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Duiba Group

兑吧集团

DUIBA GROUP LIMITED

兑吧集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1753)

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

Financial Information Highlights for the Six Months ended 30 June 2025

Financial Information Highlights

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Revenue		
User management SaaS platform business	89,574	116,965
Internet advertising business	230,251	318,169
Others	29,798	23,125
Total	349,623	458,259

For the six months ended 30 June 2025, our revenue decreased by approximately 23.7% as compared with the same period of 2024.

Non-HKFRS Measure

To supplement our condensed consolidated financial statements which are presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRS(s)**”), we also use a non-HKFRS measure, adjusted loss for the period, as an additional financial measure, which is not required by, or presented in accordance with, HKFRSs. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that we do not consider to be indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

The following table reconciles our adjusted loss for the periods presented to the most directly comparable financial measure calculated and presented in accordance with HKFRSs:

	For the six months ended	
	30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Loss for the period	(26,728)	(19,078)
<i>Add:</i>		
Share-based payment	<u>2,206</u>	<u>1,465</u>
Adjusted loss for the period⁽¹⁾	<u>(24,522)</u>	<u>(17,613)</u>

- (1) We define “adjusted loss for the period” as loss for the period, adding back share-based payment. Adjusted loss for the period is not a measure required by or presented in accordance with HKFRSs. The use of adjusted loss for the period has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRSs.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Duiba Group Limited (the “**Company**”) hereby announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (“**1H2025**” or the “**Period**”) together with the comparative figures for the six months ended 30 June 2024 (“**1H2024**”):

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

For the six months ended 30 June 2025

		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
	<i>Notes</i>		
REVENUE	5	349,623	458,259
Cost of sales		(292,373)	(396,757)
Gross profit		57,250	61,502
Other income and gains	5	35,927	29,270
Selling and distribution expenses		(46,547)	(41,305)
Administrative expenses		(49,916)	(52,521)
Impairment losses on financial assets, net		(10,581)	(9,211)
Other expenses		(1,398)	(167)
Finance costs		(9,644)	(6,919)
Share of losses of associates, net of tax		(1,439)	(176)
LOSS BEFORE TAX	6	(26,348)	(19,527)
Income tax (expense)/credit	7	(380)	449
LOSS FOR THE PERIOD		(26,728)	(19,078)
Attributable to:			
Owners of the parent		(26,728)	(19,078)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2025

		2025	2024
		(Unaudited)	(Unaudited)
	<i>Note</i>	RMB'000	RMB'000
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		<u>(2,094)</u>	<u>3,193</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX		<u>(2,094)</u>	<u>3,193</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(28,822)</u>	<u>(15,885)</u>
Attributable to:			
Owners of the parent		<u>(28,822)</u>	<u>(15,885)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (<i>RMB</i>)	9	<u>(2.5) cents</u>	<u>(1.8) cents</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,960	2,171
Intangible assets		370	100
Right-of-use assets		–	2,809
Investment in an associate	11	234,373	234,922
Deferred tax assets		8,232	9,736
Pledged deposits		52,940	144,314
Time deposits		–	506
Prepayments, other receivables and other assets		6,114	6,989
		<hr/>	<hr/>
Total non-current assets		306,989	401,547
CURRENT ASSETS			
Trade receivables	12	805,249	723,783
Note receivables		344	530
Prepayments, other receivables and other assets		379,091	584,592
Financial assets at fair value through profit or loss		106,182	135,824
Restricted cash		8,869	8,586
Pledged deposits		466,495	235,168
Time deposits		22,174	–
Cash and cash equivalents		433,393	280,750
		<hr/>	<hr/>
Total current assets		2,221,797	1,969,233
CURRENT LIABILITIES			
Trade payables	13	90,549	82,207
Other payables and accruals		278,037	278,640
Tax payable		267	5,595
Contract liabilities		5,000	8,427
Interest-bearing bank borrowings		855,815	667,164
Lease liabilities		–	2,135
		<hr/>	<hr/>
Total current liabilities		1,229,668	1,044,168

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (CONTINUED)**

30 June 2025

		30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
	<i>Note</i>		
NET CURRENT ASSETS		<u>992,129</u>	<u>925,065</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,299,118</u>	<u>1,326,612</u>
NON-CURRENT LIABILITIES			
Lease liabilities		–	844
Deferred tax liabilities		<u>499</u>	<u>533</u>
Total non-current liabilities		<u>499</u>	<u>1,377</u>
Total net assets		<u>1,298,619</u>	<u>1,325,235</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	70	70
Reserves		<u>1,298,549</u>	<u>1,325,165</u>
Total equity		<u>1,298,619</u>	<u>1,325,235</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(26,348)	(19,527)
Adjustments for:			
Share of losses of associates, net of tax		1,439	176
Interest income	5	(7,392)	(13,224)
Investment income from financial assets at fair value through profit or loss	5	(7,239)	(87)
Foreign exchange differences, net	6	(509)	(26)
Gain on disposals of items of property, plant and equipment	5	(11)	(64)
Gain on lease termination	5	(153)	–
Depreciation of property, plant and equipment	10	327	1,069
Fair value loss/(gain), net:			
Financial assets at fair value through profit or loss	6	234	(265)
Amortisation of intangible assets		123	267
Equity-settled share award and option expense		2,206	1,465
Finance costs		9,644	6,919
Depreciation of right-of-use assets		107	2,037
Gain on disposal of an associate	5	(43)	–
Impairment of financial assets, net		10,581	9,211
		(17,034)	(12,049)
Increase in restricted cash		(283)	(1,261)
Increase in trade receivables		(92,047)	(347,874)
Decrease in note receivables		186	–
Decrease/(increase) in prepayments, other receivables and other assets		198,720	(8,263)
Increase in inventories		(3,674)	–
Increase/(decrease) in trade payables		8,342	(15,494)
(Decrease)/increase in other payables and accruals		(5,894)	21,926
Decrease in contract liabilities		(3,427)	(13,987)
Cash generated from/(used in) operations		84,889	(377,002)
Interest received		1,319	2,114
Income tax paid		(208)	(37)
Net cash flows from/(used in) operating activities		86,000	(374,925)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposals of items of property, plant and equipment	178	115
Purchases of items of property, plant and equipment	(3,131)	(942)
Purchases of intangible assets	(393)	–
Purchases of financial assets at fair value through profit or loss	(4,050)	(21,219)
Proceeds from disposals of financial assets at fair value through profit or loss	40,665	28,253
Repayment from loans receivable	16,600	14,500
Advances of loans receivable	(4,010)	(18,540)
Purchases of time deposits	(21,476)	(402,664)
Repayment of time deposits	–	451,127
Purchases of pledged deposits	(280,551)	(100,500)
Repayment of pledged deposits	158,172	210,000
Interest received	4,690	7,890
Proceeds from disposal of an associate	3,427	–
Purchase of a shareholding in an associate	(4,275)	(3,000)
	<hr/>	<hr/>
Net cash flows (used in)/from investing activities	(94,154)	165,020
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease payments	(277)	(2,335)
Interest paid for lease liabilities	(6)	–
Purchases of pledged deposits	(47,130)	(90,979)
Repayment of pledged deposits	29,971	63,487
New bank borrowings	655,100	724,188
Repayment of bank borrowings	(465,750)	(540,478)
Interest paid for bank borrowings	(10,337)	(619)
Borrowings from employees	6,870	–
Repayment of employee borrowings	(6,870)	–
	<hr/>	<hr/>
Net cash flows from financing activities	161,571	153,264

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	153,417	(56,641)
Effect of foreign exchange rate changes, net	(774)	214
Cash and cash equivalents at beginning of period	280,750	288,460
CASH AND CASH EQUIVALENTS AT END OF PERIOD	433,393	232,033
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	433,393	232,033

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE INFORMATION

Duiba Group Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 26 February 2018. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. On 7 May 2019, the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The Company’s subsidiaries were principally involved in the user management Software-as-a-Service (“**SaaS**”) platform business and internet advertising business.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting*.

The unaudited 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.

The unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for investments in financial products and unlisted equity investment, which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited 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 amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants for the first time for the current period’s financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and the impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 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.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resources allocation and performance assessment.

Geographical information

During the reporting period, the Group operated within one geographical area as all of the Group's revenue was generated from customers located in China. All of the non-current assets of the Group were located in China.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the reporting period is set out below:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Customer 1	59,484	68,140
Customer 2	55,768	62,437
Customer 3	N/A*	46,327

* The corresponding revenue of the customer is not disclosed as the revenue did not individually account for 10% or more of the Group's revenue for the reporting period.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
<i>Revenue from contracts with customers</i>		
User management SaaS platform business	89,574	116,965
Internet advertising business	230,251	318,169
Others	29,798	23,125
	349,623	458,259

Disaggregated revenue information for revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Timing of revenue recognition		
Over time		
– SaaS services included in user management SaaS platform business	4,276	4,774
At a point in time		
– Other services included in user management SaaS platform business	85,298	112,191
– Internet advertising business	230,251	318,169
– Others	29,798	23,125
	345,347	453,485
Total	349,623	458,259
Other income and gains		
Interest income	7,392	13,224
Government grants	20,134	11,594
Investment income from financial assets		
at fair value through profit or loss	7,239	87
Gain on disposal of an associate	43	–
Fair value gain, net:		
Financial assets at fair value through profit or loss	–	265
Gain on disposals of items of property, plant and equipment	11	64
Gain on lease termination	153	–
Others	955	4,036
	35,927	29,270

6. LOSS BEFORE TAX

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

	<i>Notes</i>	For the six months ended 30 June	
		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Cost of inventories sold		58,646	89,899
Cost of services provided		233,727	306,858
Depreciation of property, plant and equipment	10	327	1,069
Depreciation of right-of-use assets		107	2,037
Amortisation of intangible assets*		123	267
Interest income	5	(7,392)	(13,224)
Foreign exchange differences, net		(509)	(26)
Gain on disposals of items of property, plant and equipment	5	(11)	(64)
Impairment of financial assets, net		10,581	9,211
Fair value loss**/(gain), net:			
Financial assets at fair value through profit or loss	5	234	(265)
Investment income from financial assets at fair value through profit or loss	5	(7,239)	(87)
Research and development costs		22,892	23,802
Auditor's remuneration		300	300
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		46,821	49,007
Equity-settled share award and option expense		1,761	1,376
Pension scheme contributions***		2,806	2,444
Staff welfare expense		15,383	12,051
		66,771	64,878

* The amortisation of intangible assets for the six months ended 30 June 2025 is included in "Administrative expenses" in unaudited interim condensed consolidated statement of profit or loss and other comprehensive income.

** The fair value loss of financial assets at fair value through profit or loss, net is included in "Other expenses" in unaudited interim condensed consolidated statement of profit or loss and other comprehensive income.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. INCOME TAX

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

The Group calculates the period income tax expense/(credit) using the tax rate that would be applicable to the expected total annual loss. The major components of income tax expense/(credit) in the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income are:

	For the six months ended	
	30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current tax	(1,089)	613
Deferred tax	1,469	(1,062)
	<hr/>	<hr/>
Total tax expense/(credit) for the period	380	(449)
	<hr/>	<hr/>

* The current tax credit during the six months ended 30 June 2025 results from adjustments to prior-year provisional tax calculations due to revised tax rate applications.

8. DIVIDEND

The Board did not recommend the declaration of any interim dividend for the reporting period (six months ended 30 June 2024: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent of RMB26,728,000 (loss for the six months ended 30 June 2024: RMB19,078,000) and the weighted average number of ordinary shares of 1,067,437,500 (six months ended 30 June 2024: 1,063,154,500) shares in issue during the period. The number of shares for the current period has been arrived at after eliminating the shares of the Company held under the restricted stock units and restricted stock unit options.

	For the six months ended	
	30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation (RMB)	(26,728,000)	(19,078,000)
	<hr/>	<hr/>
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	1,067,437,500	1,063,154,500
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10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Carrying amount at beginning of period/year	2,171	2,796
Additions	3,131	1,100
Depreciation provided during the period/year	(327)	(1,632)
Disposals	(15)	(93)
	<u>4,960</u>	<u>2,171</u>
Carrying amount at end of period/year	<u>4,960</u>	<u>2,171</u>

11. INVESTMENT IN AN ASSOCIATE

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Investment in an associate	<u>234,373</u>	<u>234,922</u>

Particulars of the associate are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
Zhejiang Gushang Intelligent Technology Co., Ltd.	Ordinary shares	PRC/Mainland China	19%	Project operation

The Group's shareholdings in this associate comprise equity shares held through a wholly-owned subsidiary of the Company.

12. TRADE RECEIVABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade receivables	877,502	785,455
Less: Impairment of trade receivables	(72,253)	(61,672)
	<u>805,249</u>	<u>723,783</u>

Trade receivables are non-interest-bearing with credit terms mainly ranging from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

Included in the Group's trade receivables are amounts due from an entity controlled by a director of RMB266,000 (31 December 2024: RMB266,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
0 to 30 days	217,897	354,265
31 to 90 days	231,012	178,194
91 to 180 days	192,010	47,071
181 to 365 days	109,842	129,118
1 to 2 years	54,488	15,135
	805,249	723,783

13. TRADE PAYABLES

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Trade payables	90,549	82,207

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
0 to 180 days	42,434	51,571
181 to 365 days	22,878	3,555
1 to 2 years	5,120	6,897
2 to 3 years	8,057	8,028
Over 3 years	12,060	12,156
	90,549	82,207

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

14. SHARE CAPITAL

A summary of movements in the Company's share capital and share premium is as follows:

	Number of shares in issue	Share capital RMB'000	Share premium RMB'000	Total RMB'000
At 31 December 2024, 1 January 2025 and 30 June 2025	1,076,823,200	70	1,942,530	1,942,600

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is a leading user management Software-as-a-Service (“SaaS”) service provider and internet advertising platform operator in China. It provides full-cycle operation services in user acquisition, activity retention and monetization for tens of thousands of customers in financial, internet and other industries.

1. User Management SaaS Platform Business

Our user management SaaS platform is designed to help businesses attract and retain online users in a cost-effective manner, by offering various fun and engaging user management tools (including reward point/membership management, gamification user management, e-commerce live streaming for bank credit cards, enterprise marketing tool via WeChat, and financial industry live streaming) to boost mobile App user activity and participation on Apps.

As at 30 June 2025, the number of paying customers who used our charged user management SaaS services was 487 (1H2024: 531), including 128 customers from the financial industry (1H2024: 170) and 359 customers from other industries (1H2024: 361). For the six months ended 30 June 2025, the number of newly signed contracts (including renewed contracts) for the Group’s user management SaaS platform business reached 177 (1H2024: 224). The total value of our newly signed contracts (including renewed contracts) in 1H2025 was RMB50.4 million (1H2024: RMB75.5 million), and the average charge per signed contract was approximately RMB285,000.

The following table sets forth the financial performance of our user management SaaS platform business for the periods indicated:

	For the six months ended	
	30 June	
	2025	2024
	RMB’000	RMB’000
Revenue	89,574	116,965
Cost of sales	(61,547)	(98,244)
Selling and distribution expenses	(25,832)	(22,365)
Administrative expenses (excluding research and development expenses)	(11,543)	(15,596)
Research and development expenses	(16,692)	(14,203)
	(26,040)	(33,443)

The following table sets forth a breakdown of our revenue from user management SaaS for the periods indicated:

	For the six months ended	
	30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
User management SaaS solutions	23,569	27,525
Other value-added services	66,005	89,440
	89,574	116,965

2. Internet Advertising Business

In 2015, the Group pioneered and launched its internet advertising business, which aggregated the traffic of different App scenarios, systematically managed content activities, and achieved large-scale monetization through advertisements, thereby achieving a win-win situation for each of the advertising customers, media providers and users. Advanced big data analytics and AI technology also provide robust support for the innovation and operations of our internet advertising platform. We generally charge our internet advertising customers based on the performance of advertisements. The majority of our revenue from our internet advertising business for the six months ended 30 June 2025 was generated from the CPC (cost per click) model (the “**CPC Model**”). Under the CPC Model, we charged customers only if viewers interacted with our advertising tools and were directed to the mobile internet page designated by the advertising customers.

For the six months ended 30 June 2025, the revenue from the internet advertising business decreased by approximately 27.6% to RMB230.3 million (1H2024: RMB318.2 million).

The Group has made persistent efforts to upgrade its advertising technology capability and provide online automated and customized services to both content distribution channels and advertising customers through our internet advertising platform consisting of the media management platform and the smart advertising system.

3. Research and Development

As at 30 June 2025, the number of employees from our research and development department was 133 (30 June 2024: 145), accounting for approximately 26.7% (30 June 2024: approximately 33.4%) of the Group's total number of employees, and the Group's research and development expenses decreased by approximately 3.8% from RMB23.8 million in 1H2024 to RMB22.9 million in 1H2025.

FINANCIAL REVIEW

In the first half of 2025, affected by the persistent uncertainty in industry growth, advertising clients adopted a more conservative approach to their budget planning, leading to a further contraction in the scale of the internet advertising business. Meanwhile, the shrinkage in sales scale resulted in a further decline in the Company's profitability.

Revenue

For the six months ended 30 June 2025, the Group recorded a total revenue of RMB349.6 million, representing a decrease of approximately 23.7% as compared with RMB458.3 million in the first half of 2024. The decrease was mainly attributable to a decrease of approximately 27.6% in revenue generated from our internet advertising business from RMB318.2 million for the six months ended 30 June 2024 to RMB230.3 million for the six months ended 30 June 2025, as the budgets of our advertising customers were further tightened due to the impact of the weak industry growth.

The revenue generated from our user management SaaS platform business decreased by approximately 23.4% to RMB89.6 million for the six months ended 30 June 2025 as compared to RMB117.0 million for the six months ended 30 June 2024. This was mainly due to the decrease in the total amount of other value-added services in the first half of 2025.

Gross Profit

For the six months ended 30 June 2025, the Group recorded a gross profit of RMB57.3 million, representing a decrease of approximately 6.8% as compared with RMB61.5 million in the first half of 2024. The gross profit margin was approximately 16.4% (1H2024: approximately 13.4%), and the gross profit margin of user management SaaS platform business and internet advertising business were approximately 31.3% and 8.4%, respectively (1H2024: approximately 16.0% and 6.5%, respectively). The decrease in gross profit was mainly due to the shrinkage in sales scale.

Selling and Distribution Expenses

For the six months ended 30 June 2025, the Group recorded selling and distribution expenses of RMB46.5 million, representing an increase of approximately 12.6% as compared with RMB41.3 million in the first half of 2024. Meanwhile, selling and distribution expenses as a percentage of the total revenue of the Group increased to approximately 13.3% (1H2024: approximately 9.0%), mainly due to the increase in the number of sales and operation employees of the Group to 303 for the six months ended 30 June 2025 (1H2024: 235).

Administrative Expenses

For the six months ended 30 June 2025, the Group recorded administrative expenses of RMB49.9 million, representing a decrease of approximately 5.0% as compared with RMB52.5 million in the first half of 2024, mainly due to the more stringent internal control of related expenses in the first half of 2025. The Group recorded research and development expenses of RMB22.9 million (1H2024: RMB23.8 million) and share-based payment of RMB2.2 million (1H2024: RMB1.5 million), respectively. Administrative expenses as a percentage of the total revenue of the Group increased to approximately 14.3% (1H2024: approximately 11.5%), mainly due to the decrease in total revenue during the Period.

Loss for the Period

For the six months ended 30 June 2025, loss attributable to shareholders of the Company (the “**Shareholder(s)**”) was RMB26.7 million (1H2024: loss attributable to the Shareholders of RMB19.1 million). Basic loss per share of the Company was RMB2.5 cents (1H2024: basic loss per share of the Company of RMB1.8 cents).

Adjusted Loss for the Period

Due to the combined effect of the foregoing, the Group’s adjusted loss for the Period was RMB24.5 million (1H2024: adjusted loss for the period of RMB17.6 million).

Cash Flows

For the six months ended 30 June 2025, our net cash inflow from operating activities was RMB86.0 million (1H2024: net cash outflow used in operating activities of RMB374.9 million), and such change was mainly due to the decrease in the amount of prepayments as at 30 June 2025 as compared to the balance as at 31 December 2024.

Gearing Ratio

The Group monitors capital using a gearing ratio, which is calculated by net debt divided by total capital and net debt. Net debt includes interest-bearing bank borrowings, trade payables and other payables and accruals, less cash and cash equivalents.

As at 30 June 2025, the Group's gearing ratio was approximately 37.9%, while it was approximately 34.5% as at 30 June 2024, which was mainly due to the increase in the interest-bearing bank borrowings of Group for the Period.

Liquidity and Capital Structure

During the Period, the daily working capital of the Group was primarily derived from internally generated cash flow from operating activities and bank borrowings. As at 30 June 2025, the Group had cash and cash equivalents of approximately RMB433.4 million (as at 30 June 2024: approximately RMB232.0 million). As at 30 June 2025, the Group had interest-bearing bank borrowings of RMB855.8 million that were made in Renminbi.

Capital Commitments

As of 30 June 2025, the Group did not have any significant capital commitments.

Foreign Exchange Risk Management

The Group has transactional currency exposures. Such exposures arise from the issue of shares in currencies different from the operating units' functional currencies. At present, the Group does not intend to hedge its exposure to foreign exchange fluctuations. However, the Company's senior management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

Material Acquisitions, Disposals of Subsidiaries, Associates and Joint Ventures and Significant Investment

As of 30 June 2025, the Group held a total of 19.0% equity interest in Zhejiang Gushang Intelligent Technology Co., Ltd.* (浙江谷尚智能科技有限公司) (“**Gushang Intelligent Technology**”) through a wholly-owned subsidiary of the Company, namely Hangzhou Keze Network Technology Co., Ltd.* (杭州可澤網絡科技有限公司), with an aggregate carrying value of RMB234.4 million. The principal activities of Gushang Intelligent Technology include the construction of buildings and parking lots on a land parcel located in the Hangzhou Zijingang Science and Technology Town which has been topped out in December 2023 (the “**Project**”). As of 30 June 2025, the carrying amount of the investment in Gushang Intelligent Technology represented approximately 9.3% of the total assets of the Group. For details, please refer to the announcements of the Company dated 19 June 2020 and 24 June 2020, respectively. As at the date of this announcement, Gushang Intelligent Technology is an associate of the Group. The Group did not receive any dividend for the six months ended 30 June 2025. Save as disclosed in this announcement, there were no (i) material acquisitions, disposals of subsidiaries, associates and joint ventures; and (ii) significant investment of the Group for the six months ended 30 June 2025.

Future Plans for Material Investment or Capital Assets

Save as disclosed in this announcement, as of 30 June 2025, the Group had no concrete plans to make any material investment or acquire capital assets other than in the Group’s ordinary course of business.

Contingent Liabilities

Hengfei Holding Limited (the “**Plaintiff**”) has commenced proceedings against the Company and Mr. Chen Xiaoliang (a Shareholder and executive Director) in respect of allegations that the Company and Mr. Chen Xiaoliang have wrongfully retained, delayed in returning and failed or refused to return the Plaintiff’s share certificate of shares in the Company, resulting in losses. As of 30 June 2025, based on the available evidence and information and the view of the Group’s legal counsel, the Directors believed that the Company had valid defences against the claim and it was difficult to reliably estimate the amount of the claim, if any, at that stage, as its potential quantum depended on several factors. Accordingly, no provision arising from the claim, other than the related legal and other costs, has been provided for as of 30 June 2025.

On 26 August 2025, the judgement was handed down by the Court of First Instance of the High Court of Hong Kong. Pursuant to the judgement, it was ruled in favour of the Plaintiff and held that, among others, (i) the Company was ordered to pay damages with its assessment referred for separate determination; (ii) a costs order nisi was made that costs of the proceedings be paid by the Company to the Plaintiff; and (iii) the Plaintiff’s claim against Mr. Chen Xiaoliang was dismissed.

Charge on Assets

As at 30 June 2025, the Group recorded pledged deposits of RMB519.4 million, which were used as margins for interest-bearing bank borrowings (as at 31 December 2024: RMB379.5 million).

SUBSEQUENT EVENT

On 26 August 2025, a judgement of legal proceedings commenced by Hengfei Holding Limited against the Company and Mr. Chen Xiaoliang (a Shareholder and executive Director) was handed down by the Court of First Instance of the High Court of Hong Kong. For details, please refer to “Contingent Liabilities” section of this announcement.

ORGANIZATION AND TALENT RETENTION

As at 30 June 2025, the number of the Group’s employees was 498 (31 December 2024: 493), including 81 sales employees, 62 administration employees, 222 operation employees and 133 research and development employees. Salary costs and employees’ benefit expenses were approximately RMB68.8 million for the six months ended 30 June 2025 (1H2024: approximately RMB66.8 million). Identification and development of high potential talents have been listed as a top priority for the management of the Company this year. Moreover, the Group may provide incentives to talents by granting them share options and share awards of the Company. The remuneration of employees was determined based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments commensurate with the pay level in the industry. The Group provided trainings to staff based on their job duties and functions.

SOCIAL RESPONSIBILITY

During the Period, the Group adhered to the philosophy of “serving the people and giving back to the society” and actively sought opportunities to contribute to the society in order to create a better living environment for the local community. During the Period, the Group donated RMB24,000 to the Education Development Foundation of Hangzhou Dianzi University.

FUTURE OUTLOOK

As the advertising budgets and preferences of advertising clients are significantly affected by macroeconomic conditions, the Group’s internet advertising business recorded a slight decline in revenue and gross profit for the six months ended 30 June 2025. Looking ahead to the second half of 2025, the overall growth of the internet advertising industry is expected to be very limited. The Group will be committed to reducing costs and improving efficiency internally, while striving to expand its business capabilities and increase the revenue of businesses other than internet advertising.

INTERIM DIVIDEND

The Board did not recommend the declaration of any interim dividend for the Period (1H2024: nil).

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should be performed by different individuals.

At present, the roles of the chairman of the Board and the chief executive officer of the Company are performed by Mr. Chen Xiaoliang. The Board believes that Mr. Chen Xiaoliang should continue to assume the responsibilities of the chairman of the Board and the chief executive officer of the Company as this arrangement will improve the efficiency of our decision-making and execution process given his familiarity with the Group.

During the daily operations of the Company, all material decisions are approved by the Board and the relevant Board committees, as well as the senior management team of the Company. In addition, the Directors proactively participate in all Board meetings and all relevant Board committee meetings, and the chairman of the Board and relevant chairman of the Board committees ensures all the Directors are duly informed of all the matters to be approved at the meetings. In addition, the senior management team of the Company provides the Board with sufficient, clear, complete and reliable company information on a regular basis and from time to time. The Board also regularly meets and reviews the operations of the Company under the leadership of Mr. Chen Xiaoliang on a quarterly basis.

The Board is therefore of the view that there is an adequate balance of power and that appropriate safeguards are in place. The dual roles of Mr. Chen Xiaoliang have no negative effect on the balance of power and authority between the Board and the Company’s senior management team. The Board will continue to regularly monitor and review the Company’s current corporate governance structure and to make necessary changes when appropriate.

Save as disclosed above, the Company has complied with all applicable code provisions of the CG Code for the six months ended 30 June 2025. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code for the six months ended 30 June 2025.

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

During the Period, neither the Company nor any of its subsidiaries or consolidated affiliated entities has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares (as defined in Rule 1.01 of the Listing Rules), if any). As of 30 June 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The audit committee of the Board, together with the management of the Company, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2025.

PUBLICATION OF THE INTERIM RESULTS AND 2025 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<http://www.duiba.cn>), respectively, and the 2025 Interim Report containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
DUIBA GROUP LIMITED
Chen Xiaoliang
Chairman

Hangzhou, China, 29 August 2025

As at the date of this announcement, the Board comprises Mr. Chen Xiaoliang, Mr. Zhu Jiangbo and Mr. Cheng Peng as executive Directors, Ms. Yang Jiaqing as non-executive Director, and Mr. Kam Wai Man, Dr. Gao Fuping and Dr. Shi Jianxun as independent non-executive Directors.

* *The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*