,206 |
| Reserves | | **2,652,117** | 2,664,315 |
| Equity attributable to owners of the Company | | **3,067,323** | 3,079,521 |
| Non-controlling interests | | **38,710** | 29,792 |
| **Total equity** | | **3,106,033** | 3,109,313 |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the Six Months Ended 30 June 2025*

## 1. BASIS OF PREPARATION AND PRESENTATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

## 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 revalued amounts or fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to International Accounting Standards, 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 IFRS Accounting Standards**

In the current interim period, the Group has applied the following amendments to a IFRS Accounting Standard, 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 a 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

Information reported to the Mr. Lu Haizhuan and Mr. Ze Kuaiyue, executive directors and beneficial shareholders of the Company, being the chief operating decision makers ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's operating and reportable segments under IFRS 8 are as follows:

1. Sales of goods

2. Logistics solutions

The following is an analysis of the Group's revenue and results by reportable segments:

**For the six months ended 30 June 2025**

| | **Sales of goods** *RMB'000* | **Logistics solutions** *RMB'000* | **Eliminations** *RMB'000* | **Consolidated** *RMB'000* |
|---|---|---|---|---|
| Segment revenue | **3,922,266** | **1,684,980** | **–** | **5,607,246** |
| Inter-segment sales | **–** | **335,421** | **(335,421)** | **–** |
| | **3,922,266** | **2,020,401** | **(335,421)** | **5,607,246** |
| Segment profit | **366,731** | **164,987** | **(358)** | **531,360** |
| Share of results of investments accounted for using the equity method | | | | **6,936** |
| Other income | | | | **24,294** |
| Other gains and losses | | | | **(11,701)** |
| Finance costs | | | | **(127,291)** |
| Unallocated corporate expenses | | | | **(279,958)** |
| Group's profit before tax | | | | **143,640** |

**For the six months ended 30 June 2024**

| | Sales of goods *RMB'000* | Logistics solutions *RMB'000* | Eliminations *RMB'000* | Consolidated *RMB'000* |
|---|---|---|---|---|
| Segment revenue | 3,430,989 | 903,993 | – | 4,334,982 |
| Inter-segment sales | – | 200,575 | (200,575) | – |
| | 3,430,989 | 1,104,568 | (200,575) | 4,334,982 |
| Segment profit | 431,946 | 151,656 | (3,013) | 580,589 |
| Share of results of investments accounted for using the equity method | | | | (4,362) |
| Other income | | | | 15,795 |
| Other gains and losses | | | | 41,001 |
| Finance costs | | | | (43,541) |
| Unallocated corporate expenses | | | | (238,606) |
| Group's profit before tax | | | | 350,876 |

**Type of goods or service**

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Revenue from sales of goods | | |
| – Through third party e-commerce platforms | **3,641,064** | 3,162,895 |
| – Through other channels (Note) | **281,202** | 268,094 |
| | **3,922,266** | 3,430,989 |
| Logistics solutions income | **1,684,980** | 903,993 |
| Total | **5,607,246** | 4,334,982 |

Note: Other channels mainly represent self-operated online stores and offline channels.

**Geographical markets**

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| PRC | **1,493,979** | 805,211 |
| United States | **3,531,330** | 3,089,609 |
| Other North American countries | **69,578** | 23,809 |
| Germany | **221,601** | 155,864 |
| Other European countries | **238,161** | 191,161 |
| Others | **52,597** | 69,328 |
| Total | **5,607,246** | 4,334,982 |

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, listing expense, directors' emoluments, share of results of investments accounted for using the equity method, other gains and losses, other income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset, segment liability and other segment information is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment.

## 4. OTHER INCOME

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Bank interest income | **13,677** | 11,239 |
| Government grants | **8,501** | 2,461 |
| Interest income on finance lease receivables | **2,000** | 1,801 |
| Dividends from financial assets at FVTOCI | **116** | 294 |
| | **24,294** | 15,795 |

Government grants mainly represented the government subsidies received from the local governments in the PRC to support the research, development, designs activities and e-commence operation development of the Group. There are no unfulfilled conditions relating to these grants.

## 5. OTHER GAINS AND LOSSES

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Gain (loss) on disposal of property, plant and equipment | **41** | (706) |
| Foreign exchange (loss) gain, net | **(16,132)** | 39,929 |
| Gain on changes in fair value of financial assets at FVTPL | **4,390** | 1,778 |
| | **(11,701)** | 41,001 |

## 6. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Current tax: | | |
| Hong Kong | **7,374** | 2,884 |
| PRC Enterprise Income Tax | **5,549** | 4,358 |
| United States | **21,549** | 6,279 |
| Deferred tax | **(7,418)** | 53,412 |
| Income tax expense | **27,054** | 66,933 |

## 7. PROFIT FOR THE PERIOD

Profit for the period from continuing operations has been arrived at after charging the following items:

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Profit for the year after charging the following items: | | |
| Depreciation and amortisation of property and equipment, right-of use assets and intangible assets | **231,656** | 125,693 |
| Auditor's remuneration | **400** | 5 |
| Employee benefits expenses | **336,427** | 231,799 |
| Write-down of inventories included in cost of sales | **25,673** | 29,038 |
| Cost of inventories recognised as an expense excluding write-down of inventories | **2,466,453** | 2,068,789 |

## 8. DIVIDENDS

During the current interim period, a special dividend of RMB0.25 per ordinary share was declared and paid to owners of the Company. The aggregate amount of the special dividend declared and paid in the interim period amounted to RMB103,801,000 (six months ended 30 June 2024: Nil). The directors of the Company have determined that no dividend will be proposed in respect of the interim period.

## 9. EARNINGS PER SHARE

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

Earnings figures are calculated as follows:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Profit for the period attributable to owners of the Company for basic and diluted earnings per share | **107,872** | 258,880 |

**Number of shares**

| | **Six months ended 30 June** | |
|---|---|---|
| | **2025** | 2024 |
| | ***'000*** | *'000* |
| Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (Note) | **412,445** | 385,311 |

Note:

A total of 1,554,000 domestic shares with a written put option requiring the Company to repurchase these shares unconditionally and repurchased during the six months ended 30 June 2024 are not included from the total number of shares in issue for the purpose of calculating basic earnings per share.

During the six-month end 30 June 2025, the Company repurchased 2,487,600 shares as treasury shares and they are not included from the total number of shares in issue for the purpose of calculating basic earnings per share.

The computation of diluted earnings per share for the six months ended 30 June 2024 does not assume the exercise of over-allotment options as the exercise price of those options was higher than the average market price of the shares over the over-allotment period. In respect of the written put option requiring the Company to repurchase the shares of the Company, it did not have significant dilutive effect on earnings per share calculation in the period.

No diluted earnings per share for the six months ended 30 June 2025 were presented as there were no potential ordinary shares in issue for the period.

## 10. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the current interim period, the Group acquired property, plant and equipment and incurred construction costs of RMB88,571,000 (six months ended 30 June 2024: RMB79,270,000).

During the current interim period, the Group acquired Intangible assets of RMB958,000 (six months ended 30 June 2024: RMB28,492,000).

During the six-month ended 30 June 2025, the Group terminated one lease agreement, sublet one lease agreement, and signed several new lease agreements with lease terms ranging from 2 to 5 years (six month ended 30 June 2024: 2 to 10 years). At the lease commencement date for the six-month ended 30 June 2025, the Group recognised additional right-of-use asset of RMB81,404,000 and a lease liability of RMB97,019,000 (six month ended 30 June 2024: right-of-use asset and a lease liability of RMB850,977,000).

## 11. TRADE RECEIVABLES

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| Trade receivables from third parties | **1,023,475** | 1,311,157 |
| Less: Allowance for credit losses | **(32,985)** | (41,761) |
| | **990,490** | 1,269,396 |

The Group grants the credit period ranging from 10 days to 90 days to its trade customers.

Aging of trade receivables, is prepared based on the date of transfer of goods or issue of invoice, which approximated the respective revenue recognition dates, as follows:

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| 0 – 90 days | **830,423** | 1,187,111 |
| 91 – 180 days | **116,708** | 43,820 |
| 181 – 365 days | **18,044** | 11,174 |
| Over 365 days | **25,315** | 27,291 |
| | **990,490** | 1,269,396 |

## 12. TRADE AND OTHER PAYABLES

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| Trade payables from | | |
| – third parties | **1,263,146** | 1,396,100 |
| – associates | **19,583** | 2,349 |
| | **1,282,729** | 1,398,448 |
| Bills payable | **28,126** | 39,996 |
| | **1,310,855** | 1,438,444 |
| Accrued employees' benefits | **49,569** | 52,355 |
| Other tax payables | **4,046** | 5,413 |
| Deposits | **12,233** | 10,995 |
| Accrued issue cost/listing expenses | **–** | 8,116 |
| Others | **10,232** | 8,418 |
| | **1,386,935** | 1,523,741 |

The following is the aging analysis of trade and bills payables based on the invoice date at the end of the reporting period.

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| 0 – 90 days | **1,266,675** | 1,338,704 |
| 91 – 180 days | **26,277** | 84,059 |
| 181 – 365 days | **6,776** | 6,580 |
| Over 365 days | **11,127** | 9,101 |
| | **1,310,855** | 1,438,444 |

The average credit period on purchases of goods is 90 days.

## MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY ENVIRONMENT AND TREND

E-commerce, as one of the trade activities, digitalizes the whole process of trade, breaking away from the time and space constraints in conventional offline trade and connecting sellers and consumers around the world. In 2025, against the backdrop of global digital trade continuing to advance, China's cross-border e-commerce exports are expected to maintain steady growth in 2025. Since the outbreak of the COVID-19 pandemic, the demand for online shopping has increased in many developed areas such as the U.S. and Europe, driving the development of the global B2C e-commerce market. It was expected that the GMV of the global B2C e-commerce market would reach US$7,712.5 billion in 2028. Consumers' reliance on online shopping platforms was anticipated to increase, broadening the scope of the digital marketplace.

During the Reporting Period, the ongoing adjustments to global tariff policies have consistently imposed a burden on enterprises regarding their operational costs. For the Company, the impact of the current changes in policies on our sales to major overseas markets is under control, while complexities and uncertainties in the international trading environment persist.

## BUSINESS REVIEW

During the Reporting Period under review, the Company has been committed to its mission of "Connecting the World to Create Betterment". By relying on the operation capability under a multi-brand system, the digital support capability of the whole business chain, the supply chain management capability, the sophisticated warehousing and logistics system as well as the flexible organizational structure, the Company has effectively penetrated various "home and life" scenarios, elaborately creating a series of branded products, such as furniture and home furnishings as well as home appliances, and electric tools, with beautiful design, excellent quality and advanced functions and engaging in cross-border B2C business principally through third-party online platforms such as Amazon, Walmart and Wayfair.

Meanwhile, we provided efficient logistics solutions globally under the pre-sale stocking model to customers, primarily sellers on e-commerce platforms, through WESTERN POST (SG) PTE. LTD. and its subsidiaries ("**Western Post Group**"). Leveraging our industry expertise, we have formulated a warehousing network with tailored design based on proximity to end-consumers and delivery capabilities, as a strategic move to improve local logistics services to efficiently deliver products at low cost. The following table sets forth our revenue by business line for the years indicated:

| | **For the six months ended 30 June** | | | |
|---|---|---|---|---|
| | **2025** | | **2024** | |
| | ***RMB'000*** | ***% of Revenue*** | *RMB'000* | *% of Revenue* |
| Sales of goods | **3,922,266** | **69.9%** | 3,430,989 | 79.1% |
| Logistics solutions | **1,684,980** | **30.1%** | 903,993 | 20.9% |
| **Total** | **5,607,246** | **100.0%** | 4,334,982 | 100.0% |

## Brands and Products

During the Reporting Period, the Group specialized in furniture and home furnishings under popular proprietary brands such as ALLEWIE, IRONCK, LIKIMIO, SHA CERLIN, HOSTACK and FOTOSOK.

As of 30 June 2025, some of the Company's core product categories have consistently maintained their leading market share positions on Amazon U.S. site. At the same time, new product categories such as dressers, cabinets and cat trees also performed well, ranking among the top as well in terms of the market share on Amazon U.S. site.

### *Furniture, Home Furnishings and Home Appliances*

During the Reporting Period, we continued to actively expand our offering of furniture, home furnishings and home appliances, consistently enhanced and strengthened our supply chain and logistics capabilities, as well as expanded into more segments in the field of furniture. We strategically focused more on furniture, home furnishings and home appliances. Our offering of furniture and home furnishings primarily consisted of beds, bookcases, dressers, chests of drawers, vanity tables and vanity benches, food cabinets, sideboards, sofas and outdoor furniture featuring a wide range of styles, including classic, contemporary, industrial and minimalist; and our offering of home appliances primarily consisted of refrigerators, juicers and so forth.

In addition to furniture, home furnishings and home appliances, our product portfolio also included:

- *Electric Tools.* During the Reporting Period, our offering of electric tools primarily consists of power screwdrivers, air pumps, jump starters and car vacuums, combining high-tech features and practicable designs.

- *Others.* In addition, during the Reporting Period, our offering of other products primarily consists of power banks, chargers and cables. Below set forth different product categories of the Company:



**Supply Chain Management and Logistics Efficiency**

In the current complex and volatile global economic environment, ensuring the continued stability of the supply chain and flexibly responding to market changes has become a core task for enterprises to achieve steady development. To this end, we accelerated the optimization and upgrading of our supply chain system by laying a core foundation for development through a series of targeted measures:

- Strategically adjusting the proportion of supply chain layout. Guided by the global market environment and regional development characteristics, we accelerated the relocation of our supply chain to regions with greater development advantages. By establishing additional production bases in these regions, we not only optimized our overall operating cost structure, but also improved supply chain response speed by leveraging local geographical advantages, thereby effectively enhancing our operational resilience in response to market fluctuations.

- Deeply cultivating the expansion and penetration of non-American markets. We are well aware of the risks associated with relying on a single market, so we have identified non-American regions as strategic growth areas and invested more resources in market research and channel development. Through customized product strategies and localized marketing and promotion, we focused on increasing our market share in key non-American markets such as Europe and Southeast Asia, gradually building a diversified market structure and reducing our dependence on specific regional markets.

- Deeply reinforcing product strength to build a solid competitive barrier in the market. Under the dual challenges of policy uncertainty and intensifying market competition, we consistently prioritized enhancing product capabilities as our core focus. On the one hand, we continued to increase R&D investments to strengthen the unique advantages of our products in terms of performance and quality, thereby consolidating and enhancing our core competitiveness. On the other hand, through brand building, the development of mid-to-high-end product lines, and user experience upgrade, we continuously enhanced the premium value of our brand and products, enabling us to gain greater initiative in the complex market environment.

Meanwhile, we are also committed to addressing customer needs with continual product development efforts. During the Reporting Period, we submitted 79 new patent applications and received 17 international design awards (13 Red Dot Awards and 4 iF Awards).

During the Reporting Period, we relied on the technological empowerment of Western Post Group for our cross-border logistics. With its help, we not only continued to provide smart logistics support for our own e-commerce business, but also made significant progress through the globalized layout of our pre-sale stocking model. Our innovative solutions have covered consolidation in China, international key route transport, overseas intelligent sorting, localized warehouse management and full-chain terminal distribution. Through the upgrading of our digital system and the enhancement of our global network density, we have successfully helped the cross-border e-commerce customers to improve their average logistics time efficiency, reduce their operating costs, and expand the scope of services of our overseas hubs and nodes. This has significantly strengthened our leading position in the cross-border supply chain. The Company continued to expand its overseas warehouse network, and an additional warehouse area of 924 thousand square feet was increased during the Reporting Period. By virtue of these expansion achievements, revenue from logistics solutions business of the Company increased significantly, representing a year-on-year increase of 86.4%.

## Our Sales Network

During the Reporting Period, the majority of our revenue was derived from sales of goods through third-party e-commerce platforms. We further maintained and deepened the collaboration with multiple world's leading e-commerce platforms such as Amazon, Walmart and Wayfair. We effectively utilized their respective strengths to broaden our customer reach and seize global market opportunities. We also provided products via other channels, including offline distributors, offline retailers and self-operated websites.

- *Amazon.* We enter into standard agreements with Amazon and directly sell products to consumers on Amazon. We may also utilize Amazon's services such as FBA to handle receipt, storage and processing of products, which includes storage, packaging and shipping.

- *Walmart.* We enter into standard agreements with Walmart and directly sell products to consumers on Walmart. We may also utilize Walmart's services such as Walmart Fulfillment Services for Walmart to handle orders on our behalf, which include storage, packaging and shipping.

- *Wayfair.* We enter into standard agreements with Wayfair and directly sell products to consumers on Wayfair. Distinct from Amazon and Walmart, where we determine prices for listings, we sell Wayfair our products and propose the suggested prices for listings and Wayfair has the discretion to determine the list prices.

- *Others.* In addition to Amazon, Walmart and Wayfair, we also sell our products via other third party e-commerce platforms such as Shein, Temu and Tiktok, and offline distributors.

## FUTURE PROSPECTS

### Industry Development Opportunities

In the consumer market for furniture and home furnishings, the rise of online channels is reshaping the industry landscape. The growth potential of the online furniture market remains largely untapped, particularly as it is driven by both upgrading consumer demand and the digitalization wave. The expansion prospects in this sector are attracting significant attention. According to the industry report issued by Frost & Sullivan, the GMV of the global furniture and home furnishings market is expected to reach USD779.4 billion by 2028.

Specifically, the online penetration rate for large furniture items (such as beds, sofas and dressers) has consistently lagged behind that of smaller home furnishings (such as lighting fixtures, decorative ornaments, and storage accessories). This phenomenon stems from the combined influence of multiple practical factors. Firstly, large furniture items generally have higher price tags, leading consumers to prefer experiencing the physical texture and size compatibility in person before making a purchase decision, thereby raising the decision-making threshold for online purchases. Secondly, the logistics costs for large-sized products are exorbitant. Not only do they require professional packaging and protection to prevent damage during transport, but they also depend on heavy-duty transport vehicles and customized delivery solutions, with the logistics cost per item often being several times that of smaller products. Additionally, the complexity of the installation process further limits the widespread adoption of online sales. Many large furniture items require professional assembly and calibration, and during cross-border or cross-regional deliveries, the absence of localized installation services directly impacts the consumer experience. These factors collectively contribute to the lag in the online penetration of large furniture items.

However, this situation is undergoing profound changes as the global consumer ecosystem evolves. The digital consumption behaviors cultivated during the pandemic continue to deepen, with an increasing number of people willing to make purchasing decisions for large furniture items online. At the same time, warehousing and logistics infrastructure in overseas markets is accelerating its upgrade. Major cross-border e-commerce platforms and logistics companies are actively expanding their overseas warehouse networks, using pre-stocking to reduce delivery times. In some regions, professional furniture installation service teams have also been established to address the "last-mile" installation challenges. Consumers in the European and American markets, as the core consumer market for furniture and home furnishings, have increasingly matured in their online shopping habits.

The above-mentioned changes have directly driven the expansion of online sales from small and medium-sized items in the past to high-value large furniture items. The shift in consumer behavior has, in turn, encouraged more brands to increase their investment in online channels for large furniture items, further improving their supply chains and service systems. This has ultimately created a virtuous cycle of continuous expansion of product categories and steady growth in online penetration, injecting sustained growth momentum into the online market for the furniture and home furnishings industry.

**Corporate Development Strategies**

The current global economic environment is complex and volatile, especially in light of ongoing adjustments to US-China tariff policies, the Company is focused on long-term development and developing strategies across multiple dimensions, including supply chain, brand, logistics, and digital empowerment, to enhance its risk-resilience and market competitiveness.

- ***Supply Chain Management: Building a Flexible and Efficient Global Supply Network***

  To proactively address the cost pressures and operational uncertainties brought about by changes in the economic environment, we will accelerate the deep optimization of our supply chain layout with a global perspective. Specifically, based on a precise assessment of regional policies, industrial support capabilities, and logistics costs, we will actively promote the globalization of our supply chain. At the same time, we will establish a localized procurement system and engage in in-depth cooperation with high-quality local suppliers that have advantages in terms of raw material quality, production capacity stability, and cost control, forming long-term and stable strategic partnerships. Through this "production + procurement" dual-drive transfer model, we can significantly reduce supply chain risks while leveraging the mature industrial clusters in local regions to reduce intermediate costs. This will create positive impacts on profit more effectively and ensure the resilience and efficiency of the supply chain amid policy fluctuations.

- ***Brand Building: Building High-value Brand Barriers with Core Competitiveness***

  Amid market environment changes triggered by policy fluctuations and increasingly intense homogenized competition, we will continue to deepen our brand strategy and build our brand into a core barrier against market risks. On the one hand, we will increase R&D investment and focus on product functionality innovation to consolidate and strengthen the core competitiveness of our products by improving their quality, performance and uniqueness. On the other hand, we will systematically enhance brand value around brand positioning, through precise market positioning, mid-to-high-end product design, and superior user experience, to continuously enhance the brand's and products' premium pricing capabilities, striving to steadily elevate the brand's industry status and market influence in the face of intense market competition.

- ***Logistics Management: Building a Logistics System that Supports Efficient Service and Business Growth***

  As a key link connecting production and consumption, logistics management will be enhanced in three areas, namely efficiency improvement, infrastructure upgrading, and service optimization, to build a logistics system that is highly compatible with business growth. In terms of efficiency optimization, we will use intelligent logistics management systems to monitor and coordinate various links such as warehousing, transportation, and distribution through data analysis, continuously improving core indicators such as inventory turnover rate and delivery efficiency, and reducing logistics operating costs. In terms of infrastructure development, we will increase investment in logistics nodes such as overseas warehouses and regional distribution centers. Based on market demand distribution, we will optimize the layout of our warehouse network to enhance storage capacity and cargo turnover efficiency. Concurrently, we will improve our transportation fleet and delivery network to ensure goods are delivered quickly and safely to their destinations, providing a robust logistics foundation for sustained business growth in the future. In terms of customer service, we will establish a more refined and responsive after-sales service system. We aim to quickly address and resolve consumer needs and issues by setting up dedicated customer service teams and utilizing digital tools, and provide personalized and caring services such as installation guidance and returns/exchanges to further improve customer satisfaction and loyalty, thereby enhancing customers' stickiness.

- ***AI Empowerment: Driving a Leap in Corporate Competitiveness Through Full-Process Intelligent Upgrades***

  In the wave of digital transformation, we are actively promoting the deep penetration and integration of AI technology across all business operations of the Company, achieving a full-process intelligent upgrade from front-end market insights to back-end operational management. This aims to enhance collaboration efficiency across all stages and reduce operational costs. On the one hand, leveraging AI technology's powerful multi-modal data analysis capabilities, we can conduct in-depth analysis of market dynamics and consumer behavior data to accurately predict market demand trends, analyze the preferences and purchasing habits of different consumer groups, and thereby enhance our ability to accurately predict market demand, analyze consumer behavior, and provide personalized product recommendations, thereby effectively strengthening the Company's market competitiveness. On the other hand, AI leverages transaction data from backend operations, real-time order fluctuations, and market demand trends across multiple dimensions to build dynamic predictive models, thereby achieving intelligent automation of procurement and inventory management processes.

## FINANCIAL REVIEW

For the six months ended 30 June 2024 and the six months ended 30 June 2025, our revenue was RMB4,335.0 million and RMB5,607.2 million, respectively. Our profit was RMB283.9 million for the six months ended 30 June 2024, and RMB116.6 million for the six months ended 30 June 2025.

### Revenue

Our revenue increased by 29.3% from RMB4,335.0 million for the six months ended 30 June 2024 to RMB5,607.2 million for the six months ended 30 June 2025, primarily because the sales of our goods continued to expand and we increased the provision of logistics solutions.

#### *By Type of Goods or Services*

The following table sets forth a breakdown of our revenue by type of goods or services in absolute amount and as a percentage of revenue for the periods indicated:

| | **As of 30 June** | | | |
|---|---|---|---|---|
| | **2025** | | 2024 | |
| | ***RMB'000 Revenue*** | ***% of Revenue*** | *RMB'000 Revenue* | *% of Revenue* |
| **Type of goods or services** | | | | |
| **Sales of goods** | **3,922,266** | **69.9%** | 3,430,989 | 79.1% |
| Furniture, home furnishings and home appliance | **3,276,838** | **58.4%** | 2,883,923 | 66.5% |
| Electric tools | **290,336** | **5.2%** | 260,351 | 6.0% |
| Other products | **355,092** | **6.3%** | 286,715 | 6.6% |
| **Logistics solutions** | **1,684,980** | **30.1%** | 903,993 | 20.9% |
| **Total** | **5,607,246** | **100.0%** | 4,334,982 | 100.0% |

*Note:*

(1) Other products include consumer electronics.

*Sales of goods*

*Furniture, home furnishings and home appliances.* Our revenue from sales of furniture, home furnishings and home appliances increased by 13.6% from RMB2,883.9 million for the six months ended 30 June 2024 to RMB3,276.8 million for the six months ended 30 June 2025, primarily because of the expansion of sales of our furniture and home furnishings as well as home appliances.

*Electric tools.* Our revenue from sales of electric tools increased by 11.5% from RMB260.4 million for the six months ended 30 June 2024 to RMB290.3 million for the six months ended 30 June 2025, primarily due to the expansion of sales of electric tools.

*Others.* Our revenue from sales of other categories increased by 23.8% from RMB286.7 million for the six months ended 30 June 2024 to RMB355.1 million for the six months ended 30 June 2025, mainly due to the increased sales orders as a result of the expansion of new sales channels (such as Tiktok and TEMU).

*Logistics solutions*

Our revenue from logistics solutions increased by 86.4% from RMB904.0 million for the six months ended 30 June 2024 to RMB1,685.0 million for the six months ended 30 June 2025, primarily because we expanded our warehouse network, which further allowed us to expand our customer base and fulfill more orders, and we strategically collaborated with major customers and enhanced capabilities in "last-mile" services and warehousing facilities.

**Cost of sales**

Our cost of sales consists of the cost of sales for sales of goods and the cost of sales for logistics solutions. Our cost of sales for sales of goods primarily consists of (i) procurement costs paid for OEM manufacturing services; (ii) logistics costs, representing the cost to acquire logistics services from third parties to sell our products as well as the cost of using the logistics solutions provided primarily by Western Post Group.

Our cost of sales increased by 40.4% from RMB2,851.5 million for the six months ended 30 June 2024 to RMB4,004.9 million for the six months ended 30 June 2025, primarily due to the increase in ocean freight initial costs for the sales of goods, as well as a significant increase in operating costs regarding the logistics solutions business due to warehouse expansion.

**Gross profit and gross profit margin**

Our gross profit increased by 8.0% from RMB1,438.4 million for the six months ended 30 June 2024 to RMB1,602.4 million for the six months ended 30 June 2025. Our gross profit margin decreased from 34.2% for the six months ended 30 June 2024 to 28.6% for the six months ended 30 June 2025, primarily due to the increase in ocean freight initial costs for the sales of goods, as well as the relatively favorable prices offered by new warehouses to attract new customers.

Our gross profit from sales of goods increased by 7.3% from RMB1,333.1 million as of 30 June 2024 to RMB1,430.2 million as of 30 June 2025. Our gross profit margin of sales of goods decreased from 38.9% for the six months ended 30 June 2024 to 36.5% for the six months ended 30 June 2025, primarily because of the increase in ocean freight initial costs.

Our gross profit from logistics solutions increased by 14.6% from RMB150.3 million as of 30 June 2024 to RMB172.2 million as of 30 June 2025. Our gross profit margin of logistics solutions decreased from 16.6% for the six months ended 30 June 2024 to 10.2% for the six months ended 30 June 2025, primarily because our new warehouses offered relatively favorable prices to attract new customers, and there was a significant increase in operating costs regarding the logistics solutions business due to warehouse expansion.

### Other gains and losses

Our other gains significantly decreased by 128.5% from RMB41.0 million for the six months ended 30 June 2024 to other losses of RMB11.7 million for the six months ended 30 June 2025, primarily due to the movements in foreign exchange rates that resulted in decreased foreign exchange gains.

### Impairment losses under expected credit loss model ("ECL"), net of reversal

Our impairment losses reversed, under ECL, net of reversal increased by 216.6% from losses of RMB3.4 million for the six months ended 30 June 2024 to a reversal of RMB4.0 million for the six months ended 30 June 2025, primarily because of the decrease in bad debts of Western Post Group.

### Selling expenses

Our selling expenses increased by 18.6% from RMB902.9 million for the six months ended 30 June 2024 to RMB1,071.0 million for the six months ended 30 June 2025. The increase in selling expenses was generally in line with the growth in revenue. Selling expenses ratio decreased from 20.8% at the end 30 June 2024 to 19.1% at the end 30 June 2025, mainly due to the change of revenue mix.

### Administrative expenses

Our administrative expenses increased by 23.6% from RMB157.9 million for the six months ended 30 June 2024 to RMB195.2 million for the six months ended 30 June 2025, primarily because of the increases in employee expenses and consultancy fee expenses.

### Research and development expenses

Our research and development expenses increased by 43.5% from RMB55.9 million for the six months ended 30 June 2024 to RMB80.1 million for the six months ended 30 June 2025, primarily because of the increases in the number of our research and development employees.

### Finance costs

Our finance costs increased from RMB43.5 million for the six months ended 30 June 2024 to RMB127.3 million for the six months ended 30 June 2025, primarily because there was a simultaneous increase in the relevant finance costs for the lease liability due to the expansion operation of the logistics solutions and the addition of new warehouses.

**Profit for the period**

Due to (i) the significant increase in costs overall as a results of adjustment to tariff policies on sales of goods, coupled with an increase in logistics costs; (ii) the significant increase in operating costs resulting from amortization of finance costs of right-of-use assets from newly leased warehouses for logistics solutions business; and (iii) higher investment costs of new incubation projects in their early stage, the overall profits were diluted. Our net profit decreased by 58.9% from RMB283.9 million for the six months ended 30 June 2024 to RMB116.6 million for the six months ended 30 June 2025.

**Liquidity and capital resources**

As of 30 June 2025, we had cash and cash equivalents of RMB1,307.0 million. Taking into account the net proceeds from the Global Offering and the financial resources available to us, including cash and cash equivalents, bank borrowings and cash flows from operating activities, we have sufficient working capital for our present requirements.

***Cash Flow***

The following table sets forth our cash flows for the periods indicated:

| | **For the six months ended 30 June** | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| Net cash from operating activities | **271,099** | 239,683 |
| Net cash used in investing activities | **(269,382)** | (372,911) |
| Net cash from/(used in) financing activities | **(45,631)** | 84,766 |
| Net decrease in cash and cash equivalents | **(43,914)** | (48,462) |
| Cash and cash equivalents at the end of the period | **1,306,988** | 762,621 |

*Net cash from operating activities*

In the first half of 2025, our net cash from operating activities was RMB271.1 million; our net cash from operating activities was RMB239.7 million in the first half of 2024.

*Net cash used in investing activities*

In the first half of 2025, our net cash outflow used in investment activities was RMB269.4 million, which was primarily attributable to combined effects of the purchase of property, plant and equipment of RMB89.0 million, the net outflow of RMB215.1 million from placement of pledged bank deposits, and the net proceeds of RMB16.0 million from the sale of wealth management products (financial assets at FVTPL).

In the first half of 2024, our net cash outflow from investing activities was RMB372.9 million, which was primarily attributable to the combined effects of the net outflow of RMB50.0 million from the purchase of wealth management products (financial assets at FVTPL), the outflow of RMB58.1 million from the acquisition of property, plant and equipment, the outflow of RMB119.3 million from the acquisition of a subsidiary, and a net outflow of RMB158.7 million from placement of pledged bank deposits.

*Net cash from/(used in) financing activities*

In the first half of 2025, our net cash outflow used in financing activities was RMB45.6 million, which was primarily attributable to combined effects of the net inflow of RMB299.3 million from new bank borrowings, payment of bank interest of RMB17.0 million, finance costs of RMB110.3 million for the right-of-use assets of Western Post Group, payment of dividends of RMB103.8 million, repayment of lease liabilities of RMB82.0 million, and repurchase of shares of RMB23.7 million.

In the first half of 2024, our net cash from financing activities was RMB84.8 million, which was primarily attributable to combined effects of the net inflow of RMB236.6 from new bank borrowings, repayment of lease liabilities of RMB59.0 million, repurchase of shares of RMB47.1 million, and payment of bank interest of RMB13.7 million, as well as finance costs of RMB29.1 million for the right-of-use assets of Western Post Group.

**Contingent liabilities**

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

**Capital commitments**

For the six months ended 30 June 2025, the Group had capital commitments of RMB179.0 million that were contracted but not provided for, which was mainly for the future investment in property, plant and equipment.

**Significant investments, material acquisitions and disposals**

As of the end of the Reporting Period, the Group did not have any significant investments as required to be disclosed in accordance with paragraph 32(4A) of Appendix D2 to the Listing Rules. The Group did not have any material acquisitions or disposals during the Reporting Period.

**Gearing ratio**

The Group's gearing ratio equals total interest-bearing debt (including interest-bearing bank borrowings and lease liabilities) divided by total equity, which increased from 1.3 as of 31 December 2024 to 1.4 as of 30 June 2025, primarily due to an increase in bank borrowings.

**EMPLOYEES, TRAINING AND REMUNERATION POLICY**

As of 30 June 2025, we had a total of 2,661 employees, the majority of whom are based in Shenzhen, China. The following table sets out the number of our employees by function as of 30 June 2025:

| **Function** | **Number of Employees** | **% of Total** |
|---|---|---|
| Product development, operation, sales and marketing | 1,354 | 50.90% |
| Procurement and supply chain management | 463 | 17.40% |
| Administrative/function | 459 | 17.20% |
| Warehousing/production | 385 | 14.50% |
| **Total** | **2,661** | **100%** |

Our business growth and development hinge on our capacity to attract, retain and motivate competent employees. During the Reporting Period, we recruited our staff through various means such as on-campus recruitment, job fairs, recruitment agencies and both internal and external referrals. We are devoted to offering fair and equal opportunities in all our employment practices and have implemented relevant policies and procedures. As part of our retention strategy, we provide competitive salaries, extensive insurance packages and merit-based incentives typically based on individual and overall business performance.

In terms of training, we conduct orientation programs for new employees to familiarize them with our company culture, business and industry, with the aim of enhancing their understanding of our company and facilitating their work performance. We also regularly offer bespoke in-house training to our existing employees to enhance their technical skills or arrange for them to attend third-party training sessions. Moreover, we offer management skills training to certain employees to assist them in transitioning into managerial roles.

For the six months ended 30 June 2025, total employee compensation and benefit expenses amounted to RMB336.4 million.

## Use of Proceeds from the Global Offering

The Company was listed on the Main Board of the Stock Exchange on 8 November 2024, issuing 29,894,700 new shares at an offer price of HK$15.60 per share. After deducting underwriting commissions, fees and other expenses related to the Global Offering, the net proceeds from the Listing were approximately HK$387.5 million. As disclosed in the section headed ''Future Plans and Use of Proceeds'' in the Prospectus, the proceeds raised by the Company will be utilized in three years after the Listing, with 30% to be utilized in the first year, 50% to be utilized in the second year after the Listing and 20% to be utilized in the third year after the Listing, respectively.

In accordance with the announcement dated 30 May 2025 and the circular dated 6 June 2025 of the Company, in view of the significant changes in the tariff policy, in order to proactively respond to the changes in the operating environment brought about by the policy changes and to safeguard the steady progress of the Company's established strategic objectives, the Company has synchronized the adjustments to the period for the use of the proceeds, which is scheduled to be systematically utilized by 30 June 2026 in accordance with the adjusted use of the proceeds. Details of the reasons for and the benefits of the change in the use of the net proceeds are set out in the circular of the Company dated 6 June 2025. The changes became effective upon consideration and approval at the annual general meeting on 30 June 2025. After the aforesaid changes, the plans for the use of the net proceeds are set out below:

| **Project** | **Percentage** | **Proceeds used for related purposes** *(HK$ million)* | **Utilized proceeds during the Reporting Period** *(HK$ million)* | **Unutilized proceeds at the end of the Reporting Period** *(HK$ million)* | **Expected timetable for full utilization of unutilized proceeds** |
|---|---|---|---|---|---|
| Business expansion | 80.0% | 310.0 | 42.0 | 268.0 | As of 30 June 2026 |
| Enhancing digitalization and further improving the information management systems | 5.0% | 19.375 | 0 | 19.375 | As of 30 June 2026 |
| Working capital and general corporate uses | 15.0% | 58.125 | 4.90 | 53.225 | As of 30 June 2026 |
| **Total** | **100%** | **387.5** | **46.9** | **340.6** | |

*Notes:* (1) *We have placed the unutilized net proceeds in short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions. We will comply with the PRC laws in relation to foreign exchange registration and remittance of the proceeds.*

(2) *Certain amounts and percentages in the table have been rounded. Accordingly, the arithmetic sum shown in certain tables may not be the total of the figures preceding them. Any discrepancies between the arithmetic sum shown and the total of the amounts listed are due to rounding.*

**Interim Dividends**

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

**Corporate Governance Practices**

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

Code Provision C.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lu Haizhuan is both the chairman of the Board and the chief executive officer of the Company. Notwithstanding the deviation from Code Provision C.2.1 of the CG Code, given Mr. Lu Haizhuan's extensive knowledge and experience of the Group's business, the Board considers that vesting the roles of both chairman of the Board and chief executive officer of the Company in the same person brings the benefit of ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning for the Group. The Board believes 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 efficiently. The Board will nevertheless continue to review the structure from time to time and consider the appropriate move to take when appropriate.

Except for the deviation from Code Provision C.2.1 mentioned above, the Board is of the view that during the first half of 2025, the Company has complied with all the applicable code provisions as set out in the CG Code. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

### Model Code for Securities Transactions

During the first half of 2025, the Company has adopted the Model Code (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code during the first half of 2025.

### Purchase, Sale or Redemption of Listed Securities of the Company

During the first half of 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares). As of 30 June 2025, the Group did not hold any treasury shares (as defined in the Listing Rules).

### Implementation of "Full Circulation" of Domestic Unlisted Shares

On 13 May 2025, the Company filed the conversion of 187,093,658 domestic unlisted shares into H shares on a one-for-one basis with the China Securities Regulatory Commission (the "**CSRC**") and has obtained the Notification of Filing on the "Full Circulation" of Unlisted Shares of AuGroup (SHENZHEN) Cross-Border Business Co., Ltd. from the CSRC. The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") granted the listing of, and permission to deal in, 187,093,658 H shares of the Company (such H shares are converted from 187,093,658 domestic unlisted shares of the Company) on 20 May 2025, and a total of 187,093,658 domestic unlisted shares were converted into H shares on 22 May 2025. The listing of these converted H shares on the Hong Kong Stock Exchange commenced at 9:00 a.m. on 23 May 2025.

For further details, please refer to the announcements of the Company dated 13 May 2025, 20 May 2025 and 22 May 2025.

### Subsequent Events

Save as disclosed in this announcement, no significant events have occurred for the Group from the end of the Reporting Period to the date of this announcement.

### Audit Committee and Review of Interim Results

The Company established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the provisions of the CG Code.

The Audit Committee consists of three members, namely Ms. Meng Rongfang, Mr. Chen Xiaohuan and Ms. Gao Yu. All Audit Committee members are independent non-executive Directors. Ms. Meng Rongfang is the chairperson of the Audit Committee. The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code and the relevant PRC laws.

The Audit Committee, together with the Board and the auditors of the Company, has reviewed the accounting standards and practices adopted by the Group and the interim results of the Company for the six months ended 30 June 2025.

**Review of Condensed Consolidated Financial Statements**

Messrs. Deloitte Touche Tohmatsu, the independent auditor of the Company, has reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 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 Announcement and Interim Report**

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.augroup.com). The interim report of the Company for the six months ended 30 June 2025 will be despatched to shareholders who require a printed copy in due course and will be available on the websites of the Stock Exchange and the Company as mentioned above.

## DEFINITIONS

| | |
|---|---|
| Articles of Association" | the articles of association of the Company, effective as of the date of consideration and approval by the annual general meeting held on 30 June 2025, as amended, supplemented or otherwise modified from time to time |
| "Audit Committee" | the audit committee of the Company |
| "Authorized Representatives" | The authorized representatives of the Company |
| "Board" or "Board of Directors" | the board of Directors of our Company |
| "China" or "PRC" | the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan |
| "Company," "our Company" or "the Company" | Augroup (SHENZHEN) Cross-Border Business Co., Ltd. (傲基(深圳)跨境商務股份有限公司), formerly known as AuGroup Technology Co., Ltd. (傲基科技股份有限公司), Shenzhen Aukey E-Business Co., Ltd. (深圳市傲基電子商務股份有限公司) and Shenzhen Aukey E-Business Co., Ltd. (深圳市傲基電子商務有限公司), a limited liability company established in the PRC on 13 September 2010, which was converted into a joint stock limited company in the PRC on 25 May 2015 |
| "Director(s)" | director(s) of the Company |
| "Global Offering" | the Hong Kong Public Offering and the International Offering |

| | |
|---|---|
| "Group", "our Group", "we" or "us" | the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require) |
| "H Share(s)" | overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange |
| "HK$" or "HK dollars" | Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong |
| "Hong Kong" or "HK" | the Hong Kong Special Administrative Region of the PRC |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) |
| "Hong Kong Stock Exchange" or "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Listing" | the listing of our H Shares on the main board of the Hong Kong Stock Exchange |
| "Reporting Period" | for the six months ended 30 June 2025 |

By order of the Board
**AuGroup (SHENZHEN) Cross-Border Business Co., Ltd.**
**Mr. Lu Haizhuan**
*Chairman of the Board, Executive Director and Chief Executive Officer*

Shenzhen, the PRC, 28 August 2025

*As at the date of this announcement, the Board comprises Mr. Lu Haizhuan, Mr. Ze Kuaiyue, Ms. Zhuang Liyan and Mr. Yu Fenglu as executive directors; Ms. Zhang Li as a non-executive director; and Ms. Meng Rongfang, Mr. Chen Xiaohuan, Ms. Gao Yu and Mr. Liu Yong as independent non-executive directors.*