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Cosmo Lady (China) Holdings Company Limited

都市麗人(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2298)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

		For the six months ended 30 June	
		2025	2024
Revenue	<i>RMB'000</i>	1,435,894	1,514,450
Segment results			
Intimate wear products	<i>RMB'000</i>	69,652	60,257
Industrial projects and logistic	<i>RMB'000</i>	10,945	79,841
	<i>RMB'000</i>	80,597	140,098
Profit attributable to owners of the Company	<i>RMB'000</i>	57,796	82,398
Earnings per share			
– Basic	<i>RMB cents</i>	2.7	3.8
– Diluted	<i>RMB cents</i>	2.6	3.7

INTERIM FINANCIAL INFORMATION

The board of directors (the “**Board**”) of Cosmo Lady (China) Holdings Company Limited (the “**Company**”) announces the unaudited consolidated interim financial information of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024 and selected explanatory notes. The interim financial information has been reviewed by the audit committee of the Board (the “**Audit Committee**”) and the Company’s auditor, Ernst & Young, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2025	2024
	Notes	Unaudited RMB’000	Unaudited RMB’000
Revenue	4	1,435,894	1,514,450
Cost of sales		<u>(770,130)</u>	<u>(795,551)</u>
Gross profit		<u>665,764</u>	<u>718,899</u>
Selling and marketing expenses		(523,907)	(514,693)
General and administrative expenses		(79,664)	(83,833)
Net impairment losses on financial assets		(4,223)	(2,722)
Other income	5	8,355	9,329
Other losses – net	5	<u>(877)</u>	<u>(3,147)</u>
Operating profit		<u>65,448</u>	<u>123,833</u>
Finance income		2,113	4,002
Finance expenses		<u>(12,454)</u>	<u>(12,715)</u>
Finance expenses – net		(10,341)	(8,713)
Share of profits of joint ventures – net		<u>282</u>	<u>191</u>
Profit before income tax	6	55,389	115,311
Income tax expense	7	<u>(1,942)</u>	<u>(37,965)</u>
Profit for the period		<u>53,447</u>	<u>77,346</u>

		Six months ended 30 June	
		2025	2024
		Unaudited	Unaudited
		RMB'000	RMB'000
	Note		
Other comprehensive income/(loss) for the period			
<i>Item that may be reclassified subsequently to profit or loss</i>			
– Exchange differences on translation of foreign operations		2,343	(3,284)
<i>Item that will not be reclassified to profit or loss</i>			
– Changes in the fair value of equity investments at fair value through other comprehensive income		(4,451)	(2,330)
Total comprehensive income for the period		51,339	71,732
Profit/(loss) attributable to:			
Owners of the Company		57,796	82,398
Non-controlling interests		(4,349)	(5,052)
		53,447	77,346
Total comprehensive income/(loss) attributable to:			
Owners of the Company		55,688	76,784
Non-controlling interests		(4,349)	(5,052)
		51,339	71,732
Earnings per share attributable to owners of the Company during the period			
		<i>RMB cents</i>	<i>RMB cents</i>
Basic	8	2.7	3.8
Diluted		2.6	3.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 Unaudited <i>RMB'000</i>	As at 31 December 2024 Audited <i>RMB'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		750,770	765,361
Right-of-use assets		335,848	310,891
Intangible assets		25,941	27,742
Investment in joint ventures		31,025	72,782
Financial assets at fair value through other comprehensive income		16,229	18,197
Deposits, prepayments and other receivables		24,365	23,832
Deferred income tax assets		114,494	113,292
		1,298,672	1,332,097
Current assets			
Inventories		621,704	672,698
Completed properties held for sale		76,136	130,716
Trade and notes receivables	10	436,539	385,245
Deposits, prepayments and other receivables		615,836	554,181
Restricted bank deposits		34,572	84,107
Cash and cash equivalents		520,349	537,764
		2,305,136	2,364,711
Total assets		3,603,808	3,696,808

		As at 30 June 2025 Unaudited RMB'000	As at 31 December 2024 Audited RMB'000
	<i>Notes</i>		
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		140,312	140,312
Share premium		1,623,376	1,633,846
Shares held for share award scheme		(59,550)	(59,550)
Accumulated losses		(50,033)	(107,829)
Other reserves		426,976	426,211
		<u>2,081,081</u>	<u>2,032,990</u>
Non-controlling interests		(16,272)	(11,627)
Total equity		<u>2,064,809</u>	<u>2,021,363</u>
LIABILITIES			
Current liabilities			
Trade and notes payables	11	247,429	523,473
Accruals and other payables		312,148	293,435
Contract liabilities		90,893	156,156
Tax payables		46,115	44,636
Borrowings	12	222,158	304,380
Lease liabilities		152,105	143,193
Deferred income		16	113
		<u>1,070,864</u>	<u>1,465,386</u>
Non-current liabilities			
Borrowings	12	349,505	91,250
Lease liabilities		118,630	118,809
		<u>468,135</u>	<u>210,059</u>
Total liabilities		<u>1,538,999</u>	<u>1,675,445</u>
Total equity and liabilities		<u>3,603,808</u>	<u>3,696,808</u>

NOTES:

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 28 January 2014 as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in the designing, marketing and selling of intimate wear products, development of industrial projects and provision of logistic services in the People's Republic of China (the "PRC"). The Company's ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 June 2014.

Harmonious Composition Investment Holdings Limited, a company incorporated in the British Virgin Islands (the "BVI"), is the immediate holding company of the Company. In the opinion of the Company's directors, Yao Li Investment Holdings Limited, a company incorporated in the BVI with limited liability and controlled by Mr. Zheng Yaonan, is the ultimate holding company of the Company.

The interim condensed consolidated financial information for the six months ended 30 June 2025 (the "Interim Financial Information") is presented in Renminbi ("RMB"), unless otherwise stated. The Interim Financial Information is unaudited but has been reviewed by the Audit Committee and approved for issue by the Board on 29 August 2025.

2 BASIS OF PREPARATION

The Interim Financial Information has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards.

Changes in accounting policies

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

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standards that are applicable to the Group are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3 OPERATING SEGMENT INFORMATION

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

- Intimate wear products segment – Designing, marketing and selling of intimate wear products
- Industrial projects and logistic segment – Development of industrial projects and provision of logistic services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that interest income, finance expenses as well as head office and corporate income and expenses are excluded from such measurement.

The Group's revenue from external customers was derived solely from its operations in the PRC.

None of the revenue derived from any single external customer amounted to 10% or more of the Group's revenue for the six months ended 30 June 2025 (2024: None).

Information regarding these reportable segments is presented below:

Reportable segment information

	For the six months ended 30 June (Unaudited)					
	Intimate wear products		Industrial projects and logistic		Total	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue						
Revenue from external customers	1,288,540	1,295,054	147,354	219,396	1,435,894	1,514,450
Intersegment sales	–	29,038	66,989	63,994	66,989	93,032
Total segment revenue	1,288,540	1,324,092	214,343	283,390	1,502,883	1,607,482
Reconciliation:						
Elimination of intersegment sales					(66,989)	(93,032)
Total revenue					1,435,894	1,514,450
Segment gross profit	639,605	636,133	26,159	82,766	665,764	718,899
Segment results	69,652	60,257	10,945	79,841	80,597	140,098
Reconciliation:						
Interest income					2,113	4,002
Unallocated gains					664	1,898
Corporate and other unallocated expenses					(21,135)	(23,422)
Finance expenses					(6,850)	(7,265)
Profit before income tax					55,389	115,311

4 REVENUE

Disaggregated revenue information for revenue from contracts with customers:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Retail sales	662,627	643,711
Sales to franchisees	400,984	424,611
E-commerce	224,929	226,732
Logistic income	64,445	47,521
Sales of properties from industrial projects	82,909	171,875
	<u>1,435,894</u>	<u>1,514,450</u>

5 OTHER INCOME AND OTHER LOSSES – NET

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
An analysis of the Group's other income is as follows:		
Government grants (<i>Note</i>)	813	1,147
Investment income from financial assets	382	1,707
Others	7,160	6,475
	<u>8,355</u>	<u>9,329</u>

Note: These mainly represented grants received from various local governments in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
An analysis of the Group's other losses – net is as follows:		
Net foreign exchange losses	(872)	(3,166)
(Losses)/gains on disposal of property, plant and equipment – net	(5)	19
	<u>(877)</u>	<u>(3,147)</u>

6 PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	648,935	658,921
Cost of service rendered	65,759	48,398
Cost of properties sold	55,436	88,232
Depreciation and amortisation		
– Right-of-use assets	102,065	85,320
– Property, plant and equipment	41,877	40,043
– Intangible assets	3,506	3,549
Provision for inventories	5,736	–
(Reversal)/provision of impairment of property, plant and equipment	(283)	182
(Reversal)/provision of impairment of right of use assets	(5,230)	5,220
	<u>648,935</u>	<u>658,921</u>

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
– PRC corporate income tax (<i>Note (b)</i>)	1,271	2,029
– PRC land appreciation tax (“LAT”) (<i>Note (c)</i>)	1,873	15,811
	<u>3,144</u>	<u>17,840</u>
Deferred income tax		
– Deferred income tax	(1,202)	20,125
Income tax expense	<u>1,942</u>	<u>37,965</u>

Notes:

(a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the current and the prior period.

(b) PRC corporate income tax

The Company's subsidiary, Cosmo Lady Guangdong Holdings Limited (“**Cosmo Lady Guangdong**”), was given the preferential corporate income tax at 15% under the High and New Technology Enterprises (“**HNTE**”) in December 2024, which is effective for 3 years from 2024 to 2027. The Group's other subsidiaries in the PRC are subject to PRC corporate income tax at the rate of 25% for the six months ended 30 June 2025 (2024: 25%) on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

(c) PRC Land Appreciation Tax

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for certain of its property development projects. The final outcome could be different from the amounts that were initially recorded.

(d) Overseas income Tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from BVI income tax.

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company (RMB'000)	57,796	82,398
Weighted average number of ordinary shares for purposes of basic earnings per share (<i>thousands of shares</i>)	2,179,354	2,175,223
Effect of dilution – weighted average number of ordinary shares: Share Award Scheme (<i>thousands of shares</i>)	50,415	40,498
Number of shares used in diluted earnings per share calculation (<i>thousands of shares</i>)	2,229,769	2,215,721

Note: The weighted average number of ordinary shares for the purpose of basic earnings per share for the six months ended 30 June 2025 and 2024 has been adjusted for the effects of purchase and withholding of ordinary shares of the Company for the share award scheme during the six months ended 30 June 2025 and 2024, respectively, while the share options outstanding during the six months ended 30 June 2025 had no dilutive effect on the diluted earnings per share amount presented.

9 INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend to shareholders of the Company for the six months ended 30 June 2025 (2024: HK1.1 cents per ordinary share of the Company, totaling approximately HK\$24,744,000).

10 TRADE AND NOTES RECEIVABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables		
– Due from third parties	455,045	401,417
Notes receivables	61	267
Less: loss allowance	(18,567)	(16,439)
	<hr/>	<hr/>
Trade and notes receivables – net	436,539	385,245
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- (a) As at 30 June 2025, the carrying amounts of the trade receivables of the Group approximate their fair values and are all denominated in RMB.
- (b) The Group's trade receivables are primarily derived from sales to certain franchise customers with an appropriate credit history. The Group generally grants franchise customers with a credit period of 15 to 90 days from the invoice date. The Group also gives franchise customers a credit period of 90 to 180 days for their first order of products for new retail stores. The Group would also extend the credit period for certain franchise customers under certain circumstances. The aging analysis of trade receivables based on invoice dates, as at 30 June 2025 is as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables, gross		
– Within 30 days	137,802	157,275
– Over 30 days and within 60 days	105,689	44,861
– Over 60 days and within 90 days	43,031	94,702
– Over 90 days and within 180 days	23,981	44,192
– Over 180 days and within 360 days	120,466	48,501
– Over 360 days	24,076	11,886
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	455,045	401,417
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11 TRADE AND NOTES PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables		
– Due to third parties	218,479	398,564
– Due to related parties	1,697	5,544
	<u>220,176</u>	<u>404,108</u>
Notes payable	27,253	119,365
	<u>247,429</u>	<u>523,473</u>

As at 30 June 2025, trade payables of the Group are non-interest bearing, and their fair values approximate their carrying amounts due to their short maturities.

As at 30 June 2025, trade payables are denominated in RMB. The aging analysis of trade payables based on invoice dates, as at 30 June 2025 is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables		
– Within 30 days	45,589	43,302
– Over 30 days and within 60 days	6,938	38,016
– Over 60 days and within 90 days	55,834	100,054
– Over 90 days and within 180 days	97,490	191,386
– Over 180 days and within 360 days	7,300	19,748
– Over 360 days	7,025	11,602
	<u>220,176</u>	<u>404,108</u>

12 BORROWINGS

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Non-current		
Secured bank borrowings	<u>349,505</u>	<u>91,250</u>
Current		
Secured bank borrowings	118,000	304,380
Advances from discounted bills with recourse	<u>104,158</u>	<u>–</u>
Subtotal	<u>222,158</u>	<u>304,380</u>
Total	<u><u>571,663</u></u>	<u><u>395,630</u></u>

BUSINESS REVIEW

In 2025, the global economic landscape experienced significant adjustments, with international supply chains accelerating their restructuring and the domestic consumer market showing clear signs of differentiation. Against this backdrop, China's intimate wear industry entered a new cycle of quality upgrades and value reassessment. Consumers increasingly seek products that offer functionality, comfort, and emotional value. In response to market transformations, the Group actively adapted by focusing on branding, products, and channels to establish a comprehensive competitive advantage and enhance performance. With the contribution of all staff of the Group, for the six months ended 30 June 2025, profit attributable to owners of the Company was RMB57,796,000.

1. Strengthening brand power and solidifying the leading position of “National Intimate Wear”

In the first half of 2025, we implemented a series of initiatives in brand marketing to further solidify our leading position of “National Intimate Wear”, so as to continuously build a strong brand.

- (a) In January 2025, we officially signed short track speed skating athletes, namely Liu Shaolin and Liu Shaoang, as brand ambassadors. This strong collaboration between a “National Brand” and “World Champions” not only leverages their influence to enhance our brand's national recognition, but also solidifies our brand identity of “National Intimate Wear, Champion's Choice” through the trust and endorsement of these champions;
- (b) In February 2025, leveraging the momentum of the Asian Winter Games and the signing of world champions Liu Shaolin and Liu Shaoang as brand ambassadors, we launched a sports marketing campaign “Let the World Feel the Warmth of China,” effectively boosting brand power;
- (c) In March 2025, the Cosmo Lady Global Brand Conference was successfully held in Futian, Shenzhen. During the conference, we proudly announced that actress Gulnazar (古力娜扎) became our brand ambassador. As a figure embodying both Eastern aesthetic and national influence, Gulnazar's image perfectly aligns with our positioning of “National Intimate Wear”. At the conference, we also once again received the certification of the “National Sales No.1” from the authoritative institution, Frost & Sullivan, further solidifying the brand's recognition based on market data;

- (d) During the first half of the year, we continued to invest in brand marketing by gradually placing advertisements in around 180 high-speed rail stations across China and 50 outdoor screens in key business districts in Beijing, Shanghai, Guangzhou, and Shenzhen. Through the visual impact and immersive experiences, it has reinforced brand memory and injected strong driving force into our brand; and
- (e) In line with our dedication to social responsibility, we continued to fulfill our public welfare mission. During the first half of the year, Cosmo Lady’s efforts in charity work reached 12 provinces nationwide, with a total of 177,000 items donated, demonstrating the social responsibility of the “National Brand” through our real actions.

2. Continuous upgrade of product development system to strengthen the core competitive advantage of “quality and affordability”

For years, we have adhered to core product concept of “high-quality and affordable intimate wear”, establishing a distinctive competitive advantage in our product offerings. In the first half of 2025, we implemented a series of key initiatives to comprehensively upgrade the product development system and further enhance product capabilities.

- (a) During the first half of the year, we conducted in-depth store research and conducted interviews with our major clients. By combining insights from lingerie exhibitions and online data monitoring, we gained a better understanding of consumer needs, ensuring our product development closely aligns with market demands;
- (b) Meanwhile, we strengthened our collaboration with core suppliers, fostering extensive cooperation in key areas like raw material innovation and production process upgrades. Through ongoing improvement of best-selling models, as well as the development of new processes, structural technologies and design patents, we improved development efficiency while establishing differentiated competitive advantages in functionality and comfort; and
- (c) The product matrix for best-sellers has been further refined, continuously building a range of mass and mid-to-high-priced products that cater to various consumer preferences, ensuring that we meet the needs of different consumers.

3. Deepening channel development: continuous growth in shopping malls and e-commerce performance

In the face of a complex market environment, we have maintained a steady and prudent approach, focusing on optimizing the business operations and strengthening the channel advantages, which has led to remarkable results.

- (a) The main brand, “Cosmo Lady”, has actively pursued its offline strategies in major provinces and counties. We have enhanced operations across multiple dimensions, including operations, channels, products, and membership, while placing a strong focus on traditional retail outlets. At the same time, we are expanding into shopping malls with a brand-new image, further enhancing brand penetration and core competitiveness;
- (b) The Group’s “Cotton Regions” brand has achieved rapid expansion, driven by precise market positioning, differentiated product offerings, and a high-quality service experience, resulting in approximately 46% year-on-year growth as compared to that for the six months ended 30 June 2024; and
- (c) In the e-commerce sector, we have deepened our collaboration with partners to enhance market share from different aspects. For the first half of the year, the Group’s e-commerce gross merchandise value (GMV) exceeded RMB1.6 billion, representing a significant year-on-year growth of 243% as compared to that for the six months ended 30 June 2024, providing strong momentum for the Group’s steady development.

Looking ahead to the second half of the year, the global economic adjustments and the ongoing shifts in domestic consumption patterns will persist, representing both opportunities and challenges for the intimate wear industry. We will adhere to our strategic positioning, focusing on offering products with “high-quality and affordability” and adhering to the original aspiration of providing high-value products, and deepen our efforts in branding, product development, and channel expansion. We firmly believe that, through the contribution of all staff and the strong support of our partners, we can further consolidate our market position, respond to challenges with steady growth, and embrace greater breakthroughs.

We would like to extend our sincere gratitude to all our customers, suppliers, bankers, and supporters of the Company. We would also like to thank all shareholders, directors, management and staff for their valuable contributions to the development of the Group.

FINANCIAL REVIEW

Profit attributable to the owners of the Company and the segment results

Profit attributable to the owners of the Company for the six months ended 30 June 2025 (the “**Relevant Period**”) was RMB57,796,000 (the first half of 2024: RMB82,398,000), which decreased by approximately 30% as compared with that of the corresponding period in 2024. Besides, the results from the intimate wear products and industrial projects and logistic segments of the Group for the Relevant Period were RMB69,652,000 (the first half of 2024: RMB60,257,000) and RMB10,945,000 (the first half of 2024: RMB79,841,000), respectively, representing an increase of approximately 16% and a decrease of approximately 86% as compared with that of the corresponding period in 2024, respectively.

It was mainly due to (i) the Group’s successful cooperation with its partners to expand its e-commerce business since last year, and effectively increased the market share of the Group’s brands, with the gross merchandise value (“**GMV**”) of approximately RMB1.52 billion (the first half of 2024: RMB0.24 billion) transacted on the relevant e-commerce platforms that the Group established corporations with during the Relevant Period, from which the Group received service income of approximately RMB39.4 million during the Relevant Period (the first half of 2024: RMB 21.0 million), contributing to the continued improvement in performance of the intimate wear product segment; and (ii) during the Relevant Period, the Group primarily delivered the remaining units of the industrial projects of the Group located in Fenggang, Dongguan, Guangdong Province, the PRC (the “**Yuquan Project**”), with the number of units delivered significantly decreased as compared with that of the corresponding period last year.

Revenue

The Group's revenue is mainly derived from sales of intimate wear products to the franchisees and to consumers through self-managed/cooperative stores and online sales platforms, development of industrial projects and provision of logistic services in the PRC. The breakdown of the revenue is as follows:

	Six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Intimate wear products:				
Offline sales	1,063,611	74.1	1,068,322	70.5
E-commerce	224,929	15.6	226,732	15.0
	1,288,540	89.7	1,295,054	85.5
Industrial projects and logistic:				
Logistic income	64,445	4.5	47,521	3.1
Industrial projects sales	82,909	5.8	171,875	11.4
	147,354	10.3	219,396	14.5
	1,435,894	100.0	1,514,450	100.0

During the Relevant Period, the changes in revenue of the Group were mainly due to the decrease in industrial projects sales. Since 2022, the Group has transformed the former old warehouses in Yuquan, the PRC, into the modern industrial and intelligent logistic warehousing industrial projects, which has been completed and approved by the relevant authorities during 2024. The total gross floor area of the Yuquan Projects is approximately 145,000 square meters, of which approximately 56,000 square meters are used by the Group for logistic business and the remaining approximately 89,000 square meters are mainly used for sales.

During the Relevant Period, the Group mainly delivered the remaining units of the Yuquan Project. The number of units delivered decreased significantly as compared with that of the corresponding period last year, resulting in a corresponding decrease in related sales.

As at 30 June 2025, the gross floor area of the Yuquan Projects of approximately 66,000 square metres had been contracted, of which approximately 60,000 square metres were delivered and revenue was recognised. The remaining contracted units of the Yuquan Projects will be delivered progressively this year.

Gross profit margin

During the Relevant Period, the gross profit margin of the Group remained steady at approximately 46.4% as compared with that of the corresponding period in 2024 (the first half of 2024: 47.5%), in which the gross profit margin of intimate wear products also remained steady during the Relevant Period at approximately 49.6% as compared with that of the corresponding period in 2024 (the first half of 2024: 49.1%). The gross profit margin of industrial projects and logistic decreased to approximately 17.8% (the first half of 2024: 37.7%) during the Relevant Period, which was mainly due to the decrease in sales from the industrial projects during the Relevant Period.

Selling and marketing expenses

Selling and marketing expenses primarily consist of employee benefit expenses, lease expenses in respect of stores under cooperative arrangements, marketing and promotion expenses, e-commerce platforms commission expenses, depreciation and amortisation and others.

The increase in selling and marketing expenses by about 2% for the six months ended 30 June 2025 to approximately RMB523,907,000 (the first half of 2024: RMB514,693,000) was mainly driven by the Group's continued efforts to strengthen its brand power and increase its brand marketing investment during the Relevant Period.

General and administrative expenses

General and administrative expenses primarily consist of employee benefit expenses, consulting service expenses, travelling expenses, depreciation and amortisation and others.

The decline in general and administrative expenses by approximately 5% for the six months ended 30 June 2025 to approximately RMB79,664,000 (the first half of 2024: RMB83,833,000) was mainly attributable to the continuous and effective cost control measures implemented during the Relevant Period.

Finance expenses – net

Finance expenses – net represents financial expenses on bank borrowings and lease liabilities less interest income on bank deposits.

The increase in finance expenses – net to approximately RMB10,341,000 (the first half of 2024: RMB8,713,000) was mainly due to the decrease in interest income during the Relevant Period.

Income tax expense

As at 30 June 2025, the Group had fulfilled all its tax obligations and did not have any unresolved tax disputes.

The income tax expense during the Relevant Period decreased to approximately RMB1,942,000 (the first half of 2024: RMB37,965,000). Such decrease was mainly due to (i) the PRC land appreciation tax charges arising from the sales and profits from industrial projects during the Relevant Period decreased to approximately RMB1,873,000 (the first half of 2024: RMB15,811,000) and (ii) the deferred income tax expenses of approximately RMB20,125,000 was recognised in the corresponding period of the previous year, primarily related to the reversal of part of the deferred tax assets recognised in previous years in respect of tax losses.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a strong and healthy financial position. As at 30 June 2025, the Group's restricted bank deposits and cash and cash equivalents amounted to approximately RMB554,921,000 (31 December 2024: RMB621,871,000) and borrowings amounted to approximately RMB571,663,000 (31 December 2024: RMB395,630,000). As at 30 June 2025, the current ratio was about 2.2 times (31 December 2024: 1.6 times).

As at 30 June 2025, the Group's gross gearing ratio, which was calculated on the basis of the amount of bank borrowings (excluding advances from discounted bills with recourse) as a percentage of the total shareholders' equity, was approximately 22.6% (31 December 2024: 19.6%). The net gearing ratio, which was calculated on the basis of the amount of bank borrowings (excluding advances from discounted bills with recourse) less restricted bank deposits and cash and cash equivalents as a percentage of the total shareholders' equity, was approximately negative 4.2% (31 December 2024: negative 11.2%). The Group's financial ratios remained at healthy level.

FOREIGN CURRENCY RISK

Most of the Group's income, expenses and purchases of raw materials are denominated in Renminbi. The Group has never encountered any significant difficulties in obtaining sufficient foreign currencies for repatriation of profits declared by the subsidiaries in mainland China to the overseas holding companies.

CAPITAL EXPENDITURE ON PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the Relevant Period, the capital expenditure on property, plant and equipment and intangible assets of the Group amounted to approximately RMB32,647,000 (the first half of 2024: RMB33,333,000), which was mainly used for decoration and renewal of stores.

PLEDGE OF ASSETS

As at 30 June 2025, the Group's restricted bank deposits, certain property, plant and equipment, and land use rights of approximately RMB646,263,000 (31 December 2024: RMB465,226,000) were pledged as securities for obtaining borrowings and notes payables.

HUMAN RESOURCES AND MANAGEMENT

The Group had approximately 2,000 full-time employees as at 30 June 2025 (31 December 2024: 2,200). The Group's remuneration package is determined with reference to the experience and qualifications of the individual employees and general market conditions. Bonus is linked to the Group's operating result as well as individual performance. The Company believes that the ability to recruit and retain experienced and skilled labour is crucial to the Group's growth and development. The Group provides training for its new employees to familiarise them with the working environment and work culture. The Group also provides on-the-job training to the employees, which aims at developing their skills so as to meet the strategic goals and customer requirements. In addition to providing the Group's staff with opportunities to receive on-the-job training, the Group strives to create a harmonious and warm working and living environment for the staff.

INTERIM DIVIDENDS

The Board does not recommend the payment of interim dividend to shareholders of the Company for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK1.1 cents per share, totaling approximately HK\$24,744,000).

CORPORATE GOVERNANCE PRACTICES

The Board considers that the Company has complied with all the applicable code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) throughout the six months ended 30 June 2025, with the exception of Code Provision C.2.1.

According to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same person. The Company deviated from this provision from 30 November 2021 because Mr. Zheng Yaonan (“**Mr. Zheng**”) performed both the roles of the chairman of the Board and the chief executive officer of the Company. Mr. Zheng, with an established market reputation in the intimate wear industry in China, is the founder of the Group and has extensive experience in business operations and management in general. Under the leadership of Mr. Zheng, the Board worked effectively and performed its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions were made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive directors on the Board offering advice from independent perspectives, the Board was therefore of the view that there were adequate safeguards in place to ensure a sufficient balance of powers within the Board.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES OR SALE OF TREASURY SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities or sold any treasury shares during the six months ended 30 June 2025.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding securities transactions by the Directors. Specific enquiry was made with all the Directors and all of the Directors confirmed that they have complied with the requirements set out in the Model Code throughout the six months ended 30 June 2025.

SIGNIFICANT EVENTS AFTER REPORTING PERIOD

There was no significant event occurred subsequent to 30 June 2025, being the end of the reporting period.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Yau Chi Ming, Dr. Dai Yiyi and Dr. Lu Hong Te. Mr. Yau Chi Ming, who possesses appropriate professional qualifications as required by the Listing Rules, is the chairman of the Audit Committee.

The Audit Committee holds regular meetings to review the financial information, financial reporting system and internal control procedures of the Group, including a review of the unaudited interim financial information for the six months ended 30 June 2025 and the Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2025 and has no disagreement with the accounting treatment and principles adopted by the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2025

This interim results announcement is published on the HKEXnews at <http://www.hkexnews.hk> and on the Company's website at <http://www.cosmo-lady.com.hk>. The 2025 interim report of the Company will be published on both of the aforesaid websites in due course.

By order of the Board
Cosmo Lady (China) Holdings Company Limited
Zheng Yaonan
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises Mr. Zheng Yaonan, Mr. Zhang Shengfeng, Ms. Wu Xiaoli, Mr. Xian Shunxiang and Mr. Zhu Hongbo as executive Directors; Mr. Lin Zonghong as non-executive Director; and Mr. Yau Chi Ming, Dr. Dai Yiyi and Dr. Lu Hong Te as independent non-executive Directors.