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CHICMAX

Shanghai Chicmax Cosmetic Co., Ltd.

上海上美化妝品股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2145)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Shanghai Chicmax Cosmetic Co., Ltd. (the “**Company**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023 (the “**1H2023**”), together with the comparative figures for the six months ended 30 June 2022 (the “**1H2022**”).

PERFORMANCE HIGHLIGHTS

	Six months ended 30 June		Change
	2023	2022	(%)
	<i>RMB in millions</i>		
	<i>(Unaudited)</i>	<i>(Audited)</i>	
Revenue	1,586.8	1,262.4	25.7
Gross profit	1,095.5	819.5	33.7
Profit for the period	100.9	62.8	60.7

FINANCIAL HIGHLIGHTS

Our revenue increased to RMB1,586.8 million for the 1H2023 from RMB1,262.4 million for the 1H2022. Our gross profit increased to RMB1,095.5 million for the 1H2023 from RMB819.5 million for the 1H2022. Our profit for the 1H2023 was RMB100.9 million whereas our profit for the 1H2022 was RMB62.8 million.

The Board has resolved to recommend the payment of interim dividends of RMB0.2 per share for the 1H2023, on 30 August 2023 to the shareholders of the Company. The payment of interim dividends above is still subject to the approval from shareholders of the Company at the extraordinary general meeting of the Company to be held on Monday, 16 October 2023, and will be paid on or around Wednesday, 15 November 2023 to the shareholders of the Company whose names appear on the register of member of the Company on Thursday, 26 October 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

BUSINESS OVERVIEW

We are a multi-brand cosmetics company, focusing on research and development, manufacturing and sales of skincare and maternity and childcare products. We focus on the implementation of multi-brand strategy and have remained dedicated to it since our establishment. With an operational history of more than 20 years, today we are one of the front runners in China's cosmetics industry, possessing comprehensive multi-brand development and operational capability and expertise, and we have successfully built a variety of popular cosmetic brands. Our decisive strategy originally to embark on and persist with a multi-brand strategy gives us an advantage to timely grasp market opportunities and sets us apart from our peers.

Brands and Products

We have successfully launched a couple of cosmetics brands in the PRC, primarily including *KANS*, *One Leaf* and *Baby Elephant*, targeting various groups of consumers with different needs. We have been and will be solidifying the leading position of our three major brands to promote overall business growth.

KANS

Launched in 2003, *KANS*, being positioned as a scientific anti-aging skincare brand, focuses on addressing the evolving anti-aging needs of Asian females of various age groups and is positioned to be a go-to brand in the anti-aging skincare market, with a broad target customer base, including females aged from 25 to 40. *TIRACLE*, a core ingredient developed by us using dual strain fermentation technology, has been widely applied in products under *KANS*, which is proven to have unique efficacy in addressing certain skin issues. We have currently upgraded this self-developed core ingredient to *Tiracle Pro*.

In 1H2023, *KANS* created multiple self-stream accounts on *Douyin* to sell its products, its bestseller was Polypeptide Collagen Softening skincare gift box (紅蠻腰禮盒), which ranked number one on several *Douyin* rankings. In addition, for skincare products, *KANS* also ranked number two in terms of skincare brand sales quantity and ranked number one for domestic skincare brand sales quantity on *Douyin*, according to the Jumeili (聚美麗), a cosmetic news media in the PRC.

In 1H2023, the Copper Peptide Firming & Repairing Serum and Copper Peptide Firming Essence Cream under *KANS* were promoted and advertised widely to more than one hundred million viewers through the video shows, including the “Great Chinese Ingredients Season 3” (了不起的中國成分III) in collaboration with *Douyin* and “All Girls Streamer”* (所有女生的主播) in collaboration with Mr. Li Jiaqi (李佳琦), a well-known Chinese internet celebrity.

Further, in the 1H2023, *KANS* established its first Scientific Anti-Aging* (科學抗衰) brand experience centre at Shanghai Hongqiao Airport to attract consumers and enhance consumers experience.

In terms of products, in the 1H2023, *KANS* has successively launched series of “Whitening Spot Fading (白蠻腰系列)” products and series of “Soothing Firming Essential (藍蠻腰系列)” products with whitening and soothing effects respectively.

The revenue generated from *KANS* in 1H2023 was RMB1,028.0 million, representing an increase of 70.3% as compared to that in 1H2022, accounting for 64.8% of our total revenue for the 1H2023.

We strive to consolidate the market position of *KANS* as a leading Chinese domestic scientific anti-aging brand to seize the market potential of anti-aging skincare products in the PRC. We are devoted to develop more advanced technologies, in order to meet the increasing needs of the consumers of *KANS*.

One Leaf

One Leaf was launched in 2014. Targeting young women aged from 18 to 35, *One Leaf* blends ingredients from nature using advanced techniques, creating effective and natural skincare products.

In 1H2023, *One Leaf* released its “White Paper on Clean Beauty Industry*” (純淨美容行業白皮書) in collaboration with Tmall Beauty, TMIC Tmall Innovation Center (TMIC天貓新品創新中心) and Kantar, the first paper issued in the PRC regarding the development of Chinese style beauty and comprehensive insight including market trend and consumer preferences in the domestic beauty market from an industry perspective.

In light of this, *One Leaf* proposed and Shanghai Daily Chemical Industry Association formulated and released the group standard, the “General Principles of Clean Cosmetics” (純淨化妝品通則) (the “**Standard**”). The Standard has clarified the definition of clean cosmetics and quantified the standards for clean beauty in terms of materials used, formula design and product safety.

In terms of products, *One Leaf*, with its exclusive supramolecular formulation technology, solved the industry’s problem of the higher the concentration of panthenol, the stickier the feeling of the skin. In the 1H2023, *One Leaf* launched a new product called the Luminous Hydrating Repair Essence (透修護水感精華) which combines 10% panthenol with “olea europea leaf extract” as the core ingredient, which has the functions of repairing and anti-oxidation.

For awards and recognitions, in 1H2023, *One Leaf* has been awarded with 2022 – ESG Brand of YOUNG 100 Influential Brands* (YOUNG100年度影響力品牌2022-ESG品牌) issued by YOUNG 100. *One Leaf*’s Repairing Moisturizing Face Mask has also won the InnoCosme Formulation Award (InnoCosme 2023美耀配方獎), an authoritative beauty industry research and development award issued by InnoCosme.

The revenue generated from *One Leaf* in 1H2023 was RMB203.6 million, representing a decrease of 23.1% as compared to that in 1H2022, accounting for 12.8% of our total revenue for the 1H2023.

With increasing awareness among young consumers of clean beauty skincare, we aim to build and upgrade *One Leaf* into a leading clean cosmetic brand in the PRC, catering to the younger generation's awareness and preference for organic skincare and ecology. We plan to conduct further R&D activities on plant extraction technologies and skin barrier repairing as the core technologies for *One Leaf*.

Baby Elephant

In 2015, we launched *Baby Elephant*. It is positioned as a professional maternity and childcare brand for Chinese babies and children to accompany each baby during its happy and healthy growth. *Baby Elephant* with “simple ingredients, safe and effective” as its core, commits to using technology-based and additive-free natural ingredients.

In 1H2023, *Baby Elephant* introduced Ultra Protection Essence (舒安特護精華), which further enhanced the “Ultra Protection series (安心臻護系列)” product line. The products under the summer series have also undergone comprehensive upgrades in terms of effectiveness, appearance, and texture, such as the Skin Soothing Ointment (紫草舒緩膏). We have also introduced new products such as the Chardonnay Grape Essence Cream (霞多麗葡萄精華霜).

We have also established the Baby Elephant Special Fund (紅色小象專項基金), which created a heart-warming brand image and contributed to winning of the 2023 Tmall Baby Awards – Maternal and Child Charity Leader award* (2023年天貓金嬰獎 – 母嬰公益領路人).

In 1H2023, *Baby Elephant* was awarded with the 2023 MEIYI Awards – Annual favourite TOP list award for pregnancy, infant, and child skincare products (2023美伊大賞 – 孕嬰童護膚大獎), 2023 Tmall Baby Awards – Maternal and Child Charity Leader* (2023天貓金嬰獎 – 母嬰公益領路人獎), New Cosme Awards – Super Single Product* (2022-2023年度“新妝大賞” – 超級大單品), Fashion.sohu.com 2022/2023 Trust in your Beauty – Annual Trustworthy Infant Care* (搜狐時尚2022-2023年度值得信賴化妝品榜單 – 年度值得信賴嬰幼兒護理) and was the silver winner for the 2023 Muse Design Awards (2023年繆斯設計獎銀獎).

The revenue generated from *Baby Elephant* in 1H2023 was RMB189.1 million, representing a decrease of 38.2% as compared to that in 1H2022, accounting for 11.9% of our total revenue for the 1H2023.

We seek to maintain the leading position of *Baby Elephant* in the maternity and childcare segment in the PRC. We intend to continue to offer skincare products suitable for the skin type of Chinese babies and children to adapt to the rising demand for high-quality maternity and childcare products. We aim to conduct R&D activities for additives-free, safe, organic and simple products. We will devote resources to the standardization and advancement of the maternity and childcare industry.

In 1H2023, we primarily generated revenue from these three brands with the aggregate amount of RMB1,420.7 million, representing an increase of 21.0% as compared to that in 1H2022 and in aggregate accounting for 89.5% of our total revenue for the 1H2023.

newpage

newpage was launched in May 2022. It is positioned as a functional skincare brand focusing on sensitive skins of babies and children. It was co-founded by Ms. Zhang Ziyi (章子怡), a famous actress, Mr. Cui Yutao (崔玉涛), a puericulturist and Dr. Huang Hu (黄虎), the current global chief scientist of the Group. This brand was established based on the concept of “medical and research co-creation*” (醫研共創) and aimed to build a comprehensive system taking into account customer experience, pediatric expertise, and scientific research. *newpage* has laid out three main directions: skincare, bathing, and cleansing.

In terms of distribution channels, *newpage* has presence in Watsons, maternal and child stores and postpartum care centres. For online channels, *newpage* products have been distributed on Tmall, JD, and *Douyin* and aired on Mr. Li Jiaqi (李佳琦)’s livestream. *newpage*’s Baby Balancing Cream and Baby Moisturizing Body Lotion ranked no.1 on several *Douyin* rankings in the 1H2023.

Further, in 1H2023, we introduced the Infant and Child Soothing Protective Essence, that contains natural organic Bisabolol, Dipotassium Glycyrrhizinate, and the strong barrier exclusive ingredient Omega-Pro which can strengthen skin barrier and improve fragile and sensitive skin.

The revenue generated from *newpage* in 1H2023 was RMB59.0 million, representing an increase of 209.1 times as compared to that in 1H2022 and accounting for 3.7% of our total revenue for the 1H2023.

Other Brands

Leveraging our strong independent R&D capabilities and expertise in executing multi-brand strategy, we aim to continue to closely monitor the development trends of market segments, and prudently plan the development of new brands targeting emerging opportunities, to meet diverse consumer demands, and ultimately create more growth opportunities. To cater to the different needs of the changing market, we consistently incubate and develop new brands, targeting different groups of consumers. We have been continuously refreshing our product portfolio through introducing new brands and new products. To address the increased demands for high-quality functional products from consumers, we launched brands such as *BIO-G*, *asнами*, *KYOCA* and *ARMIYO* etc., focusing on sensitive skincare, middle to high-end maternity skincare and washing care products. In addition, we are preparing to launch *TAZU*, developed in cooperation with scientist, Kosaku Yamada, to position itself as a high-end anti-aging skincare brand.

In 1H2023, our products were mainly focused on the mass market. We currently manufacture and offer skin care products, maternity and childcare products and toiletries products, with some other categories as a supplement:



Research and Development

Our strong independent R&D capabilities are critical to our success and will drive our sustainable development and innovation activities in the future. We started our independent R&D activities in 2003 and have insisted on product self-development. Our approximately 20 years of experience and expertise are underscored by our dual R&D center system in the PRC and overseas, which enables us to stay close to the latest technological developments in the global cosmetics industry. Our dual R&D centers are dedicated to building power platforms for advanced fundamental research and product development work. Staying close to consumers' needs, we focus on product development and new technology applications in response to the changing market. We strive to attract and cultivate talents and have formed a strong team with rich R&D experience. We maintained high level of R&D investment persistently. In 1H2023 and 1H2022, we incurred R&D expenses of RMB54.4 million and RMB51.9 million, respectively, accounting for 3.4% and 4.1% of our total revenue, respectively.

In 1H2023, the Group and Shanghai Jiao Tong University jointly established a Skincare Functional Ingredient Joint Research and Development Centre* (護膚功能原料聯合研發中心) to embark on innovative endeavours in fields such as biomolecular design and plant molecular modification.

Ingredients

In the 1H2023, we introduced a new cyclic peptide and upgrade the ordinary linear peptide to a three-dimensional cyclic peptide, which has the advantages of stronger absorption, longer effective time, stronger physiological activity, etc. Compared with the ordinary linear peptides, cyclic peptide has better effects of anti-aging, anti-wrinkle and skin tightening effects.

Patents

In 1H2023, we newly applied for 40 patents, including 24 invention patents. We have been granted 7 patents, 2 of which are invention patents.

Awards

Our self-developed core ingredient, *Tiracle Pro* was awarded with the InnoCosme Ingredient Awards and is currently utilised in various products, including the series of Copper Peptide Firming Essence.

Employees and remuneration policy

As at 30 June 2023, we had 2,367 full-time employees, amongst which 2,284 full-time employees were based in the PRC, primarily at our Shanghai headquarter and various other cities in the PRC, and 83 full-time employees were based in overseas. The total remuneration cost for the 1H2023 was RMB238.4 million, as compared to RMB217.5 million for the 1H2022, maintaining a reasonable increase in remuneration to ensure the Group's strong competitive advantage in the human resources market.

We recruit our employees through on-campus recruitment, job fairs, recruitment agencies and internal and external referrals. Committed to providing fair and equal opportunities in all our employment practices, we have adopted policies and procedures including candidate competency analysis models designed by third parties to ensure a fair selection and hiring process. As part of our retention strategy, we offer our employees competitive salaries, additional insurance packages and merit-based incentive schemes which are generally based on performance of the individual employees and the overall performance of our business.

We provide new hire training to new joiners on our culture, business and industry improving their understanding of the Company and their abilities to perform their duties. We also regularly provide tailor-made in-house training sessions to our employees that aim to improve their technical skills or arrange for our employees to attend training sessions provided by third parties. In addition, we provide management skills training opportunities to certain employees to help them transition into a management role.

Capital expenditures

The Group's capital expenditure of RMB35.6 million for the 1H2023 was mainly related to the purchase of new machinery and equipment, vehicles, factory renovation and expansion and final payments for projects, etc., amounting to RMB35.3 million, and other intangible assets amounting to RMB0.3 million.

Right-of-use assets and lease liabilities

The related right-of-use assets and lease liabilities are located in the PRC and overseas. As at 30 June 2023, the Group's right-of-use assets were RMB135.1 million (RMB144.5 million as at 31 December 2022) and its lease liabilities were RMB70.0 million (RMB77.8 million as at 31 December 2022). For the 1H2023, the depreciation charges of right-of-use assets amounted to RMB14.3 million and interest charges of lease liabilities amounted to RMB2.2 million.

OUTLOOK

Solidify the leading position of our three major brands to promote overall business growth

Our three major brands, *KANS*, *One Leaf* and *Baby Elephant*, are key to our multi-brand strategy and long-term development. Going forward, we will keep enhancing their brand awareness and maintain their attractiveness to existing and new customers.

Develop new brands to enrich our brand matrix and product portfolios

We will continue to closely monitor the development trends of market segments, and prudently plan development of new brands targeting emerging opportunities, to meet diverse consumer demands, and ultimately create more growth opportunities.

Continue to invest in R&D to drive product innovations and remain responsive to market

Leveraging our advanced R&D and production capabilities in the PRC and overseas, we will increase investments in fundamental research projects on trendy core ingredients in the skincare area, for example, anti-aging technologies, skin barrier repairing technologies. We will continue to conduct pilot projects for new brands and new products to improve consumer experience.

Enhance and expand sales and distribution networks

We will make full use of our advantageous resources and adopt stronger and more effective competitive strategies and marketing tools to increase the breadth and depth of our sales channels and in particular, to further deepen the marketing and promotion of our online e-commerce platforms. In addition to continuing to maintain and enhance *KANS*'s leading position in the *Douyin* channel and driving more of the Group's brands to achieve breakthroughs in *Douyin*, we aim to achieve better development on platforms such as *Tmall/Taobao*.

Looking forward, we are committed to conveying Chinese branding power to the world and promoting the brand image of Chinese domestic cosmetics products. Through developing our international R&D capabilities, business presence and brand awareness, we aim to become a world-class cosmetics group.

FINANCIAL REVIEW

Overview

We generated revenue primarily from the manufacture and sale of cosmetic products. Revenue of the Group for the 1H2023 increased by 25.7% to RMB1,586.8 million compared to RMB1,262.4 million for the 1H2022 owing to factors including (i) the increased revenue generated from emerging e-commerce platforms such as *Douyin*; and (ii) the change of the macro-economic environment.

Revenue by brands

	Six months ended 30 June			
	2023	% of	2022	% of
	Amount	Revenue	Amount	Revenue
	<i>(RMB in millions, except percentages)</i>			
	<i>(Unaudited)</i>		<i>(Audited)</i>	
<i>KANS</i>	1,028.0	64.8	603.6	47.8
<i>One Leaf</i>	203.6	12.8	264.5	21.0
<i>Baby Elephant</i>	189.1	11.9	306.1	24.2
Other brands ^(Note)	166.1	10.5	88.2	7.0
Total	1,586.8	100.0	1,262.4	100.0

Note: Other brands primarily consist of *BIO-G*, *asnami*, *KYOCA*, *newpage* and *ARMIYO*.

The Group's revenue attributable to *KANS* increased to RMB1,028.0 million for the 1H2023 from RMB603.6 million for the 1H2022, primarily due to the increased revenue generated from our direct online sale stores on emerging e-commerce platforms such as *Douyin*.

The Group's revenue attributable to *One Leaf* decreased to RMB203.6 million for the 1H2023 from RMB264.5 million for the 1H2022, primarily because we are in the process of establishing and transforming *One Leaf* into a clean beauty skincare brand for young consumers with botanical science.

The Group's revenue attributable to *Baby Elephant* decreased to RMB189.1 million for the 1H2023 from RMB306.1 million for the 1H2022, primarily due to the intense competitive environment.

Revenue by sales channels

	Six months ended 30 June			
	2023		2022	
	Amount	% of Revenue Amount	Amount	% of Revenue Amount
	<i>(RMB in millions, except percentages)</i>			
	<i>(Unaudited)</i>		<i>(Audited)</i>	
Online channels	1,291.2	81.4	931.2	73.8
Online direct sales	983.8	62.0	485.7	38.5
Sales to online retailers	139.6	8.8	252.2	20.0
Sales to online distributors	167.8	10.6	193.3	15.3
Offline channels	268.5	16.9	310.9	24.6
Sales to offline retailers	192.2	12.1	179.5	14.2
Sales to offline distributors	76.3	4.8	131.4	10.4
Others^(Note)	27.1	1.7	20.3	1.6
Total	1,586.8	100.0	1,262.4	100.0

Note: Others primarily consist of our ODM business. During the reporting period, we provided design and manufacture services of cosmetic products for third-party cosmetic companies in order to optimise the usage of production facilities to achieve economic benefits.

The Group's revenue attributable to online direct sales increased to RMB983.8 million for the 1H2023 from RMB485.7 million for the 1H2022, primarily due to the increase in revenue generated from emerging e-commerce platforms such as *Douyin*.

The Group's revenue attributable to sales to online retailers decreased to RMB139.6 million for the 1H2023 from RMB252.2 million for the 1H2022, primarily due to the decrease in revenue generated from online retailers such as *JD.COM*, *Tmall Supermarket*.

The Group's revenue attributable to sales to online distributors decreased to RMB167.8 million for the 1H2023 from RMB193.3 million for the 1H2022, primarily due to adjustments of our online sales strategies to enhance our online direct sales channel.

The Group's revenue attributable to sales to offline retailers increased to RMB192.2 million for the 1H2023 from RMB179.5 million for the 1H2022, primarily due to the offline retailers' gradual recovery from the impact of macro-economic environment.

The Group's revenue attributable to sales to offline distributors decreased to RMB76.3 million for the 1H2023 from RMB131.4 million for the 1H2022, primarily due to changes in consumer habits and purchase channels.

Revenue by categories

	Six months ended 30 June			
	2023		2022	
	Amount	% of Revenue Amount	Amount	% of Revenue Amount
	(RMB in millions, except percentages) (Unaudited)		(Audited)	
Skin care	1,282.9	80.9	929.7	73.6
Maternity and childcare	259.0	16.3	320.6	25.4
Others	44.9	2.8	12.1	1.0
Total	1,586.8	100.0	1,262.4	100.0

The Group's revenue attributable to skin care increased to RMB1,282.9 million for the 1H2023 from RMB929.7 million for the 1H2022, primarily due to the increase in revenue generated from *KANS*.

The Group's revenue attributable to maternity and childcare decreased to RMB259.0 million for the 1H2023 from RMB320.6 million for the 1H2022, primarily due to the decrease in revenue generated from *Baby Elephant*.

Gross profit and gross profit margin

The gross profit increased by 33.7% to RMB1,095.5 million for the 1H2023 from RMB819.5 million for the 1H2022. The gross profit margins were 69.0% and 64.9% for the 1H2023 and for the 1H2022, respectively, primarily due to the increase of gross profit margin under *KANS*.

Other income and gains

The other income and gains increased by 13.2% to RMB67.1 million for the 1H2023 from RMB59.3 million for the 1H2022, primarily due to the increase of foreign exchange rates and gains from the changes in fair values of financial assets.

Selling and distribution expenses

The selling and distribution expenses as a percentage of the Group's revenue increased to 53.6% for the 1H2023 compared with 48.2% for the 1H2022. The selling and distribution expenses increased by RMB242.7 million to RMB850.6 million for the 1H2023 from RMB607.9 million for the 1H2022. The marketing and promotion expenses increased by RMB220.0 million to RMB629.7 million for the 1H2023 from RMB409.7 million for the 1H2022, primarily due to increased brand exposure, seizure of new channel opportunities, increased brand promotion and channel construction investments. Employee benefits expenses in relation to distribution work increased by RMB7.2 million to RMB145.4 million for the 1H2023 from RMB138.2 million for the 1H2022. Other key expenses included transportation expenses of RMB61.1 million, travelling and entertainment expenses of RMB9.2 million and others of RMB5.2 million for the 1H2023.

Administrative expenses

Our administrative expenses increased by 9.1% to RMB111.9 million for the 1H2023 from RMB102.6 million for the 1H2022. Administrative expenses mainly comprised employee benefits expenses (including directors' emoluments) of RMB49.8 million, profession and consulting fees of RMB6.0 million, depreciation and amortization charges of RMB21.0 million, office and utility expense of RMB28.4 million and others of RMB6.7 million for the 1H2023.

Research and development costs

Our R&D costs increased by 4.8% to RMB54.4 million for the 1H2023 from RMB51.9 million for the 1H2022, primarily due to the increase in R&D activities.

Impairment losses on financial assets, net

Our impairment losses on financial assets, net changed from RMB0.7 million loss for the 1H2022 to the reversal of RMB14.7 million for the 1H2023, primarily due to the decrease in expected credit losses on trade receivables.

Other Expenses

Our other expenses decreased by 20.7% to RMB21.5 million for the 1H2023 from RMB27.1 million for the 1H2022, primarily due to the decrease in inventory impairment losses and no foreign exchange loss for the 1H2023.

Finance Costs

Our finance costs increased by 19.4% to RMB11.7 million for the 1H2023 from RMB9.8 million for the 1H2022, primarily due to the increase of interest on bank and other borrowings.

Income Tax Expense

Income tax expense costs increased to RMB23.5 million for the 1H2023 from RMB15.6 million for the 1H2022. The effective tax rates of the Group for the 1H2023 and for the 1H2022 were 18.9% and 19.9% respectively.

Profit for the first half year

As a result of the foregoing, our profit was RMB100.9 million and RMB62.8 million for the 1H2023 and for the 1H2022, respectively.

Liquidity and Capital Resources

Cash generated from operating activities for the 1H2023 was approximately RMB171.6 million, compared with RMB74.6 million which were used for the 1H2022. As at 30 June 2023, the Group had cash and cash equivalents of approximately RMB581.0 million and external bank borrowings of approximately RMB259.4 million; whereas as at 31 December 2022, the Group had cash and cash equivalents of approximately RMB1,147.7 million and external bank borrowings of approximately RMB650.4 million.

In terms of gearing, the Group's debt to asset ratios (defined as total liabilities divided by total assets) for the 1H2023 and for the 1H2022 were 38.4% and 61.6%, respectively. The current ratios of the Group (defined as current assets divided by current liabilities) as at 30 June 2023 and 30 June 2022 were 1.8 times and 1.1 times respectively. As at 30 June 2023, the Group had no material contingent liabilities, other than those disclosed in its consolidated financial statements and the notes thereto. With the cash and bank balances in hand, the Group's liquidity position remains strong to meet its working capital requirements.

As at 30 June 2023, our interest-bearing bank and other borrowings were RMB259.4 million, which comprised of (i) secured bank loans (current) of RMB164.3 million at effective interest rates of 2.80% to 3.55% per annum, (ii) the current portion of secured long-term bank loans of RMB88.7 million at effective interest rates of 4.40% to 5.04% per annum, and (iii) secured bank loans (non-current) of RMB6.4 million at effective interest rates of 4.40% per annum. Our interest-bearing bank and other borrowings decreased by 60.1% to RMB259.4 million as at 30 June 2023 from RMB650.4 million as at 31 December 2022, primarily due to repayment of parts of the interest-bearing bank borrowings.

Pledge of assets

As at 30 June 2023, the Group's secured short-term and long-term bank borrowings were secured by (i) buildings and right-of-use assets related to leasehold land, with carrying amounts of RMB339.0 million (RMB327.4 million as at 31 December 2022); and (ii) investment properties with a net carrying amounts values of approximately RMB8.7 million (RMB9.3 million as at 31 December 2022).

As at 30 June 2023, the amount of the Group's letter of credit guarantee deposits and bank guarantee deposits was nil (RMB11.5 million as at 31 December 2022).

Treasury policies and exposure to fluctuations in exchange rates

Most of the Group's revenues are denominated in RMB as its operations are mainly located in China. As at 30 June 2023, approximately 97.2% (28.5% as at 31 December 2022) of the Group's bank balances and cash was denominated in RMB and 0.2% (70.0% as at 31 December 2022) of the Group's bank balances and cash was denominated in HKD which was proceeded from the Global Offering. The remaining 2.6% (1.5% as at 31 December 2022) was denominated in United States Dollars or Japanese Yen. The Group continues to adopt a conservative approach in its foreign exchange exposure management. For the 1H2023, the Group did not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group reviews its foreign exchange risks periodically and uses derivative financial instruments to hedge against such risks when necessary.

FINANCIAL INFORMATION

The Board announces the consolidated interim results of the Group for the six months ended 30 June 2023, with comparative figures for the six months ended 30 June 2022, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Audited)
Revenue	4	1,586,826	1,262,394
Cost of sales		<u>(491,341)</u>	<u>(442,852)</u>
Gross profit		1,095,485	819,542
Other income and gains		67,132	59,253
Selling and distribution expenses		(850,582)	(607,875)
Administrative expenses		(111,937)	(102,599)
Research and development costs		(54,391)	(51,925)
Impairment losses on financial assets, net		14,742	(739)
Other expenses		(21,487)	(27,111)
Finance costs	6	(11,660)	(9,794)
Share of profits and losses of associates		<u>(2,883)</u>	<u>(385)</u>
Profit before tax	5	124,419	78,367
Income tax expense	7	<u>(23,481)</u>	<u>(15,586)</u>
Profit for the period		<u>100,938</u>	<u>62,781</u>
Attributable to:			
Owners of the parent		100,965	65,339
Non-controlling interests		<u>(27)</u>	<u>(2,558)</u>
		<u>100,938</u>	<u>62,781</u>
Earnings per share attributable to ordinary equity holders of the parent			
Basic and diluted			
– For profit for the period	8	<u>RMB0.25</u>	<u>RMB0.18</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Profit for the period	<u>100,938</u>	<u>62,781</u>
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(3,999)</u>	<u>(6,745)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(3,999)</u>	<u>(6,745)</u>
Total comprehensive income for the period	<u>96,939</u>	<u>56,036</u>
Attributable to:		
Owners of the parent	96,966	58,594
Non-controlling interests	<u>(27)</u>	<u>(2,558)</u>
	<u>96,939</u>	<u>56,036</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 30 June 2023 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2022 <i>RMB'000</i> <i>(Audited)</i>
Non-current assets			
Property, plant and equipment		599,895	601,251
Investment properties		8,676	9,286
Prepayments, other receivables and other assets		13,414	16,748
Right-of-use assets		135,062	144,494
Other intangible assets		17,944	19,424
Investments in associates		16,264	1,797
Financial assets at fair value through profit or loss		100,349	–
Deferred tax assets		104,456	100,501
		996,060	893,501
Total non-current assets			
Current assets			
Inventories	10	472,456	518,113
Trade and bills receivables	11	289,895	373,985
Prepayments, other receivables and other assets		264,715	200,860
Financial assets at fair value through profit or loss		217,997	–
Pledged deposits		–	11,500
Cash and cash equivalents		581,014	1,147,708
		1,826,077	2,252,166
Total current assets			
Current liabilities			
Trade payables	12	359,446	424,150
Other payables and accruals		318,743	235,722
Interest-bearing bank and other borrowings		253,037	590,278
Lease liabilities		29,895	26,890
Tax payable		61,666	36,690
		1,022,787	1,313,730
Total current liabilities			
Net current assets		803,290	938,436
Total assets less current liabilities		1,799,350	1,831,937

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

	As at 30 June 2023 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2022 <i>RMB'000</i> <i>(Audited)</i>
Non-current liabilities		
Lease liabilities	40,097	50,939
Interest-bearing bank and other borrowings	6,397	60,089
Other payables	13,327	14,264
	<hr/>	<hr/>
Total non-current liabilities	59,821	125,292
	<hr/>	<hr/>
Net assets	1,739,529	1,706,645
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	397,958	396,958
Reserves	1,328,959	1,308,128
	<hr/>	<hr/>
	1,726,917	1,705,086
	<hr/>	<hr/>
Non-controlling interests	12,612	1,559
	<hr/>	<hr/>
Total equity	1,739,529	1,706,645
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. General information

Shanghai Chicmax Cosmetic Co., Ltd. (the “Company”) is a limited liability company incorporated in the People’s Republic of China on 11 June 2004. The registered office is located at Room 701, No.515 Yinxiang Road, Nanxiang Town, Jiading District, Shanghai, Mainland China. The Company was converted from a limited liability company to a joint-stock company on 15 December 2020. The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 22 December 2022.

In the opinion of the directors, the controlling shareholder is Mr. Lyu Yixiong.

During the period, the Group was principally involved in the following activities: research and development, production and sales of cosmetics.

2. Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with 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 31 December 2022.

3. Operating segment information

(a) Revenue from external customers

	For the six months ended 30 June	
	2023	2022
	RMB’000	RMB’000
	(Unaudited)	(Audited)
Mainland China	1,577,169	1,253,682
Other countries/regions	9,657	8,712
	<u>1,586,826</u>	<u>1,262,394</u>

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

(b) Non-current assets

	30 June	31 December
	2023	2022
	RMB’000	RMB’000
	(Unaudited)	(Audited)
Mainland China	730,035	726,882
Other countries/regions	61,220	66,118
	<u>791,255</u>	<u>793,000</u>

The non-current assets information above is based on the locations of the assets and excludes deferred tax assets.

4. Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Revenue from contracts with customers		
Sales of goods	1,583,196	1,258,732
Transportation services	<u>3,630</u>	<u>3,662</u>
	<u>1,586,826</u>	<u>1,262,394</u>

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Types of goods or services		
Sales of goods	1,583,196	1,258,732
Transportation services	<u>3,630</u>	<u>3,662</u>
	<u>1,586,826</u>	<u>1,262,394</u>

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Timing of revenue recognition		
Goods transferred at a point in time	1,583,196	1,258,732
Services transferred over time	<u>3,630</u>	<u>3,662</u>
	<u>1,586,826</u>	<u>1,262,394</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the current reporting period:

	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Revenue recognised that was included in contract liabilities at the beginning of the period:		
Sale of goods	<u>41,416</u>	<u>81,120</u>

4. Revenue (continued)

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon receipt of the goods by customers or delivery of goods, and the payment period is generally uncertain, except for certain major customers where payment is due within 60 to 90 days from receipt.

Transportation services

The performance obligation is satisfied over time as services are rendered. Transportation services are for periods of within one month, and are billed based on the time incurred.

As at the end of the reporting period, the amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are immaterial and all the amounts are expected to be recognised as revenue within one year.

5. Profit before tax

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cost of inventories sold	491,341	442,852
Depreciation of property, plant and equipment	32,358	34,267
Depreciation of right-of-use assets	14,253	13,169
Amortisation of intangible assets	1,355	1,484
Wages and salaries	179,764	150,730
Pension scheme contributions, social welfare and other welfare	45,086	54,726
Share-based compensation expense	3,971	2,327
Foreign exchange differences	(14,543)	2,358
Marketing and promotion expenses	630,208	407,633
Inventory impairment and scrap	17,360	21,478
Interest expense	11,660	9,794
(Reversal of impairment)/impairment of financial assets, net	(14,742)	739
Loss on disposal of items of property, plant, and equipment	60	488
Fair value gains on financial assets at fair value through profit or loss, net	(16,425)	(66)

6. Finance costs

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Interest on bank and other borrowings	9,505	7,028
Interest on lease liabilities	2,155	2,766
	<u>11,660</u>	<u>9,794</u>

10. Inventories

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Raw materials	74,047	99,564
Work in progress	13,969	20,069
Finished goods	384,440	398,480
	<u>472,456</u>	<u>518,113</u>

11. Trade and bills receivables

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Trade receivables	296,852	400,942
Bills receivable	7,484	7,240
Impairment	(14,441)	(34,197)
Trade and bills receivables, net	<u>289,895</u>	<u>373,985</u>

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 1 year	271,340	342,581
Over 1 year	18,555	31,404
	<u>289,895</u>	<u>373,985</u>

11. Trade and bills receivables (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
At beginning of period	34,197	26,421
(Reversal of impairment)/impairment losses, net	(14,724)	13,133
Amount written off as uncollectible	(5,032)	(5,357)
	<hr/>	<hr/>
At end of period	14,441	34,197
	<hr/> <hr/>	<hr/> <hr/>

12. Trade payables

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

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 1 year	358,456	423,400
Over 1 year	990	750
	<hr/>	<hr/>
	359,446	424,150
	<hr/> <hr/>	<hr/> <hr/>

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting high standards of corporate governance, which is essential to the Company's development and protection of shareholders' interests. The Company has adopted the code provisions of the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the basis for its corporate governance practices since the date of listing.

The Board is of the view that during the 1H2023, the Company has complied with all the applicable code provisions as set out in the CG Code, except for Code Provision C.2.1 described below. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

Code Provision C.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lyu Yixiong is both the chairman of the Board and the chief executive officer of the Company. Notwithstanding the deviation from Code Provision C.2.1 of the CG Code, given Mr. Lyu Yixiong's extensive knowledge and experience of the Group's business, the Board considers that vesting the roles of both chairman of the Board and chief executive officer of the Company in the same person brings the benefit of ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and efficiently. The Board will nevertheless continue to review the structure from time to time and consider the appropriate move to take when appropriate.

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the supervisors of the Company (the "**Supervisors**"), and the Group's employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities. Specific enquiries have been made to all Directors and Supervisors and the Directors and Supervisors have confirmed that they have complied with the Model Code during the 1H2023. No incident of non-compliance of the Model Code by the employees was noted by the Company for the 1H2023.

Purchase, sale or redemption of listed securities

During the 1H2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Material Litigation

The Company was not involved in any material litigation or arbitration during the 1H2023. The Directors are also not aware of any material litigation or claims that were pending or threatened against the Group during the 1H2023.

Use of Proceeds from the Global Offering

The H shares of the Company (the “**Share(s)**”) were listed on the Main Board of the Stock Exchange (the “**Stock Exchange**”) at HKD25.20 per share on 22 December 2022 (the “**Listing Date**”). With net proceeds received by the Company from the global offering of the H shares (the “**Global Offering**”) in the amount of approximately HKD859.7 million⁽¹⁾ after deducting underwriting commissions and all related expenses. The following table sets forth the Company’s use of the proceeds from the Global Offering as at 30 June 2023:

	Approximate % of the total net proceeds	Net proceeds from the Global Offering <i>HKD'million</i>	Net proceeds utilised as at 30 June 2023 <i>HKD'million</i>	Remaining net proceeds as at 30 June 2023 <i>HKD'million</i>	Expected time to utilise the remaining net proceeds in full
Branding activities to continue to enhance the brand image and raise brand awareness of our existing brands, as well as to establish the brand images of our new brands	32.0	275.5	69.9	205.6	By 31 December 2026
Enhancing our R&D capabilities by strengthening our fundamental research and product development, to maintain the continuous innovation of our brands	12.2	104.9	24.8	80.1	By 31 December 2026
Strengthen our production and supply chain capabilities, mainly involving the renovation of our production facilities, upgrading our automation equipment, and the expansion of production capacities in the Fengxian Plant	19.8	170.6	1.4	169.2	By 31 December 2024
Increasing the breadth and depth of our sales networks to enhance the penetration of our products	18.0	154.5	154.5	0	By 31 December 2026
Enhancing our digitisation and information infrastructure	8.0	69.2	0	69.2	By 31 December 2024
Working capital and other general corporate purposes	9.9	85.1	85.1	0	By 31 December 2024
Total ⁽²⁾	<u>100.0</u>	<u>859.7</u>	<u>335.7</u>	<u>524.0</u>	

Notes:

1. The total net proceeds of approximately HKD859.7 million include approximately HKD835.1 million from the Global Offering in December 2022 and approximately HKD24.6 million from the partial exercise of the over-allotment option in January 2023 as disclosed in the announcement of the Company dated 16 January 2023.
2. Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

The Group has utilised part of the net proceeds from the Global Offering, and will gradually utilise the net proceeds in accordance with the intended purposes as stated in the prospectus of the Company dated 12 December 2022. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs.

Future plans for material investments and capital assets

Save as disclosed in the aforementioned section headed “Use of proceeds from the Global Offering” in this announcement, the Group did not have plan for material investments and capital assets as at the date of this announcement.

Audit committee

The audit committee of the Board (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Leung Ho Sun Wilson, Ms. Luo Yan (羅妍) and Mr. Liu Yi. The chairman of the Audit Committee is Mr. Leung Ho Sun Wilson.

The Audit Committee has reviewed the unaudited consolidated interim results of the Group for the 1H2023 with the management and the auditor of the Company. The Audit Committee considered that the unaudited consolidated interim results of the Group for the 1H2023 are in compliance with the applicable accounting standards, laws and regulations. The Audit Committee has also discussed matters in relation to internal audit work and financial reporting with the management of the Company.

EVENTS AFTER THE REPORTING PERIOD

There were no other significant events occurred subsequent to 30 June 2023 and up to the date of this announcement.

DIVIDEND

The Board has resolved to recommend the payment of interim dividends of RMB0.2 per share for the 1H2023, on 30 August 2023 to the shareholders of the Company. The payment of interim dividends above is still subject to the approval from shareholders of the Company at the extraordinary general meeting of the Company to be held on Monday, 16 October 2023 (“**First 2023 EGM**”), and will be paid on or around Wednesday, 15 November 2023 to the shareholders of the Company whose names appear on the register of member of the Company on Thursday, 26 October 2023.

AMENDMENT OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

In view of the repeal of the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) and the Notice on the Implementation of the Mandatory Provisions for the Articles of Association of Companies Listed Overseas (《關於執行〈到境外上市公司章程必備條款〉的通知》, the “**Mandatory Provisions**”) and the consequential amendments to the Listing Rules in respect of the PRC issuers which have come into effect (including, without limitation, the removal of the class meeting and related requirements for the issuance and repurchase of shares by PRC issuers and the removal of the requirements for PRC issuers’ articles of association to include the Mandatory Provisions and other ancillary provisions), and the prevailing legal requirements, the Board proposed to amend the articles of associations of the Company (the “**Articles of Association**”).

The proposed amendments to the Articles of Association are subject to approval by special resolutions at the First 2023 EGM, the H shares class meeting (the “**First 2023 H Share Class Meeting**”) and the domestic shares class meeting (the “**First 2023 Domestic Share Class Meeting**”) of the Company. The First 2023 H Share Class Meeting and the First 2023 Domestic Share Class Meeting will be held on the same day as the First 2023 EGM.

The circular in relation to, among other things, the proposed amendments to the Articles of Association, and the notice of the First 2023 EGM, the First 2023 H Share Class Meeting and the First 2023 Domestic Share Class Meeting will be despatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the First 2023 EGM, the First 2023 H Share Class Meeting and the First 2023 Domestic Share Class Meeting

To determine the entitlement of the shareholders of the Company to attend and vote at the First 2023 EGM, the First 2023 H Share Class Meeting and the First 2023 Domestic Share Class Meeting, the register of members of the Company will be closed from Saturday, 16 September 2023 to Monday, 16 October 2023, both days inclusive, during which period no share transfers of the Company will be registered. Shareholders whose name appear on the register of members of the Company on Monday, 16 October 2023 will be entitled to attend and vote at the First 2023 EGM, the First 2023 H Share Class Meeting and the First 2023 Domestic Share Class Meeting.

In order to be eligible to attend and vote at the First 2023 EGM and the First 2023 H Share Class Meeting, all transfers forms accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong H share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 15 September 2023 (for H share shareholders).

For determining the entitlement to the proposed interim dividends

To determine the eligibility of the shareholders of the Company for their entitlement to the proposed interim dividends, the register of members of the Company will be closed from Friday, 20 October 2023 to Thursday, 26 October 2023, both days inclusive, during which period no share transfers of the Company will be registered. Shareholders whose name appear on the register of members of the Company on Thursday, 26 October 2023 will be entitled to the interim dividends. In order to qualify for the interim dividend, all transfers forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong H share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 19 October 2023 (for H share shareholders).

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chicmaxgroup.com). The interim report of the Company for the 1H2023 containing all the information required by the Listing Rules will be despatched to the shareholders and published on the aforementioned websites of the Stock Exchange and the Company in due course.

By Order of the Board
Shanghai Chicmax Cosmetic Co., Ltd.
上海上美化妝品股份有限公司

Mr. Lyu Yixiong

Chairman of the Board, Executive Director and Chief Executive Officer

Shanghai, the PRC
30 August 2023

As at the date of this announcement, the Board comprises Mr. Lyu Yixiong, Ms. Luo Yan (羅燕), Mr. Feng Yifeng and Ms. Song Yang as executive Directors; Ms. Li Hanqiong and Mr. Sun Hao as non-executive Directors; Mr. Leung Ho Sun Wilson, Ms. Luo Yan (羅妍) and Mr. Liu Yi as independent non-executive Directors.

* *For identification purposes only*