



趣 致 集 團
Qunabox Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 0917



2024

INTERIM REPORT

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COMPANY PROFILE

Qunabox Group Limited (趣致集團) is an exempted company incorporated in the Cayman Islands with limited liability on June 15, 2021 and was listed on the Main Board of the Stock Exchange on May 27, 2024.

We are the largest interactive machine-based marketing service provider in China, focusing on fast-moving consumer goods (“**FMCG(s)**”) industry. In doing so, we utilize our broad network of AI interactive terminals across China, which, by combing with our technology-backed online platform, allow us to provide target consumers with convenient and interesting experience in testing and accessing FMCG that we served, while successfully soliciting and completing necessary interaction and feedback. In particular, we have developed and equipped our terminals with various modules to facilitate interactive functions empowered by AI, big data and Internet of Things (IoT) technologies that are crucial for successful marketing events, including scent emitting, movement recognition and voice interaction, making efficient and interactive machine-based marketing services possible.

We merge offline and online channels with a complete and integrated system in the way to offer consumers an interesting experience on FMCGs and to provide brands with multi-channel, one-stop and closed-loop marketing services, all of which are driven by our technology capability to achieve efficiency and accuracy. Placed at strategically chosen locations, the network of our AI interactive terminals serves as the offline touchpoints for consumers to get aware of, encounter, and/or pick up FMCGs that we serve, as well as the terminals to complete certain game-based tasks in order to obtain related FMCGs. In the meantime, our online platform, which comprises a mobile app named “Quna (趣拿)” and WeChat mini programs, allows us to attract and retain target consumers, where they can conveniently receive information on our recent FMCG marketing events, complete designed online tasks, place order or pay a try-me discounted prices, prior to picking up relevant goods.

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Ms. YIN Juehui (*Chairwoman and Chief Executive Officer*)
Mr. CAO Liwen
Mr. HUANG Aihua

Non-executive Directors

Mr. DAI Jianchun
Mr. CHEN Rui

Independent Non-executive Directors

Dr. CHE Lufeng
Mr. ZHU Lin
Dr. YANG Bo

JOINT COMPANY SECRETARIES

Mr. CHENG Xing
Ms. FUNG Po Ting (*ACG, HKACG*)

AUTHORIZED REPRESENTATIVES

Ms. YIN Juehui
Ms. FUNG Po Ting

AUDIT COMMITTEE

Mr. ZHU Lin (*Chairperson*)
Dr. CHE Lufeng
Dr. YANG Bo

REMUNERATION COMMITTEE

Dr. YANG Bo (*Chairperson*)
Ms. YIN Juehui
Mr. ZHU Lin

NOMINATION COMMITTEE

Ms. YIN Juehui (*Chairperson*)
Dr. CHE Lufeng
Dr. YANG Bo

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
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LEGAL ADVISER AS TO HONG KONG LAWS

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CORPORATE INFORMATION

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HONG KONG SHARE REGISTRAR

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PRINCIPAL BANKERS

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STOCK CODE

0917

COMPANY'S WEBSITE

www.zzss.com

LISTING DATE

May 27, 2024

FINANCIAL HIGHLIGHTS

INTERIM RESULTS HIGHLIGHTS

	Six months ended June 30,		Year- on-year change
	2024	2023	
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)	%
Revenue	515,117	363,592	41.7
– Marketing services	411,759	291,840	41.1
– Merchandise sales	78,449	52,705	48.8
– Other services	24,909	19,047	30.8
Gross profit	281,424	194,108	45.0
Adjusted profit (a non-IFRS measure) ⁽¹⁾	80,269	53,949	48.8
Adjusted EBITDA (a non-IFRS measure) ⁽²⁾	121,416	89,360	35.9

Notes:

- (1) Adjusted profit (a non-IFRS measure) is defined as profit or loss for the period by adding back the effects of (i) fair value losses on financial liabilities at FVTPL; (ii) share incentive plan expense; and (iii) listing expenses. Fair value losses on financial liabilities at FVTPL represent fair value losses relating to convertible redeemable preferred shares issued in our equity financings.
- (2) Adjusted EBITDA (a non-IFRS measure) is defined as adjusted profit (a non-IFRS measure) for the period by adding back the effects of income tax expense, finance costs, bank interest income, and depreciation and amortization charges.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE REVIEW

In the first half of 2024, driven by the effective implementation of various macro policies, China's economy experienced steady growth, with gross domestic product (GDP) increasing by 5.0% year-on-year at constant prices. Domestic consumption demand in China continued to recover, leading to a steady expansion in the overall size of the consumption market. However, the competitive landscape of the consumption market is rapidly evolving due to shifts in post-pandemic consumer attitudes towards consumption and product preferences, and competition among consumer goods brands is becoming increasingly fierce, which in turn has injected new momentum into the marketing industry that serves such brands. In addition, as artificial intelligence (AI) technology rapidly advances and becomes more popular, it is demonstrating significant potential in interactive marketing and customized marketing services. Consequently, an increasing number of brands and consumers are looking forward to the integration of AI into marketing activities and everyday life. Market demand for these technologies is currently in a phase of rapid ascension.

As China's leading AI interactive marketing service provider, the Group has consistently embraced the mission to "simplify brand incubation and deliver unparalleled enjoyment". The Group has been dedicated to advancing technology and landing its application, using AI interactive terminals to deliver innovative and engaging product experiences that align with evolving market trends and consumer needs. We effectively connect FMCG brands with their customers and consistently deliver comprehensive marketing solutions that seamlessly integrate both online and offline channels and address a variety of scenarios. This approach helps our brand clients differentiate themselves and succeed in a highly competitive market.

During the Reporting Period, leveraging on industry growth and expanding market demand, combined with seamless collaboration with brands and customers and efficient operations, the Group has sustained strong business growth. The Group's business growth is primarily driven by its expanding, high-quality, and stable brand customer base. The continuous growth in the effectiveness of the Group's AI interactive terminal network, coupled with ongoing technological research and development, accumulated data, and industry experience, underpins the Group's successful business model and robust service capabilities. These elements collectively reinforce the Group's core competitive advantages in the industry.

During the Reporting Period, the Group recorded revenue of RMB515.1 million, representing a year-on-year increase of 41.7%; gross profit increased to RMB281.4 million, representing a year-on-year increase of 45.0%; and adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) totaled RMB121.4 million, representing a year-on-year increase of 35.9%.

As of June 30, 2024, the Group was in a strong financial position with cash and cash equivalents and restricted cash amounting to RMB887.6 million, reflecting the stability of the financial position and the adequacy of liquidity.

Upon Listing, the Group converted 138,640,077 convertible redeemable preferred shares into ordinary shares. This conversion resulted in a non-cash, one-time fair value adjustment of RMB1,899.4 million, which negatively impacted the profits for the Reporting Period. The Group expects that there will be no future gains or losses related to the valuation changes of these financial instruments.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS SEGMENT PERFORMANCE

Marketing services

During the Reporting Period, revenue from this segment amounted to RMB411.8 million, representing a year-on-year increase of 41.1%, and gross profit amounted to RMB245.7 million, representing a year-on-year increase of 42.9%. Among them, revenue from standard marketing services amounted to RMB359.8 million, representing a year-on-year increase of 44.6%, and revenue from value-added marketing services amounted to RMB52.0 million, representing a year-on-year increase of 20.8%.

The Group's business growth is primarily driven by its expanding, high-quality, and stable brand customer base. During the Reporting Period, the Group experienced consistent growth in the number of brands served by leveraging on its effective business model, strong service capabilities, solid industry reputation, and dedicated efforts, and at the same time strengthened collaborative relationships with existing customers and expanded the scope of cooperation. During the Reporting Period, the Group provided marketing services to a total of 171 brand customers, representing an increase of 41 customers as compared to the same period last year; among them, the number of KA customers served was 30 and the average revenue per KA customer was RMB10.6 million, both of which increased as compared to the same period last year.

The continuous growth in the effectiveness of the Group's AI interactive terminal network, coupled with ongoing technological research and development, accumulated data and industry experience, underpins the Group's successful business model and robust service capabilities. These elements collectively reinforce the Group's core competitive advantages in the industry.

In terms of the AI interactive terminal network, the Group has continued to enhance its efficiency during the Reporting Period. By reviewing city heat maps and development plans, conducting on-site visits to observe the population density and daily foot traffic, changes in the behavior of target consumers in the areas where the terminals are located, and taking into account the characteristics of selected locations, the Group optimized the layout of the AI interactive terminal network in order to enhance its ability to empower brands to strengthen their market influence and brand value, enhance their consumer acquisition capability, and obtain accurate, authentic and prompt consumer feedback. As a result, the marketing revenue per terminal significantly increased during the Reporting Period. Meanwhile, based on the AI interactive terminal network, the Group's service efficiency and market competitiveness in various marketing scenarios were further enhanced by the continuously improving data and algorithm capabilities, the synergistic capabilities of standard marketing services and value-added marketing services, and the flexible combination of specific service modules. In addition, by applying AI large language model, the Group has achieved automated analysis and digital processing of assets and related contract information and has continued to improve the basic information platform, further integrated the information of the entire platform and achieved cross-platform and cross-system data integration and information sharing, thereby enhancing the operation automation capability and average manpower efficiency and significantly improving the efficiency of internal processes.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of research and development, as China's leading AI interactive marketing service provider, the Group has increased its efforts to develop offline marketing activities featuring AI interactions during the Reporting Period. The Group has been encouraging its technical experts to deeply engage in the business practice of marketing activities design. This aims to expand the application scenarios and range of multi-sensory AI interactions, such as scent emission, motion detection, and voice interaction. By optimizing the interaction mode with customers, the Group enhanced the alignment and effectiveness of brand marketing activities and improved its service capabilities, providing robust support for business expansion in the second half of 2024. For example, in the domain of multi-sensory interaction, the Group has developed and integrated technology with market demands to extend emotion recognition technology applicable to AI interactive terminals. This technology can dynamically identify various emotions expressed by users, leading the industry in facial feature recognition and micro-expression dynamic assessment. As a result, the interactive games the Group provides can offer a superior experience for brands and consumers, and thus obtaining a richer consumer behavior analytics. In addition, the Group has integrated a visualized mist effect in the scent diffusion module, making scent emission more intuitive and enhancing the immersive experience for users.

In respect of the accumulation of data and industry experience, the Group has consistently driven the exploration of data value and the commercialization of product during the Reporting Period. Through the integration and analysis of user feedback and sales data accumulated on the platform over the years, the Group further enriched the industry database, providing brand customers with more support in improving their future strategy on market positioning, promotional content design and activity planning, and other marketing-related decisions. Meanwhile, the entire system of the Group has passed the 2024 annual assessment of the National Hierarchical Protection of Information Security (Level III) and continues to obtain the relevant qualification certificates. Moving forward, the Group will continue to meet the regulatory requirements and improve the level of information security and credibility.

Merchandise sales

During the Reporting Period, revenue of this segment amounted to RMB78.4 million, representing a year-on-year increase of 48.8%, and gross profit amounted to RMB24.1 million, representing a year-on-year increase of 69.7%.

As compared to the same period last year, the first half of 2024 saw a significant recovery in foot traffic and consumption, and the number of the Group's offline terminals also increased significantly. On this basis, the Group's continuous efforts to enhance the effectiveness of its terminal network and its more cost-effective pricing strategy further boosted the merchandising power of its terminals, with the merchandise sales revenue per terminal per day for the Reporting Period amounting to RMB58.9, representing a year-on-year increase of 25.2%. Driven by the internal and external factors outlined above, the Group experienced substantial growth in its merchandise sales business.

Other services

During the Reporting Period, revenue of this segment amounted to RMB24.9 million, representing a year-on-year increase of 30.8%, and gross profit amounted to RMB11.6 million, representing a year-on-year increase of 45.0%.

Other services primarily comprise IT system development and software development services. Leveraging its technological strengths in the AIoT sector, growing demand for related developments, and its solid industry reputation, the Group has seen a steady increase in requests and commissions for IT system and software development projects from customers in the industry, which further contributed to the expansion of business revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

LONG-TERM STRATEGIES AND OUTLOOK

Looking ahead to the second half of 2024, China's macro economy is expected to continue its steady progress and ongoing recovery, driven by the introduction and implementation of robust macroeconomic, monetary, and fiscal policies. It is expected that the consumption market will witness further revitalization, and the consumer goods marketing industry is anticipated to become even more dynamic.

The Group will adopt a more proactive approach in serving its brand customers and will initiate an internationalization strategy to explore the Middle East market. The Group will continue to uphold its customer-centered service principle and provide multi-channel, one-stop and closed-loop marketing solutions to domestic and overseas brand customers. Meanwhile, through continuous technology development, content innovation and algorithm optimization, the Group will deliver more innovative, efficient and precise marketing services to brand customers and more engaging AI interactive experiences to consumers. Internally, the Group will also continue to improve its network effectiveness and operational capacities, expanding the support of AI algorithms and big data technologies for its business operations. The Group will keep empowering its operations with technology to continuously improve its overall efficiency.

As China's leading AI interactive marketing service provider, the Group is committed to introducing more innovative practices to the industry and promoting the industry's development, as well as creating greater value for its Shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from RMB363.6 million in the first half of 2023 to RMB515.1 million in the first half of 2024, representing a year-on-year increase of 41.7%.

The increase was mainly attributable to several key factors: (i) China's economy experienced steady growth in the first half of 2024 and saw a facilitated recovery in consumer goods industry with the support of policies that bolstered the consumption market; (ii) the Group's strategic focus on strengthening relationships with brand customers, which involved enhancing service capabilities and operational efficiency to meet evolving market demands, resulting in sustained and robust growth in the Group's customer base; and (iii) the Group's continued optimization of its integrated online and offline omni-channel marketing network. This included upgrades to AI interactive modules and visualization technology on terminals, which improved user experience and interactivity, ultimately attracting and retaining more high-quality users.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue by Business Segment

The Group generates revenue primarily from (i) marketing services, which further consisted of (a) standard marketing services and (b) value-added marketing services; (ii) merchandise sales; and (iii) other services. The table below sets forth a breakdown of our revenue by business segment for the periods indicated:

	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Revenue	Gross profit		Revenue	Gross profit	
		RMB'000	margin %		Percentage %	RMB'000
Marketing services	411,759	59.7	79.9	291,840	58.9	80.3
– Standard marketing services	359,712	55.8	69.8	248,754	55.2	68.4
– Value-added marketing services	52,047	86.2	10.1	43,086	80.4	11.9
Merchandise sales	78,449	30.7	15.2	52,705	26.9	14.5
Other services	24,909	46.7	4.8	19,047	41.9	5.2
Total	515,117	54.6	100.0	363,592	53.4	100.0

(1) Marketing Services

Revenue generated from marketing services increased from RMB291.8 million in the first half of 2023 to RMB411.8 million in the first half of 2024, representing a year-on-year increase of 41.1%. This increase was primarily due to the business growth in both standard marketing services and value-added marketing services.

Among them, revenue from standard marketing services increased from RMB248.8 million in the first half of 2023 to RMB359.7 million in the first half of 2024, representing a year-on-year increase of 44.6%. The growth was mainly attributable to the Group's continuous enhancement of service capabilities and operational efficiency to meet evolving market demands and industry trends, which led to sustained growth in the Group's customer base. The number of the Group's KA customers who purchased its standard marketing services increased from 23 in the first half of 2023 to 30 in the first half of 2024, and the Group's average revenue per KA customer that purchased its standard marketing services increased from RMB8.06 million to RMB9.31 million in the same period.

Revenue from value-added marketing services increased from RMB43.1 million in the first half of 2023 to RMB52.0 million in the first half of 2024, representing a year-on-year increase of 20.8%. The increase was driven by the expansion of the Group's brand customer base and continuous efforts to develop and upgrade the AI interactive module and visualization technology on terminals, thereby enhancing user experience and interactivity and attracting and retaining more high-quality user. The number of the Group's customers who purchased its value-added marketing services increased from 30 in the first half of 2023 to 49 in the first half of 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

(2) *Merchandise Sales*

Revenue from merchandise sales increased from RMB52.7 million in the first half of 2023 to RMB78.4 million in the first half of 2024, representing a year-on-year increase of 48.8%. This growth was primarily attributable to the boosted merchandising power of AI interactive terminals due to the overall consumption recovery and the Group's continuous efforts to enhance the effectiveness of its terminal network and the more cost-effective pricing strategy.

(3) *Other Services*

Revenue generated from other services increased from RMB19.0 million in the first half of 2023 to RMB24.9 million in the first half of 2024, representing a year-on-year increase of 30.8%, primarily driven by the increase of customer demands and the nature of specific technology development projects undertaken in the corresponding periods.

Cost of Sales

Cost of sales increased by 37.9% from RMB169.5 million in the first half of 2023 to RMB233.7 million in the first half of 2024. The increase was primarily due to (i) an increase in information technology service fees from RMB86.9 million in the first half of 2023 to RMB139.8 million in the first half of 2024, primarily due to an increase in the sales of corresponding marketing services; and (ii) an increase in costs of inventories sold from RMB35.7 million in the first half of 2023 to RMB53.6 million in the first half of 2024, which was in line with the growth of the Group's merchandise sales business.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 45.0% from RMB194.1 million in the first half of 2023 to RMB281.4 million in the first half of 2024, primarily due to the increase in its revenues as well as the control of its cost of sales. Gross profit margin was 54.6% in the first half of 2024 as compared to 53.4% in the first half of 2023, which was maintained at a relatively stable level, primarily due to the fact that the Group is in a robust operating stage with efficient cost control.

Other Income and Gains

The Group's other income was primarily derived from government grants, exchange gains and interest income, etc. The Group's other income increased by 95.6% from RMB2.2 million in the first half of 2023 to RMB4.3 million in the first half of 2024, which was mainly attributable to (i) the increase in exchange gains arising from the fluctuations in exchange rates during the Reporting Period; (ii) the increase in government grants from RMB0.4 million in the first half of 2023 to RMB1.0 million during the Reporting Period; and (iii) the Group's new trading financial assets yielded an investment income of RMB0.2 million during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Expenses

Selling and distribution expenses increased by 49.0% from RMB95.3 million in the first half of 2023 to RMB141.9 million in the first half of 2024. The main contributor to this increase was marketing and promotion expenses, which increased by 75.1% from RMB57.4 million in the first half of 2023 to RMB100.5 million in the first half of 2024, primarily attributable to the increase in online and offline multi-channel marketing campaigns, which aimed to enhance the Group's brand awareness and image, develop and reach out to a wider range of potential customers, and promote the expansion of the Group's business scale.

Administrative Expenses

Administrative expenses increased by 12.9% from RMB32.2 million in the first half of 2023 to RMB36.3 million in the first half of 2024. The main contributors to this increase were (i) listing expenses related to the Global Offering; and (ii) employee benefit expenses.

- (i) Listing expenses increased from RMB16.1 million in the first half of 2023 to RMB18.3 million in the first half of 2024, primarily to cover the service fees incurred throughout the process of Listing according to the contractual schedule; and
- (ii) Employee benefit expenses increased from RMB5.4 million in the first half of 2023 to RMB6.4 million in the first half of 2024, mainly due to the Company's recruitment of skilled management and professionally qualified personnel to support its business expansion.

Finance Costs

The Group's finance costs primarily consist of (i) interests on bank and other borrowings; and (ii) interests on lease liabilities. Such finance costs increased from RMB0.8 million in the first half of 2023 to RMB4.0 million in the first half of 2024, representing a growth of RMB3.2 million. This was attributable to the new bank loans raised at the end of 2023 and the beginning of 2024 in view of the Group's needs in strategic expansion and business development.

Research and Development Expenses

Research and development expenses increased by 37.3% from RMB27.3 million in the first half of 2023 to RMB37.5 million in the first half of 2024. The increase was primarily due to (i) increased investment in technology research and development in relation to the human-machine interaction module and visualization module equipped with AI interactive terminals, which aimed to enhance user experience and interactivity and offer more quality and more cutting-edge consumer experience to customers; and (ii) increased investment in technology research and development in relation to optimization of the supply chain system, which aimed to improve management efficiency and economic benefits to support the Group's expanding business scale.

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MANAGEMENT DISCUSSION AND ANALYSIS

Fair Value Changes of Convertible Redeemable Preferred Shares

The fair value changes of the Group's convertible redeemable preferred shares for the first half of 2024 and the first half of 2023 was a loss of RMB1,899.4 million and a gain of RMB32.4 million, respectively. Such changes represent fair value adjustment resulting from the conversion of convertible redeemable preferred shares into ordinary shares, calculated based on the offering price on the Listing Date, the number of ordinary shares so converted and the exchange rate between HKD and RMB on the Listing Date. Such changes are non-cash, one-time fair value adjustment caused by the conversion of convertible redeemable preferred shares into ordinary shares upon Listing, and it is expected that there will be no future gains or losses related to the valuation changes of these financial instruments.

Other Expenses

The Group's other expenses primarily include losses on disposal of office supplies and terminals.

Income Tax Expenses

The Group's income tax expenses increased from RMB5.9 million in the first half of 2023 to RMB9.2 million in the first half of 2024 due to the increase in its profit before income tax. Our effective tax rate changed from 11.0% in the first half of 2023 to 11.4% in the first half of 2024.

Loss for the Period

The Group's loss for the period in the first half of 2024 was RMB1,846.2 million, which was mainly due to the non-cash, one-time fair value adjustment of RMB1,899.4 million caused by the conversion of 138,640,077 shares of its convertible redeemable preferred shares into ordinary shares upon Listing. It is expected that there will be no future gains or losses related to the valuation changes of these financial instruments. The Group's adjusted profit (a non-IFRS measure) totaled RMB80.3 million, representing a year-on-year increase of 48.8% and demonstrating the continuous improvement in profitability of the Group's operation.

Non-IFRS Measure – Adjusted Profit

To supplement its interim condensed consolidated financial statements which are presented in accordance with IFRSs, the Group also uses adjusted profit (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRSs. The Group believes that such measure provides investors and other persons with useful information to understand and evaluate the Group's consolidated results of operation in the same manner as such measure helps the Group's management. However, the Group's adjusted profit (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of the Group's results of operations or financial position as reported under IFRSs. The Group encourages you to review the financial information in its entirety and not rely on a single financial measure.

MANAGEMENT DISCUSSION AND ANALYSIS

Adjusted profit (a non-IFRS measure) is defined as profit or loss for the period by adding back the effects of (i) fair value losses on financial liabilities at FVTPL; (ii) share incentive plan expense; and (iii) listing expenses. Fair value losses on financial liabilities at FVTPL represent fair value losses relating to convertible redeemable preferred shares issued in our equity financings. The convertible redeemable preferred shares were automatically converted into ordinary shares upon completion of the Global Offering. The Group has been successfully listed on the Stock Exchange on May 27, 2024, and the difference between the increase in equity resulting from the conversion of convertible redeemable preferred shares into ordinary shares, calculated based on the offering price on the Listing Date, the number of ordinary shares so converted and the exchange rate between HKD and RMB on the Listing Date, and the financial liabilities recognized as at December 31, 2023 was included in the fair value changes for the Reporting Period. Such changes are non-cash, one-time fair value adjustment caused by the conversion of convertible redeemable preferred shares into ordinary shares upon Listing, and it is expected that there will be no future gains or losses related to the valuation changes of these financial instruments. The Group excludes share incentive plan expense as such expenses are non-cash in nature and do not result in cash outflows. The Group also excludes listing expenses with respect to the Global Offering. Adjusted EBITDA (a non-IFRS measure) is defined as adjusted profit (a non-IFRS measure) for the period by adding back the effects of income tax expense, finance costs, bank interest income, and depreciation and amortization charges. The following tables reconcile our adjusted profit (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) for the periods presented.

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Reconciliation of loss for the period and adjusted profit (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure)		
(Loss)/profit for the period	(1,846,245)	65,390
Add:		
Fair value losses on financial liabilities at FVTPL	1,899,415	(32,424)
Share incentive plan expense	8,814	4,885
Listing expenses	18,285	16,098
Adjusted profit (a non-IFRS measure)	80,269	53,949
Add:		
Income tax expense	9,161	5,917
Finance costs	3,998	826
Bank interest income	(204)	(205)
Depreciation and amortization charges	28,192	28,873
Adjusted EBITDA (a non-IFRS measure)	121,416	89,360

MANAGEMENT DISCUSSION AND ANALYSIS

Inventories

The Group's inventories primarily consist of FMCGs, such as beverages and food. Inventory balance decreased from RMB27.8 million as of December 31, 2023 to RMB17.9 million as of June 30, 2024, primarily due to a significant decrease in inventory turnover days from 117.2 days in 2023 to 92.6 days in the first half of 2024 as a result of further improvement in lean inventory management.

Trade Receivables

The Group's trade receivables represent outstanding amounts receivable by the Group from customers primarily in connection with the provision of marketing services. Trade receivables increased from RMB494.0 million as of December 31, 2023 to RMB507.8 million as of June 30, 2024. This increase was primarily attributable to the expansion of our business scale. The Group's trade receivable turnover days remained relatively stable at 222.5 days in 2023 and 227.2 days in the first half of 2024. The Group established a credit control department to minimize our credit risk and maintain control over our outstanding receivables, and our management regularly reviews the settlement status of customers with relatively long credit terms with the aim of maintaining a good turnover of trade receivables.

Trade Payables

Trade payables mainly represent payables due to suppliers for purchasing merchandise, receiving services, etc. in the Group's daily operations.

Trade payables increased from RMB11.5 million as of December 31, 2023 to RMB48.0 million as of June 30, 2024, primarily due to an increase in the balance of trade payables due to the expansion of the Company's business scale and the growth in the volume of merchandise transactions.

Prepayments, Deposits and Other Receivables

Prepayments, deposits and other receivables are amounts paid in advance to suppliers, service providers, etc. in the Group's daily operations or arising from other transactional matters, which are expected to be recovered at some point in the future.

These primarily consist of (i) prepayments to suppliers for purchasing merchandise and procuring services; and (ii) deposits and other receivables, primarily represent lease deposits and miscellaneous receivables.

Prepayments, deposits and other receivables increased from RMB76.8 million as of December 31, 2023 to RMB134.2 million as of June 30, 2024, mainly due to the increase in prepayments for our information technology service purchase. We enhanced our capability of utilizing social media platforms, which attracted and developed quality customers with sustained growth and simultaneously increased our procurement of third-party media resources. Such procurements typically required prepayments per industry convention.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and financial resources

For the six months ended June 30, 2024, our principal use of cash is to fund the daily operations of our business. We financed our capital expenditures and working capital requirements primarily through cash generated from our operating activities and capital contribution from Shareholders.

Our cash and cash equivalents increased from RMB299.0 million as of December 31, 2023 to RMB887.6 million as of June 30, 2024, primarily attributable to the cash generated from our operating activities and the net proceeds from the Global Offering.

Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash generated from operating activities, external borrowings, net proceeds from the Global Offering and other funds raised from the capital markets from time to time.

Capital Expenditure

The Group's capital expenditures include payment for purchases of property, plant and equipment and the recognition of right-of-use assets in RMB.

Among them, property, plant and equipment primarily consist of (1) AI interactive terminals; (2) leasehold improvements; and (3) other electronic equipment. Fixed assets decreased from RMB117.7 million as of December 31, 2023 to RMB94.5 million as of June 30, 2024. This was primarily due to (i) the depreciation provided in the first half of 2024 in accordance with the depreciation policy; and (ii) the addition of new AI interactive terminals of RMB2.7 million to support the expansion of the Company's business scale.

Right-of-use assets primarily represent leases of office premises and warehouses. The right-of-use assets increased from RMB2.4 million as of December 31, 2023 to RMB4.8 million as of June 30, 2024, which was primarily due to new lease agreements entered into for office premises and the warehouse, partially offset by depreciation provided in the first half of 2024.

Loans and Gearing Ratio

As of June 30, 2024, the Group's interest-bearing bank and other borrowings were RMB342.6 million, among which RMB12.8 million were long-term borrowings and would be expired on October 30, 2025, and the remaining RMB329.8 million were short-term borrowings and will be due within 12 months. All of the borrowings above were denominated in RMB.

Gearing ratio is calculated by dividing total liabilities by total assets and multiplying by 100%. As of June 30, 2024, the Group's gearing ratio was 24.4% as compared with the gearing ratio of 134.5% as of December 31, 2023.

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Pledge of Assets

As of June 30, 2024, the Group did not have any pledge of assets.

Contingent Liabilities

For the Reporting Period, the Group did not have any contingent liabilities.

Foreign Currency Risk

The Group mainly operates its business in the PRC, and its transactions are mainly settled in RMB. As the Group does not have material financial assets or liabilities denominated in currencies other than the respective functional currencies of our operating entities, the management believes that the business does not have any significant exposure to foreign exchange risk. During the Reporting Period, we did not hedge against any foreign exchange fluctuations.

Credit Risk

The Group trades only with recognized and creditworthy third parties, and there is no requirement for collateral. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, we monitor receivable balances on an ongoing basis, and our exposure to bad debts is not significant. We manage concentrations of credit risk based on customer/counterparty and industry sector.

Material Acquisition and Disposal

During the Reporting Period, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures.

Significant Investment and Capital Assets and Future Plans

As of June 30, 2024, the Group did not hold any significant investments. We will continue to actively seek out potential strategic investment opportunities and pursue high-quality target businesses and assets that can bring synergies to the Group and there is no plan for significant investment or capital assets as of the date of this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2024, the Group had a total of 167 employees (December 31, 2023: 187). For the Reporting Period, the total costs for the Group's employees amounted to RMB19.7 million (for the year ended December 31, 2023: RMB38.3 million). Our success depends on our ability to attract, retain and motivate qualified employees. We offer our employees a competitive remuneration package which includes salary, benefits, bonuses and incentives. Our compensation programs are designed to remunerate our employees based on their performance, measured against specified objective criteria. As required by the PRC laws, we have made contributions to various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity leave insurance, and to mandatory housing provident funds, for or on behalf of our employees. The Company operates the Stock Incentive Plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including Directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments.

To maintain the quality, knowledge and skill levels of our workforce, the Group provides continuing education and training programs, including internal and external training, for our employees to improve their technical, professional or management skills. The Group also provides training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, as of the date of this report, there was no other subsequent event after the Reporting Period which has material impact to the Group.

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CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. Save as disclosed below and in this report, the Company has complied with all applicable code provisions set out in part 2 of the CG Code and adopted most of the recommended best practices set out therein during the period from the Listing Date to June 30, 2024 (the “**Relevant Period**”).

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the Listing Date and up to the date of this report, Ms. YIN Juehui (“**Ms. YIN**”) is the Chairwoman and the CEO. With experience in the telecommunications industry and having served in the Company since its establishment, Ms. YIN is in charge of supervising and providing overall management, operation and strategies of the Group. Despite the fact that the roles of the Chairwoman and the CEO are both performed by Ms. YIN which constitutes a deviation from code provision C.2.1 of the CG Code, the Board considers that vesting the roles of both the Chairwoman and the CEO all in Ms. YIN has the benefit of ensuring consistent leadership and more effective and efficient overall strategic planning of the Company. The Board believes that this arrangement will not impact on the balance of power and authorizations between the Board and the senior management of the Company, given that: (i) Ms. YIN and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that each of them acts for the benefit and in the best interests of the Company; (ii) there is sufficient check and balance in the Board, which comprises experienced and diverse individuals, and decision to be made by the Board requires approval by at least a majority of the Directors; and (iii) the overall strategic and other key business, financial and operational policies of the Group are and will be made collectively after thorough discussion at both the Board and senior management levels.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Relevant Period.

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INTERIM DIVIDEND

The Board resolved not to declare any interim dividends for the six months ended June 30, 2024 (six months ended June 30, 2023: nil).

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. As of the date of this report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. ZHU Lin, Dr. CHE Lufeng and Dr. YANG Bo. The chairperson of the Audit Committee is Mr. ZHU Lin (being the independent non-executive Director with the appropriate professional qualifications). The primary functions of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, oversee the audit process, provide advice and comments to the Board, perform other duties and responsibilities as may be assigned by the Board, and review and oversee the risk management of the Company.

The Audit Committee has discussed with the management of the Company and reviewed the unaudited condensed consolidated financial statements of the Group for the Reporting Period. The Audit Committee considered that the unaudited condensed consolidated financial statements of the Group for the Reporting Period are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

The unaudited condensed consolidated financial statements of the Group for the Reporting Period has been reviewed by Ernst & Young, the independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young confirmed that, based on their review, nothing has come to their attention that causes them to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on May 27, 2024. The net proceeds raised from the Global Offering, after deduction of the underwriting commissions, fees and estimated expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$420.51 million (the “**Net Proceeds**”).

As of the date of this report, there was no change in the intended use of the Net Proceeds and the expected timeline as previously disclosed in the section headed “Future Plans and Use of Proceeds – Use of Proceeds” in the Prospectus. The following table sets forth a summary of the utilization of the Net Proceeds as of June 30, 2024:

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Planned use of the Net Proceeds	Net Proceeds				
	Percentage to total Net Proceeds	Net Proceeds incurred from the Global Offering (HK\$ in million)	Actual amount of Net Proceeds utilized during the period from the Listing Date to June 30, 2024 (HK\$ in million)	Unutilized amount as of June 30, 2024 (HK\$ in million)	Expected timeline for full utilization of the remaining Net Proceeds
Expand terminal network and increase market penetration	32.0%	134.56	19.47	115.09	December 31, 2027
– Expansion of terminal network across tier one and new tier one cities in China	24.0%	100.92	16.44	84.48	December 31, 2027
– Placement costs of new locations intended for the installation of additional terminals	8.0%	33.64	3.03	30.61	December 31, 2027
Provide enhanced marketing service	13.0%	54.67	6.45	48.22	December 31, 2027
– Expand the Group’s user pool and continue to enhance the Group’s membership system	10.0%	42.05	6.33	35.72	December 31, 2027
– Recruit additional marketing planning personnel	3.0%	12.62	0.12	12.50	December 31, 2027
Expand the Group’s brand customer base by enhancing the Group’s brand awareness	15.0%	63.08	11.16	51.92	December 31, 2026
– Expand the Group’s brand customer base and promote the “Quna (趣拿)” brand	10.0%	42.05	10.88	31.17	December 31, 2026
– Recruit business development personnel	5.0%	21.03	0.28	20.75	December 31, 2026

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Planned use of the Net Proceeds	Percentage to total Net Proceeds	Net Proceeds				Expected timeline for full utilization of the remaining Net Proceeds
		Net Proceeds incurred from the Global Offering <i>(HK\$ in million)</i>	Actual amount of Net Proceeds utilized during the period from the Listing Date to June 30, 2024 <i>(HK\$ in million)</i>	Unutilized amount as of June 30, 2024 <i>(HK\$ in million)</i>		
Enhance the Group's technological capabilities and R&D efforts	20.0%	84.10	8.87	75.23	December 31, 2027	
– Further enhance the Group's R&D investments	10.0%	42.05	5.23	36.82	December 31, 2027	
– Strengthening the construction of digital systems within the Group's internal operations	5.0%	21.03	3.21	17.82	December 31, 2026	
– Recruiting experienced technical and R&D personnel	5.0%	21.03	0.43	20.60	December 31, 2027	
Pursuing strategic alliances and acquisitions	10.0%	42.05	6.16	35.89	December 31, 2027	
For general working capital and general corporate purposes	10.0%	42.05	11.55	30.50	Not applicable	
Total	100.0%	420.51	63.66	356.85		

The Group will gradually utilize the Net Proceeds in accordance with the intended purposes set out in the Prospectus.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at June 30, 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be entered in the register to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of interest in the Company's issued share capital ⁽²⁾
Ms. YIN	Founder of a trust who can influence how the trustee exercise her discretion ⁽³⁾	72,294,252	27.52%
	Beneficial of a trust ⁽³⁾	72,294,252	27.52%
	Interest held jointly with another person ⁽⁹⁾	30,867,144	11.75%
	Beneficial owner ⁽⁴⁾	2,500,000	0.95%
Mr. CAO Liwen ("Mr. CAO")	Founder of a trust who can influence how the trustee exercise his discretion ⁽⁵⁾	8,819,184	3.36%
	Beneficial of a trust ⁽⁵⁾	8,819,184	3.36%
	Interest held jointly with another person ⁽⁹⁾	94,342,212	35.91%
	Beneficial owner ⁽⁶⁾	2,500,000	0.95%
Mr. HUANG Aihua ("Mr. HUANG")	Interest of controlled corporation ⁽⁷⁾	4,409,592	1.68%
	Interest held jointly with another person ⁽⁹⁾	98,751,804	37.59%
	Beneficial owner ⁽⁸⁾	4,000,000	1.52%

Notes:

(1) All interests stated are long positions.

(2) The percentage is calculated based on the total number of 262,705,446 Shares in issue as at June 30, 2024.

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- (3) As at June 30, 2024, Beyond Branding was wholly owned by Jovie Holding Limited, which is in turn wholly owned by Trident Trust Company (HK) Limited ("**Trident Trust**"), being the trustee of Jovie Trust which is a trust established by Ms. YIN as the settlor and the beneficiary. As such, Ms. YIN is deemed to be interested in the Shares held by Beyond Branding under the SFO.
 - (4) These Shares represent Ms. YIN's entitlement to receive up to 2,500,000 Shares pursuant to the exercise of options granted to her under the Stock Incentive Plan, subject to the terms and conditions of these options.
 - (5) As at June 30, 2024, Kiosk Joy was wholly owned by Iwan Holding Limited, which is in turn wholly owned by Trident Trust, being the trustee of Liwen Trust which is a trust established by Mr. CAO as the settlor and the beneficiary. As such, Mr. CAO is deemed to be interested in the Shares held by Kiosk Joy under the SFO.
 - (6) These Shares represent Mr. CAO's entitlement to receive up to 2,500,000 Shares pursuant to the exercise of options granted to him under the Stock Incentive Plan, subject to the terms and conditions of these options.
 - (7) As at June 30, 2024, NeoBox was wholly owned by NeoWay Holding Limited, which is in turn wholly owned by Mr. HUANG. As such, each of NeoWay Holding Limited and Mr. HUANG is deemed to be interested in the Shares held by NeoBox under the SFO.
 - (8) These Shares represent Mr. HUANG's entitlement to receive up to 4,000,000 Shares pursuant to the exercise of options granted to him under the Stock Incentive Plan, subject to the terms and conditions of these options.
 - (9) On June 27, 2023, Ms. YIN, Ms. YIN Juelian (殷珏蓮), Mr. CAO, Mr. WU Wenhong (吳文洪), Mr. HUANG and Mr. QIAN Jun (錢俊) entered into an acting-in-concert agreement, pursuant to which the signing parties have confirmed that they had been acting in concert by aligning their votes and following Ms. YIN's directions when exercising their voting rights at the Shareholders' meetings in the Group since they became interested in Shanghai Quna.

Save as disclosed above, as at June 30, 2024, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

STOCK INCENTIVE PLAN

On September 22, 2021, the Company adopted the Stock Incentive Plan, which is the only share scheme adopted by the Company as of the date of this interim report. The eligible grantees under the Stock Incentive Plan include employees, directors, consultants of the Group or our affiliates or any entity in which the Group or our affiliate holds a substantial interest (the "**Related Entity**"), and any persons who made special contributions in certain aspects to the Group or any Related Entity.

Options to subscribe for an aggregate of 40,658,824 Shares (representing approximately 15.48% of the total issued share capital of the Company) had been granted by the Group before January 1, 2024. No further options were granted under the Stock Incentive Plan following such date, and no further options will be granted under the Stock Incentive Plan following the Listing. As such, the number of options available for grant under the scheme mandate as at January 1, 2024 and June 30, 2024 was nil and nil, respectively.

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The principal terms of the Stock Incentive Plan are set out below:

Purpose of the Stock Incentive Plan

The purpose of the Stock Incentive Plan is to attract and retain the best available personnel, to provide additional incentives to eligible participants and to promote the success of the Company's business.

Duration

The Stock Incentive Plan shall become effective upon the occurrence of its approval by the applicable Board resolutions of the Company. The Stock Incentive Plan shall continue in effect for a term of ten years after the date of adoption, unless sooner terminated or extended before expiration. The exercise period of the options granted under the Stock Incentive Plan is five years after such options become vested in full and exercisable. Subject to applicable laws, awards may be granted under the Stock Incentive Plan upon its becoming effective.

Option Pricing Model

For the fair value of equity-settled share options granted, a binominal model was used in pricing and taken into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	Six months ended June 30,	
	2024	2023
Exercise price	1.10~12.40	1.10~12.40
Expected volatility	51.28%~54.43%	51.28%~54.43%
Expected life (years)	7 to 9	7 to 9
Risk-free rate	2.66%~3.15%	2.66%~3.15%
Expected dividend yield	–	–

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. Dividend yield is based on management estimate at the valuation date. Risk-free interest rate was estimated based on the yield of the PRC government bonds with a maturity life closest to the life to expiration as of the option grant date.

The Group recognised share-based expenses in relation to the Stock Incentive Plan of approximately RMB8,814,000 (share-based expenses for the six months ended June 30, 2023: approximately RMB4,885,000) for the Reporting Period in relation to the options granted by the Company.

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Details of the outstanding share options granted under the Stock Incentive Plan are set out below:

Name of Grantee	Position/ relationship with our Group	Date of grant	Vesting period	Exercise period	Exercise price <i>(RMB/share)</i>	Number of Shares under outstanding options granted as of January 1, 2024	Number of Shares underlying the options					Number of Shares under outstanding options granted as of June 30, 2024
							Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapse during the Reporting Period		
Directors, chief executive or substantial shareholders of the listed issuer or their respective associates												
Ms. Yin Juehui (殷珏輝)	Executive Director, chairwoman of the Board and chief executive officer	January 1, 2016 January 1, 2020	Note (2) Note (2)	Note (1) Note (1)	1.0982 6.9444	1,500,000 1,000,000	0	0	0	0	1,500,000 1,000,000	
Mr. CAO Liwen (曹理文)	Executive Director and vice president of sales	January 1, 2016 January 1, 2020	Note (2) Note (2)	Note (1) Note (1)	1.0982 6.9444	1,500,000 1,000,000	0	0	0	0	1,500,000 1,000,000	
Mr. HUANG Aihua (黃愛華)	Executive Director and chief technology officer	July 1, 2016 January 1, 2021	Note (2) Note (2)	Note (1) Note (1)	1.0982 6.9444	3,000,000 1,000,000	0	0	0	0	3,000,000 1,000,000	
Ms. YIN Juelian (殷珏蓮) (Note 4)	Chief financial officer	January 1, 2016 January 1, 2020	Note (2) Note (2)	Note (1) Note (1)	1.0982 6.9444	1,500,000 1,016,224	0	0	0	0	1,500,000 1,016,224	
Mr. QIAN Jun (錢俊)	Executive vice president	January 1, 2016 January 1, 2020	Note (2) Note (2)	Note (1) Note (1)	1.0982 6.9444	1,500,000 1,000,000	0	0	0	0	1,500,000 1,000,000	
Mr. WU Wenhong (吳文洪)	Chief customer relations advisor	January 1, 2016	Note (2)	Note (1)	1.0982	1,000,000	0	0	0	0	1,000,000	
Participant with options and awards granted and to be granted in excess of the 1% individual limit												
Ms. HU Xiaowei (胡小微)	Administrative head of Beijing office	January 1, 2016 January 1, 2020	Note (2) Note (2)	Note (1) Note (1)	1.0982 6.9444	2,160,000 1,040,000	0	0	0	0	2,160,000 1,040,000	
Others												
101 other grantees, which are our employees (other than directors, chief executive, substantial shareholders of the Company or associates of the aforementioned persons)	Various positions at the Group	Various dates	Note (3)	Note (1)	-	22,442,600	0	0	0	0	22,442,600	
Total	-	-	-	-	-	40,658,824	0	0	0	0	40,658,824	

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Notes:

- (1) The options shall be exercisable within five years after such options become vested in full and exercisable.
- (2) The vesting period shall be four years commencing from the date of grant.
- (3) The vesting period ranges from two to four years from the date of grant.
- (4) Ms. YIN Juelian is a sister of Ms. YIN Juehui.
- (5) There is no performance target for the options granted under the Stock Incentive Plan.

As at June 30, 2024, the outstanding share options under the Stock Incentive Plan were 40,658,824, representing 15.48% of the total issued share capital of the Company. For the six months ended June 30, 2024, no other options have been granted under the Stock Incentive Plan and therefore the number of the Shares that may be issued in respect of options under the Stock Incentive Plan during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Reporting Period is not applicable.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

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SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2024, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of interest in the Company's issued share capital ⁽²⁾
Beyond Branding ⁽³⁾	Beneficial owner	72,294,252	27.52%
	Interest held jointly with another person ⁽¹²⁾	30,867,144	11.75%
Jovie Holding Limited ⁽³⁾	Interest of controlled corporation	72,294,252	27.52%
	Interest held jointly with another person ⁽¹²⁾	30,867,144	11.75%
Q-robot Holding Limited ("Q-robot") ⁽⁴⁾	Beneficial owner	8,819,184	3.36%
	Interest held jointly with another person ⁽¹²⁾	94,342,212	35.91%
Helenatest Holding Limited ⁽⁴⁾	Interest of controlled corporation	8,819,184	3.36%
	Interest held jointly with another person ⁽¹²⁾	94,342,212	35.91%
Ms. YIN Juelian (殷珏蓮) ⁽⁴⁾	Founder of a trust who can influence how the trustee exercise her discretion	8,819,184	3.36%
	Beneficiary of a trust (other than a discretionary interest)	8,819,184	3.36%
	Interest held jointly with another person ⁽¹²⁾	94,342,212	35.91%
	Beneficial owner ⁽⁵⁾	2,516,224	0.96%
Kiosk Joy ⁽⁶⁾	Beneficial owner	8,819,184	3.36%
	Interest held jointly with another person ⁽¹²⁾	94,342,212	35.91%
Iwan Holding Limited ⁽⁶⁾	Interest of controlled corporation	8,819,184	3.36%
	Interest held jointly with another person ⁽¹²⁾	94,342,212	35.91%

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Name of Shareholder	Capacity/nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of interest in the Company's issued share capital ⁽²⁾
INSIGMA Limited (“ INSIGMA ”) ⁽⁷⁾	Beneficial owner	4,409,592	1.68%
	Interest held jointly with another person ⁽¹²⁾	98,751,804	37.59%
Mr. WU Wenhong (吳文洪) ⁽⁷⁾	Interest of controlled corporation	4,409,592	1.68%
	Interest held jointly with another person ⁽¹²⁾	98,751,804	37.59%
	Beneficial owner ⁽⁸⁾	1,000,000	0.38%
NeoBox ⁽⁹⁾	Beneficial owner	4,409,592	1.68%
	Interest held jointly with another person ⁽¹²⁾	98,751,804	37.59%
NeoWay Holding Limited ⁽⁹⁾	Interest of controlled corporation	4,409,592	1.68%
	Interest held jointly with another person ⁽¹²⁾	98,751,804	37.59%
Q-robot shop Limited (“ Q-robot shop ”) ⁽¹⁰⁾	Beneficial owner	4,409,592	1.68%
	Interest held jointly with another person ⁽¹²⁾	98,751,804	37.59%
Mr. QIAN Jun (錢俊) ⁽¹⁰⁾	Interest of controlled corporation	4,409,592	1.68%
	Interest held jointly with another person ⁽¹²⁾	98,751,804	37.59%
	Beneficial owner ⁽¹¹⁾	2,500,000	0.95%
Trident Trust	Trustee ⁽³⁾	72,294,252	27.52%
	Trustee ⁽⁴⁾	8,819,184	3.36%
	Trustee ⁽⁶⁾	8,819,184	3.36%
Shanghai Yuanjizhi Enterprise Management, L.P.* (上海源及致企業管理合夥企業(有限合夥)) (“ Shanghai Yuanjizhi ”) ⁽¹³⁾	Beneficial owner	4,000,020	1.52%
	Interest held jointly with another person	28,301,790	10.77%
Wuxi Ferry Phase II Investment Co., Ltd.* (無錫源渡二期投資有限公司) (“ Ferry Phase II Investment ”) ⁽¹³⁾	Interest of controlled corporation	4,000,020	1.52%
	Interest held jointly with another person	28,301,790	10.77%

OTHER INFORMATION

				Approximate percentage of interest in the Company's issued share capital ⁽²⁾
	Name of Shareholder	Capacity/nature of interest	Number of Shares held ⁽¹⁾	
Company Profile	Shanghai Chuiying Enterprise Management Partnership	Interest of controlled corporation	4,000,020	1.52%
	(Limited Partnership)* (上海垂穎企業管理合夥企業(有限合夥))	Interest of controlled corporation	6,999,965	2.66%
	("Shanghai Chuiying") ⁽¹³⁾	Interest held jointly with another person	21,301,836	8.11%
Corporate Information	Wuxi Ferry Phase II Venture Capital Investment Partnership	Interest of controlled corporation	4,000,020	1.52%
	(Limited Partnership)* (無錫源渡二期創業投資合夥企業(有限合夥))	Interest held jointly with another person	28,301,790	10.77%
Financial Highlights	("Ferry Phase II") ⁽¹³⁾			
Management Discussion and Analysis	Shanghai Yuanyuqu Enterprise Management, L.P.* (上海源與趣企業管理合夥企業(有限合夥))	Beneficial owner	21,301,836	8.11%
	("Shanghai Yuanyuqu") ⁽¹³⁾	Interest held jointly with another person	10,999,974	4.19%
	Wuxi Ferry Venture Capital Investment Management Limited* (無錫源渡股權投資管理有限公司)	Interest of controlled corporation	21,301,836	8.11%
Other Information	("Wuxi Ferry") ⁽¹³⁾	Interest held jointly with another person	10,999,974	4.19%
	Wuxi Ferry Phase I Venture Capital Investment Partnership	Interest of controlled corporation	21,301,836	8.11%
Financial Information	(Limited Partnership)* (無錫源渡一期創業投資合夥企業(有限合夥))	Interest held jointly with another person	10,999,974	4.19%
	("Ferry Phase I") ⁽¹³⁾			
Definitions	Mr. JIN Yong (金勇) ⁽¹³⁾	Interest of controlled corporation	21,301,836	8.11%
	Shanghai Yuanqu Enterprise Management, L.P.* (上海源趣叁期企業管理合夥企業(有限合夥))	Interest held jointly with another person	10,999,974	4.19%
	("Ferry Phase III") ⁽¹³⁾	Beneficial owner	6,999,954	2.66%
		Interest held jointly with another person	25,301,856	9.63%

OTHER INFORMATION

Name of Shareholder	Capacity/nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of interest in the Company's issued share capital ⁽²⁾
Wuxi Ferry Weilun Enterprise Management Partnership (Limited Partnership)* (無錫源渡偉倫企業管理合夥企業(有限合夥)) (“ Ferry Weilun ”) ⁽¹³⁾	Interest of controlled corporation	6,999,954	2.66%
	Interest held jointly with another person	25,301,856	9.63%
Suzhou Ferry Growth Investment Partnership (Limited Partnership)* (蘇州源渡成長投資合夥企業(有限合夥)) (“ Suzhou Ferry ”) ⁽¹³⁾	Interest of controlled corporation	6,999,954	2.66%
	Interest held jointly with another person	25,301,856	9.63%
Mr. WANG Xuefeng (王學峰) ⁽¹³⁾	Interest of controlled corporation	32,301,810	12.30%
Shanghai Junna Enterprise Management Partnership (Limited Partnership)* (上海君拿企業管理合夥企業(有限合夥)) (“ Shanghai Junna ”) ⁽¹⁴⁾	Beneficial owner	21,999,948	8.37%
Lasa Junqi Enterprise Management Co., Ltd.* (拉薩君祺企業管理有限公司) (“ Lasa Junqi ”) ⁽¹⁴⁾	Interest of controlled corporation	21,999,948	8.37%
Legend Capital Co., Ltd.* (君聯資本管理股份有限公司) (“ Legend Capital ”) ⁽¹⁴⁾	Interest of controlled corporation	21,999,948	8.37%
Beijing Juncheng Hezhong Investment Management Partnership (Limited Partnership)* (北京君誠合眾投資管理合夥企業(有限合夥)) (“ Juncheng Hezhong ”) ⁽¹⁴⁾	Interest of controlled corporation	21,999,948	8.37%

OTHER INFORMATION

				Approximate percentage of interest in the Company's issued share capital ⁽²⁾
	Name of Shareholder	Capacity/nature of interest	Number of Shares held ⁽¹⁾	
Company Profile				
Corporate Information	Beijing Junqi Jiarui Enterprise Management Co., Ltd.* (北京君祺嘉睿企業管理有限公司) ("Junqi Jiarui") ⁽¹⁴⁾	Interest of controlled corporation	21,999,948	8.37%
Financial Highlights	Tianjin Huizhi No. 1 Enterprise Management Consulting Partnership (Limited Partnership)* (天津匯智壹號企業管理諮詢合夥企業(有限合夥)) ("Tianjin Huizhi No. 1") ⁽¹⁴⁾	Interest of controlled corporation	21,999,948	8.37%
Management Discussion and Analysis	Tianjin Junlian Jieyou Enterprise Management Consulting Partnership (Limited Partnership)* (天津君聯傑佑企業管理諮詢合夥企業(有限合夥)) ("Junlian Jieyou") ⁽¹⁴⁾	Interest of controlled corporation	21,999,948	8.37%
Other Information	Mr. ZHU Linan (朱立南) ⁽¹⁴⁾	Interest of controlled corporation	21,999,948	8.37%
	Mr. CHEN Hao (陳浩) ⁽¹⁴⁾	Interest of controlled corporation	21,999,948	8.37%
Financial Information	Beijing Junlian Huicheng Equity Investment Partnership (Limited Partnership)* (北京君聯慧誠股權投資合夥企業(有限合夥)) ("Beijing Legend") ⁽¹⁴⁾	Interest of controlled corporation	21,999,948	8.37%
Definitions	Xiamen C&D Emerging Industry Equity Investment No. 1 Partnership (Limited Partnership)* (廈門建發新興產業股權投資壹號合夥企業(有限合夥)) ("Xiamen C&D") ⁽¹⁵⁾	Beneficial owner	18,000,036	6.85%

OTHER INFORMATION

Name of Shareholder	Capacity/nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of interest in the Company's issued share capital ⁽²⁾
Xiamen Jianxin Investment Co., Ltd.* (廈門建鑫投資有限公司) (“ Xiamen Jianxin ”) ⁽¹⁵⁾	Interest of controlled corporation	18,000,036	6.85%
Xiamen Jianxing Capital Enterprise Management Consulting Co., Ltd.* (廈門建興資本企業管理諮詢有限公司) (“ Xiamen Jianxing ”) ⁽¹⁵⁾	Interest of controlled corporation	18,000,036	6.85%
Xiamen C&D Emerging Venture Capital Co., Ltd.* (廈門建發新興創業投資有限公司) (“ Xiamen C&D VC ”) ⁽¹⁵⁾	Interest of controlled corporation	18,000,036	6.85%
Mr. CAI Xiaofan (蔡曉帆) ⁽¹⁵⁾	Interest of controlled corporation	18,000,036	6.85%
Xiamen C&D Emerging Industry Equity Investment Co., Ltd.* (廈門建發新興產業股權投資有限責任公司) (“ Xiamen C&D Equity Investment ”) ⁽¹⁵⁾	Interest of controlled corporation	18,000,036	6.85%
Xiamen C&D Group Co., Ltd.* (廈門建發集團有限公司) (“ Xiamen C&D Group ”) ⁽¹⁵⁾	Interest of controlled corporation	18,000,036	6.85%
Banyan Pacific Technology Investment Limited (“ Banyan Pacific ”) ⁽¹⁶⁾	Beneficial owner	22,610,668	8.61%
Mr. YEUNG Man ⁽¹⁶⁾	Interest of controlled corporation	30,299,118	11.53%

OTHER INFORMATION

Notes:

- (1) All interests stated are long positions.
- (2) The percentage is calculated is based on the total number of 262,705,446 Shares in issue as at June 30, 2024.
- (3) As at June 30, 2024, Beyond Branding is wholly owned by Jovie Holding Limited, which is in turn wholly owned by Trident Trust, being the trustee of Jovie Trust which is a trust established by Ms. YIN as the settlor and the beneficiary. As such, each of Jovie Holding Limited, Trident Trust and Ms. YIN is deemed to be interested in the Shares held by Beyond Branding under the SFO.
- (4) As at June 30, 2024, Q-robot is wholly owned by Helenatest Holding Limited, which is in turn wholly owned by Trident Trust, being the trustee of Helena Trust which is a trust established by Ms. YIN Juelian (殷珏蓮) as the settlor and the beneficiary. As such, each of Helenatest Holding Limited, Trident Trust and Ms. YIN Juelian (殷珏蓮) is deemed to be interested in the Shares held by Q-robot under the SFO.
- (5) These Shares represent Ms. YIN Juelian (殷珏蓮)'s entitlement to receive up to 2,516,224 Shares pursuant to the exercise of options granted to her under the Stock Incentive Plan, subject to the terms and conditions of these options.
- (6) As at June 30, 2024, Kiosk Joy is wholly owned by Iwan Holding Limited, which is in turn wholly owned by Trident Trust, being the trustee of Liwen Trust which is a trust established by Mr. CAO as the settlor and the beneficiary. As such, each of Iwan Holding Limited, Trident Trust and Mr. CAO is deemed to be interested in the Shares held by Kiosk Joy under the SFO.
- (7) As at June 30, 2024, INSIGMA is wholly owned by Mr. WU Wenhong (吳文洪). As such, Mr. WU Wenhong (吳文洪) is deemed to be interested in the Shares held by INSIGMA under the SFO.
- (8) These Shares represent Mr. WU Wenhong (吳文洪)'s entitlement to receive up to 1,000,000 Shares pursuant to the exercise of options granted to him under the Stock Incentive Plan, subject to the terms and conditions of these options.
- (9) As at June 30, 2024, NeoBox is wholly owned by NeoWay Holding Limited, which is in turn wholly owned by Mr. HUANG. As such, each of NeoWay Holding Limited and Mr. HUANG is deemed to be interested in the Shares held by NeoBox under the SFO.
- (10) As at June 30, 2024, Q-robot shop is wholly owned by Mr. QIAN Jun (錢俊). As such, Mr. QIAN Jun (錢俊) is deemed to be interested in the Shares held by Q-robot shop under the SFO.
- (11) These Shares represent Mr. QIAN Jun (錢俊)'s entitlement to receive up to 2,500,000 Shares pursuant to the exercise of options granted to him under the Stock Incentive Plan, subject to the terms and conditions of these options.
- (12) On June 27, 2023, Ms. YIN, Ms. YIN Juelian (殷珏蓮), Mr. CAO, Mr. WU Wenhong (吳文洪), Mr. HUANG and Mr. QIAN Jun (錢俊) entered into an acting-in-concert agreement, pursuant to which the signing parties have confirmed that they had been acting in concert by aligning their votes and following Ms. YIN's directions when exercising their voting rights at the Shareholders' meetings in the Group since the establishment. As such, each of the Concert Parties and their respective holding vehicles are deemed to be interested in the Shares each other is interested in under the SFO.
- (13) Shanghai Yuanjizhi is a limited partnership established in the PRC on November 1, 2021 and it is owned as to approximately 0.1% by Ferry Phase II Investment as its general partner and as to approximately 99.9% by Ferry Phase II. Ferry Phase II Investment is owned as to 86.50% by Shanghai Chuiying, which is owned as to 33.0% by Mr. WANG Xuefeng (王學峰) as its general partner. Ferry Phase II is owned as to 0.98% by Ferry Phase II Investment.

Shanghai Yuanyuqu is a limited partnership established in the PRC on November 1, 2021 and it is owned as to approximately 0.09% by Wuxi Ferry as its general partner and as to 99.91% by Ferry Phase I as its limited partner. The general partner of Ferry Phase I is Wuxi Ferry, and Ferry Phase I has five limited partners, including Mr. JIN Yong (金勇) being the largest limited partner with 39.60% partnership interest and the remaining four limited partners each holding less than one-third partnership interest.

OTHER INFORMATION

Ferry Phase III is a limited partnership established in the PRC on October 25, 2021 and it is owned as to approximately 0.03% by Ferry Weilun as its general partner and as to approximately 99.97% by Suzhou Ferry as its limited partner. Ferry Weilun is owned as to approximately 7.02% by Wuxi Ferry Growth Enterprise Management Co., Ltd.* (無錫源渡成長企業管理有限公司) as its general partner and approximately 92.98% by Shanghai Chuiying as its limited partner. The general partner of Suzhou Ferry is Ferry Weilun and Suzhou Ferry has 12 limited partners, each holding less than one-third partnership interest.

As such, each of Ferry Phase II Investment, Shanghai Chuiying, Ferry Phase II, Wuxi Ferry, Ferry Phase I, Ferry Weilun, Suzhou Ferry, Mr. JIN Yong (金勇) and Mr. WANG Xuefeng (王學峰) is deemed to be interested in the Shares held by Shanghai Yuanjizhi, Shanghai Yuanyuqu and Ferry Phase III.

- (14) Shanghai Junna is a limited partnership established in the PRC on October 20, 2021 and it is owned as to approximately 0.02% by Lasa Junqi as its general partner and as to approximately 99.98% by Beijing Legend as its limited partner. Lasa Junqi is wholly owned by Legend Capital, which is owned as to 80% by Juncheng Hezhong. Juncheng Hezhong is owned as to 0.01% by Junqi Jiarui as its general partner, 58.12% by Tianjin Huizhi No. 1 as its limited partner and 41.87% by Junlian Jieyou as its limited partner. Tianjin Huizhi No. 1 is owned as to 1.20% by Junqi Jiarui as its general partner, as to 34.68% by Mr. ZHU Linan (朱立南) as its largest limited partner, and the remaining 64.12% by the other 14 limited partners, each holding less than one-third partnership interest. Junqi Jiarui is owned as to 40% by Mr. CHEN Hao (陳浩) and three other individual shareholders which respectively holds 20% equity interest, each an Independent Third Party. The general partner of Junlian Jieyou is also Junqi Jiarui. Junlian Jieyou has 18 limited partners, each holding less than one-third partnership interest. The general partner of Beijing Legend is Lasa Junqi. Beijing Legend has 21 limited partners, with National Council for Social Security Fund of The People's Republic of China (全國社會保障基金理事會) being its largest limited partner holding 33.33% partnership interest, and the remaining 20 limited partners each holding less than one-third partnership interest. As such, each of Lasa Junqi, Beijing Legend, Mr. ZHU Linan (朱立南) and Mr. CHEN Hao (陳浩) is deemed to be interested in the Shares held by Shanghai Junna under the SFO.
- (15) Xiamen C&D is a limited partnership established in the PRC on June 27, 2016 and it is owned as to approximately 1.52% by Xiamen Jianxin as its general partner, as to approximately 49.09% by Xiamen C&D VC as the largest limited partner and as to the remaining approximately 49.39% by the other five limited partners. Xiamen Jianxin is owned as to 51.0% by Xiamen Jianxing and 49.0% by Xiamen C&D VC. Xiamen Jianxing is owned as to 51.0% by Mr. CAI Xiaofan (蔡曉帆), an Independent Third Party. Xiamen C&D VC is wholly owned by Xiamen C&D Equity Investment. Xiamen C&D Equity Investment is wholly owned by Xiamen C&D Group, which is in turn wholly owned by the State-owned Assets Supervision And Administration Commission of Xiamen People's Government (廈門市人民政府國有資產監督管理委員會).
- (16) Banyan Pacific is a limited liability company incorporated in the BVI on December 12, 2013 and is wholly owned by Mr. YEUNG Man. BPC Alpha Limited is a limited liability company incorporated in the BVI on April 4, 2022 and it is owned as to 95.0% by Mr. YEUNG Man. As such, Mr. YEUNG Man is deemed to be interested in the Shares held by Banyan Pacific and BPC Alpha Limited under the SFO.

Save as disclosed above, as at June 30, 2024, the Directors were not aware of any other persons (who were not Directors or chief executive of the Company) who had an interest or short position in any Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register be kept by the Company pursuant to Section 336 of the SFO.

OTHER INFORMATION

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

Save for the Global Offering, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Relevant Period.

CHANGE TO INFORMATION IN RESPECT OF DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY

There has been no other change to information which is required to be disclosed and has been disclosed by the Directors and chief executives of the Company pursuant to Rule 13.51B(1) of the Listing Rules after the publication of the Prospectus and up to the date of this report.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules as of June 30, 2024.

On behalf of the Board

Ms. YIN Juehui

Chairwoman and Executive Director

Hong Kong

August 15, 2024

Company Profile

Corporate Information

Financial Highlights

Management Discussion and Analysis

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Definitions

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

For the six months ended June 30, 2024

	Notes	Six months ended June 30,	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	5	515,117	363,592
Cost of sales		(233,693)	(169,484)
Gross profit		281,424	194,108
Other income and gains		4,266	2,163
Selling and distribution expenses		(141,948)	(95,262)
Administrative expenses		(36,315)	(32,176)
Research and development expenses		(37,484)	(27,307)
Fair value (losses)/gains on financial liabilities at fair value through profit or loss ("FVTPL")	14	(1,899,415)	32,424
Fair value gains on financial assets at FVTPL		2,273	–
Other expenses and losses		(7)	(1,725)
Impairment losses under expected credit loss ("ECL") model, net of reversal		(5,880)	(92)
Finance costs		(3,998)	(826)
(LOSS)/PROFIT BEFORE TAX	6	(1,837,084)	71,307
Income tax expense	7	(9,161)	(5,917)
(LOSS)/PROFIT FOR THE PERIOD		(1,846,245)	65,390
Attributable to:			
Owners of the parent		(1,847,864)	64,625
Non-controlling interests		1,619	765
		(1,846,245)	65,390
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(1,846,245)	65,390
Attributable to:			
Owners of the parent		(1,847,864)	64,625
Non-controlling interests		1,619	765
		(1,846,245)	65,390
(LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic:			
(Loss)/profit for the period (RMB)	9	(13.71)	0.62
Diluted:			
(Loss)/profit for the period (RMB)	9	(13.71)	0.08

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2024

	<i>Notes</i>	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	94,468	117,652
Right-of-use assets		4,840	2,361
Financial assets at FVTPL		4,000	4,000
Deferred tax assets		12,065	11,014
Prepayments, deposits and other receivables	11	46,750	34,750
Total non-current assets		162,123	169,777
CURRENT ASSETS			
Inventories		17,891	27,785
Trade receivables	12	507,799	493,999
Prepayments, deposits and other receivables	11	134,206	76,788
Amounts due from shareholders		-	7
Cash and bank balance		887,616	299,018
Financial assets measured at amortised cost		86,270	-
Financial assets at FVTPL		21,065	-
Total current assets		1,654,847	897,597
CURRENT LIABILITIES			
Trade payables	13	47,987	11,451
Other payables and accruals		34,813	9,404
Contract liabilities		3,952	2,762
Income tax payable		8,749	21,365
Lease liabilities		2,560	1,659
Interest-bearing bank borrowings		329,840	119,940
Deferred income		320	320
Total current liabilities		428,221	166,901
NET CURRENT ASSETS		1,226,626	730,696
TOTAL ASSETS LESS CURRENT LIABILITIES		1,388,749	900,473
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		12,750	13,500
Lease liabilities		2,422	528
Deferred income		240	400
Convertible redeemable preferred shares	14	-	1,253,988
Total non-current liabilities		15,412	1,268,416
Net assets/(liabilities)		1,373,337	(367,943)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2024

	<i>Notes</i>	June 30, 2024	December 31, 2023
		RMB'000	RMB'000
		(Unaudited)	(Audited)
EQUITY			
Share capital	15	18	7
Reserves/(deficits)		1,351,818	(387,832)
Equity attributable to owners of the parent		1,351,836	(387,825)
Non-controlling interests		21,501	19,882
Total equity/(deficits)		1,373,337	(367,943)

The interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors of the Company on August 15, 2024 and were signed on its behalf by:

Executive Director

Executive Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2024

For the six months ended June 30, 2024

	Attributable to owners of the parent						Non-controlling interests	Total deficits
	Paid-in capital	Capital reserve	Share award reserve	Other reserve	Accumulated losses	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024 (audited)	7	-	32,670	47,080	(467,582)	(387,825)	19,882	(367,943)
Loss for the period	-	-	-	-	(1,847,864)	(1,847,864)	1,619	(1,846,245)
Total comprehensive loss for the period	-	-	-	-	(1,847,864)	(1,847,864)	1,619	(1,846,245)
Issue of new shares upon the initial public offerings (the "IPO")	1	425,307	-	-	-	425,308	-	425,308
Automatic conversion of preferred shares upon the IPO	10	3,153,393	-	-	-	3,153,403	-	3,153,403
Equity-settled share award plan	-	-	8,814	-	-	8,814	-	8,814
At June 30, 2024 (unaudited)	18	3,578,700	41,484	47,080	(2,315,446)	1,351,836	21,501	1,373,337

For the six months ended June 30, 2023

	Attributable to owners of the parent					Non-controlling interests	Total deficits
	Paid-in capital	Share award reserve	Other reserve	Accumulated losses	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023 (audited)	7	18,036	-	(591,858)	(573,815)	155	(573,660)
Profit for the period	-	-	-	64,625	64,625	765	65,390
Total comprehensive income for the period	-	-	-	64,625	64,625	765	65,390
Transfer from convertible redeemable preferred shares	-	-	47,080	-	47,080	13,967	61,047
Capital deduction by Shanghai Yiqu (as defined below)	-	-	-	(6,666)	(6,666)	-	(6,666)
Equity-settled share award plan	-	4,885	-	-	4,885	-	4,885
At June 30, 2023 (unaudited)	7	22,921	47,080	(533,899)	(463,891)	14,887	(449,004)

In June 2023, pursuant to the reorganization framework agreement, Shanghai Yiqu Investment Development Center (Limited Partnership) (上海益趣投資發展中心(有限合夥)) ("Shanghai Yiqu") conduct a capital reduction from Shanghai Quna Network Technology Co., Ltd. (上海趣致網絡科技有限公司) ("Shanghai Quna") in an aggregated amount of approximately RMB6,666,000.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2024

	Notes	Six months ended June 30,	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows generated from operating activities		101,997	66,179
Income tax paid		(22,828)	(8,686)
Interest received		204	205
Net cash flows generated from operating activities		79,373	57,698
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	16	(15,316)	(715)
Purchases of financial assets at FVTPL		(39,827)	–
Proceeds from disposal of financial assets at FVTPL		21,035	(4,000)
Purchases of financial assets at amortised cost		(86,270)	–
Net cash flows used in investing activities		(120,378)	(4,715)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities		(1,376)	(1,040)
Proceeds from issue of convertible redeemable preferred shares		–	60,000
New bank loans raised		254,840	–
Repayment of bank loans		(45,690)	(26,997)
Interest paid		(3,998)	(826)
Capital deduction by Shanghai Yiqu		–	(6,666)
Listing expenses paid		(10,631)	(3,965)
Decrease in amounts due from shareholders		7	–
Proceeds from issue of shares		436,451	–
Net cash flows generated from financing activities		629,603	20,506
NET INCREASE IN CASH AND CASH EQUIVALENTS		588,598	73,489
Cash and cash equivalents at beginning of period		299,018	87,342
CASH AND CASH EQUIVALENTS AT END OF PERIOD		887,616	160,831

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

1. GENERAL INFORMATION

Qunabox Group Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on June 15, 2021. The registered address of the Company is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from May 27, 2024 (the “**Listing**”).

The interim condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and most of its subsidiaries. The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are engaged in marketing services, merchandise sales and other services in the People’s Republic of China (the “**PRC**”).

2. 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.

3. PRINCIPAL ACCOUNTING POLICIES

The Group has not applied the following new and revised International Financial Reporting Standards (“**IFRS(s)**”), that have been issued but are not yet effective, in the interim condensed consolidated financial statements. The Group intends to adopt them, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments³</i>
Amendments to IAS 21	<i>Lack of Exchange Ability²</i>
IFRS 18	<i>Presentation and Disclosure in Financial Statements⁴</i>

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after January 1, 2025

³ Effective for annual periods beginning on or after January 1, 2026

⁴ Effective for annual periods beginning on or after January 1, 2027

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group’s financial performance and financial position.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is mainly engaged in marketing services, merchandise sales and other related services, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's management for the purposes of resources allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Mainland China	515,117	363,592

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

(b) As the Group's non-current assets were located in the PRC during the relevant periods, no geographical information is presented.

Information about major customers

No revenue amounting to 10.0% or more of the Group's total revenue was derived from sales to a single customer during the relevant periods.

Information about products and services have been disclosed under Note 5 to the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

Revenue from contracts with customers

(i) Disaggregated revenue information

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Revenue from marketing services	411,759	291,840
Revenue from merchandise sales	78,449	52,705
Revenue from other related services	24,909	19,047
Total	515,117	363,592
Timing of revenue recognition		
Goods transferred at a point in time	78,449	52,705
Services satisfied at a point in time	24,909	19,047
Services satisfied over time	411,759	291,840
Total	515,117	363,592

The following table shows the amounts of revenue recognised in each of the relevant periods that were included in the contract liabilities at the beginning of each of the relevant periods and recognised from performance obligations satisfied in previous periods:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Marketing services	3,952	2,762

All contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

5. REVENUE, OTHER INCOME AND GAINS *(Continued)*

Revenue from contracts with customers *(Continued)*

(ii) Performance obligations

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

Marketing services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 180 days from the date of completion of services and customer acceptance.

Merchandise sales

The performance obligation is satisfied when the control of the goods has been transferred by offline terminals to the customers, and payment upon delivery of goods is normally required.

Other related services

The performance obligation is satisfied at the point in time as services are completed and accepted by customers and payment is generally due within 90 days from the date of completion of services and customer acceptance.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

6. (LOSS)/PROFIT BEFORE TAX

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

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	53,572	35,713
Depreciation of property, plant and equipment	26,500	27,820
Depreciation of right-of-use assets	1,692	1,053
Research and development costs	37,484	27,307
Auditor's remuneration	28	47
Listing expenses	18,285	16,098
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	15,976	14,649
Share incentive plan expense	8,814	4,885
Pension scheme contributions	3,748	3,353
Total	28,538	22,887
Foreign exchange gains, net	(2,762)	(132)
Fair value losses/(gains) on financial liabilities at FVTPL	1,899,415	(32,424)
Fair value gains on financial assets at FVTPL	(2,273)	–
Impairment losses on financial assets under ECL model	5,880	92
Write-down of inventories	1,541	4,366
Interest income	(204)	(205)
Loss on disposal of items of property, plant and equipment	–	1,657

7. INCOME TAX

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

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains during the relevant periods.

Hong Kong

The subsidiary which operates in Hong Kong is subject to profits tax at a rate of 8.25% applies to the first HKD2,000,000 of assessable profits, the remaining assessable profits is subject to profits tax at a rate of 16.5%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

7. INCOME TAX *(Continued)*

Mainland China

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and the Implementation Regulation of the EIT Law, the enterprise income tax rate of the PRC subsidiaries is 25.0% unless they are subject to preferential tax as set out below.

In 2022, Shanghai Quna was accredited as a “High and New Technology Enterprise” and was entitled to a preferential income tax rate of 15.0% for a period of three years from December 2022 to December 2025.

The income tax expense of the Group for the relevant periods is analysed as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	10,212	5,746
Deferred income tax	(1,051)	171
Total tax charge for the period	9,161	5,917

A reconciliation of the tax expense applicable to (loss)/profit before tax using the statutory rate for the countries or jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the applicable tax rate is as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/profit before tax	(1,837,084)	71,307
Tax charged at the statutory tax rate	(459,271)	17,827
Preferential tax rate enacted by the subsidiary	(6,247)	(5,388)
Expenses not deductible for tax	479,282	4,902
Income not taxable	–	(8,106)
Additional deductible allowance for research and development costs	(4,603)	(3,332)
Temporary difference and tax losses not recognised	–	14
Tax expense at the Group’s effective rate	9,161	5,917

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

8. DIVIDENDS

The board of the directors of the Company did not recommend the payment of any dividend during the relevant periods.

9. (LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/profit per share amounts is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, same as used in the basic (loss)/profit per share calculation. For the six months ended June 30, 2024, the weighted average number of shares in issue was 134,812,153 (2023: 104,361,369), as adjusted to reflect the situation of new share issuance during this period.

For the six months ended June 30, 2023, the calculation of the diluted profit per share is based on the profit for the period attributable to ordinary equity holders of the parent deducting fair value gain of RMB45,739,000 on the convertible redeemable preferred shares that had a dilutive effect. 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 profit 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, including the effect of dilution from convertible redeemable preferred shares that had a dilutive effect of 125,579,327 shares and options granted under the stock incentive plan of 15,350,890 shares, respectively.

No adjustment has been made to the basic loss per share amounts presented for the six months ended June 30, 2024 as the impact of the automatic conversion of convertible redeemable preferred shares and share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

10. PROPERTY, PLANT AND EQUIPMENT

	Experiential vending machines <i>RMB'000</i> (Audited)	Leasehold improvements <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
December 31, 2023			
At January 1, 2023 (Audited):			
Cost	292,048	3,049	295,097
Accumulated depreciation	(117,425)	(3,049)	(120,474)
Net carrying amount	174,623	–	174,623
At January 1, 2023 net of accumulated depreciation			
Additions	805	–	805
Depreciation provided during the year	(55,515)	–	(55,515)
Disposals	(2,261)	–	(2,261)
At December 31, 2023 net of accumulated depreciation	117,652	–	117,652
At December 31, 2023			
Cost	273,356	3,049	276,405
Accumulated depreciation	(155,704)	(3,049)	(158,753)
Net carrying amount	117,652	–	117,652

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

10. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Experiential vending machines <i>RMB'000</i> (Unaudited)	Leasehold improvements <i>RMB'000</i> (Unaudited)	Transport equipment <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
June 30, 2024				
At January 1, 2024 (Audited):				
Cost	273,356	3,049	–	276,405
Accumulated depreciation	(155,704)	(3,049)	–	(158,753)
Net carrying amount	117,652	–	–	117,652
At January 1, 2024 net of accumulated depreciation	117,652	–	–	117,652
Additions	2,655	–	661	3,316
Depreciation provided during the period	(26,487)	–	(13)	(26,500)
Disposals	–	–	–	–
At June 30, 2024 net of accumulated depreciation	93,820	–	648	94,468
At June 30, 2024				
Cost	276,011	3,049	661	279,721
Accumulated depreciation	(182,191)	(3,049)	(13)	(185,253)
Net carrying amount	93,820	–	648	94,468

During the relevant periods, there was no impairment provided for the Group's property, plant and equipment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Current		
Prepayments	131,884	67,756
Value-added tax recoverable	-	3,355
Deposits and other receivables	3,785	3,809
Deferred listing expenses	-	3,331
	135,669	78,251
Allowance for ECL	(1,463)	(1,463)
Total	134,206	76,788
Non-Current		
Prepayments for property, plant and equipment	46,750	34,750

12. TRADE RECEIVABLES

	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Trade receivables	561,011	541,331
Impairment	(53,212)	(47,332)
Total	507,799	493,999

The Group's trading terms with its customers are mainly on credit. The credit term is generally from three to six months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control process to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the relevant periods, based on the invoice date and net of loss allowance, is as follows:

	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Within 6 months	271,968	284,315
6 to 12 months	155,476	169,995
1 to 2 years	79,668	33,132
2 to 3 years	687	6,557
Total	507,799	493,999

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the relevant periods, based on the invoice date, is as follows:

The Group

	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Within 1 year	47,987	11,451

The trade payables are non-interest-bearing and are normally settled on 30 to 60 day terms.

14. CONVERTIBLE REDEEMABLE PREFERRED SHARES

The Group issued a series of convertible redeemable preferred shares to finance its operation. Details of the movements of the fair value of the convertible redeemable preferred issued are as follows:

	Convertible Redeemable Preferred Shares RMB'000
As at January 1, 2023 (audited)	1,310,947
– issue	60,000
– repurchase of convertible redeemable preferred shares	(80,000)
– termination of convertible redeemable preferred shares	(61,047)
– changes in fair value (<i>note</i>)	(32,424)
As at June 30, 2023 (unaudited)	1,197,476
As at January 1, 2024 (audited)	1,253,988
– changes in fair value (<i>note</i>)	1,899,415
– automatic conversion of convertible redeemable preferred shares upon the IPO	(3,153,403)
As at June 30, 2024 (unaudited)	–

Note: The increase in the fair value of the convertible redeemable preferred shares during the current period in the amount of RMB1,899,415,000 (June 30, 2023: decrease of RMB32,424,000) is recorded as fair value losses on financial liabilities at FVTPL in the statement of profit or loss and other comprehensive income for the six months ended June 30, 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

15. SHARE CAPITAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on June 15, 2021. Upon its incorporation, the Company had an authorized share capital of US\$50,000 divided into 500,000,000 ordinary shares with a par value of US\$0.0001 each. According to the amended and restated memorandum and articles of association of the Company passed in June 2023, the authorized share capital of the Company is US\$50,000 divided into 5,000,000,000 ordinary shares of a par value of US\$0.00001 each.

As at December 31, 2023, the Company had 104,361,369 shares with a par value of US\$0.00001 each.

On May 27, 2024, the Company was successfully listed on the Main Board of the Stock Exchange following the completion of the issuance of 19,704,000 new shares of US\$0.00001 each issued at an offer price of HK\$25 per share.

As at May 27, 2024, all convertible redeemable preferred shares were automatically converted into 138,640,077 ordinary shares of the Company upon the Listing and the fair value of the convertible redeemable preferred shares as at May 27, 2024 was measured with reference to the IPO offer price of HK\$25 per share.

Ordinary shares issued and fully paid:

	Numbers of ordinary shares	Share capital
As at December 31, 2023 and January 1, 2024	–	–
Issue of ordinary shares of US\$0.00001 each	104,361,369	7
Issue of shares pursuant to the IPO	19,704,000	1
Automatic conversion of convertible redeemable preferred shares upon the Listing	138,640,077	10
As at June 30, 2024:		
Ordinary shares of US\$0.00001 each	262,705,446	18

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

16. COMMITMENTS

The Group had the following capital commitments as at the end of each of the relevant periods.

	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Contracted, but not provided for:		
Purchase of items of property, plant and equipment	1,750	16,750
Total	1,750	16,750

17. RELATED PARTY TRANSACTIONS

The following table sets forth the outstanding balances with related parties as of the dates indicated:

	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Amounts due from shareholders		
Beyond Branding Limited (<i>note i</i>)	-	5
Q-robot Holding Limited (<i>note i</i>)	-	1
Kiosk Joy Holding Limited (<i>note i</i>)	-	1
Q-robot shop Limited (<i>note i</i>)	-	*
INSIGMA Limited (<i>note i</i>)	-	*
NeoBox Holding Limited (<i>note i</i>)	-	*
QFUN Holding Limited (<i>note ii</i>)	-	*
Total	-	7

* The relevant amount is less than RMB1,000.

Note i: These entities are owned by the controlling shareholders of the Company.

Note ii: This entity is owned by a Series C investor.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

18. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group as at the end of each of the relevant periods are as follows:

Financial assets

As at June 30, 2024

	Financial assets at FVTPL RMB'000 (Unaudited)	Financial assets at amortised cost RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Trade receivables	–	507,799	507,799
Financial assets included in prepayments, other receivables and other assets	–	2,322	2,322
Cash and bank balances	–	887,616	887,616
Financial assets at amortised cost	–	86,270	86,270
Financial assets at FVTPL	21,065	–	21,065
Financial assets at FVTPL – non-current	4,000	–	4,000
Total	25,065	1,484,007	1,509,072

As at December 31, 2023

	Financial assets at FVTPL RMB'000 (Audited)	Financial assets at amortised cost RMB'000 (Audited)	Total RMB'000 (Audited)
Trade receivables	–	493,999	493,999
Amount due from shareholders	–	7	7
Financial assets included in prepayments, other receivables and other assets	–	2,346	2,346
Cash and bank balances	–	299,018	299,018
Financial assets at FVTPL	4,000	–	4,000
Total	4,000	795,370	799,370

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

18. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

Financial liabilities

As at June 30, 2024

	Financial liabilities at amortised cost RMB'000 (Unaudited)
Trade payables	47,987
Financial liabilities included in other payables and accruals	24,772
Interest-bearing bank borrowings	342,590
Total	415,349

As at December 31, 2023

	Financial liabilities at FVTPL RMB'000 (Audited)	Financial liabilities at amortised cost RMB'000 (Audited)	Total RMB'000 (Audited)
Trade payables	–	11,451	11,451
Financial liabilities included in other payables and accruals	–	5,542	5,542
Convertible redeemable preferred shares	1,253,988	–	1,253,988
Interest-bearing bank borrowings	–	133,440	133,440
Total	1,253,988	150,433	1,404,421

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, financial assets included in prepayments and other receivables, trade receivables, due from related parties, trade payables, financial liabilities included in other payables and accruals, due to related parties and current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the relevant periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

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

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at the end of each of the relevant periods were assessed to be insignificant.

The fair values of lease liabilities have been calculated by discounting the expected future cash flows using rate currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

The fair values of the convertible redeemable preferred shares and convertible bonds measured at FVTPL are determined using the option pricing model.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

Fair value hierarchy

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

Assets measured at fair value:

As at June 30, 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Financial assets				
Financial assets at FVTPL				
– Unlisted Company Investment	–	–	4,000	4,000
– Listed Company Investment	21,065	–	–	21,065
Total	21,065	–	4,000	25,065

As at December 31, 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Financial assets				
Financial assets at FVTPL	–	–	4,000	4,000

The investment is not publicly traded in an open market. Therefore, the fair value of the investment was determined with reference to the issue price for its recently issued share.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

As at June 30, 2024, there was no convertible redeemable preferred shares since the convertible redeemable preferred shares were automatically converted into ordinary shares upon the Listing.

As at December 31, 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Financial liabilities				
Convertible redeemable preferred shares	–	–	1,253,988	1,253,988

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2024

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

Fair value hierarchy (Continued)

Financial instruments in Level 3

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at December 31, 2023:

December 31, 2023

	Valuation technique	Significant unobservable inputs	Range of inputs	Increase/ (decrease) in the inputs (%)	Increase/ (decrease) of fair value to the input RMB'000 (Audited)
Convertible redeemable preferred shares	Back-solved method and option-pricing method	Discount for lack of marketability	1%~19%	1/(1)	(6,497)/6,497
		Risk-free interest rate	2.17%	1/(1)	(2,024)/2,661

During the relevant periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

20. EVENTS AFTER THE RELEVANT PERIODS

There is no material subsequent event happened after June 30, 2024.

DEFINITIONS

“AI”	artificial intelligence, simulation of human intelligence by machines
“Audit Committee”	the audit committee of the Board
“Beyond Branding”	Beyond Branding Limited, a limited liability company incorporated in the BVI on June 10, 2021, wholly owned by Jovie Trust, and one of the Controlling Shareholders
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CEO”	the chief executive officer of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairwoman”	the chairwoman of the Board
“China” or “PRC”	the People’s Republic of China, for the purposes of this report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	Qunabox Group Limited (趣致集團), an exempted company with limited liability incorporated in the Cayman Islands on June 15, 2021, and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 0917)
“Concert Party(ies)”	refers to Ms. YIN Juehui (殷珏輝), Ms. YIN Juelian (殷珏蓮), Mr. CAO Liwen (曹理文), Mr. HUANG Aihua (黃愛華), Mr. QIAN Jun (錢俊) and Mr. WU Wenhong (吳文洪), and “Concert Party” means any one of them
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to the Concert Parties and their respective holding vehicles
“Director(s)”	the director(s) of the Company

DEFINITIONS

Company Profile	“Global Offering”	the Hong Kong Public Offering and the International Offering (both as defined in the Prospectus)
Corporate Information	“Group”, “our”, “we” or “us”	the Company and its subsidiaries and branch companies from time to time or, where the context so requires, in respect of the period prior to the Company became the holding company of its present subsidiaries and branch companies, such subsidiaries as if they were subsidiaries of the Company at the relevant time
Financial Highlights	“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
Management Discussion and Analysis	“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
Other Information	“IFRS(s)”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and International Accounting Standards and interpretation issued by International Accounting Standards Committee
Financial Information	“Independent Third Party(ies)”	any person(s) or entity(ies) which, to the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
Definitions	“Jovie Trust”	a trust established on August 27, 2021 by Ms. YIN Juehui (殷玉輝) as the settlor and the beneficiary
Definitions	“KA customer(s)”	key account customers
Definitions	“Kiosk Joy”	Kiosk Joy Holding Limited, a limited liability company incorporated in the BVI on June 10, 2021, wholly-owned by Liwen Trust, and one of the Controlling Shareholders
Definitions	“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on May 27, 2024
Definitions	“Listing Date”	May 27, 2024

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Liwen Trust”	a trust established on September 24, 2021 by Mr. CAO Liwen (曹理文) as the settlor and the beneficiary
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NeoBox”	NeoBox Holding Limited, a limited liability company incorporated in the BVI on June 10, 2021, wholly-owned by Mr. HUANG Aihua (黃愛華), and one of the Controlling Shareholders
“Prospectus”	the prospectus of the Company dated May 17, 2024
“Reporting Period”	for the six months ended June 30, 2024
“RMB”	Renminbi, the lawful currency of China
“R&D”	research and development
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Quna”	Shanghai Quna Network Technology Co., Ltd.* (上海趣致網絡科技有限公司), a limited liability company established under the laws of the PRC on July 18, 2013 and a subsidiary of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

Company Profile	“Stock Incentive Plan”	the stock incentive plan of the Company approved and adopted by the Company on September 22, 2021
	“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
	“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
Corporate Information	“United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
	“US\$”	United States dollars, the lawful currency of the United States
Financial Highlights	“%”	per cent
	* <i>For identification purposes only</i>	

Management Discussion and Analysis

Other Information

Financial Information

Definitions