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Goodbaby International Holdings Limited

好孩子國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1086)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

Financial Highlights	For the six months ended		Year-on-year change
	2025	2024	
	30 June		
	(HK\$ in millions, unless specified)		
Revenue	4,300.9	4,187.6	2.7%
Gross profit	2,134.8	2,201.5	-3.0%
Operating profit ¹	202.0	279.4	-27.7%
Non-GAAP ² operating profit	225.9	299.2	-24.5%
Profit for the period	105.5	187.3	-43.7%
Profit for the period attributable to owners of the parent	105.4	185.4	-43.1%
Earnings per share (HK\$)			
– basic	0.06	0.11	-45.5%
– diluted	0.06	0.11	-45.5%

¹ Operating profit represents the total sum of gross profit, other income and gains, less selling and distribution expenses, administrative expenses and other expenses.

² We adopted non-GAAP financial measures in order to more clearly illustrate our financial results, and to be more consistent with what we believe to be the industry practice. 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. Please see "Non-GAAP Financial Measures" for details.

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of Goodbaby International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to present the unaudited interim results of the Group for the six months ended 30 June 2025 (the “**Period**”), together with the comparative figures for the corresponding period in 2024 as below.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 (Unaudited) (HK\$'000)	2024 (Unaudited) (HK\$'000)
Revenue	4	4,300,936	4,187,639
Cost of sales		(2,166,090)	(1,986,091)
Gross profit		2,134,846	2,201,548
Other income and gains	4	77,810	10,718
Selling and distribution expenses		(1,253,013)	(1,205,245)
Administrative expenses		(756,784)	(727,033)
Other expenses		(814)	(604)
Operating profit		202,045	279,384
Finance income	5	8,046	18,586
Finance costs	6	(56,701)	(87,683)
Share of profits of:			
A joint venture		229	7,593
PROFIT BEFORE TAX	7	153,619	217,880
Income tax expense	8	(48,082)	(30,594)
PROFIT FOR THE PERIOD		105,537	187,286
Attributable to:			
Owners of the parent		105,388	185,447
Non-controlling interests		149	1,839
		105,537	187,286
Earnings per share attributable to ordinary equity holders of the parent:	10		
Basic			
For profit for the period (HK\$)		0.06	0.11
Diluted			
For profit for the period (HK\$)		0.06	0.11

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	(HK\$'000)	(HK\$'000)
PROFIT FOR THE PERIOD	<u>105,537</u>	<u>187,286</u>
Other comprehensive (loss)/gain		
Other comprehensive gain 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	(29,806)	4,702
Reclassification adjustments for (gain)/loss included in the consolidated statement of profit or loss	(11,413)	20,885
Income tax effect	<u>6,167</u>	<u>(1,842)</u>
	(35,052)	23,745
Exchange differences:		
Exchange differences on translation of foreign operations	<u>249,006</u>	<u>(150,154)</u>
Net other comprehensive gain/(loss) that may be reclassified to profit or loss in subsequent periods	<u>213,954</u>	<u>(126,409)</u>
Other comprehensive gain/(loss) for the period, net of tax	<u>213,954</u>	<u>(126,409)</u>
Total comprehensive income for the period	<u>319,491</u>	<u>60,877</u>
Attributable to:		
Owners of the parent	319,328	59,636
Non-controlling interests	<u>163</u>	<u>1,241</u>
	<u>319,491</u>	<u>60,877</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 (Unaudited) (HK\$'000)	31 December 2024 (Audited) (HK\$'000)
NON-CURRENT ASSETS			
Property, plant and equipment		836,176	819,179
Right-of-use assets		311,004	281,486
Goodwill		2,617,439	2,532,832
Other intangible assets		2,073,921	2,000,469
Investment in a joint venture		5,826	4,958
Deferred tax assets		160,275	125,553
Other long-term assets		3,998	4,015
Total non-current assets		6,008,639	5,768,492
CURRENT ASSETS			
Inventories	11	1,623,337	1,712,437
Trade and notes receivables	12	1,085,426	1,084,452
Prepayments and other receivables		669,255	691,184
Due from related parties		459	545
Financial assets at fair value through profit or loss		43,831	–
Cash and cash equivalents		998,472	1,099,358
Pledged deposits		24,764	26,684
Derivative financial instruments	15	22,261	20,430
Total current assets		4,467,805	4,635,090
CURRENT LIABILITIES			
Trade and bills payables	13	1,280,310	1,457,628
Other payables and accruals		986,009	1,037,527
Income tax payable		99,867	77,990
Provision		52,261	46,637
Interest-bearing bank loans and other borrowings	14	523,402	475,886
Lease liabilities		107,363	95,981
Derivative financial instruments	15	80,611	12,063
Due to related parties		1,761	1,909
Defined benefit plan liabilities		243	240
Total current liabilities		3,131,827	3,205,861
NET CURRENT ASSETS		1,335,978	1,429,229
TOTAL ASSETS LESS CURRENT LIABILITIES		7,344,617	7,197,721

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 30 June 2025

	<i>Notes</i>	30 June 2025 (Unaudited) (HK\$'000)	31 December 2024 (Audited) (HK\$'000)
NON-CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings	14	937,194	979,171
Provision		24,013	21,338
Defined benefit plan liabilities		1,994	2,034
Other liabilities		1,091	971
Lease liabilities		154,102	164,468
Deferred tax liabilities		210,049	214,122
Total non-current liabilities		1,328,443	1,382,104
Net assets		6,016,174	5,815,617
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital		16,682	16,680
Reserves		5,993,622	5,773,175
		6,010,304	5,789,855
Non-controlling interests		5,870	25,762
Total equity		6,016,174	5,815,617

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 were authorized to be issued in accordance with a resolution of directors on 25 August 2025.

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 2025 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 2024.

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 applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

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

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

3. OPERATING SEGMENT INFORMATION

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

- (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 2025

	Wheeled Goods (HK\$'000) (Unaudited)	Car seats (HK\$'000) (Unaudited)	Other categories (HK\$'000) (Unaudited)	Consolidated (HK\$'000) (Unaudited)
Segment revenue (note 4)				
Sales to external customers	1,791,331	1,985,259	524,346	4,300,936
Segment results	900,892	1,042,200	191,754	2,134,846
Reconciliation:				
Other income and gains				77,810
Corporate and other unallocated expenses				(2,014,530)
Other expenses				(814)
Finance income				8,046
Finance costs (other than interest on lease liabilities)				(51,968)
Share of profit of:				
A joint venture				229
Profit before tax				153,619
Other segment information:				
Impairment losses recognised/(reversed) in the statement of profit or loss, net	1,264	2,336	(921)	2,679
Depreciation and amortisation	93,059	96,409	37,442	226,910

Six months ended 30 June 2024

	Wheeled Goods (HK\$'000) (Unaudited)	Car seats (HK\$'000) (Unaudited)	Other categories (HK\$'000) (Unaudited)	Consolidated (HK\$'000) (Unaudited)
Segment revenue (note 4)				
Sales to external customers	1,694,830	1,884,065	608,744	4,187,639
Segment results	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				—
Profit before tax				<u>217,880</u>
Other segment information:				
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

Geographical information

(a) Revenue from external customers

	EMEIA market (HK\$'000) (Unaudited)	Americas market (HK\$'000) (Unaudited)	APAC market (HK\$'000) (Unaudited)	Total (HK\$'000) (Unaudited)
Six months ended 30 June 2025				
Segment revenue:				
Sales to external customers	<u>2,004,177</u>	<u>1,394,679</u>	<u>902,080</u>	<u>4,300,936</u>
Six months ended 30 June 2024				
Segment revenue:				
Sales to external customers	<u>1,835,035</u>	<u>1,393,940</u>	<u>958,664</u>	<u>4,187,639</u>

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

(b) Non-current assets

	30 June 2025 (HK\$'000) (Unaudited)	31 December 2024 (HK\$'000) (Audited)
APAC	3,655,262	3,593,925
Americas	1,183,884	1,147,712
EMEIA	999,394	892,329
Total	5,838,540	5,633,966

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

Information about major customers

During the six months ended 30 June 2025, revenue from sales to two major third-party customers were HK\$550,948,000 and HK\$423,440,000 (six months ended 30 June 2024: two major third-party customers were HK\$517,715,000 and HK\$412,805,000). The revenue from sales to the customers was derived from sales of 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 2025 (HK\$'000) (Unaudited)	2024 (HK\$'000) (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of goods	4,289,475	4,173,838
Rendering of testing services	11,461	13,801
Total	4,300,936	4,187,639

Revenue from contracts with customers

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

For the six months ended 30 June 2025

Segments	Wheeled Goods <i>HK\$'000</i> (Unaudited)	Car seats <i>HK\$'000</i> (Unaudited)	Other categories <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Type of goods or services				
Sale of goods	1,791,331	1,985,259	512,885	4,289,475
Rendering of testing services	–	–	11,461	11,461
Total revenue from contracts with customers	<u>1,791,331</u>	<u>1,985,259</u>	<u>524,346</u>	<u>4,300,936</u>
Timing of revenue recognition				
Goods transferred at a point in time	1,791,331	1,985,259	512,885	4,289,475
Services transferred at a point in time	–	–	11,461	11,461
Total revenue from contracts with customers	<u>1,791,331</u>	<u>1,985,259</u>	<u>524,346</u>	<u>4,300,936</u>
Revenue from contracts with customers				
External customers	<u>1,791,331</u>	<u>1,985,259</u>	<u>524,346</u>	<u>4,300,936</u>

For the six months ended 30 June 2024

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

Other income and gains

	Six months ended 30 June	
	2025	2024
	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Unaudited)
Other income and gains:		
Government grants (<i>note (a)</i>)	8,579	3,536
Gain on sales of scrap materials (<i>note (b)</i>)	3,023	2,355
Gain on wealth investment products	66	945
Gain on disposal of fixed assets (<i>note (c)</i>)	–	754
Net foreign exchange gain	62,825	679
Compensation income (<i>note (d)</i>)	1,015	507
Others	2,302	1,942
Total	<u>77,810</u>	<u>10,718</u>

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	
	2025	2024
	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Unaudited)
Interest income on bank deposits	<u>8,046</u>	<u>18,586</u>

6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Unaudited)
Interest on bank loans, overdrafts and other loans	51,968	83,548
Interest on lease liabilities	<u>4,733</u>	<u>4,135</u>
Total	<u>56,701</u>	<u>87,683</u>

7. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Unaudited)
Cost of inventories sold*	2,158,450	1,977,143
Cost of services provided	7,640	8,948
Depreciation of property, plant and equipment	130,325	124,880
Depreciation of right-of-use assets	56,632	53,585
Amortisation of intangible assets	39,953	37,001
R&D costs**	219,705	201,990
Short-term rental expenses***	4,965	16,042
Auditors' remuneration	3,766	4,883
Employee benefit expense (including directors' remuneration):		
Wages, salaries and other benefits	917,445	935,755
Share option expense	5,033	172
Pension scheme costs (defined benefit plans) (including administrative expense)	592	596
Pension scheme contributions	27,392	31,880
	950,462	968,403
Net foreign exchange gain	(62,825)	(679)
Gain on wealth investment products	(66)	(945)
Provision for impairment of receivables	896	7,847
Provision of inventories	1,783	14,836
Product warranties and liabilities	13,308	11,537
Loss/(gain) on disposal of items of property, plant and equipment	251	(754)
Bank interest income	(8,046)	(18,586)

* 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.

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% (2024: 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 (2024: 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 of the Group are as follows:

	Six months ended 30 June	
	2025	2024
	(HK\$’000)	(HK\$’000)
	(Unaudited)	(Unaudited)
Current income tax	75,805	71,200
Deferred income tax	(27,723)	(40,606)
Income tax expense	48,082	30,594

9. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Unaudited)
Dividends declared by the Company	116,776	–

On 27 May 2025, the Company's shareholders approved 2024 final dividend of HK\$0.07 for every share of the Company's 1,668,235,666 shares, in an aggregate amount of HK\$116,776,000. The dividend was paid in June 2025.

The board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: 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 1,668,235,666 in issue during the six months ended 30 June 2025 (six months ended 30 June 2024: 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 calculation of earnings per share is based on:

	Six months ended 30 June	
	2025	2024
	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	105,388	185,447

	Number of shares	
	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	1,668,235,666	1,668,031,166
Effect of dilution – weighted average number of ordinary shares:		
Share options	53,698,475	–
Total	1,721,934,141*	1,668,031,166

* The diluted earnings per share amounts are based on the profit attributable to ordinary equity holders of the parent of HK\$105,388,000, and the weighted average number of ordinary shares of 1,721,934,141 in issue outstanding during the period.

11. INVENTORIES

	As at 30 June 2025 (HK\$'000) (Unaudited)	As at 31 December 2024 (HK\$'000) (Audited)
Raw materials	262,463	221,952
Work in progress	14,839	19,437
Finished goods	1,346,035	1,471,048
	<hr/>	<hr/>
Total	1,623,337	1,712,437
	<hr/>	<hr/>

12. TRADE AND NOTES RECEIVABLES

	As at 30 June 2025 (HK\$'000) (Unaudited)	As at 31 December 2024 (HK\$'000) (Audited)
Trade receivables	1,119,739	1,115,910
Impairment of trade receivables	(34,313)	(31,458)
	<hr/>	<hr/>
Total	1,085,426	1,084,452
	<hr/>	<hr/>

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 2025 (HK\$'000) (Unaudited)	As at 31 December 2024 (HK\$'000) (Audited)
Within 3 months	1,033,208	1,051,390
3 to 6 months	32,951	23,987
6 months to 1 year	17,145	6,225
Over 1 year	2,122	2,850
	<hr/>	<hr/>
Total	1,085,426	1,084,452
	<hr/>	<hr/>

13. 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 2025 (HK\$'000) (Unaudited)	As at 31 December 2024 (HK\$'000) (Audited)
Within 3 months	986,648	1,156,016
3 to 12 months	285,245	291,761
1 to 2 years	894	3,658
2 to 3 years	2,876	1,568
Over 3 years	4,647	4,625
	<hr/>	<hr/>
Total	1,280,310	1,457,628

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.

14. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

		As at 30 June 2025 Maturity HK\$'000 (Unaudited)	As at 31 December 2024 Maturity HK\$'000 (Audited)
Current			
Bank overdrafts – secured	<i>Note (a) and note (b)</i>	On demand 174,624	On demand 225,659
Bank overdrafts – unsecured	<i>Note (a)</i>	On demand 10,627	On demand 6,611
Current portion of long-term bank loans – secured	<i>Note (b)</i>	2025-2026 107,435	2025 56,325
Bank borrowings – unsecured		230,716	2025 187,291
		<hr/>	<hr/>
		523,402	475,886
		<hr/>	<hr/>
Non-current			
Bank borrowings – secured	<i>Note (b)</i>	2026-2027 937,194	2026-2027 979,171
		<hr/>	<hr/>
Total		1,460,596	1,455,057

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

	As at 30 June 2025 (HK\$'000) (Unaudited)	As at 31 December 2024 (HK\$'000) (Audited)
RMB	219,154	85,101
USD	1,047,632	1,036,057
EUR	185,640	326,441
JPY	8,170	7,458
	<hr/>	<hr/>
Total	1,460,596	1,455,057

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

	As at 30 June 2025 (HK\$'000) (Unaudited)	As at 31 December 2024 (HK\$'000) (Audited)
Fixed interest rate	186,281	178,896
Variable interest rate	1,274,315	1,276,161
	<hr/>	<hr/>
Total	1,460,596	1,455,057

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

	As at 30 June 2025 (HK\$'000) (Unaudited)	As at 31 December 2024 (HK\$'000) (Audited)
Within one year	523,402	475,886
In the second year	219,282	160,649
In the third year	717,912	818,522
	<hr/>	<hr/>
Total	1,460,596	1,455,057

Note (a): The bank overdraft facilities amounted to HK\$356,116,000, of which HK\$185,251,000 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 2025, 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 1.06% to 5.99% (2024: 1.20% to 7.56%).

15. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2025	
	Assets (HK\$'000) (Unaudited)	Liabilities (HK\$'000) (Unaudited)
Forward currency contracts	22,222	80,595
Foreign currency swaps	39	16
	<hr/>	<hr/>
Total	22,261	80,611
	<hr/>	<hr/>
	As at 31 December 2024	
	Assets (HK\$'000) (Audited)	Liabilities (HK\$'000) (Audited)
Forward currency contracts	20,430	10,711
Foreign currency swaps	–	1,352
	<hr/>	<hr/>
Total	20,430	12,063
	<hr/>	<hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Heightened Macroeconomic Turbulences and Uncertainties Weighed on Business Performance

During the Period, global macroeconomic prospects continued to weaken amidst heightened turbulence and uncertainties. Tariff policies initiated by the US government, together with sweeping policy uncertainties, triggered a structural shock to the world economy and generated broad-based downshift in global consumer demands, market confidence and business sentiment, limiting business speed and flexibility to make timely adjustments. Incremental tariff-related costs added pressure on business profitability. In addition, prolonged regional geopolitical conflicts further undermined consumer confidence.

Amidst turbulence and uncertainties, the Group managed to maintain revenue growth of 2.7% compared with the same period of last year. The Group's profit contracted mainly due to the profit decrease of its business in the US market during the Period, which was largely attributable to additional tariff-related costs, increased cost in car seat products to comply with new regulatory standards, increase in corresponding costs for new products display in retailers' stores, heavier promotions and marketing expenses incurred for old product models. During the Period, the Group continued to generate solid operating cash flow and lower its financing cost, and it expects the trend to persist.

During the Period, we further leveraged the Group's full value chain advantages and integrated them with sustainability through deepened practices in environment, social and corporate governance, striving to build a sustainable global parenting ecosystem and create positive impact on the environment and society. Our competitiveness in sustainability won recognition. During the Period, the Group was included in the S&P Global "Sustainability Yearbook (China Edition) 2025" as the only Chinese company selected in the Leisure Equipment & Products and Consumer Electronics Industry. We were also honored with the "2025 Forbes China ESG Benchmarks in Industry Development", becoming the only company in the industry to have received the honor.

The Group's global competitive edge as described below continued to support its navigation through macro turbulence and uncertainties:

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 minimize risks in any single territory and supported its agile and flexible reactions to market volatilities;
2. Continuing dedicated and strategic investments in brand building, product innovation, global omni-channel infrastructure and digital.

Our revenue for the Period increased by 2.7% to approximately HK\$4,300.9 million from approximately HK\$4,187.6 million for the corresponding period in 2024. Foreign exchange rates fluctuated between the Period and the corresponding period in 2024, 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 2.8% increase as compared to the corresponding period in 2024. Reported gross profit decreased by 3.0% to approximately HK\$2,134.8 million for the Period from approximately HK\$2,201.5 million for the corresponding period in 2024. Reported operating profit decreased by 27.7% to approximately HK\$202.0 million for the Period from approximately HK\$279.4 million for the corresponding period in 2024. On a non-GAAP basis, our operating profit decreased by 24.5% to approximately HK\$225.9 million for the Period from approximately HK\$299.2 million for the corresponding period in 2024. Reported net profit decreased by 43.7% to approximately HK\$105.5 million for the Period from approximately HK\$187.3 million for the corresponding period in 2024. On a non-GAAP basis, our net profit decreased by 38.4% to approximately HK\$124.6 million for the Period from approximately HK\$202.2 million for the corresponding period in 2024.

Summary of the Group's revenue:

For the six months ended 30 June						
(HK\$ million)	2025 (unaudited)		2024 (unaudited)		Change (%)	Change on a constant currency basis (%)
Group Revenue	\$4,300.9		\$4,187.6		2.7%	2.8%
By Brand	Amount	% of Revenue	Amount	% of Revenue	Change (%)	Change on a constant currency basis (%)
Strategic brands	3,922.5	91.2%	3,792.3	90.6%	3.4%	3.4%
CYBEX	2,452.4	57.0%	2,158.2	51.5%	13.6%	12.6%
Evenflo	1,075.3	25.0%	1,133.8	27.1%	-5.2%	-2.5%
gb	394.8	9.2%	500.3	12.0%	-21.1%	-23.0%
Blue Chip and other business	378.4	8.8%	395.3	9.4%	-4.3%	-2.4%

EXECUTIVE SUMMARY

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

- CYBEX** achieved another record first half revenue and profit, celebrating its 20th anniversary in an adverse business environment marked by negative consumer sentiment, weak European economy, declining birthrates and worsening geopolitical conflicts. This demonstrated CYBEX's strong brand resilience and market influence. Backed by strong market demand for its products, CYBEX recorded robust revenue growth of 13.6% (a 12.6% increase on a constant currency basis) in the Period to approximately HK\$2,452.4 million from approximately HK\$2,158.2 million for the corresponding period of 2024. Such positive performance was recorded across CYBEX's categories, channels and markets. With the strong revenue momentum, CYBEX continued to outperform competitors and gained market share globally. During the Period, CYBEX continued to improve its profitability, with its operating profit growth outpacing its revenue growth. The sustained outstanding performance was a result of CYBEX's very strong and continuously enhanced brand position, innovative and improved product portfolio, supported by strong operational infrastructure and

supply chain and further expansion and fortification of global omni-channel distribution network with industry leading self-owned wholesale, e-commerce and own offline flagship stores infrastructure. During the Period, CYBEX made solid progress in the strategic North American market, forging ahead with strong momentum despite tariffs and corresponding price increases. An embodiment of its powerful brand positioning, CYBEX's new flagship store located in central Paris continued to enhance its leadership in "Strategic Key Cities" and enrich its omni-channel distribution network. During the Period, CYBEX continued to proudly receive awards from prominent international organizations for its product fashion design, safety and functionality. The brand continued to reinforce its global leading position as the premium "technical-lifestyle" brand.

- **Evenflo** brand recorded revenue decrease of 5.2% (a 2.5% decrease on a constant currency basis) in the Period to approximately HK\$1,075.9 million from approximately HK\$1,133.8 million for the corresponding period of 2024, due to sales decrease in the first quarter. The Period witnessed the highest number of new product launches in the brand's history. Underpinned by new product launches, Evenflo's stroller segment achieved robust growth. In addition, the brand continued to successfully implement digital strategy and strongly grew its D2C channel. During the Period, the brand encountered major challenges in profitability, including higher input cost caused by US's new tariff policies, increased cost in car seat products to comply with new regulatory standards, increase in corresponding costs for new products display in retailers' stores, heavier promotions and marketing expenses incurred for old product models. Meanwhile, during the Period, the brand continued to strategically invest in new product development and digital strategy.
- **gb** brand recorded a revenue decline of 21.1% (a 23.0% decrease on a constant currency basis) in the Period to approximately HK\$394.8 million from approximately HK\$500.3 million for the corresponding period of 2024. Such revenue decline was mainly attributable to revenue decline of wholesale channels as gb continued its brand transformation focusing on self-owned retail channels during the Period. The brand streamlined wholesale channels both online and offline in the brand's shift from B2B model to D2C model, which resulted in sales decline of wholesale channels but in the process gb optimized its channel mix. By optimizing channel mix to strengthen self-control on channels, the brand effectively eliminated price chaos across channels and stabilized prices, and thus achieved a solid uplift in gross margin. The brand recorded positive growth in self-owned offline retail channels and continued adjustments in its online retail channels, for example, gb recorded strong growth in Douyin livestreaming channel, and some of its key durables SKUs ranked top in respective categories. During the Period, the brand continued new product development to improve and strengthen its product portfolio.

During the Period, our Blue Chip and other business recorded revenue decreased by 4.3% (a 2.4% decrease on a constant currency basis) to approximately HK\$378.4 million as compared to approximately HK\$395.3 million for the corresponding period of 2024. The revenue decrease was primarily because Blue Chip business declined in the second quarter as major customers delayed their shipment after the announcement of high tariffs by the US government in April. The decline in Blue Chip sales was partially offset by sales increase of the Group's other business. The Group's relationship with its Blue Chip customers remained healthy and stable, and it continued to provide efficient product and service delivery for its customers during the Period.

OUTLOOK

Looking towards the rest of 2025, a rebound in effective tariff rates could lead to weaker global economic growth. In addition, continued geopolitical conflicts and tensions in Europe and the Middle East may lead to logistics disruptions, which would not only impose direct cost pressures but also cause product availability issues for us, and continue to undermine consumer sentiment. Besides, global climate change could cause business discontinuity and logistics disruptions. That said, the Group stands ready to grasp and take advantage of any opportunities derived from the challenges and restructurings they cause.

Overall, we remain very confident of and will continue our vertically integrated one-dragon, brand-driven development 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:

- **CYBEX** will continue to leverage its powerful brand momentum and omni-channel infrastructure to grow globally with full speed ahead. The strong momentum will enable the brand to consequently continue to gain market shares across the globe among fierce competitions;
- **Evenflo** will focus on recovering sales growth and profitability in the second half of 2025. The brand will optimize costs and adjust its pricing strategy. At the same time, Evenflo will continue to strategically invest in brand, products, digital strategy and talents to further consolidate its business foundation;
- **gb** will continue the brand transformation in the China market: focus will be given in product development and upgrade, refined operations in online and offline self-owned retail channels and continued price control; and
- **Blue Chip** business is expected to face downward pressure as our Blue Chip customers' business is expected to decline due to tariff-related impacts. That said, our relationship with our Blue Chip customers remains healthy and stable, and we continue to receive customer orders of new products and have successfully developed new customers. The Group continues to deliver services that meet demands of both our existing and new customers.

On a global basis, we will continue to expand and deepen brand building and omni-channel distribution network and infrastructure in existing and new markets to ensure that 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 to market and leverage regional capabilities through mother market operations.

Brand-driven strategy supported by world-class technology, manufacturing, supply chain excellence and agility, innovation, mother market operations, digital 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 2.7% to approximately HK\$4,300.9 million from approximately HK\$4,187.6 million for the corresponding period in 2024. Foreign exchange rates fluctuated between the Period and the corresponding period in 2024, 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 2.8% increase compared to the corresponding period in 2024.

For the revenue breakdown analysis, please refer to the section headed "Overview" in this announcement.

Cost of Sales, Gross Profit and Gross Profit Margin

Cost of sales increased by 9.1% to approximately HK\$2,166.1 million for the Period from approximately HK\$1,986.1 million for the corresponding period in 2024. Gross profit of the Group decreased to approximately HK\$2,134.8 million for the Period from approximately HK\$2,201.5 million for the corresponding period in 2024, and the gross profit margin decreased by 3.0 percentage points to 49.6% for the Period from approximately 52.6% for the corresponding period in 2024. The decrease in gross profit was primarily attributable to decrease in gross profit from the Group's business in the US market, partially offset by improvement in gross profit from its business in other regions. The decrease in gross profit from the Group's US business was largely attributable to additional tariff-related costs, increased costs in car seat products to comply with new regulatory standards and heavier promotional discounts for new products display in retailers' stores.

Other Income and Gains

Other income and gains of the Group increased by approximately HK\$67.1 million to approximately HK\$77.8 million for the Period as compared to approximately HK\$10.7 million for the corresponding period in 2024, which was mainly attributable to the increase in foreign exchange gain.

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\$47.8 million to approximately HK\$1,253.0 million for the Period from approximately HK\$1,205.2 million for the corresponding period in 2024. The increase was mainly attributable to the increase in logistics costs and personnel costs, which was the result of increased revenue.

Administrative Expenses

The Group's administrative expenses primarily consist of personnel costs, R&D costs, professional service expenses, depreciation and amortization cost and other office expenses. The administrative expenses increased by approximately HK\$29.8 million to approximately HK\$756.8 million for the Period from approximately HK\$727.0 million for the corresponding period in 2024. The increase was mainly resulting from the increase in R&D costs and professional service expenses.

Other Expenses

Other expenses of the Group increased slightly by approximately HK\$0.2 million to approximately HK\$0.8 million for the Period from approximately HK\$0.6 million for the corresponding period in 2024, which was mainly attributable to the increase in the donation expenses to charities and the increase in the loss on the disposal of property, plant and equipment, partially offset by the decrease in the fair value loss from derivative financial instruments.

Operating Profit

As a result of the foregoing, the Group's operating profit decreased by approximately 27.7%, or HK\$77.4 million, to approximately HK\$202.0 million for the Period from approximately HK\$279.4 million for the corresponding period in 2024.

Finance Income

For the Period, the Group's finance income decreased to approximately HK\$8.0 million from approximately HK\$18.6 million for the corresponding period in 2024. The Group's finance income mainly represents interest income from bank deposits.

Finance Costs

For the Period, the Group's finance costs decreased to approximately HK\$56.7 million from approximately HK\$87.7 million for the corresponding period in 2024. The net finance costs decrease aligned with the decrease in the 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 decreased by 29.5% to approximately HK\$153.6 million for the Period from a profit before tax of approximately HK\$217.9 million for the corresponding period in 2024.

Income Tax Expense

The Group's income tax expense was approximately HK\$48.1 million for the Period (corresponding period in 2024: approximately HK\$30.6 million). The changes in income tax expenses were mainly attributable to the profit contributions from different legal entities with different effective tax rates.

Profit for the Period

Profit of the Group for the Period decreased by approximately HK\$81.8 million to approximately HK\$105.5 million from approximately HK\$187.3 million for the corresponding period in 2024.

The non-GAAP profit of the Group decreased by approximately 38.4% to approximately HK\$124.6 million for the Period from approximately HK\$202.2 million for the corresponding period in 2024.

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 2025 and 2024 to the nearest measures prepared in accordance with IFRS:

Six months ended 30 June 2025				
	As reported (HK\$ million)	Adjustments		Non-GAAP (HK\$ million)
		Equity-settled share option expenses (HK\$ million)	Amortization of intangible assets ^(Note) (HK\$ million)	
Operating profit	202.0	5.0	18.9	225.9
Profit before tax	153.6	5.0	18.9	177.5
Profit for the period	105.5	5.0	14.1	124.6
Operating margin	4.7%			5.3%
Net margin	2.5%			2.9%

Six months ended 30 June 2024				
	As reported (HK\$ million)	Adjustments		Non-GAAP (HK\$ million)
		Equity-settled share option expenses (HK\$ million)	Amortization of intangible assets ^(Note) (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%

Note: Amortization of intangible assets arising from acquisitions, net of related deferred tax.

Working Capital and Financial Resources

	As at 30 June 2025 (HK\$ million)	As at 31 December 2024 (HK\$ million)
Trade and notes receivables (including trade receivables due from related parties)	1,085.9	1,085.0
Trade and notes payables (including trade payables due to related parties)	1,282.1	1,459.5
Inventories	1,623.3	1,712.4
	Six months ended 30 June 2025	Six months ended 30 June 2024
Trade and notes receivables turnover days ⁽¹⁾	45	52
Trade and notes payables turnover days ⁽²⁾	114	119
Inventories turnover days ⁽³⁾	139	138

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 trade and notes receivables and the turnover days of trade and notes receivables continued to maintain at a stable and healthy level, which was in line with the overall business operation status of the Group.

The decrease in trade and notes payables was primarily attributable to decrease in procurement amount by the end of the Period compared with the procurement amount by the end of last year. The turnover days of trade and notes payables continued to maintain at a stable and healthy level, which was in line with the overall business operation status of the Group.

The decrease in inventories was mainly attributable to reduced in-transit inventory levels and Group's proactive scaling back of the safety stock reserves that were deliberately built up at the end of the previous year to mitigate potential logistics disruptions arising from the Red Sea crisis and potential supply chain shortages during the period of Chinese New Year. The inventory turnover days remained stable.

Liquidity and Financial Resources

As at 30 June 2025, the Group's monetary assets, including cash and cash equivalents, time deposits, pledged deposits and financial assets designated at fair value through profit or loss, were approximately HK\$1,067.1 million (31 December 2024: approximately HK\$1,126.0 million).

As at 30 June 2025, the Group's interest-bearing bank loans and other borrowings were approximately HK\$1,460.6 million (31 December 2024: approximately HK\$1,455.1 million), including short-term bank loans and other borrowings of approximately HK\$523.4 million (31 December 2024: approximately HK\$475.9 million) and long-term bank loans and other borrowings with repayment terms ranging from two to three years of approximately HK\$937.2 million (31 December 2024: approximately HK\$979.2 million). Among the Group's interest-bearing bank loans and other borrowings, approximately HK\$186.3 million were at fixed interest rates (31 December 2024: approximately HK\$178.9 million) and approximately HK\$1,274.3 million were at variable interest rates (31 December 2024: approximately HK\$1,276.2 million).

As a result, as at 30 June 2025, the Group's net debt position was approximately HK\$393.5 million (31 December 2024: approximately HK\$329.1 million).

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 2025, the Group had no material contingent liabilities (as at 31 December 2024: nil).

Exchange Rate Fluctuations

The Group is a multinational enterprise with operations in different countries and the money that it uses 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 operating expenses are mainly denominated in RMB, US\$ and EUR. The net exposures to foreign currency risks of the Group's operating results mainly stem from the US\$ and EUR revenue against the primarily RMB-denominated procurement and operating expenses. 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 foreign-exchange contracts to mitigate the potential effects of the Group's foreign currency exposures.

Pledge of Assets

Bank deposits of approximately HK\$24.7 million (31 December 2024: HK\$24.5 million) were pledged for interest reserve for a certain bank borrowing.

Gearing Ratio

As at 30 June 2025, 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, pledged 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 30.6% (31 December 2024: approximately 32.8%) or 32.6% after taking into consideration the lease liabilities (current and non-current) impact of IFRS Accounting Standards 16 (as at 31 December 2024: approximately 34.8%).

Employees and Remuneration Policy

As at 30 June 2025, the Group had a total of 6,096 full-time employees (31 December 2024: 6,231). For the Period, costs of employees, excluding Directors' emoluments, amounted to a approximately HK\$935.8 million (for the corresponding period in 2024: approximately HK\$953.8 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.

The Company has adopted share option schemes 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.

The Company adopted a share option scheme on 5 November 2010 (the “**2010 Share Option Scheme**”), which was terminated and replaced by another share option scheme (the “**2020 Share Option Scheme**”) approved and adopted at the annual general meeting of the Company held on 25 May 2020.

In view of the amendments to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) which have taken effect from 1 January 2023 and the intention of the Company to provide more flexibility in its long-term planning of granting of share options to incentivize suitable eligible participants, the Company has terminated the 2020 Share Option Scheme and adopted a new share option scheme (the “**2025 Share Option Scheme**”) at the extraordinary general meeting of the Company held on 27 May 2025. No further share options could be granted under the 2010 Share Option Scheme or the 2020 Share Option Scheme following their respective termination, but the provisions of the 2010 Share Option Scheme and the 2020 Share Option Scheme would remain in force to the extent necessary to give effect to the exercise of any share option granted prior to their respective termination.

A summary of the principal terms of the 2025 Share Option Scheme is set out in the Appendix to the Company's circular dated 12 May 2025.

As at 30 June 2025, there were an aggregate of 175,668,000 outstanding share options under the 2010 Share Option Scheme and the 2020 Share Option Scheme (31 December 2024: 196,434,500 share options). Since the adoption of the 2025 Share Option Scheme and up to the date of this announcement, no share option was granted by the Company under the 2025 Share Option Scheme.

Material Acquisitions and Disposals and Significant Investments

During the Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures, nor did it have any significant investments.

OTHER INFORMATION

Events After the Reporting Period

Save as disclosed in this announcement, there were no other important events that required additional disclosure or adjustments which occurred after the end of the Period and up to the date of this announcement.

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 2025, the Company did not hold any treasury shares.

Dividend

The Board did not recommend payment of any dividend for the Period (six months ended 30 June 2024: 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 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.

Model Code for Securities Transactions by Directors

Since the listing of the Company on the Main Board of the Stock Exchange on 24 November 2010, the Board 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 as the code for the dealings in securities transactions by the Directors. Having made specific enquiries, all Directors have confirmed that they complied with the required standard of dealings set out in the Model Code for the Period.

Audit Committee

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) consists of Mr. Wong Shun Tak, Ms. Chiang Yun (“**Ms. Chiang**”) and Mr. Ho Kwok Yin, Eric. The chairperson of the Audit Committee is Mr. Wong Shun Tak. The unaudited interim condensed consolidated financial information of the Group for the Period has 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.

Publication of Interim Report

This interim results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.gbinternational.com.hk>). The interim report of the Company for the Period containing all the information required by the Listing Rules will be despatched to shareholders of the Company (if necessary) and made available for review on the same websites in due course.

DESIGNATION OF LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board has designated Ms. Chiang, an independent non-executive Director, to assume the position of the lead independent non-executive Director (the “**Lead INED**”) with effect from 25 August 2025. Lead INED is not an executive position in the Company and does not have any management role in the Group. Ms. Chiang’s other positions at the Board and the relevant Board committees remain unchanged.

The designation of Lead INED is implemented in response to the amended CG Code and the Listing Rules which came into effect on 1 July 2025. Effective corporate governance is crucial to the Company’s overall performance, and the Board believes that Ms. Chiang’s designation could strengthen the Board’s effectiveness while further promoting strong corporate governance practice across the Company.

The Board would like to extend its deep appreciation to Ms. Chiang in her new role as the Lead INED.

By order of the Board
Goodbaby International Holdings Limited
Song Zhenghuan
Chairman

Hong Kong, 25 August 2025

As at the date of this announcement, the executive Directors are Mr. SONG Zhenghuan, Mr. LIU Tongyou and Mr. Martin POS; the non-executive Directors are Ms. FU Jingqiu and Mr. HO Kwok Yin, Eric; and the independent non-executive Directors are Ms. CHIANG Yun, Mr. WONG Shun Tak, and Mr. JIN Peng.