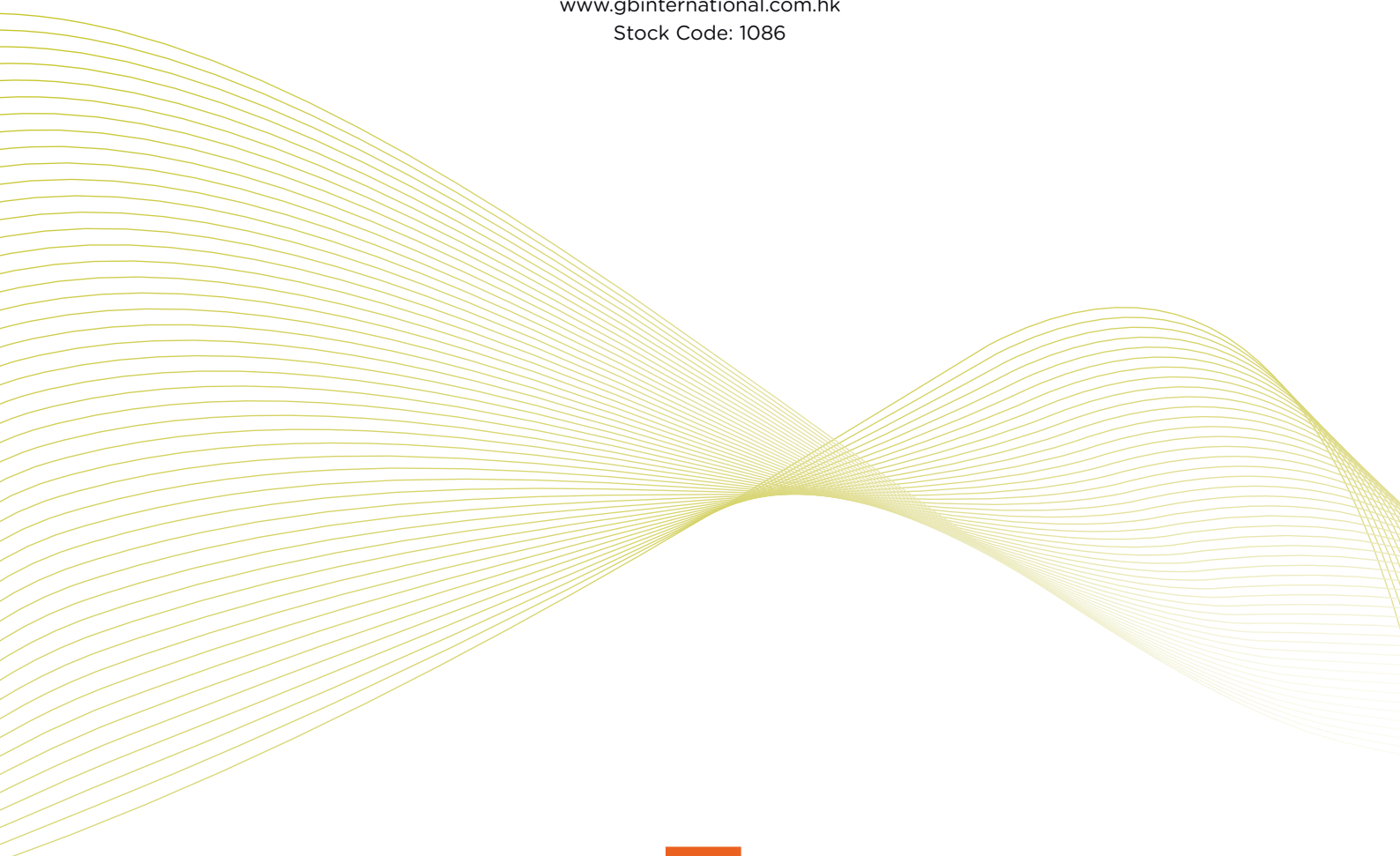




# 2024 Interim Report

Goodbaby International Holdings Limited  
(Incorporated in the Cayman Islands with limited liability)  
[www.gbinternational.com.hk](http://www.gbinternational.com.hk)  
Stock Code: 1086



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# Corporate Information

# Corporate Information

## Directors

### Executive Directors

Mr. Song Zhenghuan (Chairman)  
Mr. Liu Tongyou (Chief Executive Officer)  
Mr. Martin Pos  
Mr. Xia Xinyue (Resigned on 29 February 2024)  
Mr. Michael Nan Qu (Retired on 20 May 2024)

### Non-Executive Directors

Ms. Fu Jingqiu  
Mr. Ho Kwok Yin, Eric

### Independent Non-Executive Directors

Ms. Chiang Yun  
Mr. Shi Xiaoguang  
Mr. Jin Peng  
Mr. So Tak Young

## Audit Committee

Ms. Chiang Yun (Chairlady)  
Mr. Shi Xiaoguang  
Mr. So Tak Young

## Nomination Committee

Ms. Chiang Yun (Chairlady)  
Mr. Shi Xiaoguang  
Mr. So Tak Young

## Remuneration Committee

Ms. Chiang Yun (Chairlady)  
Mr. Shi Xiaoguang  
Mr. So Tak Young

## Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

## Auditors

Ernst & Young  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

## Principal Share Registrar

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D  
P.O. Box 1586, Gardenia Court  
Camana Bay, Grand Cayman, KY1-1100  
Cayman Islands

## Hong Kong Branch Share Registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

## Authorized Representatives

Mr. Song Zhenghuan  
Ms. Ho Wing Tsz, Wendy

## Website

[www.gbinternational.com.hk](http://www.gbinternational.com.hk)

## Stock Code

1086

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**Principal Place of Business in Hong Kong**

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Wan Chai  
Hong Kong

**Company Secretary**

Ms. Ho Wing Tsz, Wendy

# **Management Discussion and Analysis**

# Management Discussion and Analysis

## Overview

### Continuing Growth Momentum in Revenue and Profitability

During the Period (the six months ended 30 June 2024, hereinafter as “**the Period**”), the macro environment moderately stabilized but with persisting challenges: economic vulnerabilities remained amid high interest rates and ongoing intensified geopolitical conflicts in Europe and the Middle East, which challenged sustained economic growth, undermined consumer confidence and, again, disrupted global logistics operations, causing a lack of containers and increase in sea freight costs. In addition, the negative factor of declining birth rates across major economies, which is specific to the global juvenile products industry, continued to pose pressure on the Group’s (Goodbaby International Holdings Limited, together with its subsidiaries, hereinafter as “**the Group**”) business.

Amidst dynamics and uncertainties, the Group managed to well continue the momentum from the second half of 2023 and recorded growth in both revenue and profitability. Revenue grew by 7.7% year on year in a shrinking global juvenile products industry, with accelerating growth momentum quarter over quarter. The momentum was mainly driven by positive business performance of the Group’s CYBEX brand, Evenflo brand and Blue Chip business, partially offset by decline of gb brand in China market. As a result, the Group continued to gain market shares in international markets and further consolidated its leading position globally. The Group’s profitability significantly improved: gross margin improved by 6.7 percentage points to a high level of 52.6%, demonstrating the Group’s constant efforts in improving product competitiveness and operational efficiency; operating profit margin improved by 3.8 percentage points to 6.7%. The Group continued to generate solid operating cash flow during the Period and further paid down debts, delivering its consistent commitment on profitability improvement and cash flow management. The Group also successfully secured a new refinancing program during the Period, which will further improve the Group’s financing structure.

The continued growth momentum derived from the Group’s global competitiveness:

1. The one-dragon vertically integrated platform of own diversified brands, globally balanced omni-channel distribution platforms, own manufacturing and operational services, which enabled the Group to outperform competition and minimize risks in any one territory;
2. Continuing dedicated and strategic investments in innovation, global omni-channel infrastructure and digital.

Our revenue for the Period increased by 7.7% to approximately HK\$4,187.6 million from approximately HK\$3,889.2 million for the corresponding period in 2023. Foreign exchange rate fluctuated between the Period and the corresponding period in 2023, particularly between RMB and HKD, and between EUR and HKD. Such fluctuations led to the difference between the Group’s overall revenue growth in the original currencies and the growth in the Group’s reporting currency in HKD after currency translation. On a constant currency basis, our revenue for the Period recorded a 6.2% increase as compared to the corresponding period in 2023. Reported gross profit increased by 23.3% to approximately HK\$2,201.5 million for the Period from approximately HK\$1,784.8 million for the corresponding period in 2023. Reported operating profit increased by 147.9% to approximately HK\$279.4 million from approximately HK\$112.7 million for the corresponding period in 2023 and on a non-GAAP basis, our operating profit increased by 121.1% to approximately HK\$299.2 million for the Period from approximately HK\$135.3 million for the corresponding period in 2023. Reported net profit increased by 526.4% to approximately HK\$187.3 million from approximately HK\$29.9 million for the corresponding period in 2023 and on a non-GAAP basis, our net profit increased by 325.7% to approximately HK\$202.2 million for the Period from approximately HK\$47.5 million for the corresponding period in 2023.

Summary of the Group's revenue:

(HK\$ million)	For the six months ended 30 June		Change (%)	Change on a constant currency basis (%)
	2024	2023		
<b>Group Revenue</b>	\$4,187.6	\$3,889.2	+7.7%	+6.2%

By Brand	Amount	% of Revenue	Amount	% of Revenue	Change (%)	Change on a constant currency basis (%)
<b>Strategic brands</b>	3,792.3	90.6%	3,554.7	91.4%	+6.7%	+5.1%
CYBEX	2,158.2	51.5%	1,814.8	46.7%	+18.9%	+16.7%
Evenflo	1,133.8	27.1%	1,101.3	28.3%	+3.0%	+0.7%
gb	500.3	12.0%	638.6	16.4%	-21.7%	-20.3%
<b>Blue Chip and other business</b>	395.3	9.4%	334.5	8.6%	+18.2%	+17.4%

While business performance may diverge geographically due to region-specific situations, the Group on the whole was advancing the planned track. In addition, the Group continued its efforts in social responsibilities and sustainability.

## Executive Summary

During the Period, the Group's strategic brands performed as follows:

- CYBEX** brand achieved another all-time high in revenue and profitability despite a tough environment featuring declining birth rate in Europe, weak European economy, retailer and consumer insecurities and logistics disruptions resulting from intensified geopolitical conflicts. Backed by strong market demand for its products, the brand outpaced the industry and achieved an outstanding performance across its core categories, channels and key markets. CYBEX recorded strong growth of 18.9% (a 16.7% increase on a constant currency basis) in the Period to approximately HK\$2,158.2 million from approximately HK\$1,814.8 million for the corresponding period in 2023. With such strong growth in revenue, CYBEX continued to outperform competition and gain market shares across its key markets. With revenue growth effect, profitability started to be further reflected, boosting the brand's operating profit margin to a record high level. The sustained outstanding performance was a result of CYBEX's very strong and continuously enhanced brand position, industry leading self-owned wholesale and e-commerce distribution infrastructure, continued new launches and upgrade of existing products, and continued expansion and fortification of global omni-channel distribution network. CYBEX had 6 launches during the Period, including new categories, and all have been very well accepted by the market. The brand constantly sets standards for the juvenile products industry and is not afraid to challenge itself in disrupting these standards. For example, CYBEX launched Anoris T2 i-Size during the Period among other launches, successor of the car seat with the highest safety rating (from ADAC) of all time, CYBEX Anoris T i-Size. The airbag technology integrated in the upgraded product provides even more safety in the event of a frontal impact than conventional forward-facing child seats with a 5-point harness system. CYBEX continued to proudly receive awards from prominent international organizations, including two "Best in Class" awards from independent testing organization (e.g. ADAC), two Reddot Design awards and four German Design awards, in recognition of the brand's outstanding performance in product design and innovation. CYBEX continued to reinforce its global leading position as the premium "technical-lifestyle" brand.



## Management Discussion and Analysis

- Evenflo** brand recorded moderate growth during the Period, thus continued to gain market share in a shrinking market and further consolidate its leading position in North America. The brand revenue grew by 3.0% (a 0.7% increase on a constant currency basis) in the Period to approximately HK\$1,133.8 million from approximately HK\$1,101.3 million for the corresponding period in 2023. The brand's profitability significantly improved, demonstrating its continuous efforts in improving product competitiveness and operational efficiency. The 3.0% revenue growth and improved profitability were a result of solid double-digit growth of its core product portfolio which has a higher margin and decline in low-margin products. The continued positive business performance was mainly driven by significant growth in digital channels, positive consumer acceptance of innovative products, especially car seats, continued product launches and elevated brand image. Evenflo brand is renowned for pioneering innovations in the US juvenile products industry. For example, it proudly introduced America's first modular child and pet travel system designed to fit the whole family during the Period. Evenflo's disruptive Revolve rotational car seat, which was America's first safety product accommodating all stages, continued to dominate the market. These products are testaments of Evenflo's passion for crafting products that make parenting more enjoyable and convenient.
- gb** brand recorded a decline of 21.7% (a 20.3% decrease on a constant currency basis) in the Period to approximately HK\$500.3 million from approximately HK\$638.6 million for the corresponding period in 2023 as a result its continued right-sizing of commercial operations and brand transformation. The brand continued to execute the new business model focusing on social media-based channels featuring content marketing, data-driven consumer insights and proactive consumer engagement, and made progress during the Period: expanded branding exposure highlighting key product items led to solid conversion rate, higher revenue was recorded from emerging livestreaming channels and double-digit growth was recorded in the offline retail channel. On a constant currency, the brand's revenue decline narrowed to 7.8% in the second quarter from 33.8% decline in the first quarter. The brand continued to receive multiple prominent international awards in recognition of its commitment to product design and innovation.

During the Period, our Blue Chip and other business recorded revenue increase of 18.2% (a 17.4% increase on a constant currency basis) to approximately HK\$395.3 million in the Period as compared to approximately HK\$334.5 million for the corresponding period in 2023. The revenue increase was primarily driven by the significant rebound of Blue Chip business as destocking of the Group's Blue Chip customers had ended, offsetting the decline of tactical brands resulting from the Group's continued portfolio rationalization in other business. The Group's relationship with its Blue Chip customers remained healthy and stable.

## Outlook

As geopolitical conflicts in Europe and the Middle East continue to evolve, there is a clear trend of further logistics disruptions, leading to higher sea freight costs and a lack of containers, and persisting consumer insecurities in the Group's core markets. In addition, though inflation has been temporarily tempered by central banks' tightening measures, dynamics exist that the global economic situation could interact with political dynamics to reignite inflation pressures and prompt additional central bank tightening. The Group will remain agile and vigilant building on its solid momentum during the Period while keeping a close eye on possible negative macro impacts.

Overall, we remain very confident of and will continue our vertically integrated one-dragon brand-driven strategy through sustained strategic investments to maintain and consolidate our global competitiveness, which will continue to inject momentum into the Group's business and enhance its resilience in the face of uncertainties. Under the strategy, focus will continue to be given to our strategic brands of CYBEX, Evenflo and gb and the ongoing development of our Blue Chip business.

On a global basis, we will continue to expand and deepen omni-channel distribution network and infrastructure in existing and new markets to ensure we maintain a direct relationship with our fans and consumers and provide them with a world-class omni-channel experience. We will continue to optimize and consolidate our global supply chain strategies as we embrace supplier partnerships and broaden our global footprint to ensure we are quicker and more efficient to respond to market changes and leverage regional capabilities through mother market operations.

Brand-driven strategy supported by world-class technology, manufacturing, supply chain excellence, innovation, digitalization and cost optimization will remain the core of our vision of becoming an outstanding enterprise with global and future-ready competitiveness and achieving sustained profitable growth.

## Financial Review

### Revenue

For the Period, the total revenue of the Group increased by 7.7% to approximately HK\$4,187.6 million from approximately HK\$3,889.2 million for the corresponding period in 2023. Foreign exchange rate fluctuated between the Period and the corresponding period in 2023, particularly between RMB and HKD, and between EUR and HKD. Such fluctuations led to the difference between the Group's overall revenue growth in the original currencies and the growth Group's reporting currency in HKD after currency translation. On a constant currency basis, our revenue for the Period recorded a 6.2% increase compared to the corresponding period in 2023.

For the revenue breakdown analysis, please refer to the section of "Overview" in this report.

### Cost of Sales, Gross Profit and Gross Profit Margin

Cost of sales decreased by 5.6% to approximately HK\$1,986.1 million for the Period from approximately HK\$2,104.4 million for the corresponding period in 2023. Gross profit of the Group increased to approximately HK\$2,201.5 million for the Period from approximately HK\$1,784.8 million for the corresponding period in 2023, and the gross profit margin increased by 6.7 percentage points to 52.6% for the Period from approximately 45.9% for the corresponding period in 2023. The increase in gross profit was a mixed result of increase in revenue and improvement in gross profit margin mainly driven by favorable brand revenue mix, brand margin improvement and decrease in input costs.

### Other Income and Gains

Other income and gains of the Group decreased by approximately HK\$49.7 million to approximately HK\$10.7 million for the Period as compared to approximately HK\$60.4 million for the corresponding period in 2023, which was mainly attributable to the decrease in foreign exchange gain.

# Management Discussion and Analysis

## Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consist of marketing expenses, personnel costs, rental and commission and logistics costs. The selling and distribution expenses increased by approximately HK\$177.2 million to approximately HK\$1,205.2 million for the Period from approximately HK\$1,028.0 million for the corresponding period in 2023. The increase was mainly attributable to the increase in marketing expenses which supported revenue growth and logistics costs, which was the result of increased revenue.

## Administrative Expenses

The Group's administrative expenses primarily consist of personnel costs, R&D costs, depreciation and amortization cost and other office expenses. The administrative expenses increased by approximately HK\$22.8 million to approximately HK\$727.0 million for the Period from approximately HK\$704.2 million for the corresponding period in 2023. The increase was a combined result of the increase in the R&D costs and personnel costs, the decrease in provision for impairment of receivables and the slight increase in other administrative expenditures.

## Other Expenses

Other expenses of the Group increased by approximately HK\$0.3 million to approximately HK\$0.6 million for the Period from approximately HK\$0.3 million for the corresponding period in 2023, which was mainly attributable to the increase in the fair value loss derived from derivative financial instruments.

## Operating Profit

As a result of the foregoing, the Group's operating profit increased by approximately 147.9%, or HK\$166.7 million, to approximately HK\$279.4 million for the Period from approximately HK\$112.7 million for the corresponding period in 2023.

## Finance Income

For the Period, the Group's finance income decreased to approximately HK\$18.6 million from approximately HK\$21.3 million for the corresponding period in 2023. The Group's finance income mainly represents interest income from bank deposits.

## Finance Costs

For the Period, the Group's finance costs decreased by approximately HK\$19.2 million to approximately HK\$87.7 million from approximately HK\$106.9 million for the corresponding period in 2023. The decrease aligned with the decrease in balance of interest-bearing bank loans and other borrowings.

## Profit before Tax

As a result of the foregoing, the profit before tax of the Group increased by 782.2% to approximately HK\$217.9 million for the Period from a profit before tax of approximately HK\$24.7 million for the corresponding period in 2023.

## Income Tax

The Group's income tax expense was approximately HK\$30.6 million for the Period, and the income tax credit was approximately HK\$5.2 million for the corresponding period in 2023. The increase of income tax expense aligned with the increase of the profit before tax of the Group.

## Profit for the Period

Profit of the Group for the Period increased by approximately HK\$157.4 million to approximately HK\$187.3 million from approximately HK\$29.9 million for the corresponding period in 2023.

The non-GAAP profit of the Group increased by approximately 325.7% to approximately HK\$202.2 million for the Period from approximately HK\$47.5 million for the corresponding period in 2023.

## Non-GAAP Financial Measures

To supplement the consolidated results of the Group prepared in accordance with IFRS, certain non-GAAP financial measures, including non-GAAP operating profit, non-GAAP operating margin, non-GAAP profit before tax, non-GAAP profit for the Period and non-GAAP net margin, are presented. The Company's management believes that the non-GAAP financial measures provide investors with a more meaningful view on the Group's financial results, and with useful supplementary information to assess the performance of the Group's strategic operations by excluding certain non-cash items, certain impact of merger and acquisition transactions and certain one-off bad debt provision and operating loss. Nevertheless, the use of these non-GAAP financial measures has limitations as an analytical tool. These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with IFRS. In addition, these non-GAAP financial measures may be defined differently from similar terms used by other companies.

The following tables set forth the reconciliations of the Company's non-GAAP financial measures for the six months ended 30 June 2024 and 2023 to the nearest measures prepared in accordance with IFRS:

	Six months ended 30 June 2024			
	As reported	Adjustments		Non-GAAP
		Equity-settled share option expenses	Amortization of intangible assets and inventory appreciation (a)	
	(HK\$ million)			
Operating profit	279.4	0.2	19.6	299.2
Profit before tax	217.9	0.2	19.6	237.7
Profit for the period	187.3	0.2	14.7	202.2
Operating margin	6.7%			7.1%
Net margin	4.5%			4.8%

	Six months ended 30 June 2023			
	As reported	Adjustments		Non-GAAP
		Equity-settled share option expenses	Amortization of intangible assets and inventory appreciation (a)	
	(HK\$ million)			
Operating profit	112.7	2.6	20.0	135.3
Profit before tax	24.7	2.6	20.0	47.3
Profit for the period	29.9	2.6	15.0	47.5
Operating margin	2.9%			3.5%
Net margin	0.8%			1.2%

Note:

(a) Amortization of intangible assets arising from acquisitions, net of related deferred tax.

# Management Discussion and Analysis

## Working Capital and Financial Resources

	As at 30 June 2024	As at 31 December 2023
	(HK\$ million)	
Trade and notes receivables (including trade receivables due from related parties)	1,236.4	1,182.2
Trade and notes payables (including trade payables due to related parties)	1,322.3	1,304.9
Inventories	1,580.3	1,462.8
	As at 30 June 2024	As at 31 December 2023
Trade and notes receivables turnover days <sup>(1)</sup>	52	50
Trade and notes payables turnover days <sup>(2)</sup>	119	113
Inventories turnover days <sup>(3)</sup>	138	153

### Notes:

- (1) Trade and notes receivables turnover days = Number of days in the reporting period x (average balance of trade and notes receivables at the beginning and at the end of the period)/revenue in the reporting period.
- (2) Trade and notes payables turnover days = Number of days in the reporting period x (average balance of the trade and notes payables at the beginning and at the end of the period)/cost of sales in the reporting period.
- (3) Inventories turnover days = Number of days in the reporting period x (average balance of inventories at the beginning and at the end of the period)/cost of sales in the reporting period.

The increase in trade and notes receivables was mainly attributable to the increase in the revenue of the Period. Trade and notes receivables turnover days remained stable.

The increase of trade and notes payables and the trade and notes payables turnover days was mainly attributable to a better credit term management and the improvement in more favorable payment terms.

The increase of inventories was mainly attributable to inventory preparation for the order demands for the third quarter of year 2024. The decrease of inventory turnover days was a combined result of working capital improvement together with the fact that the inventory at the end of last year and at the end of the Period was substantially lower than the inventory at the beginning of last year.

## Liquidity and Financial Resources

As at 30 June 2024, the Group's monetary assets, including cash and cash equivalents, pledged time deposits and financial assets designated at fair value through profit or loss, were approximately HK\$1,441.5 million (31 December 2023: approximately HK\$2,198.9 million).

As at 30 June 2024, the Group's interest-bearing bank loans and other borrowings were approximately HK\$2,105.4 million (31 December 2023: approximately HK\$2,793.8 million), including short-term bank loans and other borrowings of approximately HK\$2,105.4 million (31 December 2023: approximately HK\$2,705.8 million) and nil long-term bank loans and other borrowings with repayment terms ranging from one to two years (31 December 2023: approximately HK\$88.0 million). Among the Group's interest-bearing bank loans and other borrowings, approximately HK\$386.8 million were at fixed interest rates (31 December 2023: approximately HK\$550.1 million) and approximately HK\$1,718.6 million were at variable interest rates (31 December 2023: approximately HK\$2,243.7 million).

As a result, as at 30 June 2024, the Group's net debt position was approximately HK\$663.9 million (31 December 2023: approximately HK\$594.9 million).

During the Period, the Group successfully secured a new refinancing program, which will further improve the Group's financing structure.

## Contingent Liabilities

In the ordinary course of business, the Group may from time to time be involved in legal proceedings and litigations. The Group records a liability when the Group believes that it is both probable that a loss has been incurred by the Group and the amount can be reasonably estimated. With respect to the Group's outstanding legal matters, notwithstanding that the outcome of such legal matters is inherently unpredictable and subject to uncertainties, the Group believes that, based on its current knowledge, the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on the Group's business, financial position, results of operations, or cash flows.

As at 30 June 2024, the Group had no material contingent liabilities (as at 31 December 2023: nil).

## Exchange Rate Fluctuations

The Group is a multinational enterprise with operations in different countries and the money that it used to conduct its business and transaction is denominated in various currencies, and the Group uses Hong Kong dollar (“**HK\$**”) as its reporting currency, which is pegged to US\$. The Group's revenue is mainly denominated in US\$, RMB and EUR. The Group's procurement and OPEX are mainly denominated in RMB, US\$ and EUR. The net exposures to foreign currency risks of the Group's operating results are mainly the US\$ and EUR revenue against RMB procurement and OPEX. The Group would benefit from the appreciation of US\$ and EUR against RMB but would suffer losses if US\$ or EUR depreciates against RMB. The Group uses forward contracts to eliminate the foreign currency exposures.

# Management Discussion and Analysis

## Pledge of Assets

As at 30 June 2024, bank deposits of approximately HK\$539.1 million (31 December 2023: HK\$552.0 million) were pledged for certain standby letter of credit from banks and for guarantee. Bank deposits of approximately HK\$23.5 million (31 December 2023: HK\$23.5 million) were pledged for interest reserve.

## Gearing Ratio

As at 30 June 2024, the Group's gearing ratio (calculated by net debt divided by the sum of adjusted capital and net debt; the amount of net debt is calculated by the sum of trade and bills payables, other payables and accruals, payables due to related parties and interest-bearing bank loan and other borrowings (current and non-current) less monetary assets, including cash and cash equivalents, time deposits, pledge deposits and financial assets designated at fair value through profit or loss; the amount of adjusted capital is calculated by equity attributable to owner of the parent minus hedging reserve) was approximately 33.9% (31 December 2023: approximately 33.4%) or 35.4% after taking into consideration the impact of IFRS 16) (as at 31 December 2023: approximately 35.4%).

## Employees and Remuneration Policy

As at 30 June 2024, the Group had a total of 6,329 full-time employees (31 December 2023: 6,224). For the Period, costs of employees, excluding Directors' emoluments, amounted to a total of approximately HK\$953.8 million (for the corresponding period of 2023: approximately HK\$870.4 million). The Group determined the remuneration packages of all employees with reference to their position, competency, performance, value and market salary trend. The Group provides its employees in the PRC and other countries and regions with welfare schemes as required by applicable local laws and regulations.

On 5 November 2010, the Company adopted a share option scheme ("**2010 Share Option Scheme**") to incentivize or reward eligible participants for their contribution to the Group for the purpose of motivating the eligible participants to optimize their performance efficiency for the benefit of the Group, and attracting and retaining or otherwise maintaining on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

As the 2010 Share Option Scheme expired on the tenth anniversary of its adoption, and to enable the Company to continue to grant share options ("**Share Options**") to eligible participants as incentives or rewards for their contributions to the success of the Group, the Company terminated the 2010 Share Option Scheme and approved and adopted a new share option scheme (the "**2020 Share Option Scheme**") at its annual general meeting held on 25 May 2020. A summary of the principal terms of the 2020 Share Option Scheme is set out in Appendix III of the Company's circular dated 22 April 2020.

As at 30 June 2024, there were 112,110,000 outstanding Share Options in total under the 2010 Share Option Scheme and the 2020 Share Option Scheme (31 December 2023: 126,703,250 Share Options).

Details of the Share Options granted under the 2010 and 2020 Share Option Schemes during the Period were as follows:

Name of Director/former Director/Associate	Date of grant	Exercise Price	Number of share options								Closing price of securities immediately before the date of grant
			Outstanding as at 1 January 2024	Granted during the Period	Exercised during the Period	Weighted average closing price immediately before the date of exercise	Cancelled/Lapsed during the Period	Outstanding as at 30 June 2024	Percentage of total issued share capital <sup>(1)</sup>	Exercise period	
			(HK\$)		(HK\$)						
Mr. Song Zhenghuan	29 September 2014	3.58	1,390,000	–	–	N/A	–	1,390,000	0.083%	29 September 2014 to 28 September 2024 <sup>(2)</sup>	3.49
Mr. Liu Tongyou	29 September 2014	3.58	2,400,000	–	–	N/A	–	2,400,000	0.144%	29 September 2014 to 28 September 2024 <sup>(2)</sup>	3.49
	23 May 2019	3.75	6,300,000	–	–	N/A	–	6,300,000	0.378%	23 May 2019 to 22 May 2029 <sup>(3)</sup>	1.94
	19 June 2020	0.96	390,600	–	–	N/A	–	390,600	0.023%	23 May 2022 to 22 May 2029 <sup>(3)</sup>	0.92
			585,900	–	–	N/A	–	585,900	0.035%	23 May 2023 to 22 May 2029 <sup>(3)</sup>	
976,500	–	–	N/A	–	976,500	0.059%	23 May 2024 to 22 May 2029 <sup>(3)</sup>				
Mr. Martin Pos	29 September 2014	3.58	2,400,000	–	–	N/A	–	2,400,000	0.144%	29 September 2014 to 28 September 2024 <sup>(2)</sup>	3.49
	27 March 2018	4.54	17,500,000	–	–	N/A	–	17,500,000	1.049%	27 March 2018 to 27 March 2028 <sup>(3)</sup>	4.12
	19 June 2020	0.96	840,000	–	–	N/A	–	840,000	0.050%	27 September 2020 to 27 March 2028 <sup>(3)</sup>	0.92
			1,260,000	–	–	N/A	–	1,260,000	0.076%	27 September 2021 to 27 March 2028 <sup>(3)</sup>	
2,100,000	–	–	N/A	–	2,100,000	0.126%	27 September 2022 to 27 March 2028 <sup>(3)</sup>				
Mr. Xia Xinyue <sup>(1)(3)</sup>	27 March 2018	4.54	10,000,000	–	–	N/A	10,000,000	0	0%	27 March 2018 to 27 March 2028 <sup>(3)</sup>	4.12
	19 June 2020	0.96	480,000	–	–	N/A	480,000	0	0%	27 September 2020 to 27 March 2028 <sup>(3)</sup>	0.92
			720,000	–	–	N/A	720,000	0	0%	27 September 2021 to 27 March 2028 <sup>(3)</sup>	
1,200,000	–	–	N/A	1,200,000	0	0%	27 September 2022 to 27 March 2028 <sup>(3)</sup>				
Mr. Michael Nan Qu <sup>(1)(3)</sup>	29 September 2014	3.58	1,600,000	–	–	N/A	–	1,600,000	0.096%	29 September 2014 to 28 September 2024 <sup>(2)</sup>	3.49
	19 June 2020	0.96	620,000	–	–	N/A	–	620,000	0.037%	23 May 2022 to 22 May 2029 <sup>(3)</sup>	0.92
			930,000	–	–	N/A	–	930,000	0.056%	23 May 2023 to 22 May 2029 <sup>(3)</sup>	
1,550,000	–	–	N/A	–	1,550,000	0.093%	23 May 2024 to 22 May 2029 <sup>(3)</sup>				



# Management Discussion and Analysis

Name of Director/former Director/Associate	Date of grant	Exercise Price	Number of share options								Closing price of securities immediately before the date of grant
			Outstanding as at 1 January 2024	Granted during the Period	Exercised during the Period	Weighted average closing price immediately before the date of exercise	Cancelled/ Lapsed during the Period	Outstanding as at 30 June 2024	Percentage of total issued share capital <sup>(1)</sup>	Exercise period	
			(HK\$)								
Ms. Fu Jingliu	29 September 2014	3.58	1,390,000	-	-	N/A	-	1,390,000	0.083%	29 September 2014 to 28 September 2024 <sup>(2)</sup>	3.49
	23 May 2019	3.75	600,000	-	-	N/A	-	600,000	0.036%	23 May 2019 to 22 May 2029 <sup>(3)</sup>	1.94
	19 June 2020	0.96	43,400	-	-	N/A	-	43,400	0.003%	23 May 2022 to 22 May 2029 <sup>(3)</sup>	0.92
			65,100	-	-	N/A	-	65,100	0.004%	23 May 2023 to 22 May 2029 <sup>(3)</sup>	
			108,500	-	-	N/A	-	108,500	0.007%	23 May 2024 to 22 May 2029 <sup>(3)</sup>	
Mr. Ho Kwok Yin, Eric	29 September 2014	3.58	1,000,000	-	-	N/A	-	1,000,000	0.060%	29 September 2014 to 28 September 2024 <sup>(2)</sup>	3.49
	19 June 2020	0.96	19,200	-	-	N/A	-	19,200	0.001%	27 September 2020 to 27 March 2028 <sup>(3)</sup>	0.92
			28,800	-	-	N/A	-	28,800	0.002%	27 September 2021 to 27 March 2028 <sup>(3)</sup>	
			48,000	-	-	N/A	-	48,000	0.003%	27 September 2022 to 27 March 2028 <sup>(3)</sup>	
Ms. Chiang Yun	29 September 2014	3.58	800,000	-	-	N/A	-	800,000	0.048%	29 September 2014 to 28 September 2024 <sup>(2)</sup>	3.49
	19 June 2020	0.96	19,200	-	-	N/A	-	19,200	0.001%	27 September 2020 to 27 March 2028 <sup>(3)</sup>	0.92
			28,800	-	-	N/A	-	28,800	0.002%	27 September 2021 to 27 March 2028 <sup>(3)</sup>	
			48,000	-	-	N/A	-	48,000	0.003%	27 September 2022 to 27 March 2028 <sup>(3)</sup>	
Mr. Shi Xiaoguang	29 September 2014	3.58	800,000	-	-	N/A	-	800,000	0.048%	29 September 2014 to 28 September 2024 <sup>(2)</sup>	3.49
	19 June 2020	0.96	19,200	-	-	N/A	-	19,200	0.001%	27 September 2020 to 27 March 2028 <sup>(3)</sup>	0.92
			28,800	-	-	N/A	-	28,800	0.002%	27 September 2021 to 27 March 2028 <sup>(3)</sup>	
			48,000	-	-	N/A	-	48,000	0.003%	27 September 2022 to 27 March 2028 <sup>(3)</sup>	
Mr. Jin Peng	19 June 2020	0.96	19,200	-	-	N/A	-	19,200	0.001%	27 September 2020 to 27 March 2028 <sup>(3)</sup>	0.92
			28,800	-	-	N/A	-	28,800	0.002%	27 September 2021 to 27 March 2028 <sup>(3)</sup>	
			48,000	-	-	N/A	-	48,000	0.003%	27 September 2022 to 27 March 2028 <sup>(3)</sup>	
Ms. Sharon Nan Kobler (associate of Mr. Song Zhenghuan and Ms. Fu Jingliu)	19 June 2020	0.96	124,000	-	-	N/A	-	124,000	0.007%	23 May 2022 to 22 May 2029 <sup>(3)</sup>	0.92
			186,000	-	-	N/A	-	186,000	0.011%	23 May 2023 to 22 May 2029 <sup>(3)</sup>	
			310,000	-	-	N/A	-	310,000	0.019%	23 May 2024 to 22 May 2029 <sup>(3)</sup>	

Name of Director/former Director/Associate	Date of grant	Exercise Price	Number of share options								Closing price of securities immediately before the date of grant
			Outstanding as at 1 January 2024	Granted during the Period	Exercised during the Period	Weighted average closing price immediately before the date of exercise	Cancelled/ Lapsed during the Period	Outstanding as at 30 June 2024	Percentage of total issued share capital <sup>(1)</sup>	Exercise period	
			(HK\$)								
Mr. Martin Patrick Pos (associate of Mr. Martin Pos)	11 December 2020	1.01	62,000	–	–	N/A	–	62,000	0.004%	11 December 2023 to 10 December 2030 <sup>(6)</sup>	1.00
			93,000	–	–	N/A	–	93,000	0.006%	11 December 2024 to 10 December 2030 <sup>(6)</sup>	
			155,000	–	–	N/A	–	155,000	0.009%	11 December 2025 to 10 December 2030 <sup>(6)</sup>	
<b>Total number held by Directors</b>	29 September 2014	3.58	11,780,000	–	–	N/A	–	11,780,000	0.706%	29 September 2014 to 28 September 2024 <sup>(6)</sup>	3.49
	27 March 2018	4.54	27,500,000	–	–	N/A	10,000,000	17,500,000	1.049%	27 March 2018 to 27 March 2028 <sup>(6)</sup>	4.12
	23 May 2019	3.75	6,900,000	–	–	N/A	–	6,900,000	0.414%	23 May 2019 to 22 May 2029 <sup>(7)</sup>	1.94
	19 June 2020	0.96	12,254,000	–	–	N/A	2,400,000	9,854,000	0.590%	Refer to note <sup>(8)</sup>	0.92
<b>Total number held by Associates</b>	19 June 2020	0.96	620,000	–	–	N/A	–	620,000	0.037%	Refer to note <sup>(8)</sup>	0.92
	11 December 2020	1.01	310,000	–	–	N/A	–	310,000	0.019%	Refer to note <sup>(8)</sup>	1.00
<b>Total number held by Employees of the Group</b>	29 September 2014	3.58	11,900,000	–	–	N/A	–	11,900,000	0.713%	29 September 2014 to 28 September 2024 <sup>(6)</sup>	3.49
	7 October 2015	3.75	6,800,000	–	–	N/A	–	6,800,000	0.408%	7 October 2015 to 6 October 2025 <sup>(6)</sup>	3.66
	27 March 2018	4.54	4,000,000	–	–	N/A	–	4,000,000	0.240%	27 March 2018 to 27 March 2028 <sup>(6)</sup>	4.12
	28 May 2018	5.122	3,600,000	–	–	N/A	200,000	3,400,000	0.204%	28 May 2018 to 27 May 2028 <sup>(7)</sup>	4.92
	23 May 2019	3.75	27,700,000	–	–	N/A	1,300,000	26,400,000	1.583%	23 May 2019 to 22 May 2029 <sup>(8)</sup>	1.94
	19 June 2020	0.96	9,994,250	–	–	N/A	600,250	9,394,000	0.563%	Refer to note <sup>(8)</sup>	0.92
	11 December 2020	1.01	2,845,000	–	–	N/A	93,000	2,752,000	0.165%	Refer to note <sup>(8)</sup>	1.00
16 June 2022	1.042	500,000	–	–	N/A	–	500,000	0.030%	Refer to note <sup>(10)</sup>	1.03	

# Management Discussion and Analysis

Fair values of the Share Options granted at the date of grant were as follows:

For director/former director/associate:

Date of grant	Exercise period	Fair value HK\$ per share <sup>(1)</sup>
29 September 2014	29 September 2017 to 28 September 2024 <sup>(2)</sup>	1.11
29 September 2014	29 September 2018 to 28 September 2024 <sup>(2)</sup>	1.17
29 September 2014	29 September 2019 to 28 September 2024 <sup>(2)</sup>	1.23
27 March 2018	27 September 2020 to 27 March 2028 <sup>(3)</sup>	1.66
27 March 2018	27 September 2021 to 27 March 2028 <sup>(3)</sup>	1.76
27 March 2018	27 September 2022 to 27 March 2028 <sup>(3)</sup>	1.84
23 May 2019	23 May 2022 to 22 May 2029 <sup>(7)</sup>	0.29
23 May 2019	23 May 2023 to 22 May 2029 <sup>(7)</sup>	0.31
23 May 2019	23 May 2024 to 22 May 2029 <sup>(7)</sup>	0.33
19 June 2020	28 August 2020 to 27 August 2027 <sup>(8)</sup>	0.27
19 June 2020	28 August 2021 to 27 August 2027 <sup>(8)</sup>	0.31
19 June 2020	28 August 2022 to 27 August 2027 <sup>(8)</sup>	0.35
19 June 2020	27 September 2020 to 27 March 2028 <sup>(8)</sup>	0.28
19 June 2020	27 September 2021 to 27 March 2028 <sup>(8)</sup>	0.32
19 June 2020	27 September 2022 to 27 March 2028 <sup>(8)</sup>	0.35
19 June 2020	28 May 2021 to 27 May 2028 <sup>(8)</sup>	0.30
19 June 2020	28 May 2022 to 27 May 2028 <sup>(8)</sup>	0.34
19 June 2020	28 May 2023 to 27 May 2028 <sup>(8)</sup>	0.37
19 June 2020	23 May 2022 to 22 May 2029 <sup>(8)</sup>	0.35
19 June 2020	23 May 2023 to 22 May 2029 <sup>(8)</sup>	0.38
19 June 2020	23 May 2024 to 22 May 2029 <sup>(8)</sup>	0.41
11 December 2020	11 December 2023 to 10 December 2030 <sup>(9)</sup>	0.40
11 December 2020	11 December 2024 to 10 December 2030 <sup>(9)</sup>	0.43
11 December 2020	11 December 2025 to 10 December 2030 <sup>(9)</sup>	0.45

For Employees:

Date of grant	Exercise period	Fair value HK\$ per share <sup>(1)</sup>
29 September 2014	29 September 2017 to 28 September 2024 <sup>(5)</sup>	1.06 <sup>(2)</sup>
29 September 2014	29 September 2018 to 28 September 2024 <sup>(5)</sup>	1.14 <sup>(2)</sup>
29 September 2014	29 September 2019 to 28 September 2024 <sup>(5)</sup>	1.20 <sup>(2)</sup>
29 September 2014	29 September 2017 to 28 September 2024 <sup>(5)</sup>	1.09 <sup>(3)</sup>
29 September 2014	29 September 2018 to 28 September 2024 <sup>(5)</sup>	1.16 <sup>(3)</sup>
29 September 2014	29 September 2019 to 28 September 2024 <sup>(5)</sup>	1.22 <sup>(3)</sup>
7 October 2015	7 October 2018 to 6 October 2025 <sup>(4)</sup>	1.22
7 October 2015	7 October 2019 to 6 October 2025 <sup>(4)</sup>	1.30
7 October 2015	7 October 2020 to 6 October 2025 <sup>(4)</sup>	1.37
27 March 2018	27 September 2020 to 27 March 2028 <sup>(6)</sup>	1.42
27 March 2018	27 September 2021 to 27 March 2028 <sup>(6)</sup>	1.53
27 March 2018	27 September 2022 to 27 March 2028 <sup>(6)</sup>	1.62
28 May 2018	28 May 2021 to 27 May 2028 <sup>(6)</sup>	1.48
28 May 2018	28 May 2022 to 27 May 2028 <sup>(6)</sup>	1.59
28 May 2018	28 May 2023 to 27 May 2028 <sup>(6)</sup>	1.68
23 May 2019	23 May 2022 to 22 May 2029 <sup>(7)</sup>	0.25
23 May 2019	23 May 2023 to 22 May 2029 <sup>(7)</sup>	0.28
23 May 2019	23 May 2024 to 22 May 2029 <sup>(7)</sup>	0.31
19 June 2020	28 August 2020 to 27 August 2027 <sup>(8)</sup>	0.27
19 June 2020	28 August 2021 to 27 August 2027 <sup>(8)</sup>	0.31
19 June 2020	28 August 2022 to 27 August 2027 <sup>(8)</sup>	0.35
19 June 2020	27 September 2020 to 27 March 2028 <sup>(6)</sup>	0.28
19 June 2020	27 September 2021 to 27 March 2028 <sup>(6)</sup>	0.32
19 June 2020	27 September 2022 to 27 March 2028 <sup>(6)</sup>	0.35
19 June 2020	28 May 2021 to 27 May 2028 <sup>(6)</sup>	0.30
19 June 2020	28 May 2022 to 27 May 2028 <sup>(6)</sup>	0.34
19 June 2020	28 May 2023 to 27 May 2028 <sup>(6)</sup>	0.37
19 June 2020	23 May 2022 to 22 May 2029 <sup>(6)</sup>	0.35
19 June 2020	23 May 2023 to 22 May 2029 <sup>(6)</sup>	0.38
19 June 2020	23 May 2024 to 22 May 2029 <sup>(6)</sup>	0.41
11 December 2020	11 December 2023 to 10 December 2030 <sup>(9)</sup>	0.40
11 December 2020	11 December 2024 to 10 December 2030 <sup>(9)</sup>	0.43
11 December 2020	11 December 2025 to 10 December 2030 <sup>(9)</sup>	0.45
16 June 2022	16 June 2025 to 15 June 2032 <sup>(10)</sup>	0.45
16 June 2022	16 June 2026 to 15 June 2032 <sup>(10)</sup>	0.49
16 June 2022	16 June 2027 to 15 June 2032 <sup>(10)</sup>	0.52

# Management Discussion and Analysis

Notes:

- (1) The percentage is calculated based on the total number of 1,668,031,166 shares in issue as at 30 June 2024.
- (2) The Share Options are exercisable within a period of 10 years from 29 September 2014 and subject to the following vesting schedule and performance review:
  - (i) one third of the Share Options vested on 29 September 2017;
  - (ii) one third of the Share Options vested on 29 September 2018; and
  - (iii) the remaining one third of the Share Options vested on 29 September 2019.
- (3) The Share Options are exercisable within a period of 10 years from 29 September 2014 and subject to the following vesting schedule and performance review:
  - (i) for some grantees, the Share Options shall be vested on 29 September 2018; and
  - (ii) for the remaining grantees, one third of the Share Options vested on 29 September 2017, one third of the Share Options vested on 29 September 2018 and the remaining one third of the Share Options vested on 29 September 2019.
- (4) The Share Options are exercisable within a period of 10 years from 7 October 2015 and subject to the following vesting schedule and performance review:
  - (i) one third of the Share Options vested on 7 October 2018;
  - (ii) one third of the Share Options vested on 7 October 2019; and
  - (iii) the remaining one third of the Share Options vested on 7 October 2020.
- (5) The Share Options are exercisable within a period of 10 years from 27 March 2018 and subject to the following vesting schedule and performance review:
  - (i) 20% of the Share Options vested on 27 September 2020;
  - (ii) another 30% of the Share Options vested on 27 September 2021; and
  - (iii) the remaining Share Options vested on 27 September 2022.
- (6) The Share Options are exercisable within a period of 10 years from 28 May 2018 and subject to the following vesting schedule and performance review:
  - (i) 20% of the Share Options vested on 28 May 2021;
  - (ii) another 30% of the Share Options vested on 28 May 2022; and
  - (iii) the remaining Share Options vested on 28 May 2023.
- (7) The Share Options are exercisable within a period of 10 years from 23 May 2019 and subject to the following vesting schedule and performance review:
  - (i) 20% of the Share Options vested on 23 May 2022;
  - (ii) another 30% of the Share Options vested on 23 May 2023; and
  - (iii) the remaining Share Options vested on 23 May 2024.

- (8) Among the 19,868,000 Share Options, the vesting schedule and exercise period are as follows:
- (i) 93,332 Share Options will be vested on 28 August 2020 and exercisable until 27 August 2027;
  - (ii) 93,332 Share Options will be vested on 28 August 2021 and exercisable until 27 August 2027;
  - (iii) 93,336 Share Options will be vested on 28 August 2022 and exercisable until 27 August 2027;
  - (iv) 1,579,200 Share Options will be vested on 27 September 2020 and exercisable until 27 March 2028;
  - (v) 2,368,800 Share Options will be vested on 27 September 2021 and exercisable until 27 March 2028;
  - (vi) 3,948,000 Share Options will be vested on 27 September 2022 and exercisable until 27 March 2028;
  - (vii) 156,000 Share Options will be vested on 28 May 2021 and exercisable until 27 May 2028;
  - (viii) 234,000 Share Options will be vested on 28 May 2022 and exercisable until 27 May 2028;
  - (ix) 390,000 Share Options will be vested on 28 May 2023 and exercisable until 27 May 2028;
  - (x) 2,182,400 Share Options will be vested on 23 May 2022 and exercisable until 22 May 2029;
  - (xi) 3,273,600 Share Options will be vested on 23 May 2023 and exercisable until 22 May 2029; and
  - (xii) 5,456,000 Share Options will be vested on 23 May 2024 and exercisable until 22 May 2029.
- (9) The Share Options are exercisable within a period of 10 years from 11 December 2020 and subject to the following vesting schedule and performance review:
- (i) 20% of the Share Options vested on 11 December 2023;
  - (ii) another 30% of the Share Options vested on 11 December 2024; and
  - (iii) the remaining Share Options vested on 11 December 2025.
- (10) The Share Options are exercisable within a period of 10 years from 16 June 2022 and subject to the following vesting schedule and performance review:
- (i) 20% of the Share Options vested on 16 June 2025;
  - (ii) another 30% of the Share Options vested on 16 June 2026; and
  - (iii) the remaining Share Options vested on 16 June 2027.
- (11) The fair value of the Share Options is determined in accordance with HKFRS 2 by reference to the cost of purchase of the Share Options, or the fair value at grant date, taking into account all non-vesting conditions associated with the grant on grant date. No adjustment is required for expected dividends since the employees are entitled to receive dividends paid during the vesting period.
- (12) The Share Options were granted for employees of CYBEX.
- (13) The Share Options were granted for employees of gb.
- (14) Mr. Xia Xinyue, a former executive Director, resigned and ceased to be a Director since 29 February 2024 (the “**date of cessation**”). Accordingly, under the terms of the 2010 Share Option Scheme and the 2020 Share Option Scheme, the Share Options granted to him by the Company and vested before the date of cessation shall automatically lapse and become not exercisable if they are not exercised within three months from the date of cessation. Share Options granted to him by the Company but not yet vested before the date of cessation had automatically lapsed and become not exercisable immediately from the date of cessation.
- (15) Mr. Michael Nan Qu, a former executive Director, retired and ceased to be a Director since 20 May 2024 (the “**date of cessation**”). However, he continues to be an employee of the Company and therefore, pursuant to the terms of the 2010 Share Option Scheme and the 2020 Share Option Scheme, the Share Options granted to him by the Company and vested before the date of cessation shall continue to be valid and are still exercisable during the exercise period.

# Management Discussion and Analysis

As at 31 December 2023 and 30 June 2024, the total number of options available for grant under the 2020 Share Option Scheme was 119,034,566 and 122,127,816, respectively.

As at 30 June 2024, the number of shares that may be issued in respect of the options granted under the 2010 Share Option Scheme and the 2020 Share Option Scheme in total divided by the weighted average number of ordinary shares of the Company in issue (excluding treasury shares) for the Period was 6.72%.

As at 30 June 2024, the total number of shares available for issue under the 2020 Share Option Scheme was 122,127,816 shares, which represented 7.32% of the shares in issue as at the date of this interim report.

The options issued pursuant to the 2010 Share Option Scheme and the 2020 Share Option Scheme will expire no later than 10 years from the date of grant of the option.

As at the date of this report, the remaining life of the 2020 Share Option Scheme is approximately 5 years and 8 months.

For any options granted to Directors, chief executives or substantial shareholders of the Company, or any of their respective associate, options to be granted to any of these persons shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of options). Where any option granted to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the shares issued or to be issued upon exercise of all options already granted and to be granted to such person in the 12-month period, (i) representing in aggregate over 0.1% of the shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the shares, in excess of HK\$5 million, such grant of options shall be subject to prior approval by resolutions of the shareholders (voting by way of poll).

The maximum number of shares issued and to be issued in respect of options granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the total shares of the Company in issue, without prior approval from the shareholders of the Company and with such participants and his associates abstaining from voting.

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK\$1.00 in total by the grantee. The exercise price is determined by the Directors and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's share.

## Significant Acquisition, Disposal or Investment

During the Period, the Group did not have any material acquisition or disposals of subsidiaries and associated companies, and investment.

## Future Plans for Material Investments or Capital Assets

The Group did not have any plan for material investments or capital assets as at 30 June 2024.

# Other Information



## Other Information

### Purchase, Sale or Redemption of Shares

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2024, the Company did not hold any treasury shares.

### Dividends

The board of directors (the "**Directors**") of the Company (the "**Board**") does not recommend payment of any dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

### Corporate Governance

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and formulate its business strategies and policies as well as to enhance corporate value and accountability.

The Company has applied the principles set out in 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 of Hong Kong Limited (the "**Listing Rules**") and has also put in place certain recommended best practices as set out in the CG Code. The Board is of the opinion that the Company has complied with all the code provisions set out in the CG Code throughout the Period.

### Specific Performance Obligations of Controlling Shareholders Under Rule 13.18 of the Listing Rules

#### April 2024 Facility Agreement

To refinance certain existing bank loans, on 8 April 2024, Goodbaby (Hong Kong) Limited, a wholly-owned subsidiary of the Company (as borrower), the Company (as guarantor), one financial institution (as global coordinator, mandated lead arranger and bookrunner, facility agent and security agent) and certain financial institutions (as original lenders) entered into a facilities agreement (the "**April 2024 Facility Agreement**") in respect of a total amount of US\$160,000,000 term loan facility with a term of 36 months from the first utilisation date. The total commitment under the April 2024 Facility Agreement may be increased by not more than US\$50,000,000 or its equivalent in Euro with prior written consent of Goodbaby (Hong Kong) Limited, by way of accession(s) of additional lender(s). With this refinance, the debt structure of the Company will be optimized and relevant finance cost will be improved.

Under the April 2024 Facility Agreement, if (a) Mr. Song (together with his family, including his or his spouse's family trust), collectively, no longer are the single largest beneficial shareholder of the Company; or (b) Mr. Song (together with his family, including his or his spouse's family trust) collectively, no longer beneficially owns more than 20% of the issued share capital of the Company, then the borrower shall, among others,

- (1) immediately notify the facility agent thereof; and
- (2) at the request of any lender, prepay that lender's participation in the loans together with accrued interests thereon and break costs (if any).

For further details of the April 2024 Facility Agreement, please also refer to the announcement of the Company dated 8 April 2024. The term loan facility under this April 2024 Facility Agreement was not utilised until 30 June 2024. As at 30 June 2024, the outstanding loan amount available to be drawn by the company is US\$210,000,000.

Save as disclosed above, as at 30 June 2024, the Company did not have any other disclosure obligations under Rule 13.18 of the Listing Rules.

### **Director's Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made of all the Directors who have confirmed to the Company that they have complied with the Model Code throughout the Period. The Company has also established a code of conduct no less exacting than the Model Code (the "**Employees Code of Conduct**") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Code of Conduct by any employees of the Company was noted.

### **Audit Committee**

As at the date of this report, the audit committee of the Company (the "**Audit Committee**") consists of three independent non-executive Directors, namely Ms. Chiang Yu, Mr. Shi Xiaoguang and Mr. So Tak Young, and Ms. Chiang Yun is the chairlady of the Audit Committee. The unaudited interim condensed consolidated financial Information of the Group for the Period have been reviewed by the Audit Committee.

The unaudited interim results for the Period have been reviewed by the Company's auditors, Ernst & Young, 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.

### **Arrangements to Purchase Shares or Debentures**

Other than the Share Option Schemes as set out in note 21 to the interim condensed consolidated financial statements, at no time during the Period was the Company, its holding companies or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

## Other Information

### Interest and Short Positions of Directors in the Shares, Underlying Shares or Debentures

As at 30 June 2024, the interests or short positions of the Directors or chief executives of the Company then in office in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required, pursuant to the Model Code, are as follows:

### Directors’ Interest in the Shares and/or Underlying Shares

Name of Director	Nature of Interest	Number of Shares and/or Underlying Shares	Approximate percentage of Shareholding
Mr. Song Zhenghuan (“ <b>Mr. Song</b> ”) (Notes 2&5)	Beneficiary of a trust/ Beneficial owner/Interest of controlled corporation/ Interest of spouse	769,639,427 (L)	46.14%
Mr. Liu Tongyou (“ <b>Mr. Liu</b> ”) (Note 3)	Beneficial owner/Interest of controlled corporation	39,710,573 (L)	2.38%
Mr. Martin Pos	Beneficial owner	81,090,293 (L)	4.86%
Mr. Xia Xinyue (resigned on 29 February 2024)	Beneficial owner	0 (L)	0%
Mr. Michael Nan Qu (retired on 20 May 2024)	Beneficial owner/Interest of spouse	4,809,000 (L)	0.29%
Ms. Fu Jingqiu (“ <b>Ms. Fu</b> ”) (Notes 2&5)	Beneficiary of a trust/ Beneficial owner/Interest of spouse	769,639,427 (L)	46.14%
Mr. Ho Kwok Yin, Eric	Beneficial owner	1,096,000 (L)	0.07%
Ms. Chiang Yun	Beneficial owner	896,000 (L)	0.05%
Mr. Shi Xiaoguang	Beneficial owner	896,000 (L)	0.05%
Mr. Jin Peng	Beneficial owner	96,000 (L)	0.01%

Notes:

- (1) The letter “L” denotes the person’s long position in such shares.
- (2) Mr. Song and Ms. Fu are beneficiaries of Grappa Trust of which Trident Trust Company (HK) Limited is the trustee. Ms. Fu is a beneficiary of Gramma Trust of which Trident Trust Company (HK) Limited is the trustee. See note (2) of the section headed “Substantial Shareholders’ Interests and Short Positions” for further details of the interest.
- (3) Mr. Liu is interested in 29,057,573 shares of the Company held through Silvermount Limited, a company wholly owned by him. He also holds 10,653,000 Share Options.
- (4) Each of the Directors is deemed to have an interest in the underlying shares of the Company within the meaning of Part XV of the SFO in respect of the Share Options granted to him/her, details are as follows:

Name of Director	Number of Share Options granted
Mr. Song Zhenghuan	1,390,000
Mr. Liu Tongyou	10,653,000
Mr. Martin Pos	24,100,000
Mr. Xia Xinyue (resigned on 29 February 2024)	0
Mr. Michael Nan Qu (retired on 20 May 2024)	4,700,000
Ms. Fu Jingqiu	2,207,000
Mr. Ho Kwok Yin, Eric	1,096,000
Ms. Chiang Yun	896,000
Mr. Shi Xiaoguang	896,000
Mr. Jin Peng	96,000

- (5) Since Ms. Fu is Mr. Song’s spouse, each of Mr. Song and Ms. Fu is deemed to have an interest in the underlying Shares of the Company within the meaning of Part XV of the SFO in respect of the Share Options of the Company granted to each of them.
- (6) Mr. Xia Xinyue and Mr. Michael Nan Qu, both were former executive Directors, resigned on 29 February 2024 and retired on 20 May 2024, respectively, and ceased to be Directors. Notwithstanding this, Mr. Michael Nan Qu remains as an employee of the Company. Accordingly, only the Share Options granted to Mr. Xia Xinyue by the Company before his resignation had automatically lapsed and become not exercisable (to the extent not already exercised by him) with immediate effect from Mr. Xia Xinyue ceasing to be a Director in accordance with the terms of the 2020 Share Option Scheme.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executive of the Company or their respective close associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the company and the Stock Exchange pursuant to the Model Code.

## Substantial Shareholders' Interests and Short Positions

As at 30 June 2024, the following persons (other than the Directors and chief executives of the Company) had or deemed or taken to have an interest and/or short position in the shares or the underlying shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under section 336 of SFO, or who was, directly or indirectly, interested in 5% or more of the issued share capital of the Company:

Name	Capacity	Number of Shares and/or Underlying Shares	Approximate Percentage of Shareholding
Trident Trust Company (HK) Limited (" <b>TTC</b> ") (Note 2)	Trustee	766,042,427 (L)	45.92%
Gramma Enterprises Limited	Interest of Controlled Corporation/Beneficial Owner	696,304,251 (L)	41.74%
Rosy Phoenix Limited (Note 2)	Interest of Controlled Corporation/Beneficial Owner	696,304,251 (L)	41.74%
Cayey Enterprises Limited (Note 2)	Interest of Controlled Corporation/Beneficial Owner	608,550,380 (L)	36.48%
Grappa Enterprises Limited (Note 2)	Interest of Controlled Corporation	608,550,380 (L)	36.48%
Pacific United Developments Limited (" <b>PUD</b> ") (Note 2)	Beneficial Owner	409,518,229 (L)	24.55%
Sure Growth Investments Limited (Note 2)	Beneficial Owner	129,293,975 (L)	7.75%
FIL Limited	Investment Manager	117,123,000 (L)	7.02%
Pandanus Associates Inc.	Investment Manager	117,123,000 (L)	7.02%
Pandanus Partners L.P.	Investment Manager	117,123,000 (L)	7.02%

Notes:

- (1) The letter "L" denotes the person's long position in such shares.
- (2) Grappa Enterprise Limited and Gramma Enterprise Limited are indirect wholly-owned by TTC. Grappa Enterprise Limited holds 99.99% of Cayey Enterprise Limited and 99% of Gramma Enterprise Limited directly. Cayey Enterprises Limited is interested in 26.72% of PUD and 44.44% of Sure Growth Investments Limited. Gramma Enterprise Limited holds 99% of Rosy Phoenix Limited directly, which in turn holds 26.72% of PUD and 22.22% of Sure Growth Investments Limited. TTC is the trustee of Gramma Trust and Grappa Trust holding interest on trust for the beneficiaries of the Gramma Trust and Grappa Trust, respectively. The beneficiaries of Grappa Trust include Mr. Song and his family members and the beneficiaries of Gramma Trust include Ms. Fu and her family members.

Save as disclosed above, as at 30 June 2024, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

## Important Events after the Period

### Grant of Share Options

On 2 July 2024, the Company announced that it had resolved to grant 113,594,000 Share Options to subscribe for an aggregate of 113,594,000 new shares of HK\$0.01 each in the capital of the Company, to eligible participants (the "**Grantees**", and each a "**Grantee**") subject to the acceptance by the Grantees, pursuant to the 2020 Share Option Scheme. The exercise price of the Share Options granted is HK\$0.485. The 113,594,000 Share Options granted to the Directors and certain employees of the Group, shall be vested in accordance with the following dates:

- (A) with respect to 59,748,000 Share Options will be vested on 2 July 2025;
- (B) with respect to 10,447,200 Share Options will be vested on 2 July 2026;
- (C) with respect to 20,609,800 Share Options will be vested on 2 July 2027;
- (D) with respect to 13,479,000 Share Options will be vested on 2 July 2028; and
- (E) with respect to 9,310,000 Share Options will be vested on 2 July 2029.

## Other Information

Details of an aggregate of 113,594,000 Share Options granted to the Directors and the employees of the Group are set out below:

Name of Grantee	Capacity	Number of Share Options granted
<b>Directors</b>		
Mr. Song Zhenghuan	the chairman of the Board and an executive Director	1,668,000
Mr. Liu Tongyou	the chief executive officer and an executive Director	10,000,000
Mr. Martin Pos	an executive Director	16,680,000
Ms. Fu Jingqiu	a non-executive Director	1,668,000
Sub-total		30,016,000
<b>Employees</b>		
Mr. Martin Patrick Pos	an employee of the Group and the son of Mr. Martin Pos	1,750,000
Ms. Sharon Kobler	an employee of the Group and the daughter of Mr. Song Zhenghuan and Ms. Fu Jingqiu	1,668,000
Other individuals*	other employees of the Group	80,160,000
Sub-total		83,578,000
Total		113,594,000

Except for the Share Options granted to Mr. Song Zhenghuan, Mr. Liu Tongyou, Mr. Martin Pos, Ms. Fu Jingqiu, Mr. Martin Patrick Pos and Ms. Sharon Kobler, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined in the Listing Rules). Pursuant to Rule 17.04(1) of the Listing Rules, the grant of the Share Options to each of the aforesaid Directors and their respective associates has been approved by the independent non-executive Directors. After the above grant of the Share Options, 8,533,816 remaining Shares will be available for future grant under the 2020 Share Option Scheme.

Note: \*Mr. Michael Nan Qu, a former executive Director retired on 20 May 2024 and ceased to be a Director. Notwithstanding this, he remains as an employee of the Company. Accordingly, the Share Options granted to him are still valid in accordance with the term of the 2020 Share Option Scheme.

Save as disclosed above, no material events affecting the Company or its subsidiaries has occurred subsequent to 30 June 2024.

### Disclosure of Information of Directors under Rules 13.51(2) and 13.51(B)(1) of the Listing Rules

Changes in Directors' biographical details since the date of the 2023 annual report of the Company, which are required to be disclosed pursuant to Rules 13.51(2) and 13.51(B)(1) of the Listing Rules, are set out below:

- Mr. Xia Xinyue resigned as an executive Director on 29 February 2024; and
- Mr. Michael Nan Qu retired from his role as an executive Director with effect from 20 May 2024. He continues to act as the Chairman of the American division of the Group.

Save as disclosed above, there is no change of information of each Director that is required to be disclosed under Rules 13.51(2) and 13.51(B)(1) of the Listing Rules since the publication of the 2023 annual report of the Company.

For and on behalf of the Board of Directors  
**Song Zhenghuan**  
*Chairman*

30 August 2024

# **Report on Review of Interim Condensed Consolidated Financial Information**

## Independent Review Report



Ernst & Young  
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### To the board of directors of Goodbaby International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

### Introduction

We have reviewed the interim financial information set out on pages 31 to 72, which comprises the condensed consolidated statement of financial position of Goodbaby International Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) as at 30 June 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“**IAS34**”) issued by the International Accounting Standards Board (the “**IASB**”).

The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of Review

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

### Ernst & Young

*Certified Public Accountants*  
Hong Kong  
30 August 2024

## Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024	2023
		(Unaudited)	
		(HK\$'000)	
Revenue	4	4,187,639	3,889,199
Cost of sales		(1,986,091)	(2,104,401)
<b>Gross profit</b>		<b>2,201,548</b>	<b>1,784,798</b>
Other income and gains	4	10,718	60,401
Selling and distribution expenses		(1,205,245)	(1,027,978)
Administrative expenses		(727,033)	(704,201)
Other expenses		(604)	(343)
<b>Operating profit</b>		<b>279,384</b>	<b>112,677</b>
Finance income	5	18,586	21,347
Finance costs	6	(87,683)	(106,855)
Share of profits/(losses) of:			
Joint ventures		7,593	(2,061)
An associate		–	(437)
<b>PROFIT BEFORE TAX</b>	7	<b>217,880</b>	<b>24,671</b>
Income tax (expense)/credit	8	(30,594)	5,181
<b>PROFIT FOR THE PERIOD</b>		<b>187,286</b>	<b>29,852</b>
Attributable to:			
Owners of the parent		185,447	25,012
Non-controlling interests		1,839	4,840
		<b>187,286</b>	<b>29,852</b>
Earnings per share attributable to ordinary equity holders of the parent:	10		
Basic			
For profit for the period (HK\$)		<b>0.11</b>	<b>0.01</b>
Diluted			
For profit for the period (HK\$)		<b>0.11</b>	<b>0.01</b>



## Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	(Unaudited)	
	(HK\$'000)	
<b>PROFIT FOR THE PERIOD</b>	187,286	29,852
<b>Other comprehensive gain/(loss)</b>		
Other comprehensive gain/(loss) that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges		
Effective portion of changes in fair value of hedging instruments arising during the period	4,702	(96,508)
Reclassification adjustments for losses included in the consolidated statement of profit or loss	20,885	52,810
Income tax effect	(1,842)	7,779
	23,745	(35,919)
Exchange differences:		
Exchange differences on translation of foreign operations	(150,154)	(173,801)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(126,409)	(209,720)
<b>Other comprehensive loss for the period, net of tax</b>	(126,409)	(209,720)
<b>Total comprehensive income/(loss) for the period</b>	<b>60,877</b>	<b>(179,868)</b>
Attributable to:		
Owners of the parent	59,636	(183,042)
Non-controlling interests	1,241	3,174
	<b>60,877</b>	<b>(179,868)</b>

## Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024	31 December 2023
		(Unaudited)	(Audited)
		(HK\$'000)	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	814,211	888,935
Right-of-use assets	12	228,364	276,546
Goodwill	13	2,560,764	2,608,675
Other intangible assets	14	2,057,554	2,045,025
Investments in joint ventures		4,825	5,191
Investment in an associate		8,142	8,333
Deferred tax assets		96,239	85,142
Other long-term assets		4,260	4,179
<b>Total non-current assets</b>		<b>5,774,359</b>	<b>5,922,026</b>
<b>CURRENT ASSETS</b>			
Inventories	15	1,580,349	1,462,781
Trade and notes receivables	16	1,236,396	1,175,812
Prepayments and other receivables		599,572	597,599
Due from related parties	28	–	6,397
Financial assets at fair value through profit or loss	22	32,250	55,011
Cash and cash equivalents	23	803,720	981,899
Pledged deposits	23	605,557	612,028
Time deposits	23	–	549,998
Derivative financial instruments	19	22,859	9,903
<b>Total current assets</b>		<b>4,880,703</b>	<b>5,451,428</b>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	17	1,320,899	1,304,386
Other payables and accruals		913,628	920,041
Income tax payable		70,955	55,405
Provision		49,452	48,550
Interest-bearing bank loans and other borrowings	18	2,105,355	2,705,829
Lease liabilities	12	88,061	107,127
Derivative financial instruments	19	16,565	42,013
Due to related parties	28	1,383	502
Defined benefit plan liabilities		378	379
<b>Total current liabilities</b>		<b>4,566,676</b>	<b>5,184,232</b>
<b>NET CURRENT ASSETS</b>		<b>314,027</b>	<b>267,196</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>6,088,386</b>	<b>6,189,222</b>

## Interim Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2024

	Notes	30 June 2024	31 December 2023
		(Unaudited)	(Audited)
(HK\$'000)			
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank loans and other borrowings	18	–	88,018
Provision		29,437	25,451
Defined benefit plan liabilities		2,736	2,775
Other liabilities		1,639	1,563
Lease liabilities	12	116,538	148,518
Deferred tax liabilities		249,254	295,164
Total non-current liabilities		399,604	561,489
<b>Net assets</b>		<b>5,688,782</b>	<b>5,627,733</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	20	16,680	16,680
Reserves		5,645,493	5,585,685
		5,662,173	5,602,365
Non-controlling interests		26,609	25,368
<b>Total equity</b>		<b>5,688,782</b>	<b>5,627,733</b>

SONG Zhenghuan  
Director

LIU Tongyou  
Director

## Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the parent											Non-controlling interests	Total equity
	Share capital	Share premium	Share option reserve	Statutory reserve funds	Cumulative translation adjustments	Defined benefit plans	Merger reserve	Capital reserve	Hedging reserve	Retained earnings	Total		
	(HK\$'000)												
	(Unaudited)												
At 31 December 2023 and 1 January 2024	16,680	3,320,411	204,343	275,934	(382,489)	5,776	153,975	(22,613)	(16,919)	2,047,267	5,602,365	25,368	5,627,733
Profit for the period	-	-	-	-	-	-	-	-	-	185,447	185,447	1,839	187,286
Other comprehensive income/(loss) for the period:													
Cash flow hedges, net of tax	-	-	-	-	-	-	-	-	23,745	-	23,745	-	23,745
Exchange differences on translation	-	-	-	-	(149,556)	-	-	-	-	-	(149,556)	(598)	(150,154)
<b>Total comprehensive income for the period</b>	-	-	-	-	(149,556)	-	-	-	23,745	185,447	59,636	1,241	60,877
Equity-settled share option arrangements	-	-	172	-	-	-	-	-	-	-	172	-	172
<b>At 30 June 2024 (unaudited)</b>	<b>16,680</b>	<b>3,320,411</b>	<b>204,515</b>	<b>275,934</b>	<b>(532,045)</b>	<b>5,776</b>	<b>153,975</b>	<b>(22,613)</b>	<b>6,826</b>	<b>2,232,714</b>	<b>5,662,173</b>	<b>26,609</b>	<b>5,688,782</b>

	Attributable to owners of the parent											Non-controlling interests	Total equity
	Share capital	Share premium	Share option reserve	Statutory reserve funds	Cumulative translation adjustments	Defined benefit plans	Merger reserve	Capital reserve	Hedging reserve	Retained earnings	Total		
	(HK\$'000)												
	(Unaudited)												
At 31 December 2022 and 1 January 2023	16,680	3,320,411	207,590	265,117	(282,807)	5,858	153,975	(8,256)	(11,404)	1,849,514	5,516,678	40,975	5,557,653
Profit for the period	-	-	-	-	-	-	-	-	-	25,012	25,012	4,840	29,852
Other comprehensive loss for the period:													
Cash flow hedges, net of tax	-	-	-	-	-	-	-	-	(35,919)	-	(35,919)	-	(35,919)
Exchange differences on translation	-	-	-	-	(172,135)	-	-	-	-	-	(172,135)	(1,666)	(173,801)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(172,135)	-	-	-	(35,919)	25,012	(183,042)	3,174	(179,868)
Equity-settled share option arrangements	-	-	2,634	-	-	-	-	-	-	-	2,634	-	2,634
<b>At 30 June 2023 (unaudited)</b>	<b>16,680</b>	<b>3,320,411</b>	<b>210,224</b>	<b>265,117</b>	<b>(454,942)</b>	<b>5,858</b>	<b>153,975</b>	<b>(8,256)</b>	<b>(47,323)</b>	<b>1,874,526</b>	<b>5,336,270</b>	<b>44,149</b>	<b>5,380,419</b>

## Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024	2023
		(Unaudited)	
		(HK\$'000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		217,880	24,671
Adjustments for:			
Finance costs	6	87,683	106,855
Share of (profit)/loss of joint ventures		(7,593)	2,061
Share of loss of an associate		–	437
Interest income	5	(18,586)	(21,347)
(Gain)/loss on disposal of items of property, plant and equipment	7	(754)	7
Loss on disposal of intangible assets		11	–
Revision of a lease term arising from a change in the non-cancellable period of a lease		(722)	(288)
Gain on wealth investment products	7	(945)	(381)
Depreciation and amortization	7	215,466	235,422
Provision of inventories	7	14,836	8,312
Provision for impairment of receivables	7	7,847	26,687
Equity-settled share option expenses	7	172	2,634
		515,295	385,070
(Increase)/decrease in inventories		(131,002)	399,243
Increase in trade receivables		(69,218)	(123,206)
Increase in prepayments and other receivables		(1,658)	(15,165)
Decrease/(increase) in amounts due from related parties		6,397	(3,025)
Decrease in pledged deposits		459	1,908
(Increase)/decrease in derivative financial instruments		(38,900)	60,605
(Increase)/decrease in other long-term assets		(81)	720
Increase/(decrease) in trade and bills payables		16,887	(182,817)
(Decrease)/increase in other payables and accruals		(2,275)	39,401
Increase/(decrease) in provision		4,888	(19,338)
Increase/(decrease) in amounts due to related parties		881	(296)
Decrease in defined benefit plan liabilities		(40)	(113)
Increase in other liabilities		76	1,002
Cash generated from operations		301,709	543,989
Income tax refund		2,033	9,237
Income tax paid		(67,722)	(48,011)
Net cash flows from operating activities		236,020	505,215

## Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024	2023
		(Unaudited)	
		(HK\$'000)	
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Interest received		43,302	7,639
Redemption of wealth investment products received		23,706	381
Purchase of items of property, plant and equipment		(70,606)	(115,936)
Addition to other intangible assets		(80,999)	(27,815)
Proceeds from disposal of property, plant and equipment		4,442	3,979
Acquisition of additional interest in a joint venture	28	(6,671)	–
Net cash flows used in investing activities		(86,826)	(131,752)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Proceeds from borrowings		242,551	631,054
Repayment of borrowings		(907,637)	(755,715)
Interest paid		(83,980)	(87,125)
Principal portion of lease payments		(59,657)	(54,688)
Decrease in pledged deposits		509,994	4,236
Net cash flows used in financing activities		(298,729)	(262,238)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(149,535)</b>	<b>111,225</b>
Cash and cash equivalents at beginning of period		981,899	921,961
Effect of foreign exchange rate changes, net		(28,644)	(6,216)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	23	<b>803,720</b>	<b>1,026,970</b>

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

## 1. Corporate Information

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2024 were authorized to be issued in accordance with a resolution of directors on 30 August 2024.

The Company was incorporated in the Cayman Islands on 14 July 2000 as an exempted company with limited liability. The registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 24 November 2010.

The Group is principally engaged in design, research and development ("**R&D**"), manufacturing, marketing and distribution of products for children.

## 2.1 Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The financial information is presented in Hong Kong Dollars ("**HK\$**") and all values are rounded to the nearest thousand except when otherwise indicated.

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 2023.

## 2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the "<b>2020 Amendments</b>")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the "<b>2022 Amendments</b>")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

## 2.2 Changes in Accounting Policies and Disclosures (Continued)

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 3. Operating Segment Information

After years of development, to realign the Group's up to date core competence in different business sections, from 1 January 2024, the Group reclarified its product categories as below:

- (a) Wheeled goods segment, which engages in the research, design, manufacture and sale of wheeled goods, and accessories, including strollers, jogging strollers and other child conveyances that move on wheels, and accessories under the Group's own brands and third parties' brands. Products in this segment require a same set of technology and manufacturing knowhow and infrastructure:
- (b) Car seats segment, which engages in the research, design, manufacture and sale of car safety seats and accessories for child under the Group's own brands and third parties' brands; and
- (c) Other categories segment, which engages in the research, design, manufacture, outsource and sale of other children's products, including apparels, personal care and sanitary products, home textiles, toys, activities, kids ride-on products, home furniture for child and other similar products under the Group's own brands and third parties' brands.

In addition, the Group redefined the geographical areas, namely Europe, Middle East, India and Africa ("EMEIA"), "Americas" and Asia Pacific ("APAC"), to reflect global market strategies. Comparative figures have been represented to conform with current period's presentation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment revenue.

#### Six months ended 30 June 2024

	Wheeled goods	Car seats	Other categories	Consolidated
	(HK\$'000)			
	(Unaudited)			
<b>Segment revenue (note 4)</b>				
Sales to external customers	1,694,830	1,884,065	608,744	4,187,639
<b>Segment results</b>	913,376	1,059,299	228,873	2,201,548
Reconciliation:				
Other income and gains				10,718
Corporate and other unallocated expenses				(1,936,413)
Other expenses				(604)
Finance income				18,586
Finance costs (other than interest on lease liabilities)				(83,548)
Share of profit of:				
Joint ventures				7,593
An associate				-
<b>Profit before tax</b>				<b>217,880</b>
<b>Other segment information:</b>				
Impairment losses recognised in the statement of profit or loss, net	8,820	9,835	4,028	22,683
Depreciation and amortisation	90,409	88,527	36,530	215,466

### 3. Operating Segment Information (Continued)

#### Six months ended 30 June 2023

	Wheeled goods	Car seats	Other categories	Consolidated
	(HK\$'000)			
	(Unaudited)			
<b>Segment revenue (note 4)</b>				
Sales to external customers	1,565,221	1,606,374	717,604	3,889,199
<b>Segment results</b>	731,588	784,513	268,697	1,784,798
Reconciliation:				
Other income and gains				60,401
Corporate and other unallocated expenses				(1,738,310)
Other expenses				(343)
Finance income				21,347
Finance costs (other than interest on lease liabilities)				(100,724)
Share of losses of:				
Joint ventures				(2,061)
An associate				(437)
<b>Profit before tax</b>				<b>24,671</b>
<b>Other segment information:</b>				
Impairment losses recognised in the statement of profit or loss	12,259	11,606	11,134	34,999
Depreciation and amortisation	103,788	88,563	43,071	235,422

#### Geographical information

##### (a) Revenue from external customers

	EMEIA market	Americas market	APAC market	Total
	(HK\$'000)			
	(Unaudited)			
<b>Six months ended 30 June 2024</b>				
<b>Segment revenue:</b>				
Sales to external customers	1,835,035	1,393,940	958,664	4,187,639
<b>Six months ended 30 June 2023</b>				
<b>Segment revenue:</b>				
Sales to external customers	1,567,420	1,360,121	961,658	3,889,199

The revenue information above is based on the locations of the customers.

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 3. Operating Segment Information (Continued)

#### Geographical information (continued)

##### (b) Non-current assets

	30 June 2024	31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
APAC	3,654,792	3,794,361
Americas	1,127,201	1,091,133
EMEIA	878,900	933,687
<b>Total</b>	<b>5,660,893</b>	<b>5,819,181</b>

The non-current asset information above is based on the locations of the assets excluding financial instruments, deferred tax assets, investments in joint ventures and an investment in an associate.

#### Information about major customers

During the six months ended 30 June 2024, revenue from sales to the two major third-party customers were HK\$517,715,000 and HK\$412,805,000, respectively (six months ended 30 June 2023: two major third-party customers were HK\$505,584,000 and HK\$482,495,000). The revenue from sales to the customers were derived from sales by wheeled goods, car seats and other categories segments, including sales to a group of entities which are known to be under common control with the customers.

#### 4. Revenue, Other Income and Gains

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	(HK\$'000)	
(Unaudited)		
<i>Revenue from contracts with customers</i>		
Sale of goods	4,173,838	3,874,415
Rendering of testing services	13,801	14,784
<b>Total</b>	<b>4,187,639</b>	<b>3,889,199</b>

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2024

Segments	Wheeled Goods	Car seats	Other categories	Total
	HK\$'000			
(Unaudited)				
<b>Type of goods or services</b>				
Sale of goods	1,694,830	1,884,065	594,943	4,173,838
Rendering of testing services	–	–	13,801	13,801
<b>Total revenue from contracts with customers</b>	<b>1,694,830</b>	<b>1,884,065</b>	<b>608,744</b>	<b>4,187,639</b>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	1,694,830	1,884,065	594,943	4,173,838
Services transferred at a point in time	–	–	13,801	13,801
<b>Total revenue from contracts with customers</b>	<b>1,694,830</b>	<b>1,884,065</b>	<b>608,744</b>	<b>4,187,639</b>
<b>Revenue from contracts with customers</b>				
External customers	1,694,830	1,884,065	608,744	4,187,639

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 4. Revenue, Other Income and Gains (Continued)

#### Revenue from contracts with customers (continued)

##### (i) Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 June 2023

Segments	Wheeled Goods	Car seats	Other categories	Total
	HK\$'000 (Unaudited)			
<b>Type of goods or services</b>				
Sale of goods	1,565,221	1,606,374	702,820	3,874,415
Rendering of testing services	–	–	14,784	14,784
<b>Total revenue from contracts with customers</b>	<b>1,565,221</b>	<b>1,606,374</b>	<b>717,604</b>	<b>3,889,199</b>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	1,565,221	1,606,374	702,820	3,874,415
Services transferred at a point in time	–	–	14,784	14,784
<b>Total revenue from contracts with customers</b>	<b>1,565,221</b>	<b>1,606,374</b>	<b>717,604</b>	<b>3,889,199</b>
<b>Revenue from contracts with customers</b>				
External customers	1,565,221	1,606,374	717,604	3,889,199

#### Other income and gains

	Six months ended 30 June	
	2024	2023
	HK\$'000 (Unaudited)	
<b>Other income and gains:</b>		
Government grants (note (a))	3,536	2,963
Gain on sales of scrap materials (note (b))	2,355	1,609
Gain on wealth investment products	945	381
Gain on disposal of fixed assets (note (c))	754	–
Net foreign exchange gain	679	44,341
Compensation income (note (d))	507	2,410
Others	1,942	8,697
<b>Total</b>	<b>10,718</b>	<b>60,401</b>

Note (a): The amount represents subsidies received from local government authorities in connection with certain financial support to local business enterprises. These government subsidies mainly comprised subsidies for export activities, subsidies for development and other miscellaneous subsidies and incentives for various purposes.

Note (b): The amount represents the gain on sales of aluminium, plastics, cloth and other scrap materials.

Note (c): The amount represents the gain on disposal of building, machinery, and other fixed assets.

Note (d): The amount represents the compensation received from: i) customers as a result of cancellation of orders, ii) suppliers due to defective products or shipment delay and iii) other infringement compensation.

## 5. Finance Income

	Six months ended 30 June	
	2024	2023
	(HK\$'000) (Unaudited)	
Interest income on bank deposits	18,586	21,347

## 6. Finance Costs

	Six months ended 30 June	
	2024	2023
	(HK\$'000) (Unaudited)	
Interest on bank loans, overdrafts and other loans	83,548	100,724
Interest on lease liabilities	4,135	6,131
<b>Total</b>	<b>87,683</b>	<b>106,855</b>

## 7. Profit Before Tax

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

	Six months ended 30 June	
	2024	2023
	(HK\$'000) (Unaudited)	
Cost of inventories sold*	1,977,143	2,095,935
Cost of services provided	8,948	8,466
Depreciation of property, plant and equipment	124,880	139,949
Depreciation of right-of-use assets	53,585	60,014
Amortisation of intangible assets	37,001	35,459
R&D costs**	201,990	195,501
Short-term rental expenses***	16,042	15,236
Auditors' remuneration	4,883	5,060
Employee benefit expense (including directors' remuneration):		
Wages, salaries and other benefits	935,755	831,479
Share option expense	172	2,634
Pension scheme costs (defined benefit plans) (including administrative expense)	596	167
Pension scheme contributions	31,880	31,736
	968,403	866,016
Net foreign exchange gain	(679)	(44,341)
Gain on wealth investment products	(945)	(381)
Provision for impairment of receivables	7,847	26,687
Provision of inventories	14,836	8,312
Product warranties and liabilities	11,537	10,118
(Gain)/loss on disposal of items of property, plant and equipment	(754)	7
Bank interest income	(18,586)	(21,347)

\* Cost of inventories sold include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff remuneration, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

\*\* R&D costs include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

\*\*\* Short-term rental expenses consist of payments of leases with lease term within 12 months of the date of initial application and property management fee on retail stores, storages and office premises.

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 8. Income Tax

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands (“**BVI**”), respectively, are exempted from taxation.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

State income tax and federal income tax of the Group’s subsidiary in the United States have been provided for at the rates of state income tax and federal income tax on the estimated assessable profits of the subsidiary during the year. The state income tax rates are 1% to 12% in the respective states in which the subsidiary operates, and the federal income tax rate was lowered to 21% effective from 1 January 2018, as a result of U.S. tax reform enacted in December 2017.

The Group’s subsidiary registered in Japan is subject to income tax based on the taxable income at rates ranging from 15% to 23.2% on a progressive basis.

The Group’s subsidiaries registered in Germany are subject to corporation tax based on the taxable income at the rate of 15.825% and trade income tax on the taxable income at rates ranging from 13.65% to 17.15%.

The Group’s subsidiary registered in the Czech Republic is subject to income tax based on the taxable income at the rate of 21%.

The Group’s subsidiary registered in Canada is subject to Federal income tax based on the taxable income at the rate of 15% and provincial and territorial income tax at rates ranging from 8% to 16%.

The Group’s subsidiary registered in the United Arab Emirates is subject to income tax at the rate of 9% for taxable income above AED375,000.

All of the Group’s subsidiaries registered in the People’s Republic of China (the “**PRC**”), which only have operations in Mainland China, are subject to PRC enterprise income tax (“**EIT**”) on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws, at the rate of 25%.

Pursuant to relevant tax rules under the EIT Law and with the approval from the relevant tax authorities in the PRC, two of the Group’s subsidiaries, Goodbaby Child Products Co., Ltd. (“**GCPC**”) and EQO Testing and Certification Services Co., Ltd. (“**EQTC**”), are qualified as “High and New Technology Enterprises” and are entitled to a preferential tax rate of 15% from 2023 to 2025.

The major components of income tax expense/(credit) of the Group are as follows:

	Six months ended 30 June	
	2024	2023
	(HK\$'000)	
	(Unaudited)	
Current income tax	71,200	35,222
Deferred income tax	(40,606)	(40,403)
<b>Income tax expense/(credit) reported in the statement of profit or loss</b>	<b>30,594</b>	<b>(5,181)</b>

## 9. Dividends

The board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2024 (Six months ended 30 June 2023: nil).

## 10. Earnings Per Share

The calculation of the basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,668,031,166 in issue during the six months ended 30 June 2024 (six months ended 30 June 2023: 1,668,031,166).

The calculation of diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024.

The calculation of earnings per share is based on:

	Six months ended 30 June	
	2024	2023
	(HK\$'000)	
(Unaudited)		
Earnings		
<b>Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation</b>	<b>185,447</b>	<b>25,012</b>

	Number of shares	
	Six months ended 30 June	
	2024	2023
(Unaudited)		
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	1,668,031,166	1,668,031,166
Effect of dilution – weighted average number of ordinary shares:		
Share options	–	–
<b>Total</b>	<b>1,668,031,166</b>	<b>1,668,031,166</b>



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 11. Property, Plant and Equipment

30 June 2024

	Buildings and land	Plant and machinery	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
	(HK\$'000)						
	(Unaudited)						
At 31 December 2023 and at 1 January 2024:							
Cost	551,876	1,383,283	21,895	400,288	426,222	120,896	2,904,460
Accumulated depreciation and impairment	(408,264)	(990,301)	(18,949)	(306,901)	(291,110)	–	(2,015,525)
<b>Net carrying amount</b>	<b>143,612</b>	<b>392,982</b>	<b>2,946</b>	<b>93,387</b>	<b>135,112</b>	<b>120,896</b>	<b>888,935</b>
At 1 January 2024, net of accumulated depreciation	143,612	392,982	2,946	93,387	135,112	120,896	888,935
Additions	1,593	19,164	22	9,661	17,829	23,086	71,355
Disposals	–	(1,943)	(102)	(1,340)	(303)	–	(3,688)
Depreciation provided during the period	(13,336)	(53,921)	(323)	(23,069)	(34,231)	–	(124,880)
Transfers	6,875	39,755	245	2,504	–	(49,379)	–
Exchange realignment	(2,939)	(6,552)	(66)	(1,762)	(4,754)	(1,438)	(17,511)
<b>At 30 June 2024, net of accumulated depreciation and impairment</b>	<b>135,805</b>	<b>389,485</b>	<b>2,722</b>	<b>79,381</b>	<b>113,653</b>	<b>93,165</b>	<b>814,211</b>
At 30 June 2024:							
Cost	548,445	1,361,555	20,288	396,493	319,869	93,165	2,739,815
Accumulated depreciation and impairment	(412,640)	(972,070)	(17,566)	(317,112)	(206,216)	–	(1,925,604)
<b>Net carrying amount</b>	<b>135,805</b>	<b>389,485</b>	<b>2,722</b>	<b>79,381</b>	<b>113,653</b>	<b>93,165</b>	<b>814,211</b>

## 11. Property, Plant and Equipment (Continued)

### 31 December 2023

	Buildings and land	Plant and machinery	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
	(HK\$'000)						
	(Audited)						
At 31 December 2022 and at 1 January 2023:							
Cost	596,979	1,333,220	22,682	382,844	426,842	67,040	2,829,607
Accumulated depreciation and impairment	(422,443)	(913,636)	(19,469)	(267,844)	(220,116)	–	(1,843,508)
<b>Net carrying amount</b>	<b>174,536</b>	<b>419,584</b>	<b>3,213</b>	<b>115,000</b>	<b>206,726</b>	<b>67,040</b>	<b>986,099</b>
At 1 January 2023, net of accumulated depreciation	174,536	419,584	3,213	115,000	206,726	67,040	986,099
Additions	1,776	33,245	906	20,869	59,629	135,024	251,449
Disposals	(5,738)	(9,359)	(103)	(1,904)	(56,099)	–	(73,203)
Depreciation provided during the period	(35,001)	(114,001)	(1,726)	(51,174)	(77,042)	–	(278,944)
Transfers	7,275	62,468	717	9,289	1,827	(81,576)	–
Exchange realignment	764	1,045	(61)	1,307	71	408	3,534
<b>At 31 December 2023, net of accumulated depreciation and impairment</b>	<b>143,612</b>	<b>392,982</b>	<b>2,946</b>	<b>93,387</b>	<b>135,112</b>	<b>120,896</b>	<b>888,935</b>
At 31 December 2023:							
Cost	551,876	1,383,283	21,895	400,288	426,222	120,896	2,904,460
Accumulated depreciation and impairment	(408,264)	(990,301)	(18,949)	(306,901)	(291,110)	–	(2,015,525)
<b>Net carrying amount</b>	<b>143,612</b>	<b>392,982</b>	<b>2,946</b>	<b>93,387</b>	<b>135,112</b>	<b>120,896</b>	<b>888,935</b>

At 30 June 2024, no certain of the Group's plant and machinery (31 December 2023: nil) were pledged to secure bank loan granted to the Group (note 18).

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 12. Leases

The Group has lease contracts for various items of plant and machinery, motor vehicles and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 10 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and machinery generally have lease terms between 3 and 6 years. Buildings generally have lease term between 1 and 10 years. Furniture and fixtures generally have lease terms between 2 and 5 years, while motor vehicles generally have lease terms between 1 and 5 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period/year are as follows:

#### 30 June 2024

	Leasehold land	Buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Total
	(HK\$'000)					
	(Unaudited)					
As at 1 January 2024	36,512	218,611	3,454	16,670	1,299	276,546
Additions	–	2,969	2,979	10,080	970	16,998
Revision of a lease term arising from a change in the non-cancellable period of a lease	–	(5,522)	–	(198)	–	(5,720)
Depreciation charge	(903)	(45,802)	(214)	(6,083)	(583)	(53,585)
Exchange realignment	(793)	(4,417)	(6)	(618)	(41)	(5,875)
As at 30 June 2024	34,816	165,839	6,213	19,851	1,645	228,364

#### 31 December 2023

	Prepaid land lease	Buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Total
	(HK\$'000)					
	(Audited)					
As at 1 January 2023	41,762	269,223	1,534	16,160	1,873	330,552
Additions	–	53,480	3,548	11,418	–	68,446
Revision of a lease term arising from a change in the non-cancellable period of a lease	–	(1,217)	–	–	–	(1,217)
Disposals	(2,687)	–	–	–	–	(2,687)
Depreciation charge	(1,210)	(102,114)	(1,627)	(11,435)	(624)	(117,010)
Exchange realignment	(1,353)	(761)	(1)	527	50	(1,538)
As at 31 December 2023	36,512	218,611	3,454	16,670	1,299	276,546

## 12. Leases (Continued)

### (b) Lease liabilities

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
Current	88,061	107,127
Non-current	116,538	148,518
<b>Carrying amount at period/year end</b>	<b>204,599</b>	<b>255,645</b>

## 13. Goodwill

	(HK\$'000)
Cost and net carrying amount at 1 January 2023 (Audited)	2,631,379
Exchange realignment	(22,704)
Cost and net carrying amount at 31 December 2023 and 1 January 2024 (Audited)	2,608,675
Exchange realignment	(47,911)
<b>Cost and net carrying amount at 30 June 2024 (Unaudited)</b>	<b>2,560,764</b>

## 14. Other Intangible Assets

### 30 June 2024

	Trademarks	Computer software	Non-competive agreement	Customer relationship	Patents	Total
	(HK\$'000)					
	(Unaudited)					
At 31 December 2023 and at 1 January 2024:						
Cost	1,677,627	208,165	7,066	539,847	83,977	2,516,682
Accumulated amortisation	(34,465)	(125,601)	(7,066)	(251,578)	(52,947)	(471,657)
<b>Net carrying amount</b>	<b>1,643,162</b>	<b>82,564</b>	<b>–</b>	<b>288,269</b>	<b>31,030</b>	<b>2,045,025</b>
At 1 January 2024, net of accumulated amortisation	1,643,162	82,564	–	288,269	31,030	2,045,025
Additions	187	79,437	–	–	1,375	80,999
Acquisition of a subsidiary	–	–	–	–	15,300	15,300
Disposals	–	(11)	–	–	–	(11)
Amortisation provided during the period	(998)	(14,812)	–	(17,923)	(3,268)	(37,001)
Exchange realignment	(37,557)	(2,360)	–	(5,919)	(922)	(46,758)
<b>At 30 June 2024, net of accumulated amortization</b>	<b>1,604,794</b>	<b>144,818</b>	<b>–</b>	<b>264,427</b>	<b>43,515</b>	<b>2,057,554</b>
At 30 June 2024:						
Cost	1,639,183	282,645	6,047	528,077	98,449	2,554,401
Accumulated amortisation	(34,389)	(137,827)	(6,047)	(263,650)	(54,934)	(496,847)
<b>Net carrying amount</b>	<b>1,604,794</b>	<b>144,818</b>	<b>–</b>	<b>264,427</b>	<b>43,515</b>	<b>2,057,554</b>

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 14. Other Intangible Assets (Continued)

#### 31 December 2023

	Trademarks	Computer software	Non-compete agreement	Customer relationship	Patents	Total
	(HK\$'000)					
	(Audited)					
At 31 December 2022 and at 1 January 2023:						
Cost	1,684,976	167,168	6,848	546,304	81,097	2,486,393
Accumulated amortisation	(33,827)	(98,077)	(6,848)	(214,856)	(46,214)	(399,822)
<b>Net carrying amount</b>	<b>1,651,149</b>	<b>69,091</b>	<b>–</b>	<b>331,448</b>	<b>34,883</b>	<b>2,086,571</b>
At 1 January 2023, net of accumulated amortisation	1,651,149	69,091	–	331,448	34,883	2,086,571
Additions	–	39,746	–	–	1,676	41,422
Disposals	(81)	(584)	–	(2,995)	–	(3,660)
Amortisation provided during the year	(2,147)	(24,892)	–	(37,371)	(4,661)	(69,071)
Exchange realignment	(5,759)	(797)	–	(2,813)	(868)	(10,237)
<b>At 31 December 2023, net of accumulated amortization</b>	<b>1,643,162</b>	<b>82,564</b>	<b>–</b>	<b>288,269</b>	<b>31,030</b>	<b>2,045,025</b>
At 31 December 2023:						
Cost	1,677,627	208,165	7,066	539,847	83,977	2,516,682
Accumulated amortisation	(34,465)	(125,601)	(7,066)	(251,578)	(52,947)	(471,657)
<b>Net carrying amount</b>	<b>1,643,162</b>	<b>82,564</b>	<b>–</b>	<b>288,269</b>	<b>31,030</b>	<b>2,045,025</b>

### 15. Inventories

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
Raw materials	212,571	221,990
Work in progress	27,709	21,057
Finished goods	1,340,069	1,219,734
<b>Total</b>	<b>1,580,349</b>	<b>1,462,781</b>

## 16. Trade and Notes Receivables

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
Trade receivables	1,284,680	1,232,046
Notes receivables	385	–
Impairment of trade receivables	(48,669)	(56,234)
<b>Total</b>	<b>1,236,396</b>	<b>1,175,812</b>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is up to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An aging analysis of the trade and notes receivables of the Group, based on the invoice date and net of provisions, is as follows:

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
Within 3 months	1,181,935	1,135,850
3 to 6 months	31,168	20,628
6 months to 1 year	15,357	8,801
Over 1 year	7,936	10,533
<b>Total</b>	<b>1,236,396</b>	<b>1,175,812</b>

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 17. Trade and Bills Payables

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

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
Within 3 months	1,110,641	1,021,642
3 to 12 months	192,597	273,753
1 to 2 years	9,539	3,455
2 to 3 years	5,024	3,401
Over 3 years	3,098	2,135
<b>Total</b>	<b>1,320,899</b>	<b>1,304,386</b>

The trade and bills payables are non-interest-bearing and normally settled on terms of 60 to 90 days. The carrying amounts of the trade and bills payables approximate to their fair values due to their short-term maturity.

### 18. Interest-Bearing Bank Loans and Other Borrowings

		As at 30 June 2024		As at 31 December 2023	
		Maturity	HK\$'000 (Unaudited)	Maturity	HK\$'000 (Audited)
Current					
Bank overdrafts – secured	Note (a) and note (b)	On demand	198,842	On demand	185,684
Bank overdrafts – unsecured	Note (a)	On demand	13,965	On demand	2,971
Current portion of long-term bank loans – secured	Note (b)	2024	1,290,138	2024	1,666,510
Current portion of long-term bank loans – unsecured		2024-2025	268,749	2024	495,099
Bank borrowings – secured	Note (b)	2024	164,831	2024	165,173
Bank borrowings – unsecured		2024-2025	168,830	2024	190,392
			2,105,355		2,705,829
Non-current					
Bank borrowings – unsecured			–	2,025	88,018
<b>Total</b>			<b>2,105,355</b>		<b>2,793,847</b>

The carrying amounts of borrowings are denominated in the following currencies:

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
RMB	343,462	775,655
USD	1,444,756	1,821,231
EUR	309,851	188,655
JPY	7,286	8,306
<b>Total</b>	<b>2,105,355</b>	<b>2,793,847</b>

**18. Interest-Bearing Bank Loans and Other Borrowings** (Continued)

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
Fixed interest rate	386,756	550,110
Variable interest rate	1,718,599	2,243,737
<b>Total</b>	<b>2,105,355</b>	<b>2,793,847</b>

At the end of respective reporting periods, bank borrowings and overdrafts were repayable as follows:

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
Within one year	2,105,355	2,705,829
In the second year	–	88,018
<b>Total</b>	<b>2,105,355</b>	<b>2,793,847</b>

Note (a): The bank overdraft facilities amounted to HK\$322,943,000, of which HK\$212,807,000 had been utilised as at the end of the reporting period. The bank overdraft facilities are revolving facilities with no termination date.

Note (b): As at 30 June 2024, certain of the Group's bank loans are secured by:

- (i) standby letters of credit and letters of guarantee from certain banks issued by a subsidiary of the Group; and
- (ii) the guarantee from the Company.

Note (c): The effective interest rates of the bank loans and other borrowing range from 1.20% to 7.56% (2023: 1.05% to 7.61%).

**19. Derivative Financial Instruments**

	As at 30 June 2024	
	Assets	Liabilities
	(HK\$'000)	
Designated as hedging instruments		
– Forward currency contracts	22,859	16,069
– Cross currency swap contracts	–	496
<b>Total</b>	<b>22,859</b>	<b>16,565</b>

	As at 31 December 2023	
	Assets	Liabilities
	(HK\$'000)	
Designated as hedging instruments		
– Forward currency contracts	9,903	42,013



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For the six months ended 30 June 2024

### 20. Share Capital

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
Issued and fully paid:		
1,668,031,000 (2023: 1,668,031,000) ordinary shares	16,680	16,680

Details of the Group's share option scheme and the share options issued under the scheme are included in note 21 to the financial statements.

### 21. Share Option Scheme

The share option scheme adopted by the Company on 5 November 2010 (the "2010 Share Option Scheme") was terminated and a new one was adopted by the Company following the termination of the 2010 Share Option Scheme on the annual general meeting of the Company held on 25 May 2020 (the "2020 Share Option Scheme").

The purpose of the share options schemes is to motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group. Eligible participants of the share option schemes include full-time or part-time employees, executives or officers of the Company or any of its subsidiaries, any Directors (including non-executive and independent non-executive Directors) of the Company or any of its subsidiaries and advisers, consultants, suppliers, customers, agents and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries as described in the share option schemes. The 2010 Share Option Scheme and the 2020 Share Option Scheme both have a term of 10 years. Upon termination of the 2010 Share Option Scheme mentioned above, no further options may be granted thereunder but the provisions of the 2010 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to the termination.

The maximum number of share options originally permitted to be granted under the 2010 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at 28 May 2018. The maximum number of share options currently permitted to be granted under the 2020 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at 25 May 2020. The maximum number of shares issuable under share options to each eligible participant under the 2010 Share Option Scheme and 2020 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue as at the date on which the share options are granted to the relevant eligible participants. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue on the date of such grant or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

## 21. Share Option Scheme (Continued)

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and commences after a vesting period determined by the Directors and ends on a date which shall not be later than ten years from the date upon which the share options are deemed to be granted and accepted.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 19 June 2020, the Board announced that the Company shall allow holders of the existing share options (the "Existing Share Options") granted on 28 August 2017, 27 March 2018, 28 May 2018 and 23 May 2019 under the 2010 Share Option Scheme to exchange their Existing Share Options for new share options to be granted under the 2020 Share Option Scheme. As at 19 June 2020, none of the above share options was vested.

A total of 96,650,000 Existing Share Options were cancelled under the 2010 Share Option Scheme and replaced by a total of 26,084,500 new share options with an exercise price of HK\$0.96 per share under the 2020 Share Option Scheme (the "Replacement Options").

The exchange ratio of the Replacement Options to Existing Share Options were based on their fair values on the modification date, i.e. 19 June 2020.

### (a) 2010 Share Option Scheme

The following share options were outstanding under the 2010 Share Option Scheme during the six months ended 30 June 2024:

	Weighted average exercise price	Number of options
	HK\$ per share	'000
At 1 January 2023	3.996	103,870
Forfeited during the year	3.602	(3,690)
At 31 December 2023 and 1 January 2024	4.010	100,180
Forfeited during the period	4.461	(11,500)
<b>At 30 June 2024</b>	<b>3.952</b>	<b>88,680</b>

No share options were exercised or cancelled during the period ended 30 June 2024.

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 21. Share Option Scheme (Continued)

#### (a) 2010 Share Option Scheme (Continued)

The exercise prices and exercise periods of the above share options outstanding at the end of the reporting period are as follows:

#### 30 June 2024

Number of options	Exercise price	Exercise period
'000	HK\$ per share	
7,128	3.58	29 September 2017 to 28 September 2024
8,626	3.58	29 September 2018 to 28 September 2024
7,926	3.58	29 September 2019 to 28 September 2024
2,266	3.75	7 October 2018 to 6 October 2025
2,267	3.75	7 October 2019 to 6 October 2025
2,267	3.75	7 October 2020 to 6 October 2025
4,300	4.54	27 September 2020 to 27 March 2028
6,450	4.54	27 September 2021 to 27 March 2028
10,750	4.54	27 September 2022 to 27 March 2028
680	5.122	28 May 2021 to 27 May 2028
1,020	5.122	28 May 2022 to 27 May 2028
1,700	5.122	28 May 2023 to 27 May 2028
6,660	3.75	23 May 2022 to 22 May 2029
9,990	3.75	23 May 2023 to 22 May 2029
16,650	3.75	23 May 2024 to 22 May 2029
<b>88,680</b>		

**21. Share Option Scheme** (Continued)**(a) 2010 Share Option Scheme** (continued)

The exercise prices and exercise periods of the above share options outstanding at the end of the reporting period are as follows: (continued)

**31 December 2023**

Number of options	Exercise price	Exercise period
'000	HK\$ per share	
7,127	3.58	29 September 2017 to 28 September 2024
8,626	3.58	29 September 2018 to 28 September 2024
7,926	3.58	29 September 2019 to 28 September 2024
2,267	3.75	7 October 2018 to 6 October 2025
2,267	3.75	7 October 2019 to 6 October 2025
2,267	3.75	7 October 2020 to 6 October 2025
6,300	4.54	27 September 2020 to 27 March 2028
9,450	4.54	27 September 2021 to 27 March 2028
15,750	4.54	27 September 2022 to 27 March 2028
720	5.122	28 May 2021 to 27 May 2028
1,080	5.122	28 May 2022 to 27 May 2028
1,800	5.122	28 May 2023 to 27 May 2028
6,920	3.75	23 May 2022 to 22 May 2029
10,380	3.75	23 May 2023 to 22 May 2029
17,300	3.75	23 May 2024 to 22 May 2029
<b>100,180</b>		

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 21. Share Option Scheme (Continued)

#### (b) 2020 Share Option Scheme

The following share options were outstanding under the 2020 Share Option Scheme during the six months ended 30 June 2024:

	Weighted average exercise price	Number of options
	HK\$ per share	'000
At 1 January 2023	0.943	28,431
Forfeited during the year	0.973	(1,908)
At 31 December 2023 and 1 January 2024	0.941	26,523
Forfeited during the period	0.962	(3,093)
<b>At 30 June 2024</b>	<b>0.938</b>	<b>23,430</b>

The exercise prices and exercise periods of the above share options outstanding at the end of the reporting period are as follows:

#### 30 June 2024

Number of options	Exercise price	Exercise period
'000	HK\$ per share	
93	0.96	28 August 2020 to 27 August 2027
93	0.96	28 August 2021 to 27 August 2027
93	0.96	28 August 2022 to 27 August 2027
1,579	0.96	27 September 2020 to 27 March 2028
2,369	0.96	27 September 2021 to 27 March 2028
3,948	0.96	27 September 2022 to 27 March 2028
156	0.96	28 May 2021 to 27 May 2028
234	0.96	28 May 2022 to 27 May 2028
390	0.96	28 May 2023 to 27 May 2028
2,183	0.96	23 May 2022 to 22 May 2029
3,274	0.96	23 May 2023 to 22 May 2029
5,456	0.96	23 May 2024 to 22 May 2029
612	1.01	11 December 2023 to 10 December 2030
919	1.01	11 December 2024 to 10 December 2030
1,531	1.01	11 December 2025 to 10 December 2030
100	1.042	16 June 2025 to 15 June 2032
150	1.042	16 June 2026 to 15 June 2032
250	1.042	16 June 2027 to 15 June 2032
<b>23,430</b>		

**21. Share Option Scheme** (Continued)**(b) 2020 Share Option Scheme** (Continued)**31 December 2023**

Number of options	Exercise price	Exercise period
'000	HK\$ per share	
93	0.96	28 August 2020 to 27 August 2027
93	0.96	28 August 2021 to 27 August 2027
93	0.96	28 August 2022 to 27 August 2027
2,107	0.96	27 September 2020 to 27 March 2028
3,161	0.96	27 September 2021 to 27 March 2028
5,268	0.96	27 September 2022 to 27 March 2028
160	0.96	28 May 2021 to 27 May 2028
240	0.96	28 May 2022 to 27 May 2028
400	0.96	28 May 2023 to 27 May 2028
2,307	0.96	23 May 2022 to 22 May 2029
3,459	0.96	23 May 2023 to 22 May 2029
5,487	0.96	23 May 2024 to 22 May 2029
705	1.01	11 December 2023 to 10 December 2030
919	1.01	11 December 2024 to 10 December 2030
1,531	1.01	11 December 2025 to 10 December 2030
100	1.042	16 June 2025 to 15 June 2032
150	1.042	16 June 2026 to 15 June 2032
250	1.042	16 June 2027 to 15 June 2032
<b>26,523</b>		

The Group overall recognised a share option expense of HK\$172,229 during the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$2,634,000).

The fair value of the share options granted during the year ended 31 December 2022 was HK\$337,500, of which the Group recognised share option expenses of HK\$22,000.

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 21. Share Option Scheme (Continued)

#### (b) 2020 Share Option Scheme (Continued)

The fair value of equity-settled share options granted was estimated as at the date of grant, using a binomial tree model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	Share options granted on 16 June 2023
Fair value under binomial model (HK\$)	337,500
Dividend yield (%)	0.00
Spot stock price (HK\$ per share)	1.042
Historical volatility (%)	46.73
Risk-free interest rate (%)	3.342
Expected life of options (year)	10

The risk-free rate for periods within the contractual life of the option is based on the yield of Hong Kong Exchange Fund Notes.

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value. At the end of the reporting period, the Company had 103,230,000 and 28,134,500 share options outstanding under the 2010 Share Option Scheme and 2020 Share Option Scheme, respectively. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 131,364,500 additional ordinary shares of the Company and additional share capital of HK\$1,313,650 and share premium of HK\$437,923,000 (before issue expenses).

Subsequent to the end of the reporting period, on 2 July 2024, a total of 113,594,000 share options were granted to certain employees and directors of the Company in respect of their services to the Group in the forthcoming year. These share options will be vested in one to five batches, and the last batch of these above mentioned share options will be vested on 2 July 2029. The exercise price of these share options was HK\$0.485 per share.

At the date of approval of these financial statements, the Company had 88,680,000 and 137,024,000 share options outstanding under the 2010 Share Option Scheme and 2020 Share Option Scheme respectively, which represented approximately 5.32% and 8.21% of the Company's shares in issue as at that date.

## 22. Financial Assets at Fair Value through Profit or Loss

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
Wealth investment products	32,250	55,011

The Group redeemed all the wealth investment products in the first half year 2024.

## 23. Cash and Cash Equivalents

		As at 30 June 2024	As at 31 December 2023
		(HK\$'000)	
		(Unaudited)	(Audited)
Cash and bank balances		843,926	1,023,146
Time deposits	(i)	565,351	1,120,779
		<b>1,409,277</b>	<b>2,143,925</b>
Less: Pledged deposits for:			
Certain standby letter of credit and guarantee		(562,636)	(575,469)
Accrued interest of pledged deposits and time deposits	(i)	(42,921)	(68,988)
Non-pledged time deposits with original maturity of more than three months when acquired		–	(517,103)
Other restricted bank balances		–	(466)
<b>Cash and cash equivalents</b>		<b>803,720</b>	<b>981,899</b>

Note (i): The time deposits held by the Group as of 30 June 2024 bear interest at 2.70% to 3.91% per annum with a duration within 12 months. These deposits are measured at amortised cost and interest income from these time deposits is measured using the effective interest rate method.

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“**RMB**”) amounted to HK\$539,589,000 (31 December 2023: HK\$549,655,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.



## Notes to the Interim Condensed Consolidated Financial Information

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### 24. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

#### Financial assets

As at 30 June 2024	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	(HK\$'000)		
Trade receivables	–	1,236,396	1,236,396
Financial assets included in prepayments and other receivables	–	359,280	359,280
Financial assets at fair value through profit and loss	32,250	–	32,250
Derivative financial instruments	22,859	–	22,859
Other long-term assets	–	4,260	4,260
Pledged bank deposits	–	605,557	605,557
Cash and cash equivalents	–	803,720	803,720
<b>Total</b>	<b>55,109</b>	<b>3,009,213</b>	<b>3,064,322</b>

As at 31 December 2023	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	(HK\$'000)		
Trade receivables	–	1,175,812	1,175,812
Financial assets included in prepayments and other receivables	–	399,475	399,475
Financial assets at fair value through profit and loss	55,011	–	55,011
Due from related parties	–	6,397	6,397
Derivative financial instruments	9,903	–	9,903
Other long-term assets	–	4,179	4,179
Pledged bank deposits	–	612,028	612,028
Time deposits	–	549,998	549,998
Cash and cash equivalents	–	981,899	981,899
<b>Total</b>	<b>64,914</b>	<b>3,729,788</b>	<b>3,794,702</b>

**24. Financial Instruments by Category** (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

**Financial liabilities**

As at 30 June 2024	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	(HK\$'000)		
Financial liabilities included in other payables and accruals	–	209,704	209,704
Trade and bills payables	–	1,320,899	1,320,899
Interest-bearing bank loans and other borrowings	–	2,105,355	2,105,355
Lease liabilities	–	204,599	204,599
Derivative financial instruments	16,565	–	16,565
Due to related parties	–	1,383	1,383
<b>Total</b>	<b>16,565</b>	<b>3,841,940</b>	<b>3,858,505</b>

As at 31 December 2023	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	(HK\$'000)		
Financial liabilities included in other payables and accruals	–	209,840	209,840
Trade and bills payables	–	1,304,386	1,304,386
Interest-bearing bank loans and other borrowings	–	2,793,847	2,793,847
Lease liabilities	–	255,645	255,645
Derivative financial instruments	42,013	–	42,013
Due to related parties	–	502	502
<b>Total</b>	<b>42,013</b>	<b>4,564,220</b>	<b>4,606,233</b>

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 25. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(HK\$'000)			
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Financial assets</b>				
Derivative financial instruments	22,859	9,903	22,859	9,903
Financial assets at fair value through profit or loss – wealth investment products	32,250	55,011	32,250	55,011
<b>Total</b>	<b>55,109</b>	<b>64,914</b>	<b>55,109</b>	<b>64,914</b>

	Carrying Amounts		Fair Values	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(HK\$'000)			
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Financial liabilities</b>				
Derivative financial instruments	16,565	42,013	16,565	42,013
Interest-bearing bank loans and other borrowing	–	2,793,847	–	2,789,052
<b>Total</b>	<b>16,565</b>	<b>2,835,860</b>	<b>16,565</b>	<b>2,831,065</b>

The finance manager of each subsidiary of the Group is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The Group's finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

## 25. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments, i.e., forward currency contracts, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

As at 30 June 2024, the marked-to-market value of the derivative assets and liabilities position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the financial instruments recognised at fair value.

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 25. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### Fair value hierarchy

Assets measured at fair value:

#### As at 30 June 2024

	Fair value measurement using			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
	(HK\$'000)			
	(Unaudited)			
Derivative financial instruments	–	22,859	–	22,859
Financial assets at fair value through profit or loss – wealth investment products	–	32,250	–	32,250
<b>Total</b>	<b>–</b>	<b>55,109</b>	<b>–</b>	<b>55,109</b>

#### As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
	(HK\$'000)			
	(Audited)			
Derivative financial instruments	–	9,903	–	9,903
Financial assets at fair value through profit or loss – wealth investment products	–	55,011	–	55,011
<b>Total</b>	<b>–</b>	<b>64,914</b>	<b>–</b>	<b>64,914</b>

**25. Fair Value and Fair Value Hierarchy of Financial Instruments** (Continued)**Fair value hierarchy** (Continued)

Liabilities measured at fair value:

**As at 30 June 2024**

	Fair value measurement using			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
	(HK\$'000)			
	(Unaudited)			
Derivative financial instruments	–	16,565	–	16,565

**As at 31 December 2023**

	Fair value measurement using			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
	(HK\$'000)			
	(Audited)			
Derivative financial instruments	–	42,013	–	42,013

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2023: Nil).

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 26. Contingent Liabilities

In the ordinary course of business, the Group may from time to time be involved in legal proceedings and litigations. The Group records a liability when the Group believes that it is both probable that a loss has been incurred by the Group and the amount can be reasonably estimated. With respect to the Group's outstanding legal matters, notwithstanding that the outcome of such legal matters is inherently unpredictable and subject to uncertainties, the Group believes that, based on its current knowledge, the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on the Group's business, financial position, results of operations, or cash flows.

### 27. Commitments

The Group had the following capital commitments as at 30 June 2024 and 31 December 2023:

	30 June 2024	31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
Contracted but not provided for:		
Property plant and equipment	2,056	7,024

### 28. Related Party Transactions and Balances

#### (a) Name and relationship

Name of related party	Relationship with the Group
Mr. Song Zhenghuan ("Mr. Song")	Director and one of the ultimate shareholders of the Company
Goodbaby China Holdings Limited ("CAGB")	Controlled by Mr. Song and his spouse
Goodbaby Group Pingxiang Co., Ltd. ("GGPX")	Wholly owned by GGCL (Controlled by Mr. Song and his spouse)
Suzhou Goodbaby Qingtao Technology Service Co., Ltd. ("GCQT") (note (a))	Joint Venture before 2 April, 2024
Goodbaby Mechatronics s.r.o. ("GBMS")	Joint Venture
Kunshan Goodbaby Tommee Tippee Child Products Co.,Ltd. ("GCTP")	Joint Venture

Note (a): Suzhou Goodbaby Qingtao Technology Service Co., Ltd. ("GCQT") was established on 21 May 2019, in Jiangsu Province, the PRC, with a 51% equity interest beneficially held by the Group and defined as a joint venture. As at 2 April 2024, the Group entered an agreement with Suzhou Qingtao New Energy Technology Co., Ltd. to acquire additional 49% shares of GCQT at a cash consideration of HK\$7,430,852. Upon completion, GCQT became a wholly owned subsidiary of the Company and was consolidated into the consolidated financial statements of the Group. Considered the cash and bank balances acquired, the net cash outflow of the Group in respect of the acquisition amounted to HK\$6,670,610.

## 28. Related Party Transactions and Balances (Continued)

### (b) Related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

	Six months ended 30 June	
	2024	2023
	(HK\$'000)	
	(Unaudited)	
Sales of goods to related parties (note (a))		
<b>CAGB and its subsidiaries*</b>	1,411	8
<b>GCQT</b>	3	1,485
<b>Total</b>	1,414	1,493
Purchase of goods from related parties (note (a))		
<b>CAGB and its subsidiaries</b>	1,067	–
<b>GCQT</b>	154	395
<b>Total</b>	1,221	395
Service charge from a related party (note (b))		
<b>GCQT</b>	857	4,760

Note (a): The sales and purchase of goods were made according to the prices and terms mutually agreed between the related parties.

Note (b): The service charge from the related party was made according to the prices and terms agreed with the related party.

# The related party transactions marked with # above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules, which are exempted from the independent shareholders' approval, but subject to the reporting, annual review and announcement requirements of the Listing Rules.

### (c) Outstanding balances with related parties

	As at 30 June 2024	As at 31 December 2023
	(HK\$'000)	
	(Unaudited)	(Audited)
Amounts due from related parties:		
<b>GCQT</b>	–	3,997
<b>CAGB and its subsidiaries</b>	–	2,400
<b>Total</b>	–	6,397
Lease liabilities due to a related party (note(a))		
<b>GGPX</b>	7,918	16,184
Amounts due to related parties:		
<b>CAGB and its subsidiaries</b>	1,090	–
<b>GBMS</b>	293	502
<b>Total</b>	1,383	502

Note (a): The Group has entered into lease agreements with GGPIX to rent warehouse and plant. At 30 June 2024, the Group recognised right-of-use assets of HK\$7,191,138 and lease liabilities of HK\$7,917,814 (At 31 December 2023, the Group recognised right-of-use assets of HK\$14,842,000 and lease liabilities of HK\$16,184,000). The transactions were made according to the prices and terms agreed with the related parties.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

### 28. Related Party Transactions and Balances (Continued)

#### (d) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2024	2023
	(HK\$'000)	
	(Unaudited)	
Short term employee benefits	22,365	20,933
Equity-settled share option expense	547	1,092
Post-employment benefits	425	483
<b>Total compensation paid to key management personnel</b>	<b>23,337</b>	<b>22,508</b>

### 29. Events After the Reporting Period

On 2 July 2024, the Company announced that it has resolved to grant 113,594,000 share options (the “**Share Options**”) to subscribe for an aggregate of 113,594,000 new shares of HK\$0.01 each in the capital of the Company, pursuant to the 2020 Share Option Scheme. The 113,594,000 Share Options were granted to the directors and certain employees of the Group, at an exercise price of HK\$0.485.

### 30. Approval of the Financial Statements

The financial statements were approved and authorized for issue by the board of directors on 30 August 2024.



## A Leading Juvenile Products Company

Goodbaby International Holdings Limited  
(Incorporated in the Cayman Islands with limited liability)  
[www.gbinternational.com.hk](http://www.gbinternational.com.hk)  
Stock Code: 1086

