JS Global Lifestyle Company Limited
JS 环球生活有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1691)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

FINANCIAL HIGHLIGHTS OF THE 2024 INTERIM RESULTS ANNOUNCEMENT

- Revenue from continuing operations for the Reporting Period was US$743.0 million, representing a year-on-year increase of 29.5%;
- Gross profit from continuing operations for the Reporting Period was US$245.8 million, representing a year-on-year increase of 15.2%;
- Profit from continuing operations for the Reporting Period was US$29.6 million, representing a year-on-year decrease of 35.9%;
- EBITDA from continuing operations for the Reporting Period decreased by 43.0% year-on-year to approximately US$41.7 million;
- Adjusted EBITDA from continuing operations for the Reporting Period decreased by 64.4% year-on-year to approximately US$28.1 million.

The board (the “**Board**”) of directors (the “**Directors**”) of JS Global Lifestyle Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**” or “**we**”) for the six months ended June 30, 2024 (the “**Reporting Period**”).

The Group's unaudited consolidated statement of profit or loss, unaudited consolidated statement of comprehensive income, unaudited consolidated statement of financial position and explanatory notes 1 to 14 as presented below are extracted from the Group's unaudited interim condensed consolidated financial information for the Reporting Period, which has been reviewed by the Company's external auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagement 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants.

FINANCIAL INFORMATION

The financial information below is an extract from the unaudited interim condensed consolidated financial information of the Group for the Reporting Period:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2024

	Notes	**2024** ***US$'000*** **(Unaudited)**	2023 *US$'000* (Unaudited)
CONTINUING OPERATIONS			
REVENUE	4	**742,970**	573,618
Cost of sales		**(497,131)**	(360,243)
Gross profit		**245,839**	213,375
Other income and gains	5	**56,703**	22,346
Selling and distribution expenses		**(146,594)**	(106,529)
Administrative expenses		**(116,722)**	(63,462)
Impairment losses on financial assets		**919**	(1,613)
Other expenses		**(2,663)**	(844)
Finance costs	6	**(1,768)**	(14,147)
Share of profits and losses of associates		**1,070**	4,180
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	7	**36,784**	53,306
Income tax expense	8	**(7,221)**	(7,149)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**29,563**	46,157
DISCONTINUED OPERATION			
Profit for the period from a discontinued operation	9	**–**	93,300
PROFIT FOR THE PERIOD		**29,563**	139,457

	Notes	**2024**	2023
		US$'000	*US$'000*
		(Unaudited)	(Unaudited)
Attributable to:			
Owners of the parent		**21,797**	127,809
Non-controlling interests		**7,766**	11,648
		29,563	139,457
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	11		
Basic			
– For profit for the period		**US0.6 cent**	US3.7 cents
– For profit from continuing operations		**US0.6 cent**	US1.0 cent
Diluted			
– For profit for the period		**US0.6 cent**	US3.7 cents
– For profit from continuing operations		**US0.6 cent**	US1.0 cent

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2024

	2024	2023
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**29,563**	139,457
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(9,418)**	(28,314)
Cash flow hedges, net of tax	**–**	(7,847)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(9,418)**	(36,161)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Financial assets designated at fair value through other comprehensive income:		
Changes in fair value	**–**	48
Income tax effect	**–**	(7)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**–**	41
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(9,418)**	(36,120)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**20,145**	103,337
Attributable to:		
Owners of the parent	**13,865**	100,665
Non-controlling interests	**6,280**	2,672
	20,145	103,337

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2024

	Notes	**June 30, 2024 *US$'000* (Unaudited)**	December 31, 2023 *US$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**88,684**	91,008
Investment properties		**13,502**	14,607
Prepaid land lease payments		**13,276**	13,732
Right-of-use assets		**14,182**	5,516
Goodwill		**22,441**	5,848
Other intangible assets		**6,997**	4,400
Investments in associates		**20,671**	20,082
Financial assets at fair value through profit or loss		**172,156**	152,140
Financial assets designated at fair value through other comprehensive income		**40,352**	40,927
Deferred tax assets		**20,093**	18,800
Other non-current assets		**11,108**	14,322
Total non-current assets		**423,462**	381,382
CURRENT ASSETS			
Inventories		**126,752**	120,092
Trade and bills receivables	12	**353,375**	395,804
Prepayments, other receivables and other assets		**54,423**	79,381
Financial assets at fair value through profit or loss		**20,358**	50,539
Pledged deposits		**59,526**	56,292
Cash and cash equivalents		**362,308**	319,801
Total current assets		**976,742**	1,021,909

	Notes	**June 30, 2024** *US$'000* **(Unaudited)**	December 31, 2023 *US$'000* (Audited)
CURRENT LIABILITIES			
Trade and bills payables	13	**485,029**	472,410
Other payables and accruals		**173,005**	214,186
Lease liabilities		**5,197**	2,532
Tax payable		**3,944**	5,630
Other current financial liability		**444**	–
Total current liabilities		**667,619**	694,758
NET CURRENT ASSETS		**309,123**	327,151
TOTAL ASSETS LESS CURRENT LIABILITIES		**732,585**	708,533
NON-CURRENT LIABILITIES			
Lease liabilities		**9,514**	3,177
Deferred tax liabilities		**4,506**	5,637
Other non-current liabilities		**983**	1,554
Total non-current liabilities		**15,003**	10,368
Net assets		**717,582**	698,165
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**34**	34
Treasury shares		**(30,102)**	(47,495)
Share premium		**433,388**	433,388
Capital reserve		**(59,625)**	(60,719)
Reserves		**209,884**	210,257
		553,579	535,465
Non-controlling interests		**164,003**	162,700
Total equity		**717,582**	698,165

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended June 30, 2024

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2024 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting*. 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 December 31, 2023.

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 December 31, 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	*Lease Liability in a Sale and Leaseback*
Amendments to IFRS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*
Amendments to IFRS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised IFRSs that are applicable to the Group 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 recognize 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 January 1, 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. The Group had supplier finance arrangements as at June 30, 2024 and December 31, 2023 and will provide additional disclosures of its supplier financial arrangements in the Group's consolidated financial statements for the year ending December 31, 2024.

3. OPERATING SEGMENT INFORMATION

Due to the spin-off and separate listing of SharkNinja, Inc. and its subsidiaries ("**SharkNinja Group**"), SharkNinja's operation in Asia Pacific Region is separated from the original SharkNinja segment and becomes a separate segment of the Group. For management purposes, the Group is organized into business units based on its operations and has two reportable operating segments as follows:

(a) the Joyoung segment was involved in the design, manufacture, marketing, export and distribution of a full range of small kitchen electrical appliances under the brand of "Joyoung"; and

(b) the SharkNinja APAC segment, which operates in Asia Pacific Region, was involved in the design, marketing, manufacture, provision of sourcing services, export, import and distribution of a full range of floor care products, hard-surface steam cleaning products and small kitchen appliances under the brands of "Shark" and "Ninja".

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except the head office and corporate income and expenses which are excluded from such measurement. The head office and corporate income and expenses include exchange gains or losses, interest income, non-lease-related finance costs, and other unallocated corporate income and expenses.

Six months ended June 30, 2024

	Joyoung *US$'000*	SharkNinja APAC *US$'000*	Total *US$'000*
Segment revenue			
Sales of goods *(a)*	**594,869**	**123,091**	**717,960**
Sourcing services	**–**	**25,010**	**25,010**
Intersegment sales	**2,674**	**–**	**2,674**
Total segment revenue	**597,543**	**148,101**	**745,644**
Reconciliation:			
Elimination of intersegment sales			**(2,674)**
Revenue *(note 4)*			**742,970**
Segment results	**26,004**	**23,088**	**49,092**
Reconciliation:			
Interest income			**199**
Exchange loss			**(2,293)**
Finance costs			**(1,570)**
Corporate and other unallocated expenses			**(8,644)**
Profit before tax			**36,784**
Other segment information			
Share of profits and losses of associates	**1,070**	**–**	**1,070**
Reversal of impairment of inventories and financial assets recognized in profit or loss	**829**	**–**	**829**
Depreciation and amortization	**(7,865)**	**(1,862)**	**(9,727)**
Interest income	**6,361**	**78**	**6,439**
Finance costs	**(146)**	**(52)**	**(198)**
Investments in associates	**20,671**	**–**	**20,671**
Capital expenditure *(b)*	**14,242**	**8,094**	**22,336**

Six months ended June 30, 2023

	Joyoung *US$'000*	SharkNinja APAC *US$'000*	Total *US$'000*
Segment revenue			
Sales of goods	490,866	48,608	539,474
Sourcing services	–	34,144	34,144
Intersegment sales *(a)*	119,622	–	119,622
Total segment revenue	610,488	82,752	693,240
Reconciliation:			
Elimination of intersegment sales			(119,622)
Revenue *(note 4)*			573,618
Segment results	40,704	29,802	70,506
Reconciliation:			
Interest income			400
Exchange gain			8,060
Finance costs			(13,966)
Corporate and other unallocated expenses			(11,694)
Profit before tax			53,306
Other segment information			
Share of profits and losses of associates	4,180	–	4,180
Impairment of inventories and financial assets recognized in profit or loss	(1,423)	–	(1,423)
Depreciation and amortization	(7,914)	(1,123)	(9,037)
Interest income	2,782	80	2,862
Finance costs	(171)	(10)	(181)
Investments in associates	30,423	–	30,423
Capital expenditure *(b)*	1,566	804	2,370

Notes:

(a) Included in the amount of sales of goods is transaction between Joyoung and SharkNinja (Hong Kong) Company Limited amounting to US$106,507,000 during the six months ended June 30, 2024. The revenue was eliminated and presented as intersegment sales during the six months ended June 30, 2023.

(b) Capital expenditure consists of additions to property, plant and equipment, investment properties, prepaid land lease payments, right-of-use assets and other intangible assets, including assets from the acquisition of a subsidiary.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended June 30,	
	2024	2023
	US$'000	*US$'000*
Revenue from contracts with customers		
Sale of goods	**717,960**	539,474
Revenue from other sources		
Sourcing services	**25,010**	34,144
Total	**742,970**	573,618

Disaggregated revenue information

	For the six months ended June 30,	
	2024	2023
	US$'000	*US$'000*
Geographical markets		
Chinese Mainland	**478,423**	482,308
Japan	**43,664**	37,338
Australia and New Zealand	**44,638**	10,333
South Korea	**30,378**	–
Other countries/regions	**145,867**	43,639
Total	**742,970**	573,618

	For the six months ended June 30,	
	2024	2023
	US$'000	*US$'000*
Timing of revenue recognition		
Goods transferred at a point in time	**717,960**	539,474
Services transferred over time	**25,010**	34,144
Total	**742,970**	573,618

5. OTHER INCOME AND GAINS

	For the six months ended June 30,	
	2024	2023
	US$'000	*US$'000*
Other income		
Bank interest income	**6,638**	3,262
Net rental income from investment property operating leases	**133**	1,123
Government grants	**3,703**	2,653
Trademark royalty income	**4,691**	–
Others	**4,632**	40
	19,797	7,078
Gains		
Foreign exchange differences, net	**–**	9,703
Gain on disposal of items of property, plant and equipment	**135**	154
Gain on financial assets at fair value through profit or loss, net*	**35,333**	1,903
Gain on disposal of an associate	**1,010**	–
Others	**428**	3,508
	36,906	15,268
Total other income and gains	**56,703**	22,346

* Included in the gain on financial assets at fair value through profit or loss, net was gain on the shares of SharkNinjia, Inc. held by the Group amounting to US$45,132,000 during the six months ended June 30, 2024.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended June 30,	
	2024	2023
	US$'000	*US$'000*
Interest on bank loans	**–**	12,416
Interest on lease liabilities	**243**	181
Amortization of deferred finance costs	**–**	1,550
Other finance costs	**1,525**	–
Total	**1,768**	14,147

7. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

		For the six months ended June 30,	
		2024	2023
	Note	***US$'000***	*US$'000*
Cost of inventories sold		**497,131**	360,243
Depreciation of property, plant and equipment		**5,794**	5,399
Depreciation of investment properties		**824**	851
Depreciation of right-of-use assets		**2,722**	2,382
Amortization of prepaid land lease payments		**190**	197
Amortization of other intangible assets		**197**	208
Foreign exchange differences, net		**2,387**	(9,703)
Impairment/(reversal of impairment) of inventories		**90**	(190)
Impairment/(reversal of impairment) of financial assets, net:			
(Reversal of impairment)/impairment of trade receivables, net		**(1,027)**	843
Impairment of financial assets included in prepayments, other receivables and other assets, net		**108**	770
Product warranty provision:			
Accrual/(reversal) of provision		**1,761**	(198)
Gain on disposal of items of property, plant, and equipment	5	**(135)**	(154)
Gain on financial assets at fair value through profit or loss, net	5	**(35,333)**	(1,903)
Gain on disposal of an associate	5	**(1,010)**	–
Government grants*	5	**(3,703)**	(2,653)

* Various government grants have been received for setting up research and promotion activities and alleviating unemployment in Chinese Mainland. Government grants received for which related expenditure has not yet been undertaken are recognized as deferred income and included in other payables in the statement of financial position. There are no unfulfilled conditions or contingencies relating to the government grants recognized in the statement of profit or loss for the Reporting Period.

8. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2024	2023
	US$'000	*US$'000*
Current income tax charge/(credit):		
In Chinese Mainland	**2,787**	6,961
In Hong Kong	**5,379**	5,349
Elsewhere	**70**	429
Deferred income tax:		
In Chinese Mainland	**(415)**	(5,590)
Elsewhere	**(600)**	–
Total tax charge for the period from continuing operations	**7,221**	7,149
Total tax charge for the period from a discontinued operation	**–**	30,309
Total	**7,221**	37,458

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The determination of current and deferred income taxes was based on the enacted tax rates.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.

Under the relevant PRC income tax law, except for certain preferential treatments available to the Group, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% (during the six months ended June 30, 2023: 25%) on their respective taxable income. During the period, three of the Group's entities (during the six months ended June 30, 2023: five) obtained approval from the relevant PRC tax authorities and were entitled to preferential corporate income tax rates or corporate income tax exemptions.

Hong Kong profits tax has been provided at the rate of 16.5% (during the six months ended June 30, 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group (during the six months ended June 30, 2023: one) which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (during the six months ended June 30, 2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (during the six months ended June 30, 2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (during the six months ended June 30, 2023: 16.5%).

The Group realized tax benefits during the Reporting Period through applying the preferential corporate income tax rates and the corporate income tax exemptions. These preferential tax treatments were available to the Group pursuant to the enacted PRC tax rules and regulations and are subject to assessment by the relevant PRC tax authorities.

The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation has been effective for certain jurisdictions since January 1, 2024. The Group is in the process of assessing the potential exposure arising from Pillar Two legislation based on the information available for the six-month period ended June 30, 2024. Based on the assessment carried out so far, the Group has identified certain jurisdictions where the Pillar Two effective tax rates are likely to be lower than 15%. Quantitative information to indicate potential exposure to Pillar Two income taxes is still under assessment. However, there was no Pillar Two income tax exposure during the six-month period ended June 30, 2024 because the Pillar Two tax legislations have not been applied to the potential top up tax arising from the jurisdictions where the Pillar Two effective tax rates are likely to be lower than 15%.

9. DISCONTINUED OPERATION

Pursuant to the resolution of the extraordinary general meeting on June 26, 2023, the Company completed the distribution of SharkNinja Group on July 31, 2023, in which the Company distributed all of the shares of SharkNinja Group it holds to its shareholders. SharkNinja Group was engaged in the manufacture and sale of home appliances in North America, Europe and various other countries throughout the world. Upon the completion of distribution, SharkNinja Group ceased to be the subsidiaries of the Company. The distribution was completed on July 31, 2023 and the SharkNinja Group was classified as a discontinued operation as at June 30, 2023.

The results of the discontinued operation for the six months ended June 30, 2023 are presented below:

	US$'000 (Unaudited)
Revenue	1,720,276
Cost of sales	(958,296)
Other income and gains	810
Selling and distribution expenses	(302,268)
Administrative expenses	(283,392)
Impairment losses on financial assets	(1,146)
Other expenses	(35,736)
Finance costs	(16,639)
Profit before tax from the discontinued operation	123,609
Income tax expense	(30,309)
Profit for the period from the discontinued operation	93,300

The net cash flows due to the disposal of SharkNinja Group for the six months ended June 30, 2023 are as follows:

	US$'000 (Unaudited)
Cash and bank balances disposed of	(277,088)

The net cash flows attributable by SharkNinja Group for the six months ended June 30, 2023 are as follows:

	US$'000 (Unaudited)
Operating activities	255,339
Investing activities	(118,776)
Financing activities	(120,072)
Net cash inflows	16,491

Earnings per share:	
Basic, from a discontinued operation	US2.7 cents
Diluted, from a discontinued operation	US2.7 cents

The calculations of basic and diluted earnings per share from the discontinued operation for the six months ended June 30, 2023 are based on:

	(Unaudited)
Profit attributable to ordinary equity holders of the parent from the discontinued operation	US$93,232,000
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	3,411,816,000
Weighted average number of ordinary shares used in the diluted earnings per share calculation	3,412,477,000

10. INTERIM DIVIDEND

The Board did not recommend any interim dividend for the six months ended June 30, 2024 (for the six months ended June 30, 2023: HK$0.0392 per share).

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount 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 3,403,250,116 in issue during the Reporting Period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the dilutive effect arising from the share award scheme of the Company. 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 calculations of basic and diluted earnings per share are based on:

	For the six months ended June 30,	
	2024	2023
	US$'000	*US$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**21,797**	34,577
From the discontinued operation	**–**	93,232
Total	**21,797**	127,809

	Number of shares For the six months ended June 30,	
	2024	2023
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**3,403,250**	3,411,816
Effect of dilution – weighted average number of ordinary shares:		
Share award scheme	**17,763**	661
	3,421,013	3,412,477

12. TRADE AND BILLS RECEIVABLES

An aging analysis of the trade and bills receivables as at the end of the Reporting Period, based on the invoice date and net of impairment, is as follows:

	June 30, 2024	December 31, 2023
	US$'000	*US$'000*
Within 6 months	**349,725**	389,911
6 months to 1 year	**2,316**	4,748
1 to 2 years	**1,334**	923
Over 2 years	**–**	222
Total	**353,375**	395,804

As at June 30, 2024, included in the Group's trade and bills receivables were amounts due from the Group's associates of US$16,287,000 (December 31, 2023: US$21,600,000) and amounts due from related parties of US$61,165,000 (December 31, 2023: US$102,781,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

13. TRADE AND BILLS PAYABLES

The aging analysis of trade and bills payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	June 30, 2024	December 31, 2023
	US$'000	*US$'000*
Within 1 year	**482,498**	471,423
1 to 2 years	**2,531**	987
Total	**485,029**	472,410

As at June 30, 2024, included in the trade and bills payables were trade payables of US$11,069,000 due to associates (December 31, 2023: US$12,471,000) and trade payable of US$186,000 due to related parties (December 31, 2023: US$207,000), which are repayable within 90 days, which represents credit terms similar to those offered by the associates to their major customers.

The Group's bills payable were secured by pledged deposits of the Group of US$59,526,000 as at June 30, 2024 (December 31, 2023: US$56,292,000), and secured by bills receivable of the Group of US$19,416,000 as at June 30, 2024 (December 31, 2023: US$127,620,000).

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

14. EVENTS AFTER THE REPORTING PERIOD

The Group did not have any significant events subsequent to June 30, 2024.

BUSINESS OVERVIEW

Our mission is to positively impact people's lives around the world every day through transformational, innovative, and design-driven smart home products.

We are the leader in high-quality, innovative small household appliances and our success is centered around our deep understanding of local consumer needs, and is built on our strong product innovation and design capability powered by a global research and development platform, marketing strengths driving high brand engagement, and an omni-channel distribution model with high penetration. Through continuously creating new products, expanding and diversifying our product portfolio to stimulate consumers' demand and grow the market, we are the leader of the market, reshaping the consumer behavior and their lifestyle. After the spin-off from the Group and separate listing of the shares of SharkNinja, Inc. and its subsidiaries (the "**SharkNinja Group**") on the New York Stock Exchange (the "**Spin-off**") in 2023, we continue to deepen our core business and accelerate our presence in the Asia Pacific market with trusted market-leading brands: Joyoung, Shark and Ninja.

We focus on three core competencies: (i) developing transformational innovative products with appealing designs; (ii) effecting multi-form brand and product marketing activities; and (iii) building omni-channel sales network. They are supported by efficient operational infrastructure, including a global research and development platform which utilizes consumer engagement to amass information on consumer preferences and behaviors that informs and influences the product development process, a centralized supply chain with a global reach and a comprehensive information management system across the entire value chain.

We offered our transformational and innovative small household appliances under the brand names of Joyoung, Shark and Ninja within the following two business segments during the Reporting Period:

- The SharkNinja APAC segment focuses on launching and selling innovative cleaning appliances, kitchen appliances and personal care appliances for the APAC markets excluding Chinese Mainland. Through consumer insights in different markets, we have launched new products and categories, enriched our product portfolio and marketing campaigns, and continued to increase our market share in legacy markets. At the same time, we endeavor to enter more markets or regions.

- During the Reporting Period, the Joyoung segment maintained its focus on technological innovation as a means to provide consumers with a continuous supply of healthy home appliances, with a primary focus on kitchen appliances and cleaning appliances. In Chinese Mainland, the Joyoung brand is at the forefront of several innovative product categories. During the Reporting Period, in particular, the success of the third-generation non-coating non-stick rice cooker and the quiet high-performance blender allowed Joyoung to reach an increasing number of middle-class households.

Chinese Mainland

As a leading company in China's small household appliance industry, the Group's Joyoung segment has continued to lead the industry in the first half of 2024 amidst the ongoing fierce market competition and channel changes, and has brought a variety of high-quality small household appliance products inheriting Joyoung "Healthy and Innovative" gene and equipped with the latest technologies to consumers:

- **Zero-coating non-stick rice cooker 40N9U Pro**: For better rice taste, Joyoung has upgraded the air-cooling system with dual cores in the new generation of products, and at the same time, the bottom and the top part of the cooker apply the IH Dual Dynamic System and the Far-Infrared Heating Technology respectively, so that the rice can be better controlled by the precise temperature, and the softness and hardness can be adjusted according to the different varieties of rice. Meanwhile, on the basis of air-cooled water lubrication film technology and dot-matrix micro-pit technology, the new zero-coating non-stick rice cooker introduces the rice activation suspension chamber technology, which achieves better non-stick effect and reaches the national class II non-stick standard.

- **Water Purifier with Instant Heating R5P ("熱小淨R5 Pro")**: In order to ensure the antimicrobial effect of the whole chain of water purification equipment, Joyoung has introduced the pasteurization technology for the new generation of all-in-one water purifier and heater products, which realizes the "3-in-1" antimicrobial system of the whole chain of filter cartridge, pipeline, and pasteurization and effectively solves the risk of bacteria growth in the pipeline of the water purifier. In addition, Joyoung also upgraded the product with instant hot high flow technology, so that consumers can receive a cup of 150 ml of boiled water in about 6 seconds. In terms of filters, the new product is equipped with a 6-year long-lasting filter stacked with artificial intelligence filter life monitoring system, which further enhance the water quality in the long term.

- **Light Sound Blender and Soymilk Maker Y8**: Joyoung independently developed the "BlenderX" crushing system. This system is equipped with a strong "heart" – inverter brushless powerful motor, and with space sound-proof cabin technology to achieve a better sound effect. The Company also pioneered the fully automatic "washing and drying" function for Y8, realising the "three washing and one drying" of high-pressure spraying – high-temperature steaming – high-speed stirring – high-temperature circling drying , so that it can be dried immediately after washing. On the premise that the sterilization rate is as high as 99.99%, it can slow down bacterial growth for 72 hours.

  Y8 can not only turn the rough taste of cereal milk into silky smooth like milk, but also achieve stepless adjustable grinding direction and speed, so that the food retains granularity and high fibre to meet the needs of different people in the family. The Company's self-developed "new pupil remote sensing technology" allows the machine to continue to boil without overflowing at the same time as it heats up quickly, so that the food continues to boil at the optimal extraction temperature.

In terms of channels, China's retail channels are changing day by day, and the online and offline channels are ever-changing. The Company continues to actively deploy and expand emerging channels, coordinate the development of shelf e-commerce and content e-commerce, shopping centre new retail and sinking market, grasp the development opportunities of content e-commerce, focus on the development of content e-commerce platforms such as Xiaohongshu and Douyin, and set up professional teams and departments such as user research, data analysis, content creation, live video broadcasting, editing, directing, and filming. It has gradually completed a more complete live streaming matrix and the sales loop of "marketing – purchase – sharing". At the same time as enhancing the brand's net promotor score ("**NPS**") value, it has also accumulated more new users and new customer groups for the brand.

At the same time, the Company has also strengthened the construction of retail terminals and shopping guide teams, guiding experienced terminal shops and shopping guides to carry out scenic demonstrations and live broadcasting of goods, and relying on its own digital centre network to build a more comprehensive, efficient and accurate online to offline ("**O2O**") digital marketing operation system, explore various emerging market channel opportunities, and comprehensively enhance its retail marketing capabilities.

In order to better reach users, serve consumers and respond to market trends, during the Reporting Period, the Company focused on the development of its direct sales team and the construction of self-operated shops, which will not only bring the Company closer to consumers, users and fans, but also help the Company's long-term sustainable and high-quality development.

SharkNinja – APAC Regions (Excluding Chinese Mainland)

SharkNinja APAC segment recorded strong growth of revenue from APAC regions excluding Chinese Mainland in the first half of 2024 with revenue from third party customers of US$123.1 million compared to the prior period of US$48.6 million. The year-on-year growth of 153.3% was mainly attributable to the strong growth in both Shark vacuum products and Ninja kitchen appliances across APAC markets. Such growth was obvious in new markets, particularly Australia and South Korea, while the existing market of Japan continued to have robust growth with revenue of US$43.7 million (2023: US$37.4 million), which grew by 16.8% and would have increased by 31.3% under constant currency.

Japan

Shark brand in Japan market accelerates its momentum in the cordless stick vacuum category, with retail point-of-sales growth of 37.4% in the first half of 2024 compared to the same period of 2023, while the overall category only grew by 8.5%. This resulted in an increased value share in the cordless stick vacuum category to 16.9%, up 360 basis points comparing with the first half of 2023.

In addition, the cordless portable blender ("**Blast**"), the first Ninja product launched in Japan where it brought Ninja to the top position in the blender category within 6 weeks after the launch. Blast is attracting first time blender users to the category with its unique positioning of delivering a powerful blender in a compact and portable form.

Australia and New Zealand

Our Australia and New Zealand business continues to reach new heights, with net revenue growth of 333.0% year-on-year in the first half of 2024. Fueled by successful product launches and marketing campaigns, we are seeing broad-based growth across all our product categories.

We have seen the biggest inflection point in Shark cordless vacuums, with Australia growing 650% through the successful launch of Detect Pro (vacuum with intelligent deep cleaning technologies) and accelerated momentum on Stratos (best pet hair vacuum on the market).

The Ninja brand in Australia continues its upward trajectory, with motorized categories growing at 400% while heated categories growing at 350%, as we continue to expand and consolidate our position in blenders, air fryers, and indoor grills. We continue our leadership in creating new categories, with the launch of the Ninja Creami Deluxe with 11-in-1 features for ice cream and frozen treats.

Other Markets (South Korea)

In 2024, we have achieved rapid expansion into South Korea market through local distributors and recorded net revenue of US$30.4 million in the first half of 2024 (2023: nil) which accounted for approximately 24.7% of the total revenue of SharkNinja APAC segment. This was mainly attributable to strong sales from our successful product launch, particularly cordless vacuum and blender, through increasing consumer awareness and trial across multiple touch points.

Other Markets (Excluding South Korea)

In 2024, our strategic focus was on expanding our product line to build up a winning portfolio, and accelerating marketing activations to create brand awareness, supported by continuously improved retail presence.

In the first half of 2024, total revenue in other markets (excluding South Korea) under SharkNinja APAC segment reached US$4.4 million while only US$1.1 milion noted in prior period. This growth was primarily driven by sales growth of floor care products and cooking appliances in Singapore. New cordless vacuum innovations, including "CleanSense iQ" and "EVOPOWER System Neo", brought new technologies to our consumers and to cater their needs.

FINANCIAL REVIEW

Overall performance

Following the completion of the Spin-off of the SharkNinja Group on July 31, 2023, the SharkNinja business units which distributes its products in North America, Europe and other non-Asia Pacific markets ("**SharkNinja Non-APAC business**") was classified as a discontinued operation while the existing business of the Group including Joyoung segment and the business of SharkNinja products selling in Asia Pacific Region ("**SharkNinja APAC segment**") would be the continuing operations.

During the Reporting Period, the total revenue of the Group from continuing operations was US$743.0 million, representing a year-on-year increase of 29.5%. Gross profit was US$245.8 million, representing a year-on-year increase of 15.2%. Gross profit margin was 33.1%, decreased by 4.1 percentage points as compared to 37.2% year-on-year. Profit from continuing operations for the Reporting Period decreased by 35.9% year-on-year to approximately US$29.6 million. Profit attributable to owners of the parent decreased by approximately 37.0% year-on-year to approximately US$21.8 million. EBITDA[1] for the Reporting Period dropped by 43.0% year-on-year to approximately US$41.7 million, and adjusted EBITDA[2] for the Reporting Period decreased by 64.4% year-on-year to approximately US$28.1 million. Adjusted net profit[3] for the Reporting Period decreased by 69.2% year-on-year to approximately US$16.0 million.

[1] EBITDA is defined as profit before taxation plus finance costs, depreciation and amortization, less interest income. For a reconciliation of profit before tax for the periods to EBITDA as defined, see "– Non-IFRS Measures" below.

[2] For a reconciliation of EBITDA for the Reporting Period to adjusted EBITDA as defined, see "– Non-IFRS Measures" below.

[3] Adjusted net profit is defined as profit for the period adjusted for certain items that do not affect the Company's ongoing operating performance, including items arising from acquisition and relating to the reorganization in preparation for the Global Offering (as defined below and non-recurring items and items not related to the Company's ordinary course of business (each without considering tax effect)). For a reconciliation of profit for the periods to adjusted profit, see "– Non-IFRS Measures" below.

Revenue

For the Reporting Period, the Group from continuing operations recorded a total revenue of US$743.0 million (2023: US$573.6 million), representing a year-on-year increase of 29.5%.

The following table sets forth the breakdown of the Group's revenue from continuing operations by business segment:

	For the six months ended June 30,			
	2024		2023	
	Amount (unaudited)	**%**	Amount (unaudited)	%
	(in US$ million, except percentages)			
Joyoung segment	**487.2**	**65.6**	490.9	85.6
SharkNinja APAC segment	**123.1**	**16.6**	48.6	8.5
Total sales to third party customers	**610.3**	**82.2**	539.5	94.1
Joyoung segment	**107.7**	**14.5**	–	–
SharkNinja APAC segment	**25.0**	**3.3**	34.1	5.9
Total revenue with related parties	**132.7**	**17.8**	34.1	5.9
Total revenue	**743.0**	**100.0**	573.6	100.0

The Joyoung segment represents the Group's Joyoung business unit, which focuses on kitchen and cleaning appliances. The SharkNinja APAC segment represents the Group's SharkNinja business unit, which distributes its products in Japan, Australia and New Zealand, and other Asia Pacific markets and is primarily focused on cleaning appliances and kitchen appliances.

For the six months ended June 30, 2024, revenue from third party customers of the Joyoung segment amounted to US$487.2 million (2023: US$490.9 million), dropping by approximately 0.8% year-on-year and accounting for approximately 65.6% of the total revenue of the Group. On a constant currency basis, the revenue of the Joyoung segment would have increased by 3.3%. During the Reporting Period, revenue from third party customers of the SharkNinja APAC segment was US$123.1 million (2023: US$48.6 million), growing by approximately 153.3% year-on-year and accounting for approximately 16.6% of the total revenue of the Group. On a constant currency basis, the revenue from third party customers of the SharkNinja APAC segment would have increased by 164.9%.

The revenue from third party customers of Joyoung segment maintained the sales during the Reporting Period by growing sales of core products, including high-performance blenders, soymilk makers and rice cookers. Those increases were offset by softness in water purifier and cookware due to fierce competition.

The SharkNinja APAC segment's ability to accelerate revenue growth from third party customers was attributable to continued market value gains in the cordless vacuum category in Japan and the rapid expansion of our geographic and category footprint.

The revenue with related parties under Joyoung segment represents the Joyoung Group being engaged by SharkNinja Non-APAC business after the Spin-off for the manufacturing or procuring original equipment manufacturer ("**OEM**") suppliers to manufacture certain SharkNinja products of cooking appliances, food preparation appliances and floorcare appliances starting from July 31, 2023. For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024 and the circular of the Company dated September 18, 2023.

The revenue with related parties under SharkNinja APAC segment represents one of the sourcing offices within the Group, which provided sourcing services to SharkNinja Non-APAC business for production and manufacturing of SharkNinja products. The revenue from such sourcing arrangement was made up of the mark-up fee on the procurement amounts charged by OEM suppliers, less direct expenses by providing such sourcing service. Upon completion of the Spin-off, the Group has continued to provide value-added sourcing services to the SharkNinja non-APAC business over a transitional period and charge certain service fee rate on the procurement amount. For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024 and the circular of the Company dated September 18, 2023.

The following table sets forth the breakdown of the Group's sales to third party customers from continuing operations by brand:

	For the six months ended June 30,			
	2024		2023	
	Amount	**%**	Amount	%
	(in US$ million, except percentages)			
Joyoung	**478.2**	**78.4**	485.3	90.0
Shark	**92.8**	**15.2**	47.7	8.8
Ninja	**39.3**	**6.4**	6.5	1.2
Total sales to third party customers	**610.3**	**100.0**	539.5	100.0

During the Reporting Period, total revenue generated by the Joyoung brand was approximately US$478.2 million (2023: US$485.3 million), representing a year-on-year decrease of approximately 1.5%. The Joyoung brand maintained sales in the first half of 2024 mainly by growing sales of core products in food preparation appliances (high-performance blenders and soymilk makers) and cooking appliances (rice cookers) respectively. However, the competition of water purifier and cookware persists in Chinese Mainland market, such softness in sales offset the above growth.

During the Reporting Period, total revenue generated by the Shark brand was approximately US$92.8 million (2023: US$47.7 million), representing a year-on-year increase of approximately 94.5%. Such growth was attributable to continued market share growth in cordless vacuum and hair care appliance category in both existing and new markets.

During the Reporting Period, total revenue generated by the Ninja brand was approximately US$39.3 million (2023: US$6.5 million), representing a year-on-year increase of approximately 504.6%. This was driven by strong growth of kitchen appliances across APAC markets, particularly air fryers, blenders and ice-cream makers.

The following table sets forth the breakdown of the Group's sales to third party customers from continuing operations by geography:

	For the six months ended June 30,			
	2024		2023	
	Amount	**%**	Amount	%
	(in US$ million, except percentages)			
Chinese Mainland	**478.4**	**78.4**	482.3	89.4
Japan	**43.7**	**7.2**	37.4	6.9
Australia and New Zealand	**44.6**	**7.3**	10.3	1.9
Other markets	**43.6**	**7.1**	9.5	1.8
Total sales to third party customers	**610.3**	**100.0**	539.5	100.0

During the Reporting Period, total revenue generated from Chinese Mainland was approximately US$478.4 million (2023: US$482.3 million), representing year-on-year drop of 0.8%. The ability to maintain the revenue level was mainly resulted from sales improvement of both food preparation and cleaning appliances, while this was offset by softer consumer demand for water purifier and cookware.

During the Reporting Period, total revenue generated from Japan was approximately US$43.7 million (2023: US$37.4 million), representing a year-on-year growth of approximately 16.8%. The increase in revenue was driven by continued market value growth of cordless vacuum and entry into kitchen appliance market from successful launch of Ninja blender in Japan. On a constant currency basis, revenue would have increased by 31.5%.

During the Reporting Period, total revenue generated from Australia and New Zealand was approximately US$44.6 million (2023: US$10.3 million), representing a year-on-year increase of approximately 333.0%. The significant increase in revenue was attributable to broad-based growth across all product categories by accelerating our brand's awareness through strong marketing campaigns.

During the Reporting Period, total revenue generated from other markets including South Korea was approximately US$43.6 million (2023: US$9.5 million), representing a year-on-year increase of 358.9%, primarily resulted from robust sales in cleaning and food preparation appliances from successful entry into South Korea market through distributors during the Reporting Period.

The following table sets forth the breakdown of the Group's sales to third party customers from continuing operations by product category:

	For the six months ended June 30,			
	2024		2023	
	Amount	**%**	Amount	%
	(in US$ million, except percentages)			
Cooking appliances	**275.8**	**45.2**	268.7	49.8
Food preparation appliances	**183.6**	**30.1**	155.6	28.8
Cleaning appliances	**86.5**	**14.2**	46.1	8.6
Others	**64.4**	**10.5**	69.1	12.8
Total sales to third party customers	**610.3**	**100.0**	539.5	100.0

Cooking appliances include rice cookers, pressure cookers, induction cookers, air fryers, and other appliances and utensils for cooking. Food preparation appliances include high-performance multifunctional blenders, soymilk makers, food processors and other small household appliances that facilitate the food preparation process.

Cleaning appliances include upright vacuums, cordless and corded stick vacuums and other floor care products. Others product category includes small household appliances, such as water purifiers, water heaters, thermos and hair-dryer.

During the Reporting Period, cooking appliances was the Group's largest product category, with revenue contribution of 45.2% for the Reporting Period. The cooking category grew by 2.6% year-on-year to US$275.8 million. Such increase in cooking appliance revenue was mainly resulted from growth of Ninja air fryers and Joyoung rice cookers, while it was partially offset by softness in Joyoung air fryers in Chinese Mainland market.

During the Reporting Period, food preparation appliances recorded revenue increase of 18.0%, with the revenue of US$183.6 million. The increase was primarily attributable to successful launch of Ninja blenders and ice-cream makers across APAC markets and sales rebound of both high-performance blenders and soymilk makers in Chinese Mainland market.

The cleaning category grew by 87.6% year-on-year to US$86.5 million during the Reporting Period which was mainly driven by continued market share gains in Japan and strong growth of cordless vacuums in new markets, particularly Australia and South Korea.

During the Reporting Period, others product category recorded a year-on-year decrease of 6.8% to approximately US$64.4 million, as a result of softness in demand for water purifier and cookware in Chinese Mainland market, partially offset by growth of the hair styler in APAC markets.

OTHER FINANCIAL INFORMATION

Cost of sales

For the six months ended June 30, 2024, the cost of sales of the Group from continuing operations was approximately US$497.1 million (2023: US$360.2 million), representing a year-on-year increase of approximately 38.0%. The total cost of sales included the cost of sales on revenue with related parties with approximate amount of US$101.5 million (2023: nil). By excluding such amount, the cost of sales on sales to third party customers of the Group from continuing operations for the Reporting Period was approximately US$395.6 million (2023: US$360.2 million), representing a year-on-year increase of approximately 9.8%. Such increase was primarily attributable to increase in sales to third party customers from the SharkNinja APAC segment.

The following table sets forth the breakdown of the cost of sales on sales to third party customers of the Group from continuing operations by business segment:

	For the six months ended June 30,			
	2024		2023	
	Amount (unaudited)	**%**	Amount (unaudited)	%
	(in US$ million, except percentages)			
Joyoung segment	**330.7**	**83.6**	333.3	92.5
SharkNinja APAC segment	**64.9**	**16.4**	26.9	7.5
Total cost of sales on sales to third party customers	**395.6**	**100.0**	360.2	100.0

For the six months ended June 30, 2024, the Joyoung segment recorded a total cost of sales on sales to third party customers of approximately US$330.7 million (2023: US$333.3 million), representing a year-on-year decrease of approximately 0.8%. The decrease was primarily in line with the decrease in sales of products.

For the six months ended June 30, 2024, the SharkNinja APAC segment recorded a total cost of sales on sales to third party customers of approximately US$64.9 million (2023: US$26.9 million), representing a year-on-year increase of approximately 141.3%. The increase was primarily attributable to higher sales across markets.

Gross profit

For the six months ended June 30, 2024, the gross profit of the Group from continuing operations was approximately US$245.8 million (2023: approximately US$213.4 million), representing a year-on-year increase of approximately 15.2%. The gross profit margin from continuing operations for the Reporting Period was 33.1%, representing a decrease of 4.1 percentage points from 37.2% for the six months ended June 30, 2023.

By excluding the gross profit with related parties, the gross profit of the Group on sales to third party customers for the Reporting Period was approximately US$214.7 million (2023: approximately US$179.3 million), representing a year-on-year increase of approximately 19.7%. The gross profit margin on sales to third party customers for the Reporting Period was 35.2%, representing an increase of 2.0 percentage points from 33.2% for the six months ended June 30, 2023, primarily attributable to improvement in the gross margin from SharkNinja APAC segment as a result of portfolio premiumization and structurally higher margin from business model change and improved cost productivity.

	For the six months ended June 30,			
	2024		2023	
	Gross Profit	**Gross Margin %**	Gross Profit	Gross Margin %
	(in US$ million, except percentages)			
Joyoung segment	**156.5**	**32.1**	157.6	32.1
SharkNinja APAC segment	**58.2**	**47.3**	21.7	44.7
Total gross profit on sales to third party customers	**214.7**	**35.2**	179.3	33.2

The gross profit margin from sales to third party customers of Joyoung segment maintained at 32.1% for the Reporting Period, mainly due to higher margins from increase in proportion of direct sales to customers while offset by the unfavorable product mix which proportion of products with relatively higher gross margin decreased comparing with the same period of prior year.

The gross profit from sales to third party customers of SharkNinja APAC segment for the Reporting Period increased by 168.2%, and its gross profit margin increased from 44.7% for the six months ended June 30, 2023 to 47.3% for the Reporting Period. The increase in gross profit margin was driven by strategic initiatives by launching premium products with higher margins, partially offset by foreign currency headwinds in Japan. In addition, the change in business model and improved cost productivity led to structurally higher margins.

Other income and gains

Other income and gains of the Group from continuing operations primarily include (i) gain or loss on financial assets at their fair value; (ii) government grants (mainly relating to research and promotion activities, innovation and patents); (iii) bank interest income; (iv) net rental income from investment property operating leases; (v) foreign exchange differences, net; (vi) gain on disposal of items of property, plant and equipment; (vii) gain on disposal of associates; and (viii) trademark royalty income.

The following table sets forth the breakdown of the Group's other income and gains from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US$ million)	
Other income		
Bank interest income	**6.6**	3.3
Net rental income from investment property operating leases	**0.1**	1.1
Government grants	**3.7**	2.7
Trademark royalty income	**4.7**	–
Others	**4.7**	–
Subtotal	**19.8**	7.1
Gains		
Foreign exchange differences, net	**–**	9.7
Gain on financial assets at fair value through profit or loss, net	**35.3**	1.9
– Shares of SharkNinja Group related to stock-based compensation	**45.1**	–
– Others	**(9.8)**	1.9
Gain on disposal of items of property, plant and equipment	**0.1**	0.2
Gain on disposal of an associate	**1.0**	–
Others	**0.5**	3.4
Subtotal	**36.9**	15.2

For the six months ended June 30, 2024, other income and gains of the Group from continuing operations was approximately US$56.7 million (2023: US$22.3 million), representing a year-on-year increase of approximately 154.3%. The increase was primarily due to significant increase in net gain on financial assets at fair value through profit or loss comparing with the prior period.

Selling and distribution expenses

Selling and distribution expenses of the Group from continuing operations primarily consist of (i) trade marketing expenses in relation to marketing and branding expenses primarily at sales channel; (ii) advertising expenses; (iii) staff cost in relation to sales and distribution staff; (iv) warehousing and transportation expenses for sales of products; (v) business development expenses; and (vi) office expenses and others.

The following table sets forth the breakdown of the Group's selling and distribution expenses from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US$ million)	
Trade marketing expenses	**52.5**	49.4
Advertising expenses	**40.4**	14.9
Staff cost	**23.5**	21.6
Warehousing and transportation expenses	**17.3**	9.4
Business development expenses	**4.5**	4.3
Office expenses and others	**8.4**	6.9
Total	**146.6**	106.5

The Group's selling and distribution expenses from continuing operations increased by approximately 37.7% year-on-year from approximately US$106.5 million for the six months ended June 30, 2023 to approximately US$146.6 million for the Reporting Period, which was mainly due to significant investment in advertising and marketing campaigns by SharkNinja APAC segment to support new product launch and to promote brand awareness across Asia Pacific markets. In addition, warehousing and transportation expenses increased in line with the rapid growth of Asia Pacific business.

Administrative expenses

Administrative expenses of the Group from continuing operations primarily consist of (i) staff cost in relation to product development and administrative staff; (ii) office expenses; (iii) professional service fees primarily consisting of (a) legal fees, (b) tax, audit and advisory fees, and (c) engineering consulting fees; (iv) depreciation and amortization; and (v) other expenses.

The following table sets forth the breakdown of the Group's administrative expenses from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US$ million)	
Staff cost	**83.6**	35.7
Office expenses	**8.5**	9.0
Professional service fees	**7.1**	3.7
Depreciation and amortization	**4.5**	4.0
Other	**13.0**	11.1
Total	**116.7**	63.5

The Group's administrative expenses from continuing operations increased by approximately 83.8% year-on-year from approximately US$63.5 million for the six months ended June 30, 2023 to approximately US$116.7 million for the Reporting Period. The increase was primarily attributable to significant increase in stock-based compensation, and also increase in the overall administrative expenses, particularly staff cost and professional fee, to support the rapid expansion of Asia Pacific operations.

Other expenses

Other expenses of the Group from continuing operations primarily consist of (i) foreign exchanges differences, net; (ii) impairment/(reversal of impairment) of prepayments and other assets; and (iii) other expenses.

The following table sets forth the breakdown of the Group's other expenses from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US$ million)	
Foreign exchange differences, net	**2.4**	–
(Reversal of impairment)/impairment of prepayments and other assets	**(0.2)**	0.1
Others	**0.5**	0.7
Total	**2.7**	0.8

The Group's other expenses from continuing operations increased by approximately 237.5% year-on-year from approximately US$0.8 million for the six months ended June 30, 2023 to approximately US$2.7 million for the Reporting Period. The increase was primarily due to net exchange loss noted during the Reporting Period, while the foreign exchange differences, net for the prior period was net exchange gain which was included in "other income and gains".

Finance costs

Finance costs of the Group from continuing operations primarily represent (i) interest expenses on bank loans; (ii) amortization of deferred finance costs, representing amortization of various fees associated with the bank loans; (iii) interest expenses on lease liabilities; and (iv) other finance costs.

The following table sets forth the breakdown of the Group's finance costs from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US$ million)	
Interest on bank loans	**–**	12.4
Amortization of deferred finance costs	**–**	1.5
Interest on lease liabilities	**0.3**	0.2
Other finance costs[4]	**1.5**	–
Total	**1.8**	14.1

Finance costs of the Group from continuing operations decreased by approximately 87.2% year-on-year from approximately US$14.1 million for the six months ended June 30, 2023 to approximately US$1.8 million for the Reporting Period. The decrease was primarily due to savings in bank loan interest after repayment of bank loans in the second half of prior year.

Income tax

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which its entities are domiciled and operate. Under the relevant PRC income tax law, except for certain preferential treatments available to the Group, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% (2023: 25%) on their respective taxable income. During the period, three (2023: five) of the Group's entities obtained approval from the relevant PRC tax authorities and were entitled to preferential corporate income tax rates or corporate income tax exemptions.

[4] Other finance costs primarily include transaction fees for bill discounting.

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.

Income tax expense of the Group from continuing operations increased by approximately 1.4% year-on-year from approximately US$7.1 million for the six months ended June 30, 2023 to approximately US$7.2 million for the Reporting Period.

The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation has been effective for certain jurisdictions since January 1, 2024. The Group is in the process of assessing the potential exposure arising from Pillar Two legislation based on the information available for the six-month period ended June 30, 2024. Based on the assessment carried out so far, the Group has identified certain jurisdictions where the Pillar Two effective tax rates are likely to be lower than 15%. Quantitative information to indicate potential exposure to Pillar Two income taxes is still under assessment. However, there was no Pillar Two income tax exposure during the six-month period ended June 30, 2024 because the Pillar Two tax legislations have not been applied to the potential top up tax arising from the jurisdictions where the Pillar Two effective tax rates are likely to be lower than 15%.

Net profit

As a result of the foregoing reasons, net profit from continuing operations decreased by approximately 35.9% from approximately US$46.2 million for the six months ended June 30, 2023 to approximately US$29.6 million for the Reporting Period.

Non-IFRS measures

To supplement the Group's consolidated statements of profit or loss which are presented in accordance with IFRS, the Group also uses adjusted net profit, EBITDA and adjusted EBITDA as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The Group believes that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provides useful information to potential investors and management in facilitating a comparison of the Group's operating performance from period to period by eliminating potential impacts of certain items that do not affect the Group's ongoing operating performance, including expenses arising from the acquisition of SharkNinja and the reorganization (the "**Reorganization**") in preparation for the global offering of the Company in 2019 (the "**Global Offering**"), and non-operational or one-off expenses and gains (each without considering tax effect). Such non-IFRS measures allow investors to consider matrices used by the Group's management in evaluating the Group's performance. From time to time in the future, there may be other items that the Group may exclude in reviewing the Group's financial results. The use of the non-IFRS measures has limitations as an analytical tool, and it should not be considered in isolation from, or as a substitute for or superior to analysis of, the Group's results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies.

The following table shows the Group's adjusted net profit, EBITDA and adjusted EBITDA from continuing operations:

	For the six months ended June 30,	
	2024	2023
	(in US$ million)	
	(unaudited)	(unaudited)
Profit for the period	**29.6**	46.2
Add:		
Non-recurring items and items not related to the Company's ordinary course of business	***(13.6)***	*5.8*
Stock-based compensation	**45.3**	5.3
Special professional service fee and bonus related to Spin-off project	**–**	2.6
Gain on disposal of property, plant and equipment, investment property, associates and subsidiaries	**(1.1)**	(0.2)
Gain on financial assets at fair value through profit or loss, net	**(35.3)**	(1.9)
– Shares of SharkNinja Group related to stock-based compensation	**(45.1)**	–
– Others	**9.8**	(1.9)
Sourcing service income[5]	**(25.0)**	–
Product development and transitional service expenses[6]	**2.5**	–
Adjusted net profit	**16.0**	52.0
Attributable to:		
Owners of the parent	**5.1**	40.5
Non-controlling interests	**10.9**	11.5
	16.0	52.0

5 The sourcing service income represented the fee charged by the continuing operations on value-added sourcing services provided to SharkNinja non-APAC business over a transitional period after the Spin-off (from July 31, 2023 to June 30, 2025). For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024 and the circular of the Company dated September 18, 2023.

6 Such expenses represented the transition service provided by SharkNinja non-APAC business to the continuing operations after the Spin-off, including developing market tailored products for Asia Pacific regions for a term of three years (from July 31, 2023 to July 31, 2026) and providing certain transition services, including various information technology and back-office services as well as limited and shorter-term front-office services, for a term of two years (from July 31, 2023 to July 31, 2025). For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024.

	For the six months ended June 30,	
	2024	2023
	(unaudited)	(unaudited)
	(in US$ million)	
Profit before tax	**36.8**	53.3
Add:		
Finance cost	**1.8**	14.1
Depreciation and amortization	**9.7**	9.0
Bank interest income	**(6.6)**	(3.3)
EBITDA	**41.7**	73.1
Add:		
Non-recurring items and items not related to the Company's ordinary course of business	***(13.6)***	*5.8*
Stock-based compensation	**45.3**	5.3
Special professional service fee and bonus related to Spin-off project	**–**	2.6
Gain on disposal of property, plant and equipment, investment property, associates and subsidiaries	**(1.1)**	(0.2)
Gain on financial assets at fair value through profit or loss, net	**(35.3)**	(1.9)
– Shares of SharkNinja Group related to stock-based compensation	**(45.1)**	–
– Others	**9.8**	(1.9)
Sourcing service income[7]	**(25.0)**	–
Product development and transitional service expenses[8]	**2.5**	–
Adjusted EBITDA	**28.1**	78.9

7 The sourcing service income represented the fee charged by the continuing operations on value-added sourcing services provided to SharkNinja non-APAC business over a transitional period after the Spin-off (from July 31, 2023 to June 30, 2025). For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024 and the circular of the Company dated September 18, 2023.

8 Such expenses represented the transition service provided by SharkNinja non-APAC business to the continuing operations after the Spin-off, including developing market tailored products for Asia Pacific regions for a term of three years (from July 31, 2023 to July 31, 2026) and providing certain transition services, including various information technology and back-office services as well as limited and shorter-term front-office services, a term of two years (from July 31, 2023 to July 31, 2025). For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024.

The non-IFRS measures used by the Group adjusted for, among other things, (i) stock-based compensation, (ii) special professional service fee and bonus related to spin-off project, (iii) gain or loss on disposal of property, plant and equipment, investment property, associates and subsidiaries, (iv) gain or loss on financial assets at fair value through profit or loss, net, (v) sourcing service income and (vi) product development and transitional service expenses which may be considered recurring in nature but are neither considered by the Group as related to the Group's ordinary course of business nor indicative of the Group's ongoing core operating performance. Therefore, the Group believes that these items should be adjusted for when calculating adjusted EBITDA and adjusted net profit, as applicable, in order to provide potential investors with a complete and fair understanding of the Group's core operating results and financial performance, so that potential investors can assess the Group's underlying core performance undistorted by items unrelated to the Group's ordinary course of business operations, especially in (i) making period-to-period comparisons of, and assessing the profile of, our operating and financial performance, and (ii) making comparisons with other comparable companies with similar business operations but without any material acquisition.

Liquidity and financial resources

Treasury management

Our treasury function undertakes the responsibility of cash management, liquidity planning and control, procurement of financing which is cost-efficient to the Group, management of credit profile as well as mitigation of financial risks such as interest rate and foreign exchange fluctuations. The design of our treasury function aims at aligning with the long-term and short-term needs of the Group and conforming with good governance standard.

During the Reporting Period, the Group funded its operations, working capital, capital expenditure and other capital requirements primarily from cash generated from operations.

As of June 30, 2024, the Group had cash and cash equivalents of approximately US$362.3 million as compared to US$319.8 million as of December 31, 2023. The cash and cash equivalents of the Group are mainly denominated in HK$, RMB and US$.

As of June 30, 2024 and December 31, 2023, the Group did not have any borrowings.

Inventory

The Group's inventory increased by 5.6% from approximately US$120.1 million as of December 31, 2023 to approximately US$126.8 million as of June 30, 2024. Such increase was mainly due to higher inventory balance kept by Joyoung segment at the end of June 2024 to cope with the incremental sales from shopping festivals. Inventory turnover days[9] decreased from 51 days in 2023 to 45 days in the first half of 2024.

Trade and bills receivables

The Group's trade receivables decreased by 10.7% from approximately US$395.8 million as of December 31, 2023 to approximately US$353.4 million as of June 30, 2024. The decrease was mainly due to lower sales from Joyoung segment during the second quarter of 2024 comparing with the last quarter of 2023. Trade receivables turnover days[10] in the first half of 2024 was 92 days, compared to 93 days in 2023.

Trade and bills payables

The Group's trade payables increased by 2.7% from approximately US$472.4 million as of December 31, 2023 to approximately US$485.0 million as of June 30, 2024. Trade payables turnover days[11] decreased from 202 days in 2023 to 176 days in the first half of 2024.

Gearing ratio

As of June 30, 2024, the Group's gearing ratio (calculated as the total debt (including interest-bearing bank borrowings and lease liabilities) divided by total equity) was 2.1%, representing an increase of 1.3 percentage points as compared with 0.8% as of December 31, 2023. The increase was primarily attributable to increase in lease liabilities during the Reporting Period.

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9 Average inventories equal inventories at the beginning of the period plus inventories at the end of the period, divided by two. Turnover of average inventories equals average inventories divided by cost of sales and multiplied by the number of days in the period.

10 Average trade and bills receivables equal trade and bills receivables at the beginning of the period plus trade and bills receivables at the end of the period, divided by two. Turnover of average trade and bills receivables equals average trade and bills receivables divided by revenue and then multiplied by the number of days in the period.

11 Average trade and bills payables equal trade and bills payables at the beginning of the period plus trade and bills payables at the end of the period, divided by two. Turnover of average trade and bills payables equals average trade and bills payables divided by cost of sales and then multiplied by the number of days in the period.

Foreign exchange risk

The Group's currency exposures arise from sales or purchases by business units in currencies other than their respective functional currencies.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency exchange rates and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. As of June 30, 2024, the Group did not have any borrowings.

The Group manages its interest rate risk by closely monitoring and regulating the debt portfolio of the Group and will consider entering into interest rate swap contracts should the need arise.

Charge on assets

As at June 30, 2024, bank deposits of US$59,526,000 and bills receivables of US$19,416,000 of the Group were pledged to secure bills payable.

Capital expenditures

The capital expenditure of the Group consists of additions to property, plant and equipment, investment properties, prepaid land lease payments, right-of-use assets and other intangible assets, including assets from the acquisition of a subsidiary. For the Reporting Period, capital expenditures of the Group from continuing operations amounted to approximately US$22.3 million (2023: US$2.4 million).

Contingent liabilities

As of June 30, 2024, the Group did not have any significant contingent liabilities.

Capital commitments

The Group had the following capital commitments at the end of the Reporting Period:

	June 30, 2024 *US$'000*	December 31, 2023 *US$'000*
Contracted, but not provided for:		
Business combination	–	17,783
Total	–	17,783

PROSPECT AND STRATEGY

Growth strategies

The Group is committed to achieving sustainable growth in continuing operations through the following strategies:

- Develop and commercialize innovative small home appliance products, combining powerful technology with appealing designs;
- Develop localized innovative products for consumers in different regions through in-depth consumer insights;
- Expand sales network and product categories;
- Increase consumer interaction through creative marketing campaigns to enhance brand awareness and brand influence;
- Enter new markets with flexibility through direct operations or regional distributor partnerships;
- Maximize synergies between the Joyoung and SharkNinja APAC segment; and
- Pursue potential strategic partnerships and acquisitions.

As far as Joyoung is concerned, as a leading brand in the domestic small household appliance industry, the Company will continue to focus on its principal business of small household appliances to:

- focus on users' needs to deeply explore the development opportunities of just-needed products;

- driven by technological innovation, improve the success rate of product innovation through deeper consumer insights; and

- provide users with high-quality, long-term and high-viscosity services with better product quality.

Joyoung segment will adhere to the brand concept of "health" and "innovation", and through continuous technology and product innovation, efficient digital user communication and product implementation, and fast and precise marketing strategies, it will timely capture new market needs and be able to respond quickly to meet user needs for high-quality small home appliances. In terms of channels, the Company continues to actively deploy and expand emerging channels, and continues to strengthen the construction of professional teams and departments such as user research, data analysis, content creation, video live broadcast, editing, directing and filming.

The Joyoung segment will continue to expand and strengthen the brand asset value of "Home Kitchen", "Charity Kitchen" and "Space Kitchen", with a firm determination to further develop the small household appliances of small kitchen appliances, water appliances, cleaning appliances, personal care appliances and cookware. The Company will continue to uphold health, innovation, actively embrace the changing market environment, continue to give full play to the advantages of insight into consumer needs and rapid demand satisfaction, adhere to the retail sales driven, comprehensive development of emerging pipelines, and with the craftsmanship of dedicated industry, we are committed to building the Company as a full range of high-quality small household appliances leading enterprises.

As far as the SharkNinja APAC segment is concerned, we will focus on the development and expansion of business in the region of Asia Pacific (except Chinese Mainland), with a strategic focus on the top 25 cities in Asia Pacific, and selling high-quality innovative small household appliances to more than 75 million households. We will actively carry out multi-level consumer insight research to understand consumer habits and product functionality needs in various markets, and focus on providing localized high-quality small household appliances to consumers in the regions where we operate. We will launch new products and new categories through localized and comprehensive marketing initiatives to expand sales in Japan, Australia & New Zealand and South Korea. In addition, we will actively enter new markets through dealer models or direct sales models to provide momentum for further growth.

The growth strategy for the SharkNinja APAC segment focuses on three dimensions, namely the growth of existing categories, the launch of new categories and the expansion to new markets:

- Growth of existing categories: we will focus on winning in core categories and continuously launch new products in existing categories targeted at local markets, such as cordless vacuums;

- Launch of new categories: we will continue to launch new categories in the Asia Pacific market that have proven successful in other markets around the world, such as kitchen appliances, home appliances and personal care appliances; and

- Expansion to new markets: we will launch Shark and Ninja-branded products in other major cities in the Asia Pacific region, including Southeast Asia.

The mission of SharkNinja APAC segment is to positively impact people's lives in every home in APAC. Our strategy is rooted in deep consumer understanding to enable us to provide the tailored product offerings at optimal value.

Within existing categories, we strive to deliver innovative products that directly address the distinct needs and preferences of APAC customers further driving market share in existing markets. In Japan, for instance, we have specifically designed light-weight cordless vacuums products for Japanese customers, and we are the market leader in key areas that matter most to our consumers, including product performance, weight, appearance design and noise levels. In addition, we launch new products with new features or designs more frequently than most of our competitors in the market.

In terms of new category launches, we have a number of potential categories in reserve for the Asia Pacific market. During the Reporting Period, we built on the success of the Shark brand in Japan by launching the Ninja brand for the first time, bringing the Ninja Blast portable blender cup to users in Japan, which has achieved good word-of-mouth and a leading market share. In addition to Japan, we have also launched Blast in most of the Asia Pacific region, bringing an excellent product to a wide range of consumers who are looking for health and convenience. We look forward to bringing more of Shark's and Ninja's global products to the Asia Pacific markets in the future, enriching the product portfolio in each market.

Expanding our geographic presence is another integral aspect of our long-term sustainable growth strategy. As such, we are actively evaluating uncharted markets in the Asia Pacific region and developing targeted marketing strategies for successful product launches in these countries. In the first half of this year, we entered Philippines and Indonesia through an exclusive distribution model with the leading distributors in these countries. Going forward, we remain committed to gradually exploring untapped markets with long-term potential.

Our growth strategy is focusing on meeting the needs of our consumers, winning in core categories, and identifying opportunities for expansion, in both product categories and geographical markets. We believe this three-pronged approach will drive sustainable growth of SharkNinja APAC segment.

We will continue to focus on and tap into consumer needs. Relying on the research and development capabilities of the Joyoung segment and the SharkNinja Group, and our advantage supply chain, we will satisfy the customised solutions developed by Asia Pacific and continue to launch innovative products suitable for local areas, as well as build winning products and diversified product matrix by leveraging on our strong marketing and media communication capabilities, and our omni-channel sales network.

Global macro review and outlook

During the first half of 2024, energy prices were volatile due to geopolitical and seasonal influences, and overall prices remained high. The overall prices of raw materials, such as plastics, copper and other key raw materials for small household appliances production, remained high in the first half of 2024, and copper prices were driven up by continued growth in demand for copper due to the development of electric vehicles and the construction of renewable energy infrastructure.

During the first half of 2024, there are persistent fears of a recession in some of the markets in which we operate. As a result, retailers in these regions have continued to maintain low inventories, while consumers have become more focused on buying products during promotional periods rather than when products are sold at full price or less discounted, and have become more price sensitive to the homogenized products. Nonetheless, the Asia Pacific region has emerged from the pandemic as a vibrant region, with overall economic and consumer performance among the highest in the world, and we remain positively optimistic about the long-term growth of the economies in the regions in which we operate.

Overall, the first half of 2024 was characterised by a complex and volatile global macro-economy, with industries facing challenges and seeking new opportunities for growth, while the popularity of e-commerce and digital payments has further boosted consumption growth in the Asia-Pacific region. Looking ahead, we expect to see solid economic growth and continued dynamism in the consumer markets in the Asia Pacific region. We will continue to invest in product innovation and marketing to maintain and increase strong consumer demand for our products.

BOARD COMMITTEES

The Company has established four Board committees in accordance with the relevant laws and regulations and the corporate governance practice under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including the strategy committee (the "**Strategy Committee**"), the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**").

AUDIT COMMITTEE

The Audit Committee, consisting of three independent non-executive Directors, namely Mr. Yuan DING (Chairman), Mr. YANG Xianxiang and Mr. SUN Zhe, has discussed with the external auditor of the Company, Ernst & Young, and reviewed the Group's unaudited interim condensed consolidated financial information for the Reporting Period, including the accounting principles and practices adopted by the Group.

Ernst & Young, the external auditor of the Company, has reviewed the unaudited consolidated financial information of the Group for the Reporting Period in accordance with the 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.

EMPLOYEES AND REMUNERATION POLICY

As of June 30, 2024, the Group had approximately 2,735 employees in total (as of December 31, 2023: 2,745), in which approximately 2,538 employees were with its operations in China, approximately 197 employees were with other countries or Asian regions operations. For the Reporting Period, the Group recognized staff costs of US$103.3 million (for the first six months in 2023: US$221.0 million, of which US$49.5 million was from the continuing operations of the Group).

The Group implements training programs for all of its employees, from entry-level employees to management on subjects such as corporate culture, research and development, strategies, policy and internal control, internal systems and business skills. Some of the Group's subsidiaries have labor unions that protect employees' rights, help fulfill the subsidiaries' economic objectives, encourage employee participation in management decisions and assist in mediating disputes between the subsidiaries and union members. The remuneration package for employees generally includes salary and bonuses. Employees typically receive welfare benefits, including medical care, pension, occupational injury insurance and other miscellaneous benefits.

CORPORATE GOVERNANCE PRACTICES

The Company and management of the Group are committed to the maintenance of good corporate governance practices and procedures. During the Reporting Period, the Company has complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Listing Rules, except for the following deviation:

Code Provision C.2.1 in Part 2 of the CG Code – Chairman and Chief Executive Officer

Under the code provision C.2.1 in Part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wang Xuning currently holds both positions of Chairman and Chief Executive Officer.

After taking into consideration the factors below, the Board considers that vesting the roles of the Chairman and Chief Executive Officer in the same person, being Mr. Wang Xuning, is beneficial to the Group's business development and operational coordination between Joyoung, SharkNinja APAC and SharkNinja, Inc.: Mr. WANG Xuning is responsible for formulating the overall business strategies and conducting general management of the Group. He has been the key person contributive to the development and business expansion of Joyoung since the invention of the soymilk maker in 1990s. Mr. WANG Xuning is currently acting as chairperson of the board of directors of SharkNinja, Inc. He has always acted as the main point of communication between the corporate operation of Joyoung and SharkNinja. After completion of the distribution of SharkNinja Group by the Company on July 31, 2023 and the Spin-off, the coordination among the Group, Joyoung, SharkNinja APAC and SharkNinja, Inc. will still create an excellent exterior synergy effect. Regarding the rapidly evolving small household appliance industry in which the Group operates, the Chairman and Chief Executive Officer need to have a profound understanding and be equipped with extensive industry knowledge to stay abreast of market changes, to facilitate the Group's business development.

COMPLIANCE WITH MODEL CODE REGARDING 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, which applies to all Directors and relevant employees of the Company who are likely to possess inside information in relation to the Company or its securities due to his/her office or employment.

The Company has made specific enquiries with the Directors, and each of them confirmed that he/she had complied with all required standards under the Model Code during the Reporting Period.

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

During the six months ended June 30, 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)). As of the end of the Reporting Period, no treasury shares were held by the Company.

CHANGE IN COMPOSITION OF BOARD AND BOARD COMMITTEES

On May 22, 2024, Mr. Maximilian Walter Conze was appointed as an independent non-executive Director and a member of the Nomination Committee and the Strategy Committee.

CHANGE OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes of Director's information since the publication of the Company's annual report for the year ended December 31, 2023 and up to the date of this announcement are as follows:

On March 7, 2024, Mr. Yang Xianxiang has been redesignated as the chairman of the board of directors and ceased to be the chief executive officer of SITC International Holdings Company Limited, a company listed on the Stock Exchange (Stock Code: 1308).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments during the Reporting Period. During the Reporting Period, the Group also did not carry out any material acquisitions and disposals of subsidiaries, associates and joint ventures.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group did not have any significant events subsequent to June 30, 2024.

INTERIM DIVIDEND

The Board did not recommend any interim dividend for the six months ended June 30, 2024 (for the six months ended June 30, 2023: HK$0.0392 per share).

PUBLICATION OF 2024 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jsgloballife.com). The 2024 interim report of the Company will be despatched to the shareholders of the Company who wish to receive a printed copy of the corporate communication, and published on the same websites in due course.

By order of the Board
JS Global Lifestyle Company Limited
WANG Xuning
Chairman

Hong Kong, August 29, 2024

As at the date of this announcement, the board of directors of the Company comprises Mr. WANG Xuning, Ms. HAN Run and Ms. HUANG Shuling as executive Directors, Mr. Stassi Anastas ANASTASSOV as non-executive Director and Mr. Yuan DING, Mr. YANG Xianxiang, Mr. SUN Zhe and Mr. Maximilian Walter CONZE as independent non-executive Directors.